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Spring 2006 Newsletter

May is National Community Action Month

Free Tax Site is a **HUGE Success**



As of this writing, tax season has just ended, but we already know the tax site has really benefited low-income Duluthians! Check out the table (right) for some of the highlights.

Tax site volunteers are all well-trained, some with years of previous tax preparation experience. Every return was reviewed for accuracy and the majority of returns were e-filed, meaning the customers had their refunds in 2-10 days. Many participants in our matched savings programs use their refunds to pay off items on their credit reports or to add to their matched savings accounts. (See page 5 for more information. For some households the Earned Income Tax Credit (EITC) is the key to homeownership.

Stasia Ruskie is back for her second year running the Community Action Duluth Free Tax Site. We asked her what she likes about being the tax site director.

“What I really like is that my volunteers are intelligent, dedicated, and compassionate. I like providing tax preparation services to people who don’t necessarily have the money to pay someone, but I also like that we educate people about their finances

and about opportunities to improve their futures.

“Sometimes volunteers show our clients that they qualify for a tax deduction or credit. Sometimes volunteers tell clients they might be eligible for additional government services, or that we have a Community Action program that could help them achieve more financial stability. Sometimes they help by just giving the time to listen to someone who needs to be heard. We all see the value in a community helping raise the quality of life for individuals, because it helps everyone in the community.”

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Number of returns prepared: 507
Total dollars of refunds received by our customers: \$650,477
Number of volunteers involved in the tax site: 25
Number of credit reports obtained: 93
Number of people screened for benefits eligibility: 306
Number appearing eligible for benefits* they don't currently receive: about 175
Dollars saved by customers due to free tax prep: at least \$50,000
*They were all referred to various programs, such as food support, child care assistance, energy assistance and medical coverage.

Tax Site Success

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Peggy and Mary, the wonderful volunteers from U.S. Bank, also returned for a second year to open accounts, run credit reports and provide financial information for our tax site customers every Tuesday evening. Here are their words about this experience:

“This is our second year participating in the tax nights. It has been a rewarding experience for us both personally and professionally. At the end of each evening, we left with a feeling of satisfaction of helping others to know and learn more about their own financial picture.

“This year we met one-on-one with clients to offer them credit reports, new account openings and financial information. Each client could make the decision to view their credit report and discuss it with a banker. We also opened several new accounts to allow clients to receive direct deposit of their refunds.

“During the account openings, we coached people about the importance of keeping their accounts in good standing. Many people had questions about past, present or future financial decisions. This gave us an opportunity to get to know their situations and offer suggestions.

“Because we met individually with people, we were able to make personal connections with the clients and they felt comfortable discussing their questions. We let them know that

banking can be a positive experience and that financial institutions are there to offer assistance.”



Mary from US Bank checks a credit report for a tax site client.

Teresa, the friendly person who answers the phone and greets people at the front desk of Community Action Duluth (pictured below right), also was a regular tax site volunteer:

“What do I need to bring?” “What if I worked in Wisconsin?” “What if I have never filed before?” “What if I receive SSI?” “What are the income guidelines?” “Where are you located?” The questions were endless.

“I went through the three-hour tax site training expecting to greet people when they came in to have their taxes done. I thought I would be at Community Action Duluth every Tuesday night from 5-9 pm, go home and leave it behind me. I should have known life is never that simple.

“To say that the Community Action Duluth tax site was busy is an understatement. After long days and longer nights I have had time to reflect on this ‘taxing’ experience.

“The people with whom I volunteered (tax preparers and assistants), from every walk of life, are amazing! They showed up week in and week out and never ever

complained about the time they gave, the occasional grumpy person who was tired of waiting, the long hours or even about the fact that I emailed them twice a week to remind them of their scheduled hours and to ask them to give a little more. Instead, they brainstormed ways we could make it a better experience.

“I hope, in a small way, I gave a little back to a world that has blessed me with the best job I have ever known, working at Community Action Duluth.”



A “Big View” Look at Poverty

Like a single drop of water hitting a pond, one person can make a **big impact**: an impact that ripples across gender, race and class lines.

What are systemic barriers?

Some barriers are visible and experienced physically. Visible barriers are usually easy to detect and for the most part can be “removed.” Invisible barriers or “systemic” barriers are more difficult to detect. They are allowed or even fostered by our society, by norms of behavior or by institutions. Some systemic barriers are created, tolerated, or held in place by a social system, such as an educational institution or organization.

Systemic barriers occur when practices or policies put in place by an organization discriminate against individuals by screening them out from participation. We often don’t realize they exist because they are built into our system and seem “normal.” It is essential to closely examine these systemic barriers and remove them in order to effectively promote full participation in our communities and to ensure full access to services and programs.

Barriers get in the way of results

Examples of systemic barriers:

- Lack of appropriate training or opportunities
- Shortage of jobs that pay a livable wage
- Transportation issues or child care opportunities

Systemic change is necessary!

A systemic change occurs at the policy level within an organization, network of partners, community group, or another system that addresses the “root cause of the problem.” Systemic change is often against the status quo. It implies risk taking and a willingness to challenge rules and old ideas.

For more information about how you can become more involved in creating systemic change for low-income citizens, visit www.communityactionduluth.org.

Being an Ally is Awesome

by Michael Reuter, Community Action Duluth Ally

One year ago on a sunny spring day, my wife and I attended a Circles of Support training session. We left inspired by the philosophy. We loved the concept of forming a “Circle” with one person who is motivated to get out of poverty and three people who provide a support system. We joined!

Being an Ally in the Circles of Support program has been a challenging and rewarding experience. It has been challenging to meet a stranger and then transition to becoming part of her support system. Seven months after being “matched,” the members of our Circle are still getting to know one another and building trust.

The rewards of Circles of Support come in the form of participant success, learning, and relationships. It is exciting and rewarding to see a participant successfully navigate challenges. The personal learning is harder to quantify. I have learned about the complexity of poverty. Spending time in groups which are diverse in all respects has helped me learn about our community, as well as about myself. Circles of Support brings together amazing and interesting people.

Circles of Support is clearly a part of the real solution to the challenges of poverty. I would encourage anyone willing to share in the challenges of life with others to come and check out the program.

Circles of Support are simple and powerful. They move outward, first touching one life, then another, swelling and growing until everything surrounding them becomes encircled... and changed.

One Participant's Story

Jamie's job counselor referred her to Project HOPE in September 2005. Since then, Jamie has been working on goals that include getting off MFIP (the Minnesota Family Investment Program, or public assistance) and increasing her income.

Project HOPE is a collaboration between St. Louis County Health and Human Services, the four Community Action agencies serving northeast Minnesota, the Minnesota Chippewa Tribe and the Work Force Centers serving residents of Carlton, Itasca, Koochiching and St. Louis Counties.

Project HOPE utilizes employment advocacy and Circles of Support as the means to assist people in stabilizing their families and lives while moving off of the MFIP system.

The following interview was conducted by Jennifer Pigeon, Jamie's Family Employment Advocate at Community Action.

What goals have you achieved since getting involved with Project HOPE? I completed my resume, cleaned up my credit report, and found a job. I now earn enough money to pay all of my bills and have a little extra. I have learned how to budget my expenses and keep the bills paid on time.

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What changes have you made in your life? I am on track with my school goals and I know what my school plans are for the future. I've also changed my perspective on several things in life in general, like budgeting!

How does your family employment advocate help you? She helps me by going over my goals with me to see what I have already accomplished and what I still need to do. She has assisted me with cleaning up my credit report and helped me understand what needs to be done to keep it clear of further mistakes. She is someone I can talk to in general about anything and she listens. She provides a lot of support for me in reaching for my goals and helping me to better my future. She's one of the support members that I look to when I don't know what to do or how to handle a situation. She usually has a solution or an idea to help me fix my problems.

What are your hopes for the future? I hope to get a job at least part-time making at least \$8 an hour and be able to move up in that job. I also plan to finish school in two years and become a sonographer.

What else would you like people to know? Working with a Project HOPE advocate has helped me through a lot, and I strongly suggest that anyone who feels they are on the wrong track in life and wants to change it should work with an advocate.

Circles of Support introduces the Good Neighbor Fund

The Good Neighbor Fund was initiated with assistance from a Circle of Support Ally who wanted to make unique contribution in order to make a difference! Not only did the Ally contribute a monetary donation, but she also had her employer match her donation through their Matching Gift Program.

Families in poverty generally don't have an extra pocket of change to deal with unexpected emergencies. At Community Action Duluth, a family dedicated to moving toward self-sufficiency can call upon their circle of supportive Allies to join them in applying for Good Neighbor funds.

Funds can be used to keep and maintain housing, complete auto repair, support education expenses or legal fees, pay for essential utilities or resolve other emergencies. Good Neighbor contributions ensure that families maintain the stability they have worked hard to achieve.

If you wish to make a tax-exempt contribution, send your donation to:
Community Action Duluth
c/o "Good Neighbor Fund"
19 N. 21st Ave West
Duluth, MN 55806
Ph# 726-1665, Fax: 726-1612

Call us with any questions, and don't forget to contact your human resources or community department to find out if your employer offers a matching gift program!

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FAIM Participant Gets into “Money-Saving Mode,” Buys a Home

by Rain Elfvin

Early last spring, a friend of mine* told me about the FAIM program while we were jogging on the Lakewalk. My soon-to-be-wife and I had just had a baby five months earlier and were renting a somewhat cave-like apartment on First Street. My jogging friend said that if I signed up for FAIM and was able to put just \$40 a month for two years into this “matched savings account,” I could end up with nearly \$4,000 to use towards a down payment for a home.

“That sounds ... like a great idea,” I said, trying to catch my breath. I figured I would probably never get around to applying and someone else would do it instead of me. If my memory serves me correctly, a couple of days later I received an application in the mail from Angie Miller of Community Action Duluth. It turns out that my friend had contacted her and asked her to send me the application. For that I am very grateful to both of them.

I enrolled in the FAIM program, and in June 2005, I wrote my first check to Bremer Bank for my new matched savings account. I made a deposit every month from there on out. My wife and I attended a financial class at Community Action as well as the “Homestretch” class through Neighborhood Housing Services (NHS). This got us in a “money-saving mode” and made us feel that we really could become homeowners.

When we got our tax return this past February, I made a large deposit that covered the remainder



of our first year of required deposits as well as the second year in its entirety. This meant that our FAIM money would be available in full sometime in the coming summer. Excited, we looked at houses online and watched that real estate show on TV on Sunday mornings, but homeownership still seemed far away.

One afternoon after fantasizing about houses, I called Northern Communities Land Trust (NCLT). Since we had already attended the NHS Homestretch classes, we were quickly accepted into NCLT’s homeownership program, and before we knew it, we had chosen a realtor. Shortly thereafter, we bid on a home in the Denfeld neighborhood. We were able to use the first \$480 we had deposited, and with the match, our total available for our down payment was \$1,900. This worked out perfectly, because our home

needed some rehab and NCLT was able to move some of the down payment assistance to rehab and FAIM kicked in enough to make this feasible. It has all fallen into place and I believe it was meant to be. We closed on our new house the last week of March.

*The friend who told Rain about FAIM successfully completed the FAIM program last year and is using his match money to get his master’s degree at UMD.

Rain is a full-time employee at Whole Foods Coop.

FAIM Successes

In the past 18 months, 26 FAIM participants have used their matched savings to purchase a house, attend college or start or expand a business. About 100 more people are currently working toward their asset goal through the FAIM program.

The program requires participants to save \$40 of their own money each month for 1-2 years. During that time, they attend classes and meet with Community Action staff regularly. Participants receive a 3:1 match on their savings, which means that people who save the maximum amount of \$960 in 2 years earn \$2,880 in match money.

Three people who opened their FAIM accounts in the last six months have recently purchased houses. This is really exciting news and we are looking forward to working with current FAIM savers to help make their dreams a reality.

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We still have openings in the FAIM program. For more information and an application, call Kellye at 726-1665 extension 16.

FAIM Income Guidelines:

- Household of 1 - \$19,600
- Household of 2 - \$26,400
- Household of 3 - \$33,200
- Household of 4 - \$40,000

Business expanded or started with FAIM funds include:

- Child care provider
- Personal fitness/self defense instructor
- Singer/song writer
- Artist
- Life Coach
- Ferrier
- Tailor
- Glass blower



11th Annual Steve Chadwick 5K

Walk/Run from the Cold Event Draws a Crowd

Blue skies and sunshine greeted over 100 runners and walkers who participated in the annual event that honors former Community Action Duluth Director and community leader Steve Chadwick. Participants negotiated the 5K Lakewalk course, enjoyed refreshments and submitted bids in a silent auction.

Proceeds from the event benefit Northern Communities Land Trust, the Minnesota Citizens Federation–Northeast and Community Action Duluth.

Steve Chadwick, who died in 1985 from brain cancer, was Executive Director of Community Action Duluth from 1986 to the time

of his death. Steve dedicated his professional and personal life to social and economic justice.



Common Cents: The Money Class

Tuesdays, May 9, 16, 23 & 30, 6:00-8:00 pm

Wednesdays, June 7, 14, 21 & 28, 6:00-8:00 pm

According to a recent report, “Generation Broke—The Growth of Debt Among Young Americans,” the average credit card debt of young adults between 25 and 34 years old increased 55% to over \$4,000 from 1992 to 2001.

Among young adult households with incomes below \$50,000, nearly one in five spend over 40% of their total income on debt including student loans, mortgages and credit cards. The youngest adults (18-24 years old)

saw an even sharper rise in credit card debt—104%—to an average of \$2,985. For many younger people, this debt is a barrier to saving for emergencies, starting a retirement account and purchasing a house.

Community Action Duluth can help. We can provide our “Common Cents” classes (8 hours total) to groups upon request. Classes could be held at churches, non profits and even for employees at their worksite. Call for more details.

Learn about:

- \$ **Saving** for the future
- \$ Tracking **spending**
- \$ Getting out of **debt**
- \$ Improving **credit**
- \$ Preparing for **homeownership**
- \$ Avoiding **predatory lending**
- \$ **Investing** basics
- \$ **Budgeting**

- Child care and pizza provided
- Classes are held at Community Action Duluth
- To register, call Kellye at 726-1665 extension 16.

Community Action Duluth Recognizes 40 Years of Commitment to Ending Poverty

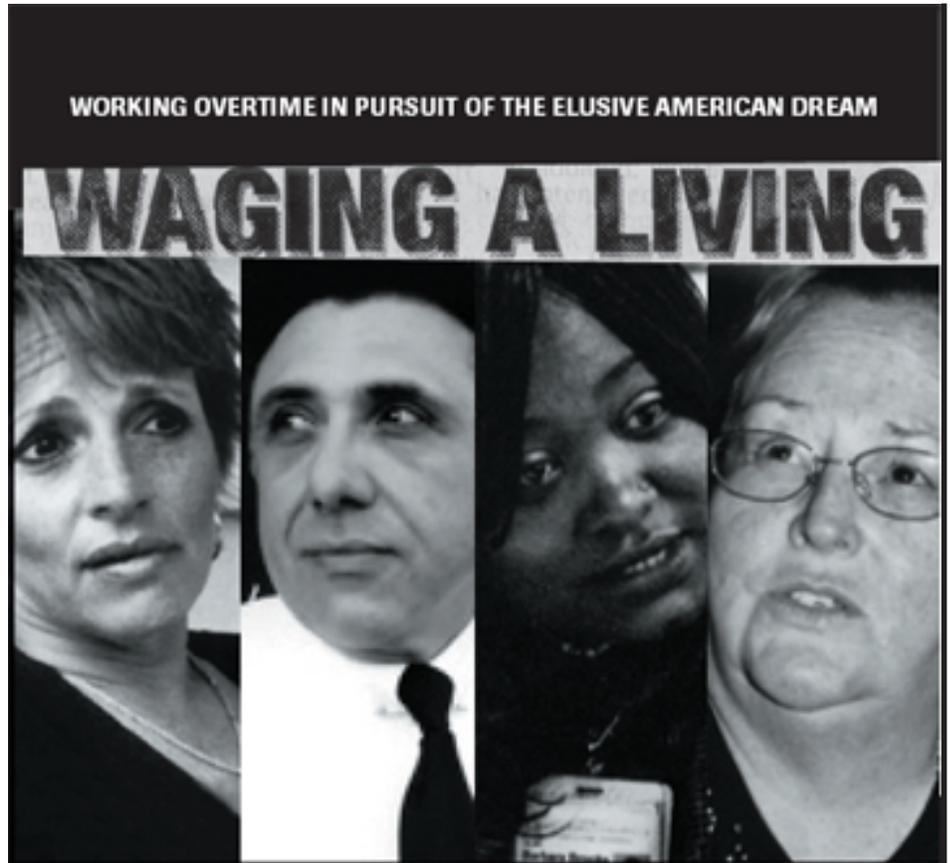
Community Action Duluth celebrated the past 40 years of work to end poverty with a special event on November 17, 2005. Executive Director Stan Kaitfors and Board Member Marsha Hystead welcomed a gathering of 150 persons and highlighted Community Action's critical role in addressing poverty over last four decades.

Those in attendance:

- Celebrated the contributions of past directors and dedicated board members;
- Recognized the collaboration of many partner organizations who work to un-do poverty;
- Named and publicly appreciated the elected officials who provide a voice to and advocate for the many faces of poverty in Duluth;
- Expressed gratitude for the all important leadership that comes from people who experience poverty and guide the future of our organization.

The highlight of the event, however, was the showing of Robert Weisberg's "Waging a Living" documentary. This eye-opening documentary chronicles the lives of four low-wage workers as they struggle to lift themselves out of poverty. The film shows the complex issues people face on their path out of poverty and challenges the prevailing American notion that hard work alone can overcome poverty.

Community Action Duluth has purchased a copy of the film "Waging a Living" and is showing it to congregations, community groups and colleges. **If you would like to schedule a showing of this film, please call Xavier at Community Action at 726-1665 extension 15. We can also arrange a panel discussion after the film with Duluthians who struggle to make ends meet.**



40-Year Timeline of Community Action Duluth

1960's and 1970's

Community Action took the lead to develop programs for children and families including Head Start and free neighborhood services.

1980's

Community Action delivered core services: energy assistance, weatherization and food assistance.

1980's through the early 1990's

Community Action collaborated with grassroots initiatives to affect social change with emphasis on unified planning for affordable housing and reigning in on utility rate hikes.

1990's to the present

Community Action has taken what we have learned from those who experience poverty and launched new programs to build assets, build life-changing relationship and build leadership.

Action Updates

Head Start

Due to unpredicted budget shortfalls in transportation and personnel, busing for Head Start parents was scheduled to be discontinued on April 17th. Parents would have been required to provide or find alternative transportation for their children for the remaining 27 days of the school year.

Head Start Policy Council members, parents and concerned community members rallied around this important issue of access in our community. The Duluth School Board initially offered \$22,000 toward the continuation of busing and employment of Head Start Resource Aides (HRAs) through April 17. However, at the April 18th School Board meeting, the decision was made to continue busing for the rest of the school year. This is a major victory for Head Start parents. A big thank-you to the Duluth School Board and Superintendent Keith Dixon. A special thanks is also extended to School Board and Community Action Board member Laura Condon for her compassion and diligence on this issue.



Above: Duluth Mayor Herb Bergson attended a benefit screening training and volunteered at the Community Action Duluth tax site this spring. At the tax site, a screener helped people determine if they were eligible for benefits using the Children's Defense Fund tool, "Covering All Families."

Minnesota Legislative Concerns

Housing Solutions Act (HSA)

The Housing Solutions Act calls for dedicating significant new funding for affordable housing in Minnesota. The proposed legislation is targeted to assist low-income households and leverages local resources through the Challenge Program and a local incentives fund.

HSA creates a dedicated fund through a deed surcharge. The surcharge could raise an estimated \$69 million per year for housing and homelessness programs. The deed tax is a one-time transfer tax imposed on the value of the real property transferred.

Under current law, 0.33% of the value of the property goes towards paying the deed tax. The new surcharge of 0.17% would increase that amount to raise revenue for housing and homelessness programs. For example, on the sale of property valued at \$200,000, the surcharge would be \$340. Property values have risen dramatically in Minnesota,

so a small increase to tax will be easily absorbed.

The HSA Bill was heard in the House Jobs and Opportunity Committee and Senate Tax Committee. The bill is currently in the Senate's omnibus tax bill.

The final fate of this bill remains uncertain as this newsletter is issued. Please contact our local legislative delegation in support of the Housing Solutions Act!

The HSA:

- Secures \$29 million annually in new resources for rental assistance through the state Housing Trust Fund.
- Secures \$23 million annually to invest in Minnesota's workforce housing program, the Challenge Fund.
- Leverages \$17 million each year in local investment in affordable housing with a new local incentive program called HALO (Housing Account for Leverage Opportunity).

Board Retreat Directed at “Engaging Community to End Poverty”

Ten current or former Community Action Duluth Board members and five staff members gathered on March 11th to evaluate the current state of poverty in Duluth. Those in attendance were challenged to envision what a community engaged in ending poverty would look like and to identify the best ways to engage Duluth citizens and organizations toward that end.

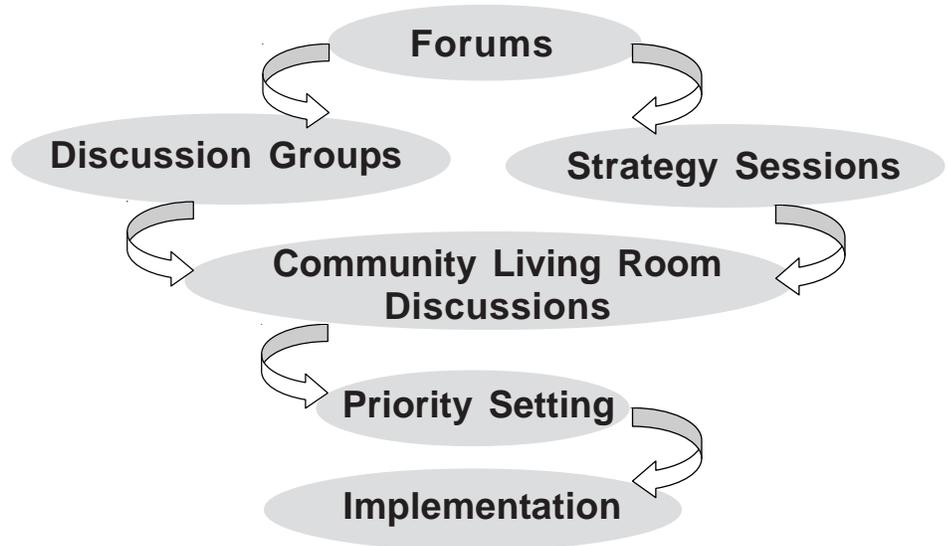


Retreat participants were inspired by a presentation from Jim Scheibel, Director of the Community Action Partnership of Ramsey and Washington Counties. Jim shared their “Community Blueprint to End Poverty” project.

The Blueprint process has been underway in St. Paul and surrounding communities for the past 18 months. The process begins with broad forum presentations around poverty and leads up to the identification of community-generated strategies for implementation.

In May, the Community Action Duluth Board will consider a resolution to initiate a “Blueprint to End Poverty” process in Duluth.

Stages/phases of a blueprint process



Welcome, New Board & Staff Members!

Joanne Dahl
Jokela (right) joins the Board as a public sector representative. Joanne has worked for St. Louis County Health and Human Services for over 25 years and brings a



wealth of expertise in the areas of child care, public policy and community outreach. Joanne has also been a tax site volunteer for two years.

Toni Thorstad has been an involved community member in Duluth for over 30 years. She has worked for numerous non-profits in the area of childcare, mental health and neighborhood organizing. She is re-joining the Board of Directors after a three-year absence.

Kellye Owens (above) joined the staff as Asset Program Associate in February and is working with HOPE VI matched savings and new savers in the FAIM Program as well as teaching our **Common Cents** financial literacy classes. Kellye brings a banking and financial investment background to her role at Community Action. Welcome, Kellye!

Community Action Duluth

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“Becoming an Ally/Volunteer has been one of the most **rewarding** experiences that I’ve ever had.

“We may come from diverse backgrounds and appear different, but we all have the same goal: to **live in harmony** and be able to provide for our families and ourselves.

“It’s been exciting meeting people from around the community who just want to help.”

–Tom, a *Circles of Support*
Ally/Volunteer

For more information about Circles of Support, see pages 3-4.

If YOU are interested in becoming a Circles of Support Ally/Volunteer, please visit our website at www.communityactionduluth.org OR contact Xavier Bell at 726-1665 extension 15.