

STRENGTHENING RURAL FAMILIES

By the Numbers: Using Data to Drive Action on Behalf of Children and Families

THE ANNIE E. CASEY FOUNDATION

Bordering the Dakotas about 175 miles northwest of Minneapolis, west central Minnesota is a nine-county rural area about the size of New Jersey but with only 210,000 residents. It is not only a land of sparkling lakes, fertile farmland, and abundant wildlife, but also of challenged small towns, low-wage jobs, and families struggling to get ahead.

In time-honored agrarian fashion, the area has a long history of people helping people—with nonprofits and community groups, as well as government agencies, pitching in. Among them is West Central Initiative (WCI), a regional community foundation that has worked to build the area's economic and social viability since the dark days of the 1980s farm crisis, via grants, loans, training, and technical assistance.

Today, west central Minnesota is adding a fresh chapter to this history by pursuing an approach to helping low-income working families that uses good data to drive decision-making. Led by WCI and a broad group of regional partners, this effort—Rural Family Economic Success (RuFES)—is among the first by a rural area to adapt and apply a framework originally designed for urban families.

“There’s a huge amount of power in this framework for people trying to do comprehensive community work on behalf of families and children,” says John Molinaro, who helped plan the Minnesota effort as a WCI vice

president before leaving in 2006 to join the Aspen Institute in Washington, D.C., where he helps lead the Community Strategies Group.

“It’s resulted in a reframing both in the way people in the region work together and in the way West Central Initiative, as an organization, understands itself and does its work,” Molinaro explains.

The RuFES framework, which was developed and is being promoted by the Annie E. Casey Foundation, includes three main components:

- **“Earn It”** focuses on job readiness, good jobs with benefits, and helping families fill gaps by taking advantage of supports like tax credits.
- **“Keep It”** focuses on expanding affordable options for transportation, child care, housing, health care, and goods and services; building family financial management skills; and combating predatory financial practices.
- **“Grow It”** emphasizes helping people save and accumulate assets; attracting business to communities and supporting entrepreneurs; improving community amenities; and promoting economic development strategies linked to the regional economy.

Data collection and analysis have underpinned the Minnesota effort, which has received Casey

Foundation support. “Our ability to look at the data before we get involved with a project has really been enhanced,” says Nancy Straw, president of WCI, located in Fergus Falls. “We’ve always measured things—but not always the really important things.”

Data provided impetus for careful long-range planning, but particularly compelling statistics prompted swift action on two initiatives: Free tax assistance programs were expanded to help more working poor families claim the Earned Income Tax Credit (EITC). And Northern Connections, Inc., a nonprofit organization, was started to help low-income people connect to jobs, maintain employment, advance in a career, and build assets.

“By not only embracing the rural family economic success approach but also using the best data to guide its planning process and evaluate its resulting work, west central Minnesota has enhanced its longstanding efforts to strengthen rural communities, families, and children,” says Miriam Shark, a senior associate at the Casey Foundation who oversees its rural agenda.

The importance of good data

GUIDING THE PLANNING PROCESS AND EVALUATING WORK

Good data can help generate interest in a problem, point to possible solutions, and track progress. This has proved especially true for west central Minnesota’s RuFES effort because it involves people with many

perspectives. Data helped pave the way to common understanding, leading beyond individual perception and anecdotal evidence.

“The framework and data built that bridge,” says Wendy Merrick, WCI’s program coordinator.

Data were first used to engage community participation, with a data profile and trends presentation kicking off a May 2004 workshop that launched RuFES. Data have since been used very deliberately—to better understand families’ needs, design strategies, solicit funding, and assess success.

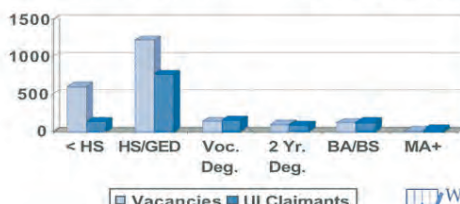
Because WCI also does economic development and regional planning work, it had long used data to chart its course and had staff well versed in collection and analysis. To plan RuFES, WCI sought data that corresponded to RuFES “**Earn It, Keep It, Grow It**” goals that describe what families need to achieve economic success. As a result, WCI dug deeper to find meaningful baseline data addressing root causes, not just symptoms; measuring outcomes, not just output. “It’s helped us increase the information we bring in to better understand and think more broadly about children and families’ well-being,” says Merrick.

New data offered new insight and direction. For example, for each of 11 potential goals identified, a set of benchmark measures was created. Trends to test were also established, as well as a list of areas requiring more data collection and analysis. New data revealed

that an initial goal—to ensure that job seekers have a high school diploma or GED—wasn’t necessary. When retired workers were excluded, the data showed many job seekers in the region already *have* a diploma or GED.

TRENDS: Adults who want to work get connected to job opportunities in the community or region

There are Lots of Jobs Available for Starting Workers



For each of 11 preliminary “**Earn It, Keep It, Grow It**” goals, WCI created a set of benchmarks, and the data collected helped to identify both challenges and opportunities.

Partners are also using the new data back at their own organizations. “Some I’d never seen before,” says Steve Nagle, executive director of West Central Minnesota Communities Action, Inc., a CAP in Elbow Lake. “It’s been very helpful in doing our needs assessment, grant writing, and planning.”

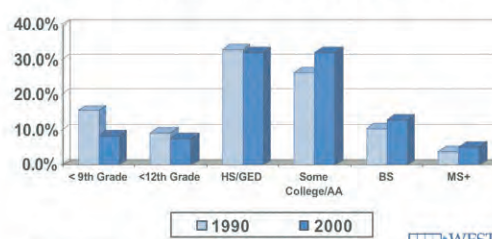
WCI first learned about what came to be known as RuFES in June 2003 during a consultative session convened by the Casey Foundation and facilitated by the Aspen Institute. “It really opened our eyes to all the different things we could be doing to impact so many more things in our region,” says Straw.

The initial planning process to promote RuFES featured four stages:

- Data were collected and analyzed to identify regional issues and trends to inform planning. WCI sought data corresponding to the RuFES goals.
- Over 50 people from a variety of backgrounds—community action programs (CAPs), economic development, public health, housing, public schools, county social services, workforce development, Congress, low-income families—attended the May 2004 workshop to learn about RuFES and examine the data presented. Eleven potential goals were identified and divided into two categories—“Low-Hanging Fruit” or easily accomplished goals vs. “Tough Nuts to Crack” or potentially high-impact goals requiring more time, work, and resources.
- Three working groups formed to collect and analyze data in their respective areas (Earn It, Keep It, or Grow It).
- A large group met periodically to review and coordinate, including at an October 2005 workshop. This evolved into a Family Economic Success Council that shares information and evaluates progress.

TRENDS: Working adults are high school graduates or have a GED degree.

More Adults Are Completing High School



Source: US Census



WCI’s data drove their decisions on proceeding—or not proceeding—with existing plans. An initial focus on high school completion was dropped when data showed that many area job seekers already had diplomas.

Helping area families “Keep It”

EXPANDING FREE EITC TAX ASSISTANCE

How many west central Minnesota families claim the Earned Income Tax Credit? To determine this, WCI used U.S. Census data about family size, age, composition, and income to estimate the number who would qualify. Then these results were compared with Internal Revenue Service data about EITC usage, published by the Brookings Institution,¹ to estimate the number of families who may have qualified for EITC but failed to claim it and the average size their payment might be.

From this, WCI determined that about 26 percent of the people in the region eligible for the tax credit—or about 3,700 families—didn’t claim it, leaving up to \$5.5 million unclaimed. On average, the qualifying families in west central Minnesota receive about \$1,500 in EITC payments. Using a conservative multiplier, if

¹ Statistics on how many people claim the EITC can be found on the Brookings Institution website (www.brook.edu).

WCI found that if every family in the region that qualified for the EITC actually received it, as much as \$25 million would be added to the region’s annual economic activity.

every family in the region that qualified received the EITC, it would provide as much as \$25 million in additional annual economic activity. Another challenge was tax preparation—the only organization offering free tax assistance focused on helping seniors, not on the EITC.

“We were just shocked,” says Nagle, the CAP director. “Then we surveyed our Head Start parents and found that only 2 out of 200 went to the [existing] sites. We weren’t getting to them. That process drove us to the EITC.”

A subgroup formed to work on EITC, deeming it a “low-hanging fruit,” and four CAPs with a history of working together added free tax assistance programs in 2005. Two opened sites exclusively focused on EITC. Two expanded existing sites so they could serve more families qualifying for EITC.

While the region continues to track the EITC campaign’s impact, a comparison of data from the first two years at the expanded VITA sites shows the number of people filing has risen by up to 25 percent. The number of dollars refunded has risen by almost 26 percent, for a total of \$428,000.

The campaign mushroomed after the National Community Tax Coalition (NCTC) selected the metro

Millions in EITC dollars go unclaimed					
County	% qualified and filing	# qualified but not filing	Average \$ per return	Unclaimed \$ per year	Recoverable claims*
Becker	83.8%	390	\$1,632	\$636,640	\$1,909,919
Clay	77.9%	703	\$1,546	\$1,086,797	\$3,260,390
Douglas	74.6%	535	\$1,414	\$755,882	\$2,267,647
Grant	80.1%	88	\$1,470	\$129,608	\$388,824
Otter Tail	69.5%	1,234	\$1,502	\$1,853,481	\$5,560,443
Pope	66.8%	249	\$1,299	\$322,914	\$968,741
Stevens	54.6%	291	\$1,425	\$414,097	\$1,242,292
Traverse	57.4%	138	\$1,531	\$211,407	\$634,220
Wilkin	79.7%	87	\$1,628	\$140,903	\$422,710
Region	74.1%	3,714	\$1,494	\$5,551,729	\$16,655,186

*If qualified taxpayers who did not claim the EITC amended their returns for the prior three years, as allowed by law, they would receive three years of the credit.

area encompassing Moorhead, Minnesota, and Fargo, North Dakota, as one of four national demonstration sites for an EITC outreach campaign. Capitalizing on this, outreach was stepped up throughout west central Minnesota, particularly in sparsely populated rural communities. Funding has come from WCI and NCTC.

When Sandra Ly heard that a new free tax preparation service by trained volunteers was available in the building where her son attended Head Start, she was a little skeptical.

“I wondered if they were going to do it right,” says Ly, 35, of Moorhead, who has four children ages 3 to 15 and has worked cleaning offices. “But I’ve been going there for three years now and it is great.”

So great that the first year Ly and her husband Cory, 35, who works at an agriculture equipment manufacturing plant, received a \$9,000 tax refund including money from EITC. “We were all extremely happy and the kids were so excited because they got a little extra,”

says Ly, who used the money to pay off student loans, as well as credit card and medical bills. This improved the couple's credit rating and reduced expenses, enabling the Lys to buy a larger home. "It would have been so easy to blow all that money but we were thinking ahead," says Ly.

At the site she visits, offered by Lakes and Prairies Community Action Partnership of Moorhead, the number of returns prepared has increased from 84 to 425.

Helping families "Earn It"

THE CREATION OF NORTHERN CONNECTIONS, INC.

Data showing that about 36 percent of the people in west central Minnesota who get off government cash assistance are back on within a year helped drive the decision to start Northern Connections. The data, which came directly from the Minnesota Department of Human Services case management computer system—calculated by a computer analysis of case records, proved important to RuFES, which aims to help low-income families not only reach but also maintain financial stability.

"Recidivism was quite an issue in our region," says Debra Carpenter, the Northern Connections executive director. "We knew families struggled to be stable in their employment and many moved back on assistance because it was difficult to be economically self-sufficient. We knew the 36 percent rate was higher than the state rate. That was a good reason to think about replicating Connectinc."

Connectinc. is a North Carolina nonprofit organization that seeks to help rural families achieve financial independence by linking them with resources and advice via one-on-one telephone conversations with trained counselors. In 2006, Connectinc.'s Work Central program assisted customers in 1,920 job placements, resulting in actual wages earned of \$10.2 million. Customers who

used Work Central services in finding employment had an 83 percent six-month job retention rate.

Counselors for Northern Connections contact potential clients using a state list of people leaving assistance. During the program's early months, in fall 2006, 89 percent of those contacted accepted the offer of services, with four counselors serving 100 families. The program hopes to gradually serve up to 1,000. By helping people not only to stay employed but also to develop career skills and move into better-paying jobs, Northern Connections hopes to halve the recidivism rate.

Data are collected from participating families at various points. During an early call, an assessment is done, gathering data about employment status and history, education, family composition and needs, living arrangements, assets, transportation, and barriers to employment such as a criminal record. In subsequent calls, the data gathered depend on a client's goals. "It helps us understand the needs of families and the progress they're making in working with us. It also helps

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Because many rural families can't find transportation or must travel long distances to meet with a counselor face-to-face, Northern Connection's call center approach offers an effective way to deliver services.

How to make data work for rural initiatives

TAKE TIME FOR PLANNING

Taking the time to collect and analyze data before and during the RuFES planning heavily influenced the actions taken in west central Minnesota. The region's experience also produced insights into how to make data work for rural families:

- **The best data are often readily available.** Sources include the Brookings Institution (www.brook.edu), the U.S. Census Bureau's American FactFinder (www.factfinder.census.gov), KIDS COUNT (www.kidscount.org), Data Place (www.dataplace.org), and the websites of state government departments that address RuFES-related issues, such as the Iowa Data Center (www.iowadatacenter.org) or the Minnesota State Demographic Center (www.demography.state.mn.us).
- Because there's so *much* data, it's vital to swiftly find and **focus on the few pieces offering meaningful information for decision-making.**
- **The RuFES goals offer an essential tool to determine which data are and aren't useful**—and to focus on what will make a difference for area families. To avoid being overwhelmed by interesting but ultimately unhelpful data, ignore data that don't clearly relate to a RuFES goal.
- **Sometimes the available data don't fit the bill—or correspond to a RuFES goal. Look for the best alternative,** which may be a proxy or data set measuring a characteristic associated with the goal.

For example, no data precisely measure the “Earn It” goal that “working family members hold jobs that pay a wage that supports a stable family life.” But a proxy can be created by looking at studies of how much income families need to get by and comparing those studies to the published data set. From this, it could be concluded that 200 percent of the federal poverty level is what families need to meet basic needs. Data sources, including the U.S. Census Bureau, estimate the number of families earning 200 percent of poverty.

Wider Opportunities for Women (www.wowonline.org) has developed a Self-Sufficiency Standard that calculates how much money working adults need to meet their basic needs without subsidies of any kind, taking into consideration

variations in family size and composition, and geographic location.

- **Sometimes the available data don't translate readily into a proxy. Instead create a data set.** For example, one “Keep It” goal is: “Families are using reasonably priced savings and checking accounts and other financial services.” Rather than spending a lot of money on research to get local data, a simple proxy can be created by surveying Head Start parents—who represent a good cross-section of low-income families—about their banking practices to create a useful and localized data set that helps measure this goal.
- **Narrow the universe before collecting data.** Use peoples' experience to determine what's likely to be most important in their area. For example, recruit a small data collection working group of people with a diverse set of perspectives. Bring together four to six knowledgeable people who work with various RuFES goals to share their views on trends affecting low-income families. Another narrowing technique is to focus on no more than three trends each affecting “Earn It, Keep It, Grow It.” If data expertise isn't available in-house, look for it at a local college, university, or extension service.
- **Find a good communicator.** “If you don't have people who can comprehend the meaning and communicate it to others in an understandable way, it's worthless,” says Nancy Straw of WCI.
- **To test data results, form focus groups** comprised of residents who are experiencing the things being investigated. Adding low-income workers to the data collection working group also can help. Make sure to build their trust, draw them out, and make them full members.
- **After using data for initial planning, don't ignore questions that arise.** Pursue answers by searching for more data to determine if the plan needs adjusting.
- **Too much data can produce overload.** Too much planning can produce restlessness. Be sure to balance data collection and planning with early action.

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to identify barriers and how those can be overcome,” says Carpenter. “We use the data on an individual and aggregate level to measure success and identify gaps.”

Early on, client data confirmed that transportation was a serious problem. “Until we have some hard data to show how prevalent a problem is, it’s harder to get attention because it’s all anecdotal,” says Carpenter.

Because many rural families can’t find transportation to meet with a counselor face-to-face, a call center approach offers an effective way to deliver services. “That caught our attention right way,” says Straw. In addition, the ongoing relationship that develops between counselor and client is a key to the success of the approach. Because counselors don’t grant or deny government benefits, “the relationship becomes a friendship even though they may never meet.”

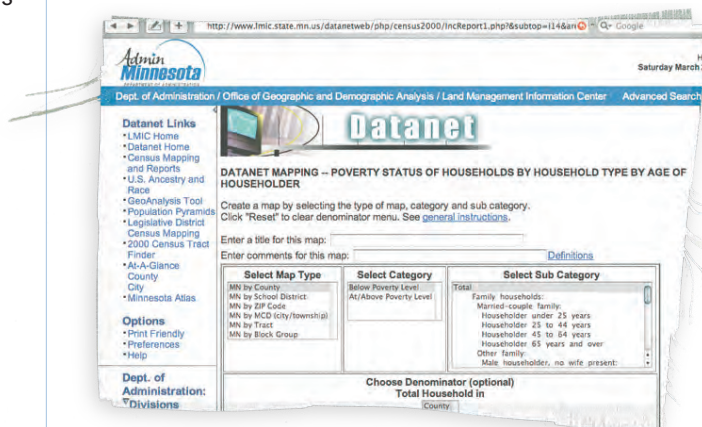
From her office in Perham, Northern Connections Counselor Robyn Smith has helped Leisa Raines, 44, who lives 1½ hours away in Alexandria. “I’ve never met her but we talk probably once every seven to ten days and we’re usually on the phone about an hour,” says Raines, whose struggle with substance abuse led to prison, upheaval for her four children, and ongoing health problems.

“She gives me tons of information. I had no idea these programs were out there. I trusted her right away. She was so kind, funny, and inquisitive. I never would have opened up to somebody like that before.”

Raines says she’s now clean and sober—and on the right track. She has a factory job, affordable rent, and a strong religious faith. She has married her partner and reunited with her children. And for support and guidance, she has Smith. “Whether it’s a listening ear, linking her to resources, or finding her an answer, I’m here to help for as long as I’m useful,” says Smith, who has a master’s degree in counseling.

Gathering data that correspond to “Earn It, Keep It, Grow It” goals is often easier than expected.

State government websites can be a good source of information (see facing page).



The next steps

BALANCING DATA AND ACTION, CREATING CONNECTIONS

During its RuFES work, west central Minnesota combined long-term careful scrutiny of data with immediate action on some items. “Eventually you have to move beyond the data to action,” says John Molinaro, of the Aspen Institute. “You need to dig enough to make sure that you’ve got enough information to really act well, and you need to continue collecting data to measure progress. But you could spend your life doing nothing but clarifying the data. It’s a balancing act.”

The quest for data produced new partnerships. For example, the Center for Small Towns, a community outreach program housed at the University of Minnesota, Morris, now does research and evaluation for area CAPs, enlisting students to collect data.

“Finding out what assets we all have and how we can bring them together to accomplish something is the value,” says Ben Winchester, the center’s data analysis and research coordinator. “It’s also getting students

involved in our rural communities so they really come to understand the dynamics in our small towns.”

RuFES has proved valuable on other fronts too. It helped WCI better see and explain how its many initiatives interrelate and fit into an overarching approach. “We used to have a heck of a time explaining what we did and why,” says Molinaro. “The rural FES framework gave us a great gift—a language to talk about what we were doing, what tied it all together, and why it was important.”

WCI restructured its entire organizational planning around the framework, says Straw, adding, “We used to have some silos here and we’re really working hard to cut across those, to talk about how everything is interconnected.”

RuFES also provided a template for WCI’s work with partners, longstanding and new. And it spurred working relationships between organizations with seemingly disparate missions, providing a shared sense of purpose that helped them view their individual efforts—whether on workforce training, child care, housing, health care, energy assistance, or transportation—as contributors to building family economic success.

“We’ve all been in our silos. Economic development worked over there, social services over there,” says

Jason Murray, executive director of the area economic development commission in Alexandria. “It’s brought many of the vital organizations and leaders together to really address a regional issue.”

The RuFES effort has helped coordinate work and detect gaps. “It isn’t necessarily about creating programs out of whole cloth,” says Molinaro. “It’s about taking the pieces that are there, finding things that aren’t there, and bringing them together to maximize benefits for families.” The idea is to build connections so everything has more value together than it would separately, says Molinaro, adding, “The most potent strategies are ones where there is synergy between the goals.”

All this fresh research, planning, and WCI’s leadership have been welcomed, particularly by longtime leaders of anti-poverty work. “When they kicked off the project, I’d never been to a regional gathering that had so many people and players interested in moving people out of poverty,” says Nagle, the CAP director. “It lends a lot of credibility to our work and efforts when we’re at the table with local government, local businesses, working on these issues. It helps our efforts immensely.”

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. It was established in 1948 by Jim Casey, one of the founders of UPS, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today’s vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs. For more information, visit the Foundation’s website at www.aecf.org.

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