

MINNESOTA VALLEY ACTION COUNCIL

BUSH PRIZE FOR COMMUNITY INNOVATION



MANKATO, MINNESOTA

LEADER

Amanda Mackie

BUDGET

\$5,000,000+

GEOGRAPHY

Minnesota,
Native Nations

YEARS ACTIVE

Founded in 1964

INNOVATION STORY NO. 2

A LEGACY OF FIGHTING POVERTY

The Minnesota Valley Action Council (MVAC), one of the nation's 1,100 Community Action Agencies, is a regional leader in the fight against poverty. It develops a portfolio of self-sustaining social enterprises that meet the new and changing needs of its clients while creating reliable revenue streams in a time of decreased government funding.

STORY BY NICOLE NFONYOYIM-HARA

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**WITH THE ECONOMY
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PEOPLE START TO
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BUT POVERTY IS
GOING UP.**

— AMANDA MACKIE, Minnesota Valley Action Council

INNOVATION

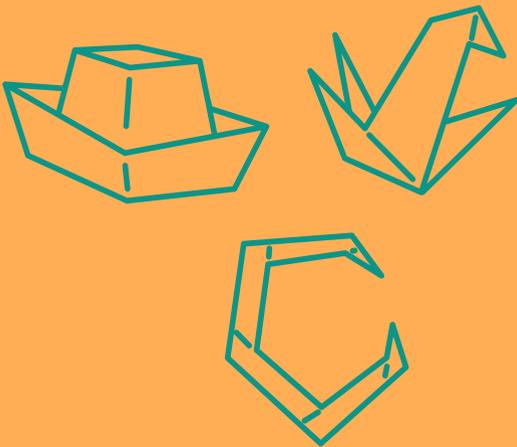
MINNESOTA VALLEY ACTION COUNCIL

MVAC developed social enterprises to meet the new and changing needs of its clients while creating reliable revenue streams in a time of decreased funding.

BREAKTHROUGH



When small farms across the region started folding at alarming rates, MVAC designed a self-sustaining Food Hub to prop up local businesses and connect growers directly to consumers. By removing the obstacles that often prevented local food from getting to the communities where it was grown, MVAC provided more opportunities for farmers to lift small towns out of poverty.



MEETING MANY CHANGES

As the face of poverty changes, MVAC evolves its programming to encompass a diverse range of options and tools to meet people where they are. MVAC enlists its staff, clients and the wider community to generate diverse and creative solutions to fight poverty, create jobs and support the local economy.



THRIVING ON ITS OWN

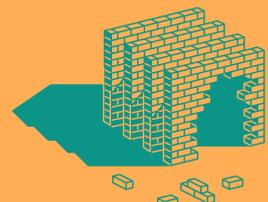
In an era of shrinking resources and cut-backs, MVAC adopted an entrepreneurial lens to create new revenue streams to meet the needs of its clients. To advance its work, MVAC devised several social enterprise businesses that not only fight poverty, but contribute to the organization's growth and sustainability.



BUILDS RELATIONSHIPS



EMPHASIZES LEARNING



CONTINUES THROUGH SETBACKS

IT CAN BE A HARD FACT TO WRAP YOUR HEAD AROUND:

even though unemployment is down and the economy looks like it's rebounding, poverty is up. In the 1960s, thousands of community action agencies like the Minnesota Valley Action Council formed across the country to work alongside low-income individuals and combat poverty on the front lines. Fifty years later, the problem persists.

“It used to be that poverty meant not having a job and much of the efforts in community action agencies focused on finding employment,” says Amanda Mackie, the executive director of MVAC. Today, close to 25 percent of low-income people in the U.S. hold down employment, though, and many of MVAC’s clients work multiple low-wage jobs. Despite that, poverty rates in MVAC’s nine-county service region have increased by 70 percent since 2000. Of the state’s poorest counties, Blue Earth—home to MVAC’s headquarters—ranks third.

“Livable wages are a big issue in our communities,” says Amanda, who has watched MVAC’s federal and state funding drop even as the problem grows. “People are employed and working, yet they may not be able to take care of the most necessary things like housing and food for themselves and their families.”

Breaking the cycle of intergenerational poverty often means standing by clients and supporting them through a long-term transition as they work to cut ties from government assistance and a lifetime of financial struggle. That was the case for one woman who came to MVAC to learn about its Family Assets for Independence in Minnesota program (FAIM). She grew up in a family that had little money, and found herself facing the same problem as an adult.

“She was at rock bottom when she approached us,” says Judd Schultz, MVAC’s housing director. “She had no support from her family who couldn’t understand why she was doing all of this when she could just rely on welfare support like they did.”

As a FAIM participant, the young woman learned how to budget, manage her debts and successfully handle financial responsibilities. Over several years, she saved up enough money to buy her first home through FAIM. She later returned to MVAC’s program a second time to pursue her education—first a GED and then a graduate-level degree. Today, she works as a nurse, and throughout her time with MVAC one thought moved her forward: her daughter needed to see her get up and go to work each day so the cycle of poverty stopped with her.

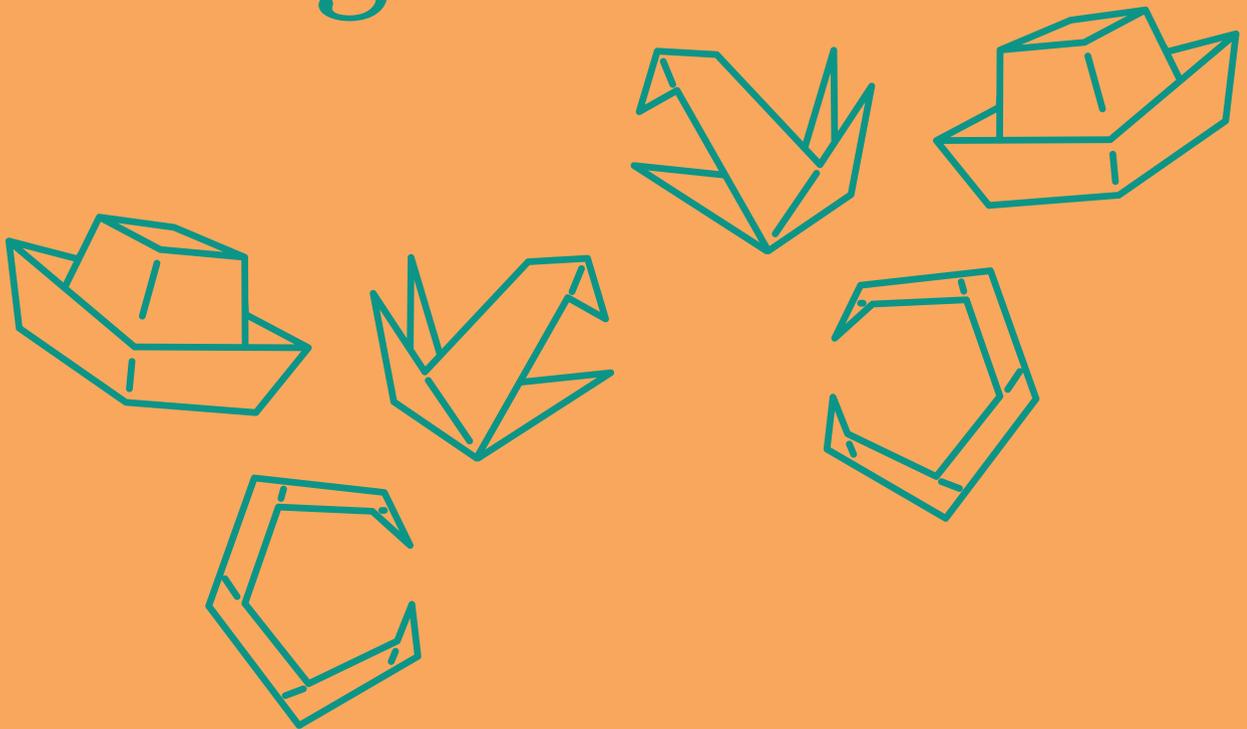


BUILDS RELATIONSHIPS: MVAC’s new facility, opened in 2013 in a repurposed big-box retail space, provided opportunities to increase synergy among its program staff. Co-locating all Mankato-based services has created opportunities for staff to work more effectively across program areas. The highly visible Again Thrift Store and the Food Hub bring new people to the center, creating positive energy in all MVAC’s programs as program staff learn how these social enterprises benefit clients and community members in different ways.

“ IT’S NOT THE KIND OF THING WE LIKE TO TALK ABOUT. YES UNEMPLOYMENT IS GOING DOWN, BUT POVERTY IS UP. ”

— AMANDA MACKIE, Minnesota Valley Action Council

Meeting Many Changes



Stretches of sloping farmland and a smattering of small towns connect the nine southern Minnesota counties where MVAC provides resources and supports individuals with low-wage jobs on the path toward self-reliance. As the makeup of these communities changes, MVAC's fight against poverty demands diverse tools and fresh approaches to match the many ways financial challenges emerge.

"What a farmer in Martin County needs is very different from what a struggling college student in Mankato needs," says Amanda. "MVAC has distinct approaches to meet people where they are so that everyone gets connected to the programs they need no matter what door they come in."

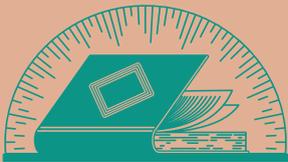
MVAC's staff is deeply connected to the people it serves. The organization listens

to and tracks the needs of its clients through focus groups and surveys. Outreach and engagement often happen in collaboration with other community organizations, like a new partnership with Mankato social work students that allowed MVAC to put people in neighborhoods to talk directly with clients. MVAC also relies on a 27-member tripartite board that includes elected officials, low-income representatives and members from the private sector. This diverse group brings together an array of backgrounds, experiences and contrasting opinions that lead to rich brainstorming and problem-solving sessions. Each member holds equal weight, and decisions are made by consensus.

As a vital part of the community fabric, MVAC has spent decades building and sustaining relationships with clients. Being deeply entrenched in the region keeps

MVAC responsive to the shifting nature of poverty in rural areas and allows for quick response to issues. MVAC's agility in the face of community changes and plodding government support has made it a leader among community action agencies. Amidst dwindling federal and state funds, the group developed a portfolio of self-sustaining social enterprises and effective community partnerships that furthers its core mission while providing additional revenue streams.

MVAC continually encourages staff, clients and community members to identify pain points and propose solutions. Those who suggest ideas to better serve clients and increase the effectiveness of the organization are given the go-ahead to research an issue, approach collaborators and test solutions. This process led to one of MVAC's newest social enterprise programs, the Food Hub, when staff challenged the community to dream up new ways to maximize the space in MVAC's new building.



EMPHASIZES LEARNING: MVAC is working to turn local food into a source of cascading innovation and has the potential to redefine its role as a community action group. The organization is researching freezing operations to extend the selling season for Minnesota-grown produce, and is investigating the potential of powering year-round greenhouses with the waste (heat and carbon dioxide) from ethanol plants. MVAC is developing a new program called Grow-a-Farmer, where MVAC uses land it owns or leases to train future farmers.

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**OUR SOCIAL ENTERPRISES
CREATE UNRESTRICTED
DOLLARS FOR US THAT WE
CAN THEN PUT INTO OTHER
PROGRAMS.**

— AMANDA MACKIE, Minnesota Valley Action Council

Thriving On Its Own



Kale, cars and prom dresses might seem like odd ingredients for success, but amid tightening budgets and a destabilizing recession, MVAC discovered fighting poverty demands creative solutions.

“Our staff members are fearless advocates and champions of new ideas and programs,” says Amanda. “Many of them have worked with MVAC for a long time and they’ve seen ups and downs. They know how to think on their feet if the floor gets pulled out from under us.”

When programs like FAIM faced cuts at both the state and federal levels, MVAC employees started to identify ways to generate new money to continue operating under-resourced programs. “We still write grants and seek funding, but if they don’t come through or fall short of what we need,

we know we can think creatively and try different alternatives,” says MVAC’s executive director. “We don’t panic.”

After researching models from other states and organizations, MVAC reimagined its role beyond the typical expectations of a community action group. Social enterprise became its new secret weapon. MVAC’s flagship ventures include the Food Hub, the Wheel Get There car donation program and two thrift stores in Mankato and New Ulm. The flexibility of these in-house programs gave MVAC a reliable stream of income to serve more people without being at the mercy of federal budget cuts and political yo-yoing.

Ever since the launch of the MVAC Food Hub, supervisor Joe Domeier has been knee-deep in kale. Housed within MVAC’s Mankato headquarters, the Food Hub is fully

equipped with gleaming industrial washers, countertops, a giant salad spinner and ample storage space for the fresh produce that makes its way there from dozens of local growers. “We bring all the vegetables from the local farmers here because they don’t have the equipment to get clean produce to consumers. We do all the washing and packing in house.”

As a grower himself, Joe understands the needs of the local farming community. Small family farms faced increasing challenges to distribute their produce where it was grown. But the launch of the Food Hub brought increased access to fresh fruits and vegetables for low-income clients and boosted production and income of farmers in MVAC’s region, many of whom are low-income.

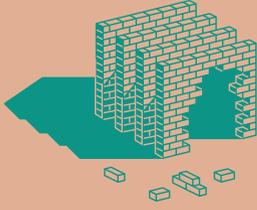
While programs like the Food Hub aren’t new and have sprung up in communities across the nation, MVAC is one of only a handful of community action agencies with a program of this kind. By increasing the

demand for locally grown food and organizing small farmers to meet that need, MVAC is now the second largest source of local foods in the Mankato area. It’s also the only nonprofit food distributor in southern Minnesota. In addition to families and local grocery stores, the Food Hub also provided produce to Gustavus Adolphus College, Minneapolis Public Schools and 14 Mankato schools in the last two years. “[We’ve] never done anything like this before, so the learning curve is huge,” says Joe. “But every year we get better and that incremental, organic growth is really working out.”

In addition to wholesale production, the Food Hub provides Community Supported Agriculture (CSA) boxes and ensures low-income community members receive produce through a match program with local churches and the federal Supplemental Nutrition Assistance Program (SNAP). Joe even provides recipes so popular that regulars plan their meals by them, making fighting poverty more satisfying than ever before.



STAFF, Minnesota Valley Action Council

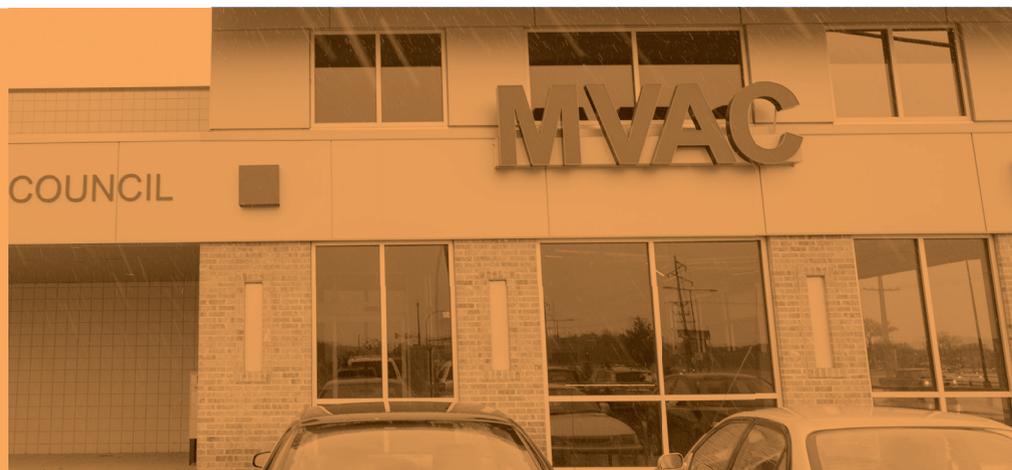


CONTINUES THROUGH SETBACKS: For people working their way out of poverty in rural areas, dependable and affordable transportation is a must. Homes and workplaces may be tens of miles apart, and public transportation is nearly nonexistent. So in 1998, MVAC started its Wheel Get There program. Every year people donate up to 200 vehicles for the program, but it was never enough to meet demand. Five years ago, MVAC launched its Focus Lease program, a self-sustaining initiative that enables low-income workers to lease 16 new, fuel-efficient vehicles with zero interest and no down payment. Participants receive budget coaching from staff to improve their financial literacy, and MVAC requires that they make monthly payments in person to foster relationships. Lease payments accumulate in a fund dedicated to purchasing new cars for the program.

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WE WANT TO CREATE OUR OWN REVENUE STREAMS THAT AREN'T GOVERNMENT-BASED, THAT AREN'T GRANT-BASED.

— AMANDA MACKIE, Minnesota Valley Action Council



HEADQUARTERS, Minnesota Valley Action Council

THE FOOD HUB
Minnesota Valley Action Council



AGAIN THRIFT STORE
Minnesota Valley Action Council





THE FOOD HUB
Minnesota Valley Action Council



AMANDA MACKIE
Minnesota Valley Action Council