

Organizational Overview

CAP Services, headquartered in Stevens Point, Wisconsin, is one of the many community action agencies that are serving rural counties across the United States. Created in 1966, CAP Services serves Marquette, Outagamie, Portage, Waupaca and Waushara counties, as well as parts of Marathon and Wood counties, all in central Wisconsin.

As with other community action agencies, CAP Services has traditionally provided a host of human services to low- and moderate-income people within its service area. However, CAP Services has also expanded to undertake economic development and affordable housing development as well.

Among the human service programs currently being provided by CAP Services are a dental center; collaboration with a local school district to expand educational opportunities for children in Head Start, as well as those with disabilities; and work with the local criminal justice systems to institute a "zero tolerance" policy for domestic violence and sexual assault and to provide victims with emergency shelter, counseling and advocacy.

Housing development has included making loans to help people purchase their own home; developing housing for people with disabilities; purchasing and rehabilitating rental housing; financing the construction of new homes; and developing new housing for senior citizens.

In order to create more jobs and improve the incomes of local residents, CAP Services has successfully used three approaches. One is a skills enhancement program that focuses on increasing the wages of already employed area residents by increasing their skills levels. This is meant to help overcome the difficulty that many residents have in finding jobs that pay a real living wage.

A small business lending program and an incubator have been put in place to create jobs by catalyzing new business start-up and business expansion.

Another approach has been to create a matched savings program that allows participants to accumulate enough capital to start their own business, purchase a home or pay for additional education or training that will enable them to obtain higher paying jobs.

Skills Enhancement Program

The Skill Enhancement Program is designed to help workers earning poverty level wages to attain the skills that they need to secure living wage jobs. Participants are provided with assistance with tuition, books, transportation, and child care costs related to training. To be eligible, individuals must have annual incomes less than 150% of the federal poverty guidelines and be working at least 20 hours per week. Participants must continue to work at least 20 hours a week to remain enrolled in the program.

On average, graduates spent 23 months in the program and received direct assistance from CAP Services of \$2,165. Participants may choose any field of training as long as it gives them the skills necessary to compete for jobs that are projected to have openings, pay a living wage, and typically offer employer-based health insurance.

In 2003, nearly half of the graduates found positions in health care. An equal number of graduates obtained business-related certificates and degrees. Three out of four graduates were female heads of households.

Enrollment at the end of 2003 was 257, with nearly 100 more individuals on the waiting list. Graduates of the program in 2003 averaged an \$11,000 annual increase in their earned income. The National Congress for Community Economic Development awarded CAP Services one of its' Family Strengthening Awards in March of 2004 for this program.

Self-Employment

CAP Services has operated its self-employment program since 1988. During 2003, CAP assisted 29 businesses start or expand resulting in the creation of 34 new jobs. Loans of \$38,000 were combined with the entrepreneurs own funds to leverage more than \$1.7 million in conventional financing.

Over the past five years, CAP has assisted 116 businesses start or expand, creating 206 living-wage jobs. These businesses have used CAP loans of \$271,000 and owner savings to leverage more than \$7.4 million in other financing.

To qualify for the program, businesses must: be owned by individuals residing in households with incomes below 150% of the poverty level; create living wage jobs for previously low-income individuals; or help businesses in danger of closing, where assistance from CAP will prevent the loss of living-wage jobs or a service that meets critical community needs.

Virtual Business Incubator

Access to technical assistance for rural entrepreneurs is often difficult to obtain. In order to make up for that problem, CAP created the Virtual Business Incubator (www.vbi.biz) in 1999. VBI serves aspiring entrepreneurs with comprehensive electronic, technical assistance 24-hours a day, seven days a week. The site offers answers and direction on accounting, banking and finance, insurance, business law and marketing, as well as providing links to additional resources.

For those who prefer classroom instruction on starting a business, CAP offers a 15-week course twice annually. The spring 2003 class had 18 graduates, five of whom have started their own businesses.

Asset Development Program

The Asset Development Program is designed to help low- and moderate-income people to build up their savings for such things as starting their own business, improving their education and skills levels, or purchasing a home. For each dollar saved by the participant, CAP Services provides a 2-to-1 match.

Participants have up to three years to accumulate their savings, but no match dollars can be accessed until six months after opening the savings account. Households with annual incomes under 200% of the federal poverty guideline and assets of less than \$10,000, excluding their primary residence and one vehicle, can qualify.

CAP uses the program in conjunction with its existing Self-Employment, Skills Enhancement and HomeBuyers Assistance Programs. As a result, participants often use their savings to access other funds available from CAP's other programs as well as government and private funders.

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