

AUSTIN CHURCH TURNING \$100,000 GIFT INTO \$10 MILLION IN MEDICAL DEBT RELIEF

By Brandon Mulder

In six to eight weeks' time, hundreds of people among the Austin area's neediest will receive a surprise letter in the mail that may fundamentally improve their lives. On Sunday morning, Pastor Thomas Daniel announced to his congregation that the Covenant Presbyterian Church will relieve \$10 million of delinquent medical debt that has burdened some of the community's most vulnerable populations, many of whom are uninsured or underinsured.

The congregation, tuning in over a live video stream, had a collective reaction of equal parts excitement and pride.

"The number of people we're imagining is going to be hundreds, into the thousands, whose lives are going to be directly changed by this," Daniel said. "There's nothing required of them. We're not asking anything of them. It's just a gift to say, you matter."

Earlier this month, the West Austin church cut a \$100,000 check to RIP Medical Debt, a nonprofit that buys and relieves delinquent medical debt that has gone into collection. Because medical debt is often sold to collection companies or debt-buying companies for pennies on the dollar, RIP Medical uses donations to purchase defaulted debt and forgives it on behalf of the nation's impoverished.

According to the church, a \$1 purchase can relieve \$100 of debt. Covenant's \$100,000 donation, which comes from a surplus in the church's 2019 annual budget, will relieve \$10 million of medical debt in Travis County, the church said.

Debtors selected for relief must meet a set of criteria:

- They must earn less than two times the federal poverty level
- Their debts must be 5% or more of their annual income

- They must be insolvent, meaning their debts are greater than the value of their assets.

RIP Medical pinpoints the portfolios of those that meet these criteria, then buys up and forgives that debt, which is followed by a forgiveness notice sent to the benefiting families.

"These are people who have to make decisions whether to pay for their medical bills or pay their rent," said Whitney Bell, the church's mission director. "Medical debt is never a result of a bad choice; it's the result of an emergency. And it can haunt folks for a long time."

The church's other acts of charity, like helping people pay for groceries, rent or car payments, only address symptoms of poverty, Daniel said. Instead, the church wanted to address poverty's root cause, and the \$10 million in medical debt relief is a way to do that, he said.



WHAT HAPPENED WHEN A CHURCH LEARNED TO SEE ITS MONEY IN A NEW WAY

An interdenominational bible study and justice action group called Economics of Compassion saw the gentrification in the Over the Rhine neighborhood in Cincinnati through a lens of Biblical justice linked to economic analysis.

EOC taught its faith community to stop blaming the poor for their circumstances or see the homeless as broken people. “We learned to help people find their gifts and led them to invest in them,” Peter Block said. “We dropped the concept of charity, giving from those who have to the people we label needy. That sustains poverty and bad power relationships. Charity is not an economics of compassion. We looked for the assets of our neighbors.”

A \$30,000 grant from the local Episcopal Cathedral had let the leader of a local African American led accelerator called Mortar, operating in Over the Rhine, play the “connect-the-dots” role for six months as a system entrepreneur among the white churches, the city, local investors, the community foundation and CDFI’s and economic development agencies. Those new relationships enabled by that visionary grant from a church resulted within three years in more than \$3.5 million in philanthropic, private sector and public investment in Mortar to help black led businesses create assets operating out of their pop up store front in Over the Rhine. Mortar has since been recognized as an award and grant winning national model and its leader has testified in Congress on the role of entrepreneurship in asset creation among marginalized communities.

Many church members were trained by Mortar in culturally appropriate technical assistance, and white professionals learned to both talk and listen to first-time non-college educated African American entrepreneurs and become long-term, valued mentors, spawning scores of new relationships with value for both.

The EOC conversations and teaching from Walter Brueggemann “caused the Cathedral community to repent of certain past ways of behaving and thinking; they realized that gentrification is not all good, that not all investment benefits everyone equally,” said the dean of Christ Church Episcopal Cathedral Gail Greenwell.

“There was a significant shift in our outreach projects. We went from ameliorating the symptoms of poverty to addressing system change.”

A core group of Cathedral community activists formed and they, with the Cathedral’s backing, raised a minority loan fund with partners. Now, along with public sector partners, the Cathedral plans to invest \$10 million from its large endowment in a \$50 million low-income housing fund, to counterbalance the gentrification. The wealthy church even learned to see its endowment in a new way. “We had always thought about preserving the (Proctor Fund) endowment. Now we’ve come to see with great treasure comes great responsibility, not in a noblesse oblige way, but identifying with our neighbors,” Greenwell said.

Affordable housing rises where a church building once stood

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...Gilliam Place is an affordable housing complex born of one congregation's quest to discern their calling in a community with changing needs.

The 173 apartments reserved for low-income families, seniors and those with disabilities are the result of a yearslong -- and at times contentious -- discernment process by Arlington Presbyterian Church.

Arlington Presbyterian's stone sanctuary had occupied a lot near a busy intersection west of the Pentagon for more than 80 years. Like many churches, the congregation had seen its numbers dwindle, and its aging infrastructure had become an increasing burden. But what happened

next wasn't driven by finances, said Susan Etherton, a ruling elder and member for nearly 40 years. Arlington Presbyterian could have sold its property -- worth more than \$10 million just a few years ago -- and built a new sanctuary elsewhere, she said.

"We weren't looking to save ourselves," said Etherton, who was deeply involved in the church's effort to discover the community's needs and discern how best to meet them. "It had to be grounded in that spiritual sense of, How is God calling us to be? What can we do, not for people really, but with people? How can we be in relationship with the community by doing something bold and courageous?"

The congregation decided to join forces with the nonprofit Arlington Partnership for Affordable Housing, which shepherded the church through difficult conversations with its neighbors -- and plenty of its own members -- as well as negotiations with the local presbytery and the county. The organization then bought the land and constructed a six-story building where the church once stood, with five floors of affordable housing above retail space on the first floor.

Nina Janopaul, APAH's president and CEO, estimates that more than 400 people have made Gilliam Place their home since it opened in August 2019. Hundreds more remain on a waiting list.

It's hard to overstate the need for dedicated affordable housing, Janopaul said. Between 2000 and 2017, Arlington lost nearly 85% of its market-rate affordable housing units, largely because of increasing rent prices.

The entire process for Arlington Presbyterian, according to members, was an exercise in allowing God to reveal their purpose. They now rent space on the first floor of Gilliam Place, but that wasn't a foregone conclusion. After selling the property to APAH, they gave away hymnals, pews and even the church organ, moved into a temporary worship space, and contemplated whether the congregation should continue to exist.

Church's money management lessons lead to transformation in an impoverished neighborhood

After signing the deed to their new three-bedroom home, Steven and Harriet Gaither decided to keep the moving process simple. That first day, Steven focused on assembling their bedroom furniture, and nothing else.

Later that night, as the retired couple marveled at their first home purchase, Harriet whispered to Steven, **"Do you hear that?"**

He turned to her. **"Hear what?"**

Harriet once again prodded him: **"You hear it?"** Then, after a pause: **"Quiet."**

They lay in each other's arms, crying. It had seemed like an impossible dream -- the American dream, Steven said.

"We didn't have no money. No money at all," he said.

Now, the Gaithers are able to sit on their own front porch with a clear view of a church that is restoring hope among residents in Arlington Woods, one of the most impoverished neighborhoods in Indianapolis.

Committed to giving back, Eastern Star Church, a Baptist church that describes itself as "one church in three locations," has had a long history of supporting its neighbors in the 46218 ZIP code -- an area where nearly 40% of residents live at or below the poverty line.

Here, the average household income is \$26,400, compared with \$44,900 for the whole of Marion County, Indiana.

During its 99-year history, the church has earned a reputation for helping thousands of disadvantaged people throughout the city through donations of food, clothing, services, funds and scholarships totaling in the millions.

During the past two years, the church has made an unprecedented investment in the 46218 community -- setting into motion the ROCK Initiative, which stands for Renewing Our Community for the Kingdom.

It includes the development of a small neighborhood of new three-bedroom houses, like the one purchased by the Gaithers, and Sunstone at Arlington Woods, a mixed-use building that features 25 apartments and retail space occupied by a credit union, a grocery store, a hair salon and social services providers. Boarded-up and dilapidated houses in the neighborhood have been renovated as well.



The ROCK initiative also funds reentry plans for ex-offenders who receive the one-on-one attention they need to interview for jobs and have their records expunged. They, along with others in the neighborhood and throughout the city, can access social services through the ROCK. In all, more than \$5 million has been poured into the community since the ROCK Initiative was launched in 2017, primarily through private donations from church members. Long-term plans are underway to invest \$30 million more into the neighborhood, including the development of a youth center and 25 more homes.

MICRO-LOANS IN EAST BALTIMORE

Pastor Gary Dittman: When I was called to Amazing Grace 8 years ago, I had no idea how this small urban congregation would be used by God to do such big things! The congregation is community based and boldly follows where Jesus leads. We are eager to extend God's life-changing power into a neighborhood deeply impacted by the wounds of racism.

So here's the tricky thing, when you're working on healing in a distressed, underserved, disinvested-in community (and I know that's a mouthful): the wounds are deep. The wounds in fact are gaping. When Amazing Grace Lutheran Church partnered with First English Lutheran Church in Baltimore, we were sure of only one thing: we wanted to extend the healing work already happening in our community.

McElderry Park in East Baltimore is a neighborhood deeply impacted by violence, poverty, addiction and trauma. The need for healing is immense. Historical redlining and

disinvestment by the city has led to dramatic disparities in health, employment opportunities, and access to capital for entrepreneurial engagements.

Amazing Grace is a relationship-centered hub where activities and programs are community requested and directed. The people are resourceful, smart, and innovative. They live in the neighborhood. And one of the things we were hearing is that it would be beneficial to have access to money to solve problems and launch entrepreneurial endeavors.

So we set up a partnership with First English church to provide no-interest loans up to \$2000 to community members and allow neighbors to pay back the loans within 18 months. A leadership team in the AG congregation called Shepherds participates in interviewing candidates, hearing about the plan for repayment and the amount that will work with the family budget. While First English funded the loans to begin with, Amazing Grace has also funded a few.

Here's a few of the loans we've given:

- A grandmother newly raising her three grandchildren used a loan to get a vendor license to sell food plates from her grill in front of her house to support her grandchildren.
- A young man who was a licensed electrician had recently been released from prison. He used a loan to buy tools so he could secure employment.
- A family repaired their car with borrowed funds to allow them to get to work reliably.
- A painter from the community used a loan to purchase paint and equipment to begin his own painting service.

The program has indeed extended the healing ministry. Neighbors are honored and treated with dignity, respect, and trust. Families have an opportunity to support themselves.