



## The American House Foundation



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## AMERICAN HOUSE FOUNDATION

The American House Foundation is a 501(C)(3) non-profit corporation established in the United States of America for the purpose of (1) providing financial assistance to charitable organizations engaged in humanitarian relief efforts in central, eastern, and southern Europe, and (2) setting up and financing NGO-private sector joint programs providing direct material assistance to the poor.

Using the existing infrastructure of relief agencies such as the Red Cross, we are able to ensure that over 96% of the funds donated go directly to those in need in the form of direct aid and that programs get up and running within a week or two of the decision being made to proceed.

Working with the Hungarian Red Cross we have set up a series of NGO-private sector prototype programs in Budapest that are easily expanded with the involvement of third party donors and/or replicated by other NGOs and companies eager to combat growing problems of poverty and homelessness in Hungary.

## HUNGARY IN CRISIS

The past year witnessed a dramatic increase in food and energy costs at a time when record numbers of Hungarians are losing their jobs. After over a decade of steady economic growth and single digit unemployment, the official unemployment rate in Hungary is now over 10% and climbing. Many of the economic gains of the past ten years have been erased. Hungarian GDP decreased 6.7% in 2009. Entire industries have been wiped out and are unlikely to recover in the foreseeable future. And while Hungarians experienced similar periods of economic upheaval in the past, due to overly generous lending policies of banks during the period leading up to the current financial crisis, this time many Hungarians find themselves unable to feed, clothe and shelter their families, let alone meet mortgage payments or pay credit card bills.

Pensioners living on fixed incomes have been especially hard hit by rising food and energy prices. The sight of neatly groomed elderly people sorting through garbage in search of food is becoming all too common. Increasing numbers of children are showing up to school too hungry to concentrate on their studies. And the numbers of homeless people seeking shelter in subway stations and other public places has visibly increased over the past six to twelve months. Government and NGO operated facilities are struggling to meet the demand for temporary shelter, clothing, and food.

## SCHOOL BREAKFAST PROGRAM

An estimated 40% of Hungarian children live in poverty. Many of them depend on school lunches and snacks as a substantial, if not primary, source of food. The caloric and nutritional value of school food has declined steadily over the years due to inadequate public financing of the educational system. Already most public elementary schools serve little more than bread and butter and tea for breakfast, perhaps a glass of milk or a piece of fruit with the help of the local government or a sponsor. Lunches usually consist of a vegetable stew or soup and bread. In March the City of Budapest instructed Budapest area schools to reduce their operating budgets for 2010 by an additional 10%. This is likely to further impact the ability of schools to provide nourishing meals.

In December the American House Foundation set up a joint project with the Hungarian Red Cross to provide 220 children at two Budapest ninth district elementary schools with at least one nourishing meal a day consisting of a wholesome sandwich (two pieces of whole grain bread, margarine, high quality sandwich meat, cheese, tomato and either green pepper or cucumber) and a piece of fruit.



The American House Foundation delivers the food to both schools two mornings a week between 7:45 am and 8:15 am. At the Gát street school for children with learning disabilities, existing full time kitchen staff prepares the sandwiches which are served to the children between 8:45 am and 9:30 am in the main dining hall. Any remaining food is given the children in the form of an afternoon snack. At the Lenhossék Street elementary and secondary school Red Cross volunteers with the help of one kitchen attendant prepare the sandwiches which are served to the children in their classrooms.

In this way an average of 5000 meals are served a month at an average cost of HUF 240 (\$1.25, €0.9) per meal. Of this roughly 4% is spent on non-food related items (overhead, personnel, fuel, vehicle maintenance). Out of every HUF 240 spent, HUF 230 goes directly into the children's stomachs.

Of the 220 children, 13 come from families unable to provide for their children's nutritional needs outside of school. These children are given a care package to take home every Friday afternoon consisting of 1 kg of sandwich meat, 750g of cheese, a loaf of sliced whole wheat bread, 1 kg of fruit, 500 g of green pepper, and 1,5 l of orange juice at a cost of roughly HUF 2,700 (\$14, €10) per care package.

During the summer months we anticipate providing the families of these children with sufficient groceries to meet their family's basic nutritional needs, the philosophy being that healthy children need more than adequate food. They need healthy parents.

The American House Foundation is eager to expand the scope of this program to include other Budapest area schools with the involvement of the AmCham Foundation and AmCham members. Specifically, we propose to help other companies prepared to do their part in fighting hunger and poverty set up similar programs with the Hungarian Red Cross in the 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, 13<sup>th</sup>, 15<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, and 21<sup>st</sup> districts. The fact that the Hungarian Red Cross has offices throughout Hungary makes it possible to set up similar programs in a number of provincial cities as well.

Working with the AmCham Foundation and AmCham members we propose to set up the ADOPT A SCHOOL program giving companies or individuals the opportunity to sponsor a child, a class, and even an entire school for as little as HUF 6,000 (\$32, €21) a month.

#### DIRECT FOOD AID PROGRAM

Rising energy costs combined with rising rates of unemployment means increasing numbers of families are unable to make ends meet and forced to choose between paying for food, health care, shelter, or basic services.



The DIRECT FOOD AID PROGRAM provides direct food aid to 60 needy families living in Budapest's eighth and ninth districts every two weeks. The food aid consists of a package of dried foodstuffs including 2 kg of flour, 1 kg of chipped wheat, 1 kg of brown rice, 1 kg of sugar, 1 L of vegetable oil, 1 L of milk, 500 g of dried lentils, and 500 g of pasta. The American House Foundation delivers dried foodstuffs to the district offices of the Hungarian Red Cross where the packages are prepared and distributed to local families by Red Cross staff and volunteers. The cost of each package is approximately 1000 Ft (\$5.20, €3.65).

Working with the AmCham Foundation and AmCham members we propose to set up the ADOPT A DISTRICT program giving companies the opportunity to sponsor individuals and families living in poverty for as little as 2,000 Ft (\$10.40, €7.40) a month.

On April 20th the DIRECT FOOD AID PROGRAM was expanded to include the delivery of bread and milk to 160 poor families living in Jász-Nagykun-Szolnok county. Conceived of by the American House Foundation after a tour of the economically devastated region, the program was organized and implemented by the Szolnok chapter of the Hungarian Red Cross with the cooperation of local governments. American House Foundation contracted with a local dairy and bakery to supply enough bread and milk to nine local governments to provide one loaf of bread and two litres of 2.8% milk a day to poor families with two or more children at a cost of approximately 530 Ft (\$2.70, €2.00) per family per day. In June the program was expanded to 200 families.

For many of these families the aid they receive from the American House Foundation and the Hungarian Red Cross constitutes their primary source of food.

We are eager to expand the scope of this program and to introduce similar programs in the counties of Borsod-Abaúj-Zemplén, Somogy, and Barany with the participation of the AmCham Foundation and individual AmCham members.

The regions in question are among the poorest in the European Union.

#### SUPPLEMENTAL FEEDING PROGRAM

The Hungarian Red Cross and other NGOs operate facilities throughout Hungary providing food, clothing, and shelter to those in need. These facilities consist primarily of (1) soup kitchens, (2) day shelters, (3) night shelters, and (4) round the clock homeless shelters. Soup kitchens are most commonly attached to one form of shelter or another. The operation of these facilities is financed in large part by the Hungarian state in the form of a so-called "normative"--a fixed amount paid per individual helped, the amount depending on the nature of the service provided. Despite rising food and energy costs, the government has decreased the normative every year for several years, forcing the Hungarian Red Cross and other Hungarian NGOs to reduce operating hours and staff and to rely increasingly on volunteers.

Red Cross soup kitchens serve one hot meal a day, usually in the form of shredded cabbage stewed in tomato concentrate with a few small pieces of meat on top, or pasta with tomato sauce, and two pieces of bread. Some soup kitchens offer a morning and afternoon "snack" in the form of sliced bread with lard and onions. In



Budapest the food is prepared daily in a central kitchen and distributed to soup kitchens throughout the city. While cost effective the caloric and nutritional value of the food is low, and on those days when the central kitchen does not work and/or the delivery trucks do not run due bad weather, then none of the soup kitchens are able to serve hot food that day. Furthermore, large number of homeless people are either too weak or too worried about losing what little shelter or few possessions they have by traveling to the soup kitchens.

The SUPPLEMENTAL FEEDING PROGRAM aims to (1) stockpile food at food kitchens so that up to 200 cold lunches can be provided on those days when hot lunches cannot be served, (2) supplement the morning and afternoon "snacks" with meat, cheese, green pepper, and fruit, and (3) supply calorie and nutrient rich foods (such as sour cream) for distribution to those unable or unwilling to travel to the soup kitchens.

Working with the AmCham Foundation and individual AmCham members we propose to establish FEED THE HOMELESS program whereby companies contribute money or foodstuffs sufficient to provide food to the homeless and those who rely upon the Red Cross and other NGOs for the bulk of their daily food intake.

#### MATCHING GRANT PROGRAM

Homeless shelters receiving State monies may only provide shelter for a given individual or family for up to 18 months, at which time they are required to move on. For most homeless people this means having to find new jobs and new schools for their children every 18 months. Residents at these shelters are required to pay their own way as much as possible with most of the money they receive in the form of welfare being spent on food, clothes, and medicine. Even those with full-time jobs find it hard to save up enough money to rent a flat and purchase basic furnishings. (In Budapest even a modest two bedroom flat in outlying districts costs a minimum of HUF 80,000 (\$420, €300) a month to rent unfurnished, and most landlords require at least three months rent in advance).

The MATCHING GRANT PROGRAM helps shelter residents escape the endless cycle of dependency on institutional care by matching forint for forint the amount they manage to save over a period of six to eighteen months up to HUF 200,000 (\$1050, €780). This gives shelter residents a strong inducement to work and save. Qualified residents are inducted into the program upon their arrival at the shelter. All savings are held in escrow for the duration of their stay. Once they have saved enough to rent a flat, shelter personnel assist them in locating a flat, signing a lease, acquiring or leasing furniture and basic household furnishings (cookware, utensils, appliances) and moving their possessions. Thereafter a social worker visits them once a month to monitor their progress and determine what supplemental assistance is required. The American House Foundation is presently sponsoring five families at the Red Cross shelter for women and children in Budapest's 21<sup>st</sup> District in this manner.



Working with the AmCham Foundation and individual AmCham members we propose to launch the HOUSE THE HOMELESS program where for as little as HUF 10,000 (\$52, €37) a month a company can help a homeless person or entire families end their dependence on institutional care.

To find out what your company can do to help the needy or for additional information regarding programs described above please contact Richard Field at [americanhousefoundation@gmail.com](mailto:americanhousefoundation@gmail.com) or visit [www.americanhousefoundation.com](http://www.americanhousefoundation.com) .



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