Accessibility and Stability of Nonprofit Service Providers:

Faith-based and Community-based Organizations in Urban and Rural America

Scott W. Allard

Brown University

Running Head: Accessibility and Stability of Nonprofit Service Providers

Over the past four decades, social services promoting work activity and greater personal well-being—such as job training, adult education, child care, substance abuse or mental health services, emergency assistance—have become a central component of the safety net that assists low-income families in America.[1] Until the late 1960s and early 1970s, welfare cash assistance was a primary method for helping poor persons, particularly poor single mothers. Today, however, federal and state spending on welfare cash assistance totals about $11 billion annually, whereas the Congressional Research Service (2003) estimates that means-tested federal, state, and local social service programs receive at least $110 billion in funding each year.[2] Contrary to popular perceptions that view welfare cash assistance as the dominant approach to antipoverty assistance, the safety net is composed largely of social service programs that help poor populations overcome barriers to employment and achieve better work outcomes.

The role of social service programs in the public safety net has numerous implications for policy and communities. First, secular and faith-based nonprofit organizations (often referred to as religious nonprofits) typically deliver publicly funded social service programs. Discussing the modern safety net, Smith (2002) concluded that “nonprofit social service agencies have a more central role in society’s response to social problems than ever before” (p. 150). Similarly, DiIulio (2004) stated that “faith-based programs, especially in urban communities, are the backbone of broader networks of voluntary organizations that benefit the least, the last, and the lost of society” (p. 82). Not only does the nonprofit sector administer many government-supported services, it also offers assistance financed through philanthropic and charitable giving. Nonprofit service agencies may be more trusted in high-poverty neighborhoods and more responsive to community priorities than government agencies (Owens and Smith 2005). As a result, efforts to strengthen faith-based service organizations (FBOs) and community-based nonprofit service providers have become prominent components of national, state, and local antipoverty policy agendas.

Second, delivery of social service programs is very different from delivery of cash assistance programs. While welfare or food stamp benefits can be delivered directly to recipients through the mail or an electronic benefits transfer (EBT) card, most social services cannot be mailed or delivered directly to an individual at home. Instead, clients typically visit a social service agency, often several times, to receive assistance or complete a program. Poor persons who do not live in proximity to relevant service providers may find it difficult to address basic household needs, barriers to employment, or more serious health issues because of limited access to transportation resources and complex commutes.

Finally, because social service funding can vary from year to year, it is important to pay particular attention to the stability of nonprofit community service organizations. Whether caused by changing needs or public priorities, the allocation of service program funds can change from year to year. Public and private funding of social services also is cyclical, typically contracting during periods of economic downturn and tight budgets when the need for assistance often rises. Therefore, for a variety of reasons, nonprofit service organizations must cope continuously with lost or shifting revenue streams. As critical as service accessibility may be to improving outcomes among working poor families, the consistency and stability of providers is also essential to adequately assist low-income populations.

With these considerations in mind, this paper examines several important questions about the role of faith-based and community-based secular nonprofit service organizations:

- Are certain types of faith-based or secular nonprofit service organizations more accessible to poor populations than others?

- How are FBOs and secular nonprofit service organizations funded?
- Is service provision more stable and consistent across FBOs than secular organizations?

To help answer these questions, data from a unique survey of nearly 1,200 faith-based and secular nonprofit social service agencies operating across seven urban and rural sites were analyzed. Overall, the results show FBOs that integrate religious elements into service delivery and secular nonprofit organizations are more accessible to poor populations than FBOs that do not integrate religious elements into service provision. Moreover, these data indicate that a large percentage of FBOs and secular nonprofit organizations experience funding volatility and inconsistency in service provision each year. In addition, the paper draws implications for policies that may strengthen community-based nonprofits and future research into the role these organizations play within the contemporary safety net.

Place, Stability, and Social Service Provision

The term “social safety net” describes the assistance that seeks to prevent adults and children from falling below a minimum material standard of living. Today’s safety net comprises a bundle of governmental and nongovernmental antipoverty programs targeting low-income populations who lack adequate income, food, housing, or access to health care. The most salient safety net programs are those governmental assistance programs designed to reduce material poverty or address health care needs. Public programs, such as food stamps, welfare cash assistance through the Temporary Assistance for Needy Families (TANF) program, and the Earned Income Tax Credit (EITC) seek to increase poor families’ income and resources; while the Medicaid program provides health insurance coverage for low-income elderly populations and working poor families.

Less well understood, however, is the importance of social service programs to the modern American public safety net. Social services are critical avenues through which poor and near-poor households address immediate needs, overcome obstacles to employment, and seek better work opportunities (Edin and Lein 1998, Gutiérrez-Mayka and Bernd 2006). Assistance comes through many different programs: substance abuse or mental health, food pantries or soup kitchens, temporary cash or food, child care, job training and adult education, housing, and transportation. The Congressional Research Service (2003) estimates government spending on many different means-tested social service, job training, housing, adult education, and energy assistance programs has doubled in real dollars over the past 30 years. Because nonprofits administer many of these programs, expanded public funding has led to growth of the nonprofit service sector. Salamon (2002) showed that the number of nonprofit human service organizations increased by 115% between 1977 and 1997, with total revenues for those organizations more than doubling during that time. The number of nonprofit human service and job training service providers has continued to grow, increasing by more than 60% between 1990 and 2003. Total revenues for these organizations now reach about $80 billion (Allard, 2008).[3] Combining public and private expenditures, it can be estimated that the United States allocates between $150 and $200 billion to social service programs annually.

One implication of maintaining a safety net reliant on social services is that issues of provider accessibility become paramount. For example, a poor person cannot readily participate in a social service program located many miles away, making proximity to service providers critical to receiving help. Information about the services available is likely to be a function of proximity to providers because an individual is more likely to know about the agencies present in their immediate neighborhood than in neighborhoods farther away. Caseworkers often will provide low-income individuals with information about programs in the immediate community. Living in closer proximity to providers will reduce the commuting burden, especially if office visits must be coordinated with already complex trips between home, child care, and work. Further, the limitations of public transportation in many communities and low rates of automobile ownership among low-income households make it even more critical that providers are located nearby poor populations.[4]

Compounding the challenge of ensuring adequate access to programs, social service providers often experience fluctuations in the level and sources of program revenues from year to year. Changes in funding are due in part to shifts in public and private priorities that reflect evolving demographic patterns, community needs, or policy agendas. Government agencies and nonprofit philanthropies often allocate their finite resources to reflect moving priorities. As noted earlier, public and private funding for social service programs decrease during economic downturns, when revenues, endowments, and private giving decline. This responsiveness to the economic cycle means that funding available for social service programming most often decreases at the same time that the need for assistance increases.

Because the safety net is financed in this manner, social service organizations devote substantial energy to maintaining program funding, seeking new sources of funds or looking for revenues to replace lost funding sources. Agencies and organizations that cannot receive a consistent flow of revenue or program resources will be forced to cut staff, reduce available services, and/or limit the number of people served. In extreme cases, agencies or organizations may be forced to temporarily close or even permanently shut their doors because of insufficient or inconsistent funding. Volatility in program funding streams not only makes assistance less available to those in need, it destabilizes the agencies and organizations on which the safety net is founded. Understanding how funding is allocated within communities and across agencies, therefore, is critical to identifying where the safety net is most vulnerable.[5]

The Multi-City Survey and Rural Survey of Social Service Providers

Despite the importance of accessibility and stability to the success of social service programs, there is relatively little information comparing the accessibility and stability of FBOs with secular nonprofit service organizations.[6] To better understand how faith-based service organizations and secular nonprofit service organizations operate within local safety nets, data were analyzed from the Multi-City Survey of Social Service Providers (MSSSP) and the Rural Survey of Social Service Providers (RSSSP), which were completed with executives and managers in three metropolitan areas (Chicago, Los Angeles, and Washington, D.C.) and four multiple county rural sites (southeastern Kentucky, south-central Georgia, southeastern New Mexico, and the border counties of Oregon-California) between November 2004 and June 2006. Organizations self-identified as either governmental, secular nonprofit, or religious nonprofit organizations, the latter which I refer to as faith-based organizations in this paper. Each survey then gathered detailed information on location, services provided, clients served, funding, and organizational characteristics from these public and nonprofit service providers. With response rates that exceed 60% in each site, these surveys are the most unique, comprehensive, and geographically sensitive data about social service provision currently available.

As expected, nonprofit service organizations are critical components of safety nets in urban and rural areas. Among the organizations interviewed by the MSSSP, 70% self-identified as secular or faith-based nonprofit organizations and are included in the present analyses; 61% of providers in the RSSSP reported either secular or faith-based nonprofit status. Totaled across the two surveys, there are 1,172 secular or faith-based nonprofit organizations, of which roughly 60% self-identified as secular nonprofits (67% in the MSSSP, 58% in the RSSSP). Survey questions about the frequency with which religious elements are incorporated into service delivery are used to sort FBOs into one of two categories: faith-integrated agency or faith-segmented agency. Faith-integrated agencies are those that report frequent involvement of prayer with clients, promotion of particular religious viewpoints, or discussion of behavioral or lifestyle issues using religious principles in the course of service delivery. These organizations often are small church-based food pantries or emergency assistance programs that help several dozen people each month, but they also include larger organizations that help up to several hundred clients at any point in time with a wide range of material, employment, and personal needs.

Faith-segmented organizations do not frequently incorporate prayer, religious viewpoints, or religious principles into service delivery.[7] A typical example of a faith-segmented organization is a local site of a larger agency like Catholic Charities or Lutheran Social Services whose origins are in a faith community, but where faith elements are not actively incorporated into service provision. Other examples of faith-segmented organizations include local nonprofits spun off from places of worship or ministerial associations with the intention of separating the social mission from the religious mission of the organization.

Using this approach, 70% of FBOs in the MSSSP are classified as faith-segmented organizations and 30% are classified as faith-integrated. Rural FBOs were more closely split, as slightly more than 53% of FBOs in the RSSSP are categorized as faith-segmented organizations and 47% are categorized as faith-integrated. See the Appendix A for more detail about these two surveys and the questions used to determine religious or secular status.

Comparing the Features of Faith-based and Secular Service Providers

Table 1 (see Appendix B) examines whether the types of services, organization budget, and percentage of clients living below the poverty line vary among secular nonprofit organizations and FBOs. Consistent with existing research, the top panel of Table 1 indicates that FBOs in urban and rural areas are more likely to offer services to address immediate material needs, such as emergency food or cash assistance, rather than services requiring trained professional staff, such as outpatient mental health treatment, substance abuse programs, or employment-related services.[8] For example, faith-integrated organizations are considerably more likely to offer emergency assistance (88% in the MSSSP and 85% in the RSSSP) than secular nonprofit organizations (50% in both the MSSSP and RSSSP).

Also, the degree to which FBOs and secular nonprofit organizations deliver programs intended to improve nonmaterial well-being and work outcomes varies. About half of all secular nonprofit organizations in the MSSSP offer mental health or substance abuse programs; nearly 60% administer employment-related programs. By comparison, only about one third of FBOs in the MSSSP and the RSSSP offer outpatient mental health or substance abuse services. Slightly larger percentages of faith-integrated and faith-segmented organizations offer employment-related services, such as job training or adult education, but again at rates well below secular nonprofit organizations.

Part of the reason that FBOs may have a different programmatic orientation than secular nonprofits is because many faith-integrated and faith-segmented organizations have fewer resources than secular providers. Without funds for full-time professional staff or program resources, FBOs may not be able to offer mental health or employment services. Whereas 51% of secular nonprofit organizations in the MSSSP and 34% in the RSSSP have annual budgets above $1 million (see the middle panel of Table 1), less than one third of FBOs in the MSSSP and less than 10% of all FBOs in the RSSSP report budgets over $1 million. Almost one third of faith-integrated providers in the MSSSP and nearly half in the RSSSP have operating budgets of less than $50,000 annually.

Given that secular nonprofit organizations are more likely to provide mental health, substance abuse, and employment-related programs that are utilized by a broad range of poor and nonpoor persons alike than FBOs, it might be expected that these nonprofits maintain client caseloads containing fewer poor persons than FBOs that focus primarily on the material needs of the poor. However, this is not the case. As shown in the bottom panel of Table 1, both faith-based and secular nonprofit organizations target most of their programs to populations below the poverty line. Although FBOs, particularly those in rural areas, serve poor persons almost exclusively, nonprofit providers of all types in the MSSSP and RSSSP have caseloads predominantly composed of persons with income below the federal poverty line.

Accessibility of Faith-based Versus Secular Providers

Differences in client characteristics are suggestive, but alone they provide little information about the accessibility of social service opportunities in a particular community. Although data from the MSSSP indicate that 63% of nonprofit organizations draw a majority of their clients from within three miles, it is still a concern where nonprofit organizations choose to locate in communities.[9] There are a number of factors that shape an agency's location decision: availability of suitable office space, affordability of space, a mission to serve certain neighborhoods or population groups, access to private donors and other revenue streams, and proximity to adequate densities of potential clients.

To better reflect whether providers locate near high-poverty areas, it is helpful to calculate service accessibility scores in the three urban sites to reflect each residential census tract's relative access to a particular type of nonprofit organization (faith-integrated, faith-segmented, secular nonprofit) offering basic needs, mental health or substance abuse, or employment-related services to low-income populations. These scores weight for the number of clients served within three miles of a given tract and by the number of poor persons within three miles to control for potential demand. More detail about the construction of the service accessibility measures used is provided in the Appendix A.

Service accessibility scores indicate whether a particular type of service provider is located closer to concentrations of poor populations within a given community. These service accessibility scores can be used to compare service provision across different types of census tracts or neighborhoods. Scores above 1 indicate greater access to service opportunities compared to the average tract or neighborhood. For example, Neighborhood A, with an access score of 1.10 for faith-integrated providers, is located within three miles of 10% more service opportunities delivered by faith-integrated providers than the metropolitan mean tract controlling for supply and demand. If Neighborhood B has an access score of 0.90 for faith-integrated providers, it can be said to be located near 10% fewer service opportunities than the metropolitan mean tract. Also, it can be said that Neighborhood A has access to 22% more service opportunities than Neighborhood B (1.10÷0.90=1.22). Accessibility scores indicate how the volume of clients served by particular types of nonprofit service providers is distributed across low-poverty versus high-poverty neighborhoods, but they do not indicate whether the supply of services is adequate to meet need in any given neighborhood.[10] With these caveats in mind, Table 2 (see Appendix B) reports mean accessibility scores across census tracts with low poverty

(poverty rate less than 10%), moderate poverty (poverty rate between 11% and 20%), high poverty (poverty rate between 21% and 40%), and extremely high poverty (poverty rate over 40%).

There is consistent evidence that neighborhoods with higher poverty rates have greater access to secular nonprofit and faith-integrated providers than to faith-segmented service providers. The top panel in Table 2 reports the mean scores for access to emergency cash or food assistance. Low-poverty neighborhoods have nearly twice as much access to faith-segmented providers offering emergency assistance as high-poverty or extremely high-poverty neighborhoods (1.27 versus 0.72 and 0.67, respectively). In contrast, high-poverty and extremely high-poverty areas have greater access to faith-integrated service providers offering emergency assistance than the average neighborhood (1.12 and 1.25, respectively), and access to secular nonprofits offering temporary help with material needs is comparable to the average neighborhood in each city (1.08 and 1.04, respectively).

Similar patterns are evident in the next two panels of Table 2, which report access to outpatient mental health/substance abuse services and to employment-related services. Although mental health and substance abuse services are more resource intensive and less common among FBOs, higher poverty communities have greater access to faith-integrated agencies offering outpatient mental health and/or substance abuse programs. In fact, high-poverty and extremely high-poverty neighborhoods have access to many more mental health and substance abuse service opportunities delivered through faith-integrated organizations than through faith-segmented organizations. Persons living in high-poverty and extremely high-poverty tracts also have higher than average access to secular nonprofit organizations offering these types of services, with access scores about 11% to 12% above the metropolitan mean. Gaps in accessibility between faith-integrated organizations and faith-segmented or secular nonprofit organizations persist when looking at employment-related services. Neighborhoods with poverty rates above 40% have access to nearly twice as many faith-integrated service providers offering employment-related services as faith-segmented or secular nonprofit organizations (1.75 versus 0.94 and 0.85, respectively).

Looking across three different cities and three different types of social services, there is evidence in the MSSSP that faith-integrated service providers are more accessible to residents of high-poverty central city neighborhoods than faith-segmented organizations. Such findings are consistent with expectations that places of worship and religious congregations located in high-poverty communities play a particularly active role in providing assistance to the poor in surrounding communities. Secular nonprofits often have access scores above the metropolitan average, which also highlights the critical role these organizations play in impoverished communities.

We should keep in mind, however, that faith-integrated organizations account for just a fraction of the nonprofit service sector and the assistance it provides. In both urban and rural areas, secular and faith-segmented service providers help 10 persons for every person receiving help through a faith-integrated provider. Faith-integrated organizations are well-located with respect to poverty, but very few faith-based or community-based organizations provide enough aid to meet the demand in their surrounding community. Moreover, these results do not capture the intent or motivation of different types of organizations to serve low-income populations. In fact, much of the observed differences in accessibility between faith-integrated organizations and other nonprofits may reflect unique opportunities to lease or utilize office space in high-poverty communities that emerge from close partnerships with places of worship in those communities.

Funding the Faith-based and Secular Nonprofit Components of the Public Safety Net

Although the federal government has sought in the past decade to reduce the barriers that FBOs may face in receiving public funding, little data exist to indicate how services are funded across faith-based and secular nonprofit organizations. To address this issue, each survey asks providers whether they receive funding from government grants or contracts, grants or contracts funded by nonprofit organizations or foundations, or from private giving from individuals.[11] In addition, organizations are defined as “dependent” on a particular revenue source if they receive more than 50% of total organizational revenues from that source.

The findings presented in Table 3 (Appendix B) indicate that nonprofit organizations receive substantial amounts of government funding. For example, roughly 85% of secular nonprofit organizations in urban and rural areas report receiving government funding of some kind. Close to 60% of those secular nonprofit organizations receiving government funds are dependent on those funds. Such findings are to be expected because the nonprofit service sector operates as a key administrative arm of the expanded public safety net. Thus, without secular nonprofit organizations, many government programs could not be delivered at the street level.

In addition, a sizeable share of FBOs report receiving public funding of some kind. More than half of all faith-segmented providers and a smaller, but substantial, share of faith-integrated providers receive government grants or contracts. On the one hand, these findings run counter to assumptions made by past and current federal initiatives to better connect faith-based nonprofit organizations to public funding opportunities. On the other hand, because the law does not permit FBOs to use public funds to support worship or proselytizing activities or to incorporate faith elements into programs, there may be concern that public funding is supporting programs with explicit religious purposes or intents. Limitations of these survey data, however, should temper these latter reactions and lead to a cautious view of information about public funding of FBOs. Neither the MSSSP nor RSSSP can link receipt of public funds directly to religious activity. In many instances, it is likely that faith-integrated providers fund programs with religious content through nongovernmental revenue sources and use governmental funds for programs without religious content.

Furthermore, Table 3 indicates that governmental funding does not compose a substantial share of operating revenues for faith-integrated organizations. Only 35% of faith-segmented organizations in the MSSSP receiving governmental funding rely on those funds for at least 50% of their total revenues; only 7% of faith-segmented organizations in the RSSSP are dependent on public funds. Less than 20% of faith-integrated organizations that receive public funding are dependent on these funds.[12]

If governmental grants and contracts are less common among FBOs than secular nonprofit organizations, where do religious nonprofit service providers draw funding from? Most FBOs report revenue from nonprofit organizations or philanthropies and from private donors. Funding from the nonprofit sector and from private donors provides critical support to faith-integrated organizations in urban and rural areas. Among faith-integrated providers in the MSSSP, 56% receive nonprofit grants and over 93% receive private donations. Similar patterns are evident in the RSSSP. While about one third of faith-integrated organizations receiving support from other nonprofit organizations are dependent on those revenue streams for a majority of their funding, more than half of those reporting private donations draw a majority of organizational revenues from those sources. Neither faith-segmented nor secular nonprofit service providers appear to rely heavily on nonprofit and private giving. For example, while three quarters of faith-segmented organizations in the MSSSP receive nonprofit grants and 90% receive private donations, very few of those organizations are dependent on nonprofit grants or private philanthropy for a majority of their operating revenues. This brief snapshot suggests that secular nonprofit organizations are dependent on governmental grants, faith-segmented service providers maintain more balanced funding streams, and faith-integrated organizations are highly reliant on private giving.

Beyond concerns about the sources of program funding, there is also a concern with whether certain types of providers are more vulnerable to funding cuts than others. When looking at reports of decreases in any funding source over the three years prior to the survey, both faith-based and secular service providers display fairly high levels of volatility in the composition of agency funding. The bottom panel of Table 3 indicates that secular nonprofit organizations are more vulnerable than FBOs to revenue cuts. Nearly 50% of secular nonprofit organizations in the MSSSP and RSSSP report a decrease in any revenue source in the previous three years. By comparison, roughly 40% of faith-segmented organizations and 30 % of faith-integrated organizations in these two surveys report a funding decrease. The fact that secular nonprofit organizations are more likely to experience funding cuts may be a reflection of their substantial dependence on public funding sources that change frequently from year to year.

Funding cuts often translate into changes in program offerings, staffing levels, numbers of clients served, or in the extreme, closure of a facility. Almost 55% of all nonprofit service providers in urban and rural areas report reducing service provision in the previous year as a result of funding cuts. The last four rows of Table 3 report specific programmatic responses to funding cuts. Although secular nonprofit organizations appear slightly more likely to report reductions in operations than FBOs, often these differences are not statistically significant. For instance, 37% of faith-integrated organizations in the MSSSP and 33% in the RSSSP reduced the number of clients served in response to recent funding cuts; 39% of secular nonprofit organizations in the MSSSP and 43% in the RSSSP reported serving fewer clients as a result of funding decreases. Secular nonprofit organizations, probably because they are larger organizations on average and carry larger staffs than FBOs, are more likely to reduce staff in response to funding cuts. Roughly 60% of secular nonprofit organizations in both urban and rural areas indicated staffing reductions in the wake of funding losses, compared with about 40 % of faith-segmented organizations. Reflecting the vulnerability associated with being a small and modestly funded organization, faith-based service providers appear more likely to temporarily close because of funding cuts than secular nonprofit organizations. These differences, however, do not reach conventional levels of statistical significance. Although different nonprofit organizations draw on different combinations of funding, it appears that issues of volatility and instability in service delivery arrangements are more the rule than the exception across urban and rural nonprofit service sectors.

Organizational, Policy, and Research Implications

Faith-based and community-based nonprofit organizations are critical components of the contemporary American public safety net. Data from the MSSSP and RSSSP indicate that faith-based service organizations play a particularly critical role in providing basic material assistance to low-income households, many of whom may not be eligible for governmental assistance. Yet the fact that more than one-third of FBOs in urban and rural areas offer mental health, substance abuse, and employment-related services suggests that they also offer assistance that addresses a broader range of barriers to self-sufficiency among the poor than might otherwise be assumed.

Moreover, when looking at the accessibility of secular and faith-based service organizations in the three urban sites, there is evidence that faith-integrated organizations—those that incorporate matters of faith in service provision—are the most geographically accessible sources of support to high-poverty communities across a number of different program areas. Secular nonprofit organizations, which provide more assistance and more services that address barriers to employment than FBOs, are also quite accessible to high-poverty communities.

Apart from issues of accessibility, the nonprofit sector exhibits substantial variability in service delivery because of volatility in revenue fluctuations. Secular nonprofit organizations are particularly vulnerable to funding cutbacks, in part because they rely so heavily on public revenue streams that can be quite responsive to economic downturns or tight budgetary times. Yet anywhere from 25% to 40% of FBOs in urban and rural areas have experienced a recent cut in funding, and as a result many of these organizations were forced to reduce services, clients, or staff.

These data also highlight important distinctions between the characteristics of faith-based and secular nonprofit organizations operating in urban versus rural areas. FBOs and secular nonprofit organizations comprise a smaller share of all social service providers operating in the four rural communities examined by the RSSSP than in the urban communities of the MSSSP. Nonprofit organizations in these four high-poverty rural areas, faith-based and secular nonprofit organizations alike, also have smaller budgets and fewer resources than those located in the three urban areas. Modest resource levels reflect lower levels of wealth in these particularly poor rural areas, which translates into fewer private resources targeted at social services. Rural-urban differences also reflect the lack of public resources available in high-poverty rural areas for social service grants or contracts. Nevertheless, rural service providers work with individuals who are as poor and disadvantaged as those in urban areas. All high-poverty communities are challenged to find adequate resources for programs of assistance, but the data presented here suggest that rural communities face a particularly steep challenge in marshalling adequate resources to meet the needs of the working poor.

Taken together, these findings indicate that initiatives to strengthen faith-based and community-based nonprofit organizations are critical steps in achieving a sound public safety net and increasing the availability of assistance to poor populations. Along with efforts to promote community-based nonprofit organizations, other actions can fortify the safety net. For instance, given the volatility in service delivery reported by both faith-based and secular nonprofit organizations, policy makers and community leaders may seek to ensure that funding for social service programs is more stable and predictable than currently is the case. One step toward ensuring stability is for federal agencies, states, and communities to vigorously maintain public commitments to funding social service programs. As the data here suggest, the nonprofit sector is unlikely to replace substantial cuts in government funding of programs. In addition to maintaining public funding commitments, policy makers and local leaders may focus on helping nonprofit organizations achieve greater diversification within their funding portfolios to better weather lost program funding when it occurs. Moreover, government agencies and community-based nonprofit organizations may wish to pay greater attention to how cuts in social service programs affect impoverished neighborhoods and communities. Such efforts will allow communities to better coordinate programmatic responses to unmet needs.

As critical as it is to ensure funding for local service providers, more attention needs to be paid to the space and facility needs of these organizations. Finding affordable space that is suitable for service provision is a challenge. Even when agencies can locate suitable space they can afford, there may be pushback from local residents or other building tenants to renting space to nonprofit organizations that help poor populations. Declining poverty rates in many central city neighborhoods and increasing poverty rates in nearby suburban communities also pose complications for providers.[13] Because most funding is for programs or services and not for relocation or space acquisition, nonprofit organizations will struggle to remain proximate to client populations as poverty moves outward from cities. Therefore, initiatives to support faith-based and community-based nonprofit organizations need to address the space and facility challenges confronting many service providers. Such assistance may come through direct funding for capital investment or through efforts to create office space where nonprofits can colocate to be accessible to poor populations.

Despite the centrality of faith-based and secular social service organizations to local safety nets, there is relatively little information available about these organizations. Rigorous and objective research of nonprofit social service provision, therefore, also will play an important role in identifying how government and communities can best support human service nonprofit organizations. Of great importance is research that evaluates program outcomes among different types of faith-based and secular nonprofit organizations. In addition, research needs to develop better measures for tracking how faith activities matter or shape individual-level outcomes, as well as to understand whether service delivery within FBOs differs from secular nonprofit organizations.

While this paper generates important insight into issues of service delivery, the presence of mismatches between nonprofit organizations and poor persons, program funding, and organizational stability, future research will need to seek stronger measures of program accessibility, the adequacy of service provision relative to need, and program quality. To permit meaningful comparisons across communities, data collection activities will need to be structured to be geographically representative of several different regions or metropolitan areas. Moreover, there is a need for further inquiry into the needs of working poor families and the factors shaping utilization of social service programs to address these needs. It is important for research to assess which strategies best support modestly resourced community-based service organizations and to help those organizations adopt high-quality programs capable of serving large numbers of clients. Along these lines, scholarly work may examine whether public investment in new nonprofit organizations creates more new service opportunities or more accessible service opportunities than strategies that target funding at faith-based and secular nonprofit organizations currently operating.

Combined, such efforts by policy makers, community leaders, and researchers can expand the capacity of faith-based and community-based service providers located in high-poverty communities. Such efforts should translate into more direct assistance available to the working poor and improvement in their well-being.

Appendix A

Data for this paper were drawn from the Multi-City Survey of Social Service Providers (MSSSP) and the Rural Survey of Social Service Providers (RSSSP), which completed telephone surveys with executives and managers from more than 2,200 governmental and nonprofit social service providers in three cities (Chicago/Cook County, Los Angeles/Los Angeles County, and metropolitan Washington, D.C.) and four high-poverty rural areas between December 2004 and August 2006. MSSSP interviews in metropolitan Washington, D.C., included agencies located in the District of Columbia, as well as Prince George's County and Montgomery County in Maryland to the northeast and communities in northern Virginia (Alexandria, Arlington, Loudoun County, Fairfax County, and Prince William County). The RSSSP was completed in four multicounty regions: south-central Georgia (Atkinson, Bacon, Ben Hill, Berrien, Coffee, Jeff Davis, Pierce, and Ware Counties); southeastern Kentucky (Bell, Clay, Harlan, Jackson, Knox, Laurel, Rockcastle, and Whitley Counties); southeastern New Mexico (Chaves, Curry, Debaca, Eddy, Lea, and Roosevelt Counties); and, an Oregon-California border site composed of 10 counties (Del Norte, Modoc, and Siskiyou Counties in California; Coos, Curry, Douglas, Jackson, Josephine, Klamath, and Lake Counties in Oregon). In addition to questions about services available, faith-based status, and location, the longer surveys in the MSSSP and RSSSP asked respondents more than 100 questions about client characteristics, connections to community organizations, funding streams, and other pertinent organizational characteristics.

Each survey drew respondents from databases of government and nongovernment service agencies constructed for each city or rural region from community directories, social service directories, county agency referral lists, phonebooks, and internet searches. Churches listed in community directories as providing social services were included in the survey. Providers were contacted by each survey if they operated programs at low or no cost in one of several service areas: welfare-to-work, job training, mental health, substance abuse, adult education, emergency assistance. The MSSSP began with 5,313 providers, compared with 1,266 in the four rural regions covered by RSSSP. Verification calls were made to identify agencies that were operational and currently offering services on site to low-income populations. Slightly less than half of all agencies in MSSSP (2,183 of 5,313) contacted were invited to complete a longer telephone survey; about three quarters of agencies contacted by RSSSP were eligible for the longer survey (964 of 1,266). The remaining organizations were either no longer operational, did not provide services at their location, or did not offer programs to low-income persons at low or no cost. MSSSP completed interviews with 1,487 of the 2,183 agencies eligible for the longer survey (response rate of 68%); RSSSP completed surveys with 588 of the eligible 964 social service providers (response rate of 61%). The poverty rate of the neighborhood in which a provider is located was not statistically related to whether the provider completed MSSSP. Other organizational characteristics do not appear to have a meaningful impact on the likelihood of response. Similar results are found when examining response rates in RSSSP.

This paper examines data from faith-based and secular nonprofit organizations interviewed by MSSSP and RSSSP. Secular or faith-based nonprofit status was determined by answers to the following three questions:

Do you consider your organization to be government, private nonprofit, or private for profit?

(1) Government (2) Nonprofit (3) For-profit (9) DK/NA

Do you consider your organization to be religious or secular?

(1) Religious (5) Secular (9) DK/NA

Is your organization a religious congregation (i.e., church, synagogue, temple, mosque)?

(1) Yes (5) No (9) DK/NA

The degree of involvement of religious activities in service provision was determined by answers nonprofit organizations provided to the following three questions:

Would you say the following activities occur frequently, occasionally, or not at all at your site?

Staff or volunteers pray with a client.

(1) Frequently (2) Occasionally (3) Not at all (9) DK/NA

Staff or volunteers promote a particular religious viewpoint to a client.

(1) Frequently (2) Occasionally (3) Not at all (9) DK/NA

Staff or volunteers discuss lifestyle or behavioral issues using religious principles.

(1) Frequently (2) Occasionally (3) Not at all (9) DK/NA

Of the 1,304 organizations in MSSSP that provided information about their public versus nonprofit status and the involvement of faith activities in service provision, 911 (70%) are secular or religious nonprofits and are included in the analyses above. In RSSSP, 261 of the 431 organizations (61%) that answered questions about nonprofit status and religious activities are included in this analysis as secular or religious nonprofits. Totaled across the two surveys, 1,172 secular and faith-based nonprofit organizations are included in the analyses reported above.

Based on job accessibility scores calculated previously (see Allard and Danziger 2003; Raphael 1998), city-specific service accessibility scores with data from the MSSSP were calculated as follows. First, the number of clients served by all agencies or a particular type of agency located within three miles of each residential census tract (using tract centroid-to-centroid distances) is totaled. To avoid double-counting, providers were asked to estimate the number of individual clients receiving help and were asked not to double-count clients that may be receiving help from many different programs within an agency. Subsequent site visits to agencies responding to MSSSP and RSSSP indicate that these estimates are good approximations of supply of services. To account for potential demand for services, the number of individuals with income below the poverty line within three miles of each residential tract were summed. Then the number of clients served was divided by the number of persons in poverty within 3 miles. To be able to compare tracts to each other, this tract-specific access score was divided by the average of that access score for the metropolitan area.

Thus, a set of demand-, distance-, and organization-weighted service accessibility scores was calculated as follows: $A_i = \Sigma(CS_i) \div \Sigma(P_i)$, where A_i is the initial access score for tract i. CS_i reflects the number of providers offering a particular service (S) to low-income adults within 3 miles of tract i, multiplied by the number of clients served in each agency in a typical month (C). To account for potential demand, divide by the total number of persons living below the poverty line (P_i) within 3 miles of tract i. To make service accessibility scores more readily interpretable, divide each tract's score for a given access measure A_i by the metropolitan area mean score for that particular access measure.

Appendix B

Table 1. Comparing Service Provision across Faith-Based and Secular Service Organizations in the Multi-City Survey of Social Service Providers **(MSSSP) and** Rural Survey of Social Service Providers **(RSSSP)**

	Percentage of Service Organizations					
	MSSSP Providers			RSSSP Providers		
	Faith-Integrated	Faith-Segmented	Secular Nonprofit	Faith-Integrated	Faith-Segmented	Secular Nonprofit
Emergency Assistance	87.9[ab]	68.7[ac]	49.8[abc]	85.1[a]	87.0[b]	50.0[ab]
Mental Health/Substance Abuse	37.8	32.7[a]	51.1[a]	31.9[a]	9.3[ab]	36.3[b]
Employment-related Services	43.3[a]	51.2	57.6[a]	38.3	33.3[a]	56.0[a]
Annual Budget >$1 million[†‡]	34.2	25.3	50.6	4.7	10.4	33.6
Annual Budget $1 million–$200,000	22.4	35.0	33.4	14.0	22.9	25.2
Annual Budget $200,000–$50,000	13.2	26.9	11.5	32.6	33.3	22.1
Annual Budget <$50,000	30.3	12.9	4.5	48.8	33.3	19.1
0–25% Clients in Poverty [†]	6.9	14.7	9.8	8.7	3.7	7.1
26%–50% Clients in Poverty	9.2	9.3	13.3	4.4	9.3	15.5
51%–75% Clients in Poverty	19.5	23.0	19.8	19.6	9.3	18.7
>75% Clients in Poverty	64.4	52.9	57.1	67.4	77.8	58.7
N	91	211	609	47	54	160

[a, b, c] Notations identify sets of paired cells within a row associated with a particular survey, where the mean difference in service access between the two cells is significant at the .10 level or below.

[†] Chi-square tests indicate statistically significant variation in this panel at the .10 level or below across faith-integrated, faith-segmented, and secular nonprofit organizations in the MSSSP.

[‡] Chi-square tests indicate statistically significant variation in this panel at the .10 level or below across faith-integrated, faith-segmented, and secular nonprofit organizations in the RSSSP.

Table 2. Access to Faith-based and Secular Service Organizations in the Multi-City Survey of Social Service Providers (MSSSP)

	Mean Service Access Score			
	Low-Poverty Tract (Poverty Rate 0–10%)	Moderate-Poverty Tract (Poverty Rate 11%– 20%)	High-Poverty Tract (Poverty Rate 21%– 40%)	Extremely High- Poverty Tract (Poverty Rate >40%)
Mean Access to Emergency Assistance Services Delivered by…				
Faith-Integrated Nonprofits †	0.96	0.90	1.12	1.25
Faith-Segmented Nonprofits †	1.27[abc]	0.84[a]	0.72[b]	0.67[c]
Secular Nonprofits †	0.91	1.08	1.08	1.04
Mean Access to Mental Health and Substance Abuse Services Delivered by…				
Faith-Integrated Nonprofits †	0.85[ab]	0.85[cd]	1.31[ac]	1.45[bd]
Faith-Segmented Nonprofits †	1.49[abc]	0.77[a]	0.47[b]	0.24[c]
Secular Nonprofits †	0.95[a]	0.96	1.11[a]	1.13
Mean Access to Employment-related Services Delivered by…				
Faith-Integrated Nonprofits †	0.67[abc]	0.98[ade]	1.47[bd]	1.75[ce]
Faith-Segmented Nonprofits	0.97	1.13	0.95	0.94
Secular Nonprofits †	1.09	0.90	0.97	0.85

Note. Access scores are weighted to reflect supply of assistance and relative demand for assistance. †=F-tests indicate a statistically significant difference in access to a particular type of provider at the .10 level or below across tract poverty rate. [a, b, c, d, e] Notations identify sets of paired cells within each row where the mean difference in service access between the two cells is significant at the .10 level or below.
Sources: Multi-City Survey of Social Service Providers; U. S. Census Bureau 2000

Table 3. Funding and Stability across Faith-based and Secular Service Organizations in the Multi-City Survey of Social Service Providers (MSSSP) and Rural Survey of Social Service Providers (RSSSP)

	Percentage of Service Organizations					
	MSSSP			RSSSP		
	Faith-Integrated	Faith-Segmented	Secular Nonprofit	Faith-Integrated	Faith-Segmented	Secular Nonprofit
Received Government Funding in Previous 3 Years	33.7[ab]	58.4[ac]	83.3[bc]	14.9[ab]	53.9[ac]	87.9[bc]
Dependent on Government Funding	16.7[a]	34.5[b]	57.3[ab]	14.3[a]	7.4[b]	62.5[ab]
Received Nonprofit Funding in Previous 3 Years	55.6[ab]	74.2[a]	73.4[b]	31.9[ab]	60.4[a]	55.0[b]
Dependent on Nonprofit Funding	33.3[ab]	15.6[a]	11.4[b]	28.6	13.3	15.5
Received Private Giving in Previous 3 Years	93.4[a]	90.0[b]	74.5[ab]	95.7[a]	94.4[b]	50.0[ab]
Dependent on Private Giving	52.0[ab]	17.9[ac]	5.9[bc]	73.8[ab]	52.1[ac]	5.7[bc]
Report Decrease in Funding from Any Revenue Source in Previous 3 Years	29.7[a]	39.3[b]	49.1[ab]	25.5[a]	44.4	47.5[a]
Reduced Staff in Previous Year due to Funding Decrease	44.4	48.2	61.5	8.3[a]	29.2[b]	63.2[ab]
Reduced Services in Previous Year due to Funding Decrease	44.4	51.8	44.6	41.7	62.5	48.7
Reduced Clients in Previous Year due to Funding Decrease	37.0	40.2	39.3	33.3	50.0	43.4
Temporarily Closed Site in Previous Year due to Funding Decrease	11.1	4.9	7.7	16.7	12.5	7.9

Note. Providers are defined as dependent on a particular revenue source if they receive more than 50% of total revenues from that source;
[a, b, c] Notations identify sets of paired cells within a row associated with a particular survey, where the differences in percentage of providers receiving funding from a particular source, being dependent on that source, or experiencing cutbacks are significant below the .10 level.

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Notes

1. Social services are defined slightly differently in other research settings (see Smith 2002).
2. Amounts are reported in $2006. However, such an estimate certainly understates the size of the public social service sector, as it excludes a wide range of job training, substance abuse and mental health treatment, child care, housing, and energy assistance programs operated by federal, state, and local governments.
3. Amounts are reported in $2006. Author's estimates of 501(c)(3) organizations based on data from the Urban Institute's National Center for Charitable Statistics, Washington, D.C. These estimates include only organizations likely to provide direct services to low-income adults on-site. In addition to excluding advocacy groups, I exclude mental health and substance abuse service providers, housing and shelter, and civil rights or legal aid programs from these calculations because it is not possible to discern which agencies within these categories provide direct services to working age adults on-site or in an out-patient capacity.

4. Existing studies have found evidence of mismatches in the location of social service providers. Allard (2008) showed that neighborhoods where the poverty rate is over 20% have access to almost half as many social service opportunities as neighborhoods where the poverty rate is less than 10%. Grønbjerg and Paarlberg (2001) presented evidence that Indiana communities with higher poverty rates are home to fewer nonprofit service organizations per capita than communities with lower poverty rates. These findings fit with work by Mosley, Katz, Hasenfeld, and Anheier (2003), which showed that high-poverty neighborhoods in South and East Los Angeles are underserved by nonprofit service providers compared with other impoverished areas of Los Angeles County. Likewise, Peck's (2008) analysis of nonprofit service organizations in Phoenix indicated that providers are less accessible to high-poverty areas near the central city than to low-poverty areas outside the central city.
5. Research has shown that service program funding is volatile. Grønbjerg (2001) and Salamon (1999) found that public funding declined substantially in real dollars from the mid-1970s to the mid-1990s, two decades punctuated by periodic economic downturns and budget crises. Examining the funding of service providers in southern California, Joassart-Marcelli and Wolch (2003) noted that "poor people who reside in the poorest cities of the region are served by nonprofit organizations with lower levels of expenditures, have to share the services of each nonprofit organization with larger numbers of poor people, and hence are likely to receive less and/or lower quality services" (p. 92). Looking at state governments, Johnson, Lav, and Ribeiro (2003), and Smith, Sosin, Jordan, and Hilton (2006) linked recent state fiscal crises to cuts in public expenditures for social service programs. Allard (2008) showed that funding cuts reduce the assistance available to the poor, hamper the

effectiveness of programs, and destabilize nonprofit organizations on which the safety net depends.

6. Most existing data sources either are unable to make distinctions between different types of faith-based and secular nonprofit organizations, or the data focus exclusively on congregations.
7. To be clear, however, these items do not capture the presence of religious symbols, the degree to which religious elements are embedded within organizational culture, or the specific nature of an agency's religious affiliations or partnerships. Moreover, nonprofit service organizations receiving public funding may be more likely to downplay their faith connections or activities, rather than risk admitting activity that may jeopardize those public funds.
8. Chaves (2002) found that less than 10% of congregations are involved in providing services outside basic food, clothing, or housing needs. Also see DeVita (1999) and Graddy (2006).
9. Respondents to the RSSSP were asked how long it would take the average client to drive to their site. The typical nonprofit provider in the RSSSP, faith-based or secular, indicated the average commuting time by car was 15 minutes.
10. In fact, it should be noted that almost 70% of nonprofit organizations in the MSSSP and RSSSP—FBOs and secular organizations alike—report increases in demand for services in recent years. Access scores do not account for whether programs are of high or low quality. Scores do not speak to how all public and nonprofit resources are allocated across a community or for the length of time in which a client typically participates in a program.
11. Although it is important to make distinctions between types of public revenue, government fee-for-service reimbursements were coded as contract or grant revenue to simplify the

requests made of providers during the telephone survey. It is important to note, however, that data on Medicaid fee-for-service reimbursements were collected separately. While about one third of secular nonprofit organizations receive Medicaid funding, less than 10% of all FBOs in the MSSSP and RSSSP receive such funds. In most instances, even when nonprofit organizations receive Medicaid funds, it does not account for a large percentage of operational revenues. As a result, most of the analysis here focuses on other sources of government funding.

12. These findings are consistent with other studies. Monsma (1996) concluded that child service agencies high on his religious practice scale were less likely to be dependent on public funds than secular nonprofit providers or faith-based providers exhibiting low levels of religiosity.
13. See Berube and Kneebone (2006) and Jargowsky (2003).

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