Helping Hands for the Working Poor:

The Role of Nonprofits in Today's Safety Net

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Introduction[1]

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 central components of the safety net assisting low-income Americans. 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 $12 billion annually (U.S. Department of Health and Human Services 2007). Instead, social service programs that help working poor families overcome barriers to employment and achieve better work outcomes, have become a much larger component of the safety net. A lower-bound estimate from Congressional Research Service (2003) indicates that means-tested social service programs receive at least $110 billion in federal, state, and local government funding each year. This figure excludes many government programs and the billions of dollars that nonprofit organizations and private donors contribute to social service programs each year.[2] Even when adding food stamps and the Earned Income Tax Credit (EITC) to the mix of cash assistance programs available to low-income families, public and private expenditures for social service programs still exceed cash assistance expenditures by tens of billions of dollars annually (Allard 2008). Contrary to popular perceptions and old assumptions that view welfare cash assistance as the dominant approach to antipoverty assistance, therefore, the American safety net in the 21st Century is composed largely of social service programs that offer helping hands to working poor populations.

These new realities of antipoverty assistance have numerous implications for policy, communities, and research. First, nonprofit organizations furnish essential service delivery capacity in local safety nets, often the street-level providers of public-funded programs. After several decades of growth and expansion, nonprofit service agencies have become a primary avenue for the provision of a wide array of employment-related, child care, emergency assistance, and counseling services. Discussing the modern safety net, Smith (2002) concludes that "nonprofit social service agencies have a more central role in society's response to social problems than ever before" (p. 150). The contemporary safety net is reliant upon both secular and faith-based nonprofit organizations (FBOs, often referred to as religious nonprofits), both of which deliver public-funded and private-funded programs. Highlighting the role of FBOs, DiIulio (2004) states 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). As a result, efforts to strengthen community-based nonprofit service providers – secular and faith-based - have become more prominent components of national, state, and local solutions to poverty (Allard 2008).

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. Moreover, low-income persons should be more likely to know about or be referred to agencies in the surrounding community. Agencies embedded within high-poverty communities also are believed to better grasp the needs of community residents and to be more trusted than agencies located in distant neighborhoods (Owens and Smith 2005).

Both demand for services and funding for services varies from year to year, however, making it important also to understand how service organizations manage shifts in program needs and resources. Economic downturns increase the number of people seeking help and the nature of the help they seek; stronger labor markets should reduce the demand for social services. In addition, the allocation of public and private program funds changes from year to year. Certain program areas may be advantaged or disadvantaged given shifts in public and philanthropic priorities. As important, public and private funding of social services is cyclical, typically shrinking during economic slowdowns and times of tight budgets right when the need for assistance is on the rise. Ironically, therefore, social service organizations, government and nonprofit, must cope continuously with lost or shifting revenue streams at the moment that demands placed upon them increase. As critical as service accessibility may be to improving outcomes among working poor families, the consistency and stability of service provision is essential in assessing whether low-income populations have adequate access to social assistance.

Apart from their role as service providers, nonprofits also fulfill important civic functions in high-poverty communities. Nonprofit service organizations often pursue activities to improve neighborhoods, strengthen civic community, and empower residents of high-poverty communities. Nonprofits also participate in policy advocacy and public education activities that serve the interests of their clients, raise awareness, and support particular antipoverty programs or solutions. Such political activity strengthens communities and creates a voice for disadvantaged populations, but these activities also help nonprofits secure public and private funding in an environment where resources can be quite scarce.

With these new realities in mind, this paper examines several emerging questions about the contemporary safety net:

- How do the organizational characteristics and missions of secular and faith-based nonprofits differ?
- Are certain types of secular or faith-based nonprofits more accessible to poor populations than others?
- How do nonprofit service organizations fund services for the poor?
- Is service provision more stable and consistent across FBOs than secular organizations?
- How has demand for services or assistance changed in recent years?

- How often do nonprofit service providers participate in political or advocacy activity relevant to the interests of their clients?

To help answer these questions, I explore unique survey data drawn from more than 1,100 faith-based and secular nonprofit social service agencies operating in different seven urban and rural sites across America. Not only do secular nonprofits and FBOs pursue different service missions in urban and rural America, but different types of nonprofits are more and less accessible to high-poverty communities. For example, I find 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. At the same time, my data indicate that a substantial share of nonprofit organizations experience funding volatility and inconsistencies in service provision each year. Problems posed by instability in service delivery are compounded by the fact that most organizations report recent increases in demand for assistance. Possibly in response to these challenges and to a commitment to strengthening their surrounding communities, I also find many nonprofits engaged in political or advocacy activity on behalf of clients. Building on these findings, I draw implications for future policy research and for public policies that may strengthen the role that community-based nonprofit organizations play within the contemporary safety net.

New Realities in Today's Antipoverty Safety Net

The term "social safety net" in America describes the assistance intended 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. Annual expenditures for food stamps, welfare cash assistance, and the EITC reach roughly $80 billion. Medicaid expenditures for able-bodied working-age adults reach about $70 billion each year (U.S. House of Representatives, Committee on Ways and Means 1998, 2004; U.S. Department of Health and Human Services 2007; Holahan and Ghosh 2005, Zedlewski et al. 2006).

Less well understood, however, is the importance of social service programs to the modern American safety net. Social service programs 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). Low-income populations may find many different services or programs available in their community: 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 a limited set of means-tested social service, job training, housing, adult education, and energy assistance programs has doubled in real dollars over the past 30 years (from $47 billion to roughly $110 billion in 2006 dollars). 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 percent 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 percent 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.

The growth of social service programs has occurred gradually over time and cannot be attributed to one program or policy decision. Widespread frustration with the quality and financing of programs operated by state and local government and nonprofit organizations in the 1960s created political pressure to develop better social service-based approaches to alleviating poverty and to create a more prominent federal role in funding such services (Berry and Arons 2003, Smith and Lipsky 1993). Opposition within the nonprofit sector to public funding of social service programs present in the decades following the Great Depression had all but evaporated by the mid-60s. In fact, advocates and nonprofit agencies representing high-poverty, predominately minority, urban neighborhoods in the late 1950s and 1960s sought to expand social service and youth programs as a way to create greater opportunities for local residents. Perhaps most important, President Lyndon Johnson's War on Poverty reflected a greater national awareness of persistent poverty in America and established a federal commitment to addressing poverty in part through social service programs. By the time Johnson left office in 1968, the federal government had created many new job-training, social service, and community redevelopment programs that were to become the foundation of today's more elaborate service-based safety net.

Persistent growth of federal social service programs and funding in the 1970s and '80s led to the expansion of not only the nonprofit service sector but also of similar services funded by state and local governments. Even when welfare caseloads reached historic levels in the 1990s and became subject to substantial negative political backlash, public social service programs continued to grow steadily. Just at the point when social services supporting work and self-sufficiency became the largest component of public and private safety net assistance in the 1990s, the welfare system underwent a dramatic reform that reduced cash assistance and required recipients to work. Contemporary change in the welfare system has solidified the position of social services at the center of the safety net (Allard 2008, Berry and Arons 2003).[4]

The transformation in the safety net and geographic variation in service provision largely goes overlooked by policymakers, advocates, scholars, and concerned citizens. In part this is because the focus of policy discussions and the research literature is on income maintenance programs such as food stamps, the EITC, and TANF, though social service expenditures exceed cash assistance expenditures for non-disabled working-age adults. Even when we recognize the importance of social service programs, the local nature of service provision creates many challenges for scholars. Tracking the activity of tens of thousands of local government and nonprofit agencies, each of which draw upon many different revenue streams, is a daunting task. Apart from bits and pieces of data from the IRS, there is no federal clearinghouse or data repository to collect detailed information about social service provision. Moreover, there is virtually no data capturing individual-level social service utilization. The absence of easily accessible and rigorous data about the social service sector further obscures these critical shifts in the safety net from view.

Role for Nonprofits. Although the American safety net historically has relied on nonprofit organizations to serve as helping hands for disadvantaged populations, the role for nonprofit service providers is very different today than even forty or fifty years ago.[5] Prior to the New Deal, nonprofit agencies were funded primarily through private donations and philanthropy. Programs of assistance were modest in size and scope. By contrast, many nonprofit service organizations today finance their operations through government grants, contracts, or reimbursements to provide particular services or programs to low-income persons. While nonprofit organizations have become more dependent upon public revenue streams, government has become more dependent upon nonprofits to provide service delivery capacity for new initiatives. Millions of working poor persons are assisted each year through public-funded programs administered by nonprofit agencies. Not only has the proliferation of government social service programs since the 1960s has created larger and more reliable funding opportunities for the nonprofit service sector, but it has made the public safety net more reliant on the nonprofit sector than at any point in the postwar era (Allard 2008, Smith and Lipsky 1993).

The contemporary nonprofit social service sector in America is diverse in character. Some agencies are very small, providing temporary food or shelter to a few families each month. At the other end of the spectrum are large organizations that provide dozens of services to thousands of clients each year through a highly bureaucratized administrative apparatus. Beyond differences in size and mission, it is important to distinguish between secular nonprofit organizations and faith-based or religious nonprofits that may incorporate religious elements into service provision.[6] Distinctions made between secular nonprofit agencies and faith-based often focus on how services are delivered. To a greater degree than government or secular nonprofit service providers, FBOs are thought to be more likely to operate in high-poverty neighborhoods than secular nonprofits, making them more responsive to the needs of the most disadvantaged persons and distressed communities. Faith-based providers also are perceived to be more trusted community-based institutions, which may increase the likelihood that poor persons will seek and receive support services (Campbell 2002, Graddy 2006, Greenberg 2000, Owens and Smith 2005, Smith 2007, Smith and Sosin 2001).

Even though government agencies fund and partner with a wide variety of nonprofits, faith-based as well as secular, scholars and policy researchers often raise many concerns about the relationships between government agencies and FBOs. Some are critical of government efforts to purchase services from or contract with FBOs that are "pervasively sectarian" in nature and administer programs with inherent religious elements. Others believe that efforts to link FBOs to government funding will violate the First Amendment and weaken the separation between church and state. Many point to the discretion religious organizations use to hire or serve those with shared religious beliefs or orientations, arguing that government should not support organizations that discriminate in hiring or service delivery (Kennedy and Bielefeld 2006; Sider and Unruh 1999).[7]

Perhaps as important, there is debate over whether FBOs are more effective than their secular counterparts. Faith-based providers are thought to be more effective than secular organizations because they provide more holistic services that address clients' spiritual as well as physical and material needs. In addition, some clients may prefer to be served or may be better served by an FBO that shares their spiritual or religious orientation. When looking at programs at the street level, however, Smith, Bartkowski, and Grettenberger (2007) find few differences between faith-based and secular providers offering parental education programs in Mississippi, addiction services in the Pacific Northwest, or transitional housing programs in Michigan. Other work similarly concludes there is little evidence indicating that such organizations are more effective, as effective, or less effective than comparable secular nonprofits (Carlson-Thies 2004).

Nonprofits in every urban, rural, and suburban community facilitate, complement, and extend the efforts of government agencies to assist low-income populations. Without active and capable nonprofit service organizations, most communities would be unable to help those in need. Yet, the academic literature on social welfare policy only scratches the surface in its inquiry into the role that nonprofit service organizations play in our local safety nets. The unique position of nonprofit service providers within the American safety net affect how assistance is delivered on the ground. First, although there are large national nonprofit service organizations, most nonprofit service providers are local in origin and operation. This means that the safety net is really composed of tens of thousands of nonprofit agencies located across the more than 80,000 states, counties, and municipalities in the U.S.

Even though they work closely with elected officials, nonprofit service organizations operate independently from political parties or government agencies. Nonprofit service agencies may advocate for particular causes, programs, or populations, but they may not endorse specific candidates and they cannot perform the explicitly political functions of parties in the American federal system. Because of this independence, nonprofits operate with substantial discretion over organizational mission, structure, and operations. Government grants and contracts can place stipulations on the administration of public funded programs, but nonprofits are not required to receive public monies. Nonprofits have wide latitude in determining which programs to deliver where and to whom.

The multiplicity of government programs and nonprofit service organizations create a fragmented safety net, with thousands of different actors each operating with their own agendas and priorities. Such fragmentation makes it difficult to coordinate activity or even generate accurate estimates of the public and private service-based safety nets.

Place and Access to Providers. Issues of provider accessibility become paramount in a safety net reliant on social service programs. Cash assistance can be mailed or electronically transferred, but social service programs often cannot. Living nearby service providers is critical, therefore, if one is seeking help in a service-based safety net. 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. As noted, service providers in the immediate neighborhood may be more trusted than providers located further 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. Simply put, inadequate access to social service agencies can be thought of as the equivalent of denying assistance altogether.[8]

Because social service programs are essentially elective activities by government and nonprofit agencies – there is no entitlement to or guarantee of provision of assistance – there are no requirements that programs locate near or within high poverty areas. Some communities and neighborhoods have more programs and social services than others. The spatial distribution of social services in a particular community is a function of the many different factors that shape location decisions of government and nonprofit service organizations. For example, some agencies may choose to be closer to concentrations of low-income individuals in order to achieve economies of scale for service delivery. Others may locate to be proximate to potential private donors, clients who generate fee revenue, or partnering service organizations. Agencies may choose to locate in a particular community because of staffing concerns and the need to access trained professionals. Programs that address sensitive needs or serve at-risk populations may choose locations that prioritize protecting anonymity and confidentiality over shorter commutes. Moreover, service providers may be bound to particular neighborhoods due to a lack of adequate facilities in more preferred areas, insufficient funds to relocate, or ownership of property and facilities that limits mobility.

Volatility of Demand and Supply. Service accessibility in a given neighborhood or community will vary as need or demand for assistance changes and as the availability of program resources changes. Increased demand for social service programs without commensurate increases in the provision of those services will dampen levels of service accessibility. Similarly, cuts in program funding will necessarily reduce access to services even if demand remains static. Social service programs are not entitlements, meaning that even if need increases, there is no guarantee that supply of assistance will follow. Given that service providers set program budgets in advance, it is difficult for both government and nonprofit agencies to respond to unforeseen increases in need or to sudden decreases in funding.

Many factors can lead to increases in demand. Demand for social service program assistance rises during economic downturns, periods of inflation, and labor market contraction. Given increases in poverty and joblessness over the past few years, there is reason to believe that many government and nonprofit providers have seen substantial increases in demand for help that may reduce the overall availability of services in poor communities. Changes to public programs, such as the work-first focus of welfare reform and the significant cuts to cash assistance that have occurred since 1996, may also increase the demands placed upon nonprofit service providers.

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. For a number of reasons, therefore, service providers must cope with lost or shifting revenue streams on a persistent basis.

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.[9]

Nonprofits' Political and Civic Roles. In addition to helping clients through direct services, nonprofit service organizations occupy important political roles within their neighborhoods, communities, and the broader safety net. Nonprofit organizations are essential partners for government agencies and policymakers seeking to enact, administer, and improve policy tools for alleviating need. This is particularly true at the local-level, where nonprofits provide important administrative capacities that municipal and county government often lack, but require to deliver various public programs. Because nonprofit service providers have great discretion over who is served, where assistance is provided, what is provided, and how success is defined, the basic tasks of implementing and evaluating social service programs essentially become political activities that define how resources are distributed across local safety nets. The politicized nature of nonprofit service provision, subtle and often overlooked in the research literature, suggests that greater attention should be paid to the frequency and character of political communication between nonprofit service organizations and their government counterparts.

Nonprofit service organizations also play a critical role in building civic community and strengthening social capital in poor neighborhoods. Indeed, scholars and observers have long identified this role for nonprofits to be a hallmark of the American safety net and federal system. Americans historically have turned to nonprofit organizations both as a substitute for government intervention or provision, but also as vehicles for strengthening community and advocating for change. Nonprofits may advocate publicly for particular policies or programs that will better serve their target clients or neighborhoods. Nonprofits participate in public education campaigns or activities on behalf of poor populations and communities to generate greater awareness or support for policies to help low-income Americans. Apart from policy advocacy and public education activities, nonprofit service organizations also may seek to strengthen connections between low-income individuals and the broader political system. By improving the ties between the poor and the institutions around them, nonprofits can build civic community and increase political efficacy.

While we may expect nonprofits to be politically active, there are many reasons why they may not be. Some agencies may not see their mission as one of advocacy, or they may not have the capacity or resources for political activity. As important, the tax code places legal limitations on the extent to which organizations classified as 501(c)(3) charitable organizations can devote time and resources to lobbying or legislative advocacy. Under IRS regulations lobbying or political advocacy cannot be the primary activity of such organizations or an activity that consumes a "substantial" amount of an agency's time or resources. Nonprofit political activity also cannot attempt to persuade a legislator to take a particular position on a specific policy or legislative bill. Yet, this restriction does not apply nonprofit political activity or communication involving governors, mayors, and administrative agency staff. Because the laws regulating nonprofit political activity are murky and confusing, compliance, and enforcement are characterized by a substantial amount of opacity (Berry and Arons 2003).

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

To further explore these key features of the contemporary safety net, I examine data 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 of social service agencies 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. Agencies included in these two surveys were drawn from community directories, referral guides, phonebooks, and internet searches. Upon making contact with an agency, interviewers determined organizations as eligible for the survey if they provided services at no or little cost to low-income persons broadly defined. Both surveys gathered detailed information about location, services provided, clients served, funding, and organizational characteristics from these public and nonprofit service providers. With response rates that exceed 60 percent in each site, these surveys are the most unique, comprehensive, and geographically sensitive data about social service provision currently available. The technical appendix provides information about the designs of these two surveys.

Respondents were asked to identify as a government agency, secular nonprofit, religious nonprofit (which I refer to as a faith-based organization or FBO), or as a for-profit organization. Respondents also indicated what types of services they provided on site to low-income populations. In this paper I focus my analyses on nonprofit organizations that offer at least one of the following to low-income adults: basic material assistance (emergency cash or food assistance), outpatient mental health or substance abuse services, and/or employment-related services (job training, job search, adult education). Reflecting their centrality to both urban and rural safety nets, there are 1,120 secular or faith-based nonprofit organizations in these two surveys that offer assistance in one of the three areas noted above. Of these nonprofits, 65 percent self-identified as secular organizations (66 percent in the MSSSP, 61 percent in the RSSSP) and 35 percent self-identified as faith-based nonprofit organizations (34 percent in the MSSSP, 39 percent in the RSSSP).

I distinguish between two different types of FBOs based on responses to survey questions about the frequency with which religious elements are incorporated into service delivery: 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.[10] 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. 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 admittedly limited definition, 70 percent of FBOs in the MSSSP are classified as faith-segmented organizations and 30 percent are classified as faith-integrated. Rural FBOs were more closely split, as slightly more than 54 percent of FBOs in the RSSSP are categorized as faith-segmented organizations and 46 percent are categorized as faith-integrated. See the technical appendix for more detail about the questions used to determine religious or secular status.

Below, I draw upon these distinctions between secular and faith-based nonprofits to examine features of the modern American safety net. In particular, I use data from the MSSSP and RSSSP consider the role different types of nonprofits play within local safety nets and how these roles vary across urban and rural communities. These survey data also are utilized to identify components of the safety net that are particularly inaccessible or unstable, as well as to better understand which organizations are most likely to shape social welfare policy outcomes in the future.

Characteristics of Nonprofit Service Providers in Urban and Rural America

Table 1 examines whether the types of services, organization budget, and client characteristics vary between urban and rural areas, or among secular nonprofit organizations and FBOs. Perhaps surprising given the diversity of the study sites, there appear few differences in the service orientation of these particular urban and rural safety nets. Similarities in the bundle of services offered by nonprofits are likely driven by the priorities created by government funding streams and by the comparable needs of poor populations across disparate areas. For example, the work-first emphasis within many social programs has created greater incentive to offer employment services to low-income populations.

Likewise, basic material needs between low-income populations in high-poverty urban and rural communities may be more similar than otherwise assumed.

The frequency with which nonprofits offer particular services, however, varies by type of nonprofit organization. Consistent with existing research, the top panel of Table 1 indicates that faith-based nonprofits in urban and rural areas are most likely to offer services to address immediate material needs, such as emergency food or cash assistance. More than 90 percent of faith-integrated agencies in both the MSSSP and RSSSP report offering emergency assistance of some kind, compared to less than 60 percent of secular nonprofits. In contrast, FBOs are less likely than secular nonprofits to offer services requiring trained professional staff, such as outpatient mental health treatment, substance abuse programs, or employment-related services. For example, about half of all secular nonprofit organizations in the MSSSP offer mental health or substance abuse programs; nearly 45 percent in the RSSSP offer such outpatient services. By comparison, only about one third of FBOs in the MSSSP and the RSSSP offer outpatient mental health or substance abuse services. Such patterns hold up when looking at programs promoting greater economic well-being: roughly two-thirds of secular nonprofits offer employment services, compared with one-third to fifty percent of FBOs in these urban and rural areas.

(Table 1 about here)

Because of their position near population centers, we might anticipate nonprofits in urban areas to be larger than those in rural areas. High-poverty rural areas also are likely to have smaller public social service programs and modest philanthropic sectors compared to urban centers, which should translate into nonprofits with smaller budgets, fewer staff, and fewer clients than in urban safety nets. The middle panels of Table 1 report the sizes of annual budgets, client caseload size, and staffing levels for nonprofit service organizations. As expected, nonprofits in the MSSSP are much more likely to report budgets over $1 million than those in rural areas. More than half of the secular nonprofits in the MSSSP report budgets over $1 million, compared to 31 percent in the RSSSP. Urban-rural differences among FBOs are even larger. One-third of faith-integrated agencies and one-quarter of faith-segmented agencies in the MSSSP report budgets over $1 million, less than 10 percent of either type of nonprofit in the RSSSP report such budget levels.

Significant differences in organizational resources also are apparent between secular and faith-based nonprofits. Twice as many secular nonprofits in the MSSSP report budgets above $1 million as faith-segmented nonprofits. Seven times as many faith-integrated nonprofits in the MSSSP report budgets under $50,000 as secular nonprofits (32 percent versus 5 percent). Similar patterns are evident in the RSSSP, where a larger share of secular nonprofits report budgets over $200,000 than is the case among FBOs. By comparison, half of all rural faith-integrated nonprofits have budgets under $50,000, a rate twice as high as that for secular nonprofits.

Resource differences persist when we look at median caseload size and staffing levels across the two surveys. The median nonprofit in the MSSSP has a larger monthly caseload (150) than the median nonprofit in the RSSSP (90). Median full-time staff levels also are much higher among nonprofits in the urban sites than those in the rural sites. The median secular nonprofit in the MSSSP reports 12 full-time staff, compared to 5 full-time staff for the median secular nonprofit in the RSSSP. Staff levels vary by type of nonprofit as well, with secular nonprofits reporting much higher full-time staffing levels than faith-based nonprofits. Perhaps compensating for fewer full-time staff, faith-based service organizations in rural areas are more reliant upon volunteers than secular nonprofits.

Even though resources vary by urban and rural location, the bottom panel of Table 1 suggests that the demographics of client caseloads are quite similar across these diverse cities and towns. About two-thirds of all providers – urban and rural, secular and faith-based – report caseloads that are a majority female. Slightly less than one-fifth of nonprofits serve women almost exclusively. Only a very small minority of nonprofits maintain caseloads that are predominately male. Likewise, nonprofit providers in both surveys generally serve predominately poor caseloads. Rural nonprofits are slightly more likely to report caseloads composed by a majority of poor persons. Given the focus on material assistance among rural nonprofits, however, we might expect rural nonprofits to have a purer antipoverty mission. More surprising perhaps, faith-based nonprofits in rural areas are much more likely to report client caseloads that are composed of welfare recipients than nonprofits in urban areas. More than half of faith-integrated nonprofits in the RSSSP indicate that a majority of their clients receive welfare, compared to about 40 percent of faith-integrated agencies and less than one-quarter of faith-segmented or secular nonprofits in the MSSSP.

Demand for social service assistance fluctuates, rising during economic downturns, periods of inflation, and labor market contraction. Often our assessments of demand for social services are based in anecdotal evidence because data tracking social service utilization at the individual-level is not available. To provide some insight into shifts in need that nonprofits are facing today, Table 2 examines recent increases in demand for assistance.

The top panel reports the incidence of nonprofits experiencing a general increase in demand for assistance. Consistent across urban and rural areas, secular and faith-based organizations, roughly 70 percent of all nonprofit service agencies report increases in demand for assistance in the three years prior to the survey. Although the question was not asked in the RSSSP, about 40 percent of nonprofit providers in the MSSSP that experienced an increase in demand reported that increase being "significant" or reflecting at least a 25 percent increase during that time period. Not surprisingly given these trends in need, three-quarters of nonprofit providers in the urban survey also expected demand to continue to rise in the coming year.

(Table 2 about here)

The bottom panel in Table 2 examines the share of providers serving larger and smaller numbers of welfare recipients to generate some insight into how welfare reform may be changing client caseloads for service agencies. A significant percentage of nonprofit service agencies in urban and rural communities are serving larger numbers of welfare recipients today, than a few years earlier. Faith-integrated nonprofits are most likely to report serving larger numbers of welfare recipients. For example, almost 50 percent of faith-integrated providers in the MSSSP have seen an increase in welfare clients recently, roughly double the percentage of faith-segmented and secular nonprofit agencies reporting increases in welfare clients. Only about 20 percent of nonprofits report serving small numbers of welfare recipients. More telling about the impact of welfare reform, perhaps, is the fact that almost fifty percent of nonprofit providers in each survey that serve welfare recipients are helping larger numbers of recipients who have been sanctioned by the welfare system.[11]

These data reveal a few interesting features about the clients reached by nonprofit service organizations in the contemporary safety net. First, it appears that the social service components of the safety net target resources toward women, who are more likely to be the primary caregivers in poor families and most likely to retain custody of children. Given that many poor men experience barriers to employment, however, it is striking that so few agencies report significant numbers of male clients. The disconnect between poor men and the safety net likely compound barriers to employment and isolation from labor market opportunities that many experience. Second, it appears that nonprofit service providers – particularly faith-based nonprofits – are critical elements in the bundle of supports available to welfare recipients. Welfare reform not only has reduced caseloads and cash assistance expenditures, but has shifted a good share of the responsibility for assisting welfare recipients to the nonprofit sector. These data do not indicate whether the prominence of welfare recipients within nonprofit caseloads is a reflection of broader contracting for social services using TANF funds, or welfare recipients seeking help from local nonprofits that TANF cannot or will not provide. They do suggest that policymakers and scholars should consider how welfare reform, particularly as the effects of welfare reform reauthorization begin to take hold in communities, has shaped the responsibilities falling to local faith-based and secular nonprofits.

Accessibility of Nonprofit Service 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 about two-thirds 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 technical appendix.

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 percent fewer service opportunities than the metropolitan mean tract. Also, it can be said that Neighborhood A has access to 22 percent 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. With these caveats in mind, Table 3 reports mean accessibility scores across census tracts with low poverty (poverty rate less than 10 percent), moderate poverty (poverty rate between 11 percent and 20 percent), high poverty (poverty rate between 21 percent and 40 percent), and extremely high poverty (poverty rate over 40 percent).[12]

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 3 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).

(Table 3 about here)

Similar patterns are evident in the next two panels of Table 3, 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 percent to 12 percent 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 percent 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 Nonprofit Components of the Safety Net

Variation in organizational characteristics, resource levels, and accessibility is closely related to how the safety net finances social service programs. Program revenues determine which services are available, how many clients can be served, how many staff can be hired, and where providers can locate. Unless an agency draws upon a broad array of revenue sources, unanticipated changes in funding can force a nonprofit to reduce service delivery sharply. Instability or unpredictability of funding may lead nonprofits to be cautious about expanding staffing, locating to more preferred office space, or trying to reach more clients.

To provide insight into the funding of services among nonprofits, each survey asks respondents whether they receive funding from government grants or contracts, grants or contracts funded by nonprofit organizations or foundations, or from private giving from individuals. Organizations are defined as "dependent" on a particular revenue source if they receive more than 50 percent of total organizational revenues from that source. Both surveys also asked respondents whether they had experienced recent decreases in any funding source over the previous three years and whether those funding decreases had an impact on provision of assistance to the poor. Results are presented in Table 4.

Consistent with the growth of public funding for social services since the War on Poverty, many nonprofit organizations in urban and rural areas receive government funding. For example, roughly 85 percent of secular nonprofit organizations in the MSSSP and RSSSP report receiving government grants or contracts of some kind in the previous three years. Close to 60 percent of secular nonprofits in urban and rural areas receiving government funds are dependent on those funds for at least half of their budget. Such findings reinforce the notion that secular nonprofit service organizations and government agencies have strong reciprocal relationships. Without public funding, many secular nonprofits would struggle to function. Without secular nonprofit organizations, many government programs could not be delivered at the street level. Secular nonprofits do draw upon other sources of revenue, as three-quarters of secular nonprofits in the MSSSP and more than 50 percent in the RSSSP draw upon revenues from other nonprofit organizations and from private giving. Neither funding source, however, provides secular nonprofits with a substantial share of operating revenues.[13]

(Table 4 about here)

Counter to popular perception, Table 4 indicates that a sizeable share of FBOs receive public funds. More than half of faith-segmented nonprofits interviewed reported receiving government funding. Nearly one-third of faith-integrated agencies in the MSSSP and one of every six faith-integrated agencies in the RSSSP received support from government sources. 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. In addition, these funds do not compose a substantial share of operating revenues for most faith-based organizations. Only 34 percent of faith-segmented organizations in the MSSSP and 8 percent of faith-segmented organizations in the RSSSP receiving governmental funding rely on those funds for a majority of their total revenues. Less than 15 percent of faith-segmented organizations that receive public funding expanded are dependent on those funds.

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, foundations, 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 percent receive nonprofit grants and over 94 percent receive private donations. Nearly every faith-integrated agency in the RSSSP reports private donations, but less than one-third receive funds from other nonprofits organizations. Faith-segmented agencies follow the same general pattern, with most agencies receiving funds from other charitable nonprofits and most receiving some type of private giving. About one-third of faith-integrated organizations receiving support from nonprofit charities or philanthropies are dependent on those revenue streams for a majority of their funding, at least half of those reporting private donations draw a majority of organizational revenues from those sources. Faith-segmented service providers do not appear to rely heavily on nonprofit grants or private giving. For example, while three quarters of faith-segmented organizations in the MSSSP receive nonprofit grants and 90 percent receive private donations, very few of those organizations are dependent on nonprofit grants or private philanthropy for a majority of their operating revenues.

In addition to drawing on a different mix of funding, the bottom panel of Table 4 indicates that secular nonprofit organizations in both urban and rural areas are more vulnerable to revenue cuts than FBOs. Nearly 50 percent of secular nonprofit organizations in the MSSSP and RSSSP report a decrease in any revenue source in the previous three years, compared to roughly 40 percent of faith-segmented organizations and 30 percent of faith-integrated organizations. 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. Nevertheless, these numbers highlight the frequent volatility in funding that nonprofit service organizations experience on a regular basis.

Funding cuts often translate into changes in program offerings, staffing levels, numbers of clients served, or in the extreme, closure of a facility. About 55 percent of all nonprofit service providers in these urban and rural areas report reducing service provision in the previous year as a result of funding cuts. The last four rows of Table 4 report specific programmatic responses to funding cuts.[14] Many organizations cut clients when facing funding decreases. For instance, 39 percent of faith-integrated organizations in the MSSSP and 27 percent in the RSSSP reduced the number of clients served in response to recent funding cuts; 39 percent of secular nonprofit organizations in the MSSSP and 43 percent 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 percent of secular nonprofit organizations in both surveys indicated staffing reductions in the wake of funding losses. 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.

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. Despite different patterns in fundraising, all nonprofit providers struggle with frequent cuts in funding and report significant reductions in services as a result.

Of even greater concern, there is evidence that nonprofits reporting reductions in service provision due to decreases in funding are more likely to be located in high-poverty areas than in low-poverty areas. For example, 84 percent of nonprofits in high-poverty rural block groups (poverty rate exceeds 20 percent) report cutbacks in services due to lost funding compared to 57 percent in low-poverty block groups. Although not statistically significant, similar patterns are apparent in the MSSSP; nearly three-quarters of nonprofits in high-poverty census tracts, but less than two-thirds of nonprofit providers in low-poverty tracts report service reductions due to funding cuts. Not only is the contemporary service-based safety net mismatched from need, but it may be unpredictable and unstable where need may be greatest.

Political Advocacy and Activity

Local nonprofit service organizations also serve low-income clients and communities through political activities that advocate for particular programs, educate the public, provide voice for disadvantaged groups, and improve how public and private programs are administered. Very little data documents the political activities of local nonprofit organizations, however, so both the MSSSP and RSSSP asked local nonprofit service organizations about their political activities relating to poor populations. Table 5 examines political communication, advocacy, and mobilization activities among nonprofits maintaining client caseloads that are predominately poor, where 50 percent or more of clients live below the federal poverty line. It should be noted that about 75 percent of nonprofit organizations which serve mostly poor clients receive public funds of some kind and about 50 percent are located in neighborhoods where the poverty rate exceeds 20 percent. In effect, these are the agencies that have the biggest stake in public policy decisions and the client caseloads most affected by government program changes.

The top panel in Table 5 reflects the percentage of nonprofits with predominately poor caseloads that report frequent communication with elected members of local government, state legislators, or state and local agency administrators. Secular nonprofits in both urban and rural areas are more likely to report frequent communication with elected officials and agency administrators than faith-based organizations. About half of secular nonprofits in the MSSSP report frequent communication with local elected officials or state/local agency administrators, compared to about one-quarter of FBOs in the MSSSP. Perhaps surprising given the prominent role that states play in the financing and administration of social welfare programs, less than 20 percent of all nonprofits where poor persons compose a majority of the caseload indicate frequent communication with state legislators. Faith-based organizations located in urban areas are more likely to report frequent communication with government officials than faith-based organizations in rural areas. For example, the percentage of faith-integrated and faith-segmented agencies in the MSSSP having frequent communication with elected representatives of local government is approximately twice as high (36 percent and 28 percent respectively) as in the RSSSP (19 percent and 11 percent respectively). Secular nonprofits operating in urban areas also are slightly more likely than their rural counterparts to report frequent communication with political actors. Differences observed between secular and faith-based organizations and across urban-rural distinctions may be explained by the prevalence of public funding among secular nonprofits and among urban social service agencies. Such communication is necessary to successfully administer and evaluate programs, as well as secure funding in the future.

(Table 5 about here)

Advocacy and education activities are quite common among nonprofits in these two surveys. For example, about 70 percent of secular nonprofits that primarily serve poor persons report program or policy advocacy activity, almost 90 percent indicate they participate in public education campaigns relevant to the interests of their clients. Although at lower rates, a significant share of faith-based nonprofits pursues advocacy or public education activity. Nearly 60 percent of FBOs in urban areas report advocacy activity and 70 percent have worked to educate the public about issues relevant to poor persons. Only about 40 percent of FBOs in rural areas participate in policy advocacy, possible a reflection of their focus on meeting the material needs of the poor.

Service providers also were asked about two specific activities that improve the linkages between poor persons and the broader political system: voter registration, education, or mobilization and assistance to clients engaged in the legal system. Both activities can improve the responsiveness of political and legal institutions to the interests and needs of low-income populations, who often lack political strength or efficacy. As can be seen at the bottom panel of Table 5, there is wide variation in the percentage of nonprofits that report voter registration, education, and mobilization activities. Nonprofits in urban areas are much more likely to become involved in voter mobilization as nonprofits in rural areas. For instance, 40 percent of faith-integrated and secular nonprofits in the MSSSP report participating in voter registration, education, or mobilization, compared to 16 percent of faith-integrated agencies and 29 percent of secular agencies in the RSSSP. Urban nonprofits also are much more likely to report frequent efforts to help clients navigate the legal system. Possibly contrasting with beliefs that faith-based organizations offer more holistic services or are better connected to their clients than secular nonprofits, however, FBOs are much less likely to report frequent involvement in the courts or legal system on behalf of clients. For example, 28 percent of secular nonprofits in the rural sites indicate frequent interaction with clients and their involvement in the courts or legal system, compared to 8 percent of faith-integrated agencies and 2 percent of faith-segmented agencies.

Faith-segmented agencies in both urban and rural areas report voter activities relatively infrequently. Only 19 percent of faith-segmented agencies in the MSSSP and less than 5 percent in the RSSSP indicated they were involved in voter registration, education, or mobilization. Moreover, these organizations do not frequently get involved in the legal system on behalf of clients. In many ways, these findings capture the challenging position that faith-segmented agencies occupy in the safety net. Faith-segmented agencies do not incorporate religious elements into service provision, but they may have strong ties to the religious community or may hire staff whose motivation to serve the poor is driven by religious or moral concerns. At the same time, faith-segmented agencies are more likely to contract with government agencies than faith-integrated agencies. Since faith-segmented organizations exist at the grey area between secular and religious nonprofits, they must not only be careful to abide by IRS regulations place limits on how much time nonprofit organizations can devote to explicitly political activities, but they must also be careful not to blur the lines between church and state that would prohibit them from receiving public program funds. Activities that are explicitly political, or that run the risk of being perceived as too political, may be less common among nonprofit service organizations as a result.

Apart from secular versus faith-based distinctions, which types of nonprofit agencies are among the most politically active? In part, the political activity of nonprofits is a resource story. Larger nonprofits will have staff time to dedicate, even for short periods of time, to political activity. Many smaller agencies work hard to keep up with day-to-day service delivery issues, let alone devote time or resources to political advocacy or extensive political communication. Larger organizations also may have more ambitious mission statements that involve advocacy and education goals. For example, nonprofits with budgets over $1 million in the MSSSP are five times more likely to report frequent communication with state legislators than agencies with budgets under $50,000 (34 percent versus 6 percent respectively). In addition, most agencies with annual budgets over $1 million receive public support of some kind. Thus, some political communication and activity may be necessary to ensure good working or administrative relationships with government agencies or offices. Such activities may also work to increase the likelihood that a nonprofit will be able to secure public funds in future years.

Interestingly, nonprofit agencies reporting recent increases in demand for assistance are more politically active than organizations experiencing no change or decreases in demand for assistance. For instance, 50 percent of nonprofits in the MSSSP experiencing increases in demand report frequent communication with state and local administrative agencies, compared to 30 percent of those reporting decreases in demand, and 37 percent of nonprofits reporting no change in demand. Nonprofit communication with elected officials or administrative agency staff, policy advocacy, and public education campaigns may emerge almost as safety valves in particularly strapped portions of local safety nets. Moreover, political activity and advocacy are logical strategies for agencies to pursue when seeking additional public or private resources to meet rising needs.

Implications for Research and Policy

Although there has not been a single watershed policy or national initiative guiding the way, the American safety net has emerged into a new era of policymaking. A subtle, but steady, transformation in how communities help low-income populations has occurred over the past few decades with little discussion, debate, or reflection. Today's safety net relies upon thousands of local organizations, many of them nonprofits, to provide helping hands to poor persons through service-based local safety nets. Social service programs have eclipsed cash assistance as a dominant vehicle for delivering antipoverty assistance. As a result, our safety net is more diverse in its participants and guardians, particularly given the prominent role of nonprofit organizations as mediators between public programs, private donors, and recipients of assistance. Our safety net also is more varied geographically and less stable in the delivery of assistance than discussions of national social welfare policy or theories of the welfare state may suggest.

A mismatched and volatile service-based safety net has implications for many of the most critical questions facing social welfare policy today. Evidence of spatial inequality and instability in the safety net offers an explanation as to why policymakers, scholars, and community leaders identify persistent poverty and inequality in certain communities. In a bitterly ironic twist, poor persons living in high poverty areas that are most in need of help may find themselves isolated from help-giving institutions. Disparities in access to service components of the safety net cast a new perspective on the challenges that low-income, low-skill workers face when trying to achieve greater economic self-sufficiency. Difficulty accessing the safety net may offer a mechanism through which neighborhood disadvantage affects the well-being of low-income households. We should expect mismatches in access to services will compound existing political, economic, and social inequality.

These new realities of the modern safety net challenge us to rethink the policy research agenda surrounding poverty and social policy. Typically, the topics of nonprofit service organizations and local delivery of social service programs are confined to the implementation or management fields within public administration and social work. Much of the scholarship exploring poverty and social welfare policy focuses on cash assistance programs, state and federal institutions, and national policymaking processes. To develop insights relevant to the current and future challenges facing the safety net, scholars should bring together social service organizations, program administration, poverty, and low-skill employment more coherently within their research agendas. A more accurate account of the safety net that low-income persons encounter daily and that defines the opportunities for them to better their lives must consider the roles of social service programs, variation in nonprofit service provision, and instabilities in how we finance service programs. By doing so, scholarship can generate more complete answers to many of the most practical and relevant antipoverty policy research questions facing communities today.

What are the dimensions and characteristics of the modern American safety net? One of the most immediate challenges for the study of the service-based safety net lies in the modest amounts of information about social service programs and the nonprofits that often deliver such programs. Data presented here offer a snapshot in 7 different urban and rural communities, far from a nationally representative sample. The federal government tracks aggregate program spending in a few block grants and national program areas, but does not capture the breadth and depth of government-funded services delivered at the state and local level. As a result, we are left to make educated guesses about the public resource commitment to social service programs for the poor and about consumption levels of those programs. Data from the IRS provides important aggregate information about the nonprofit social service sector and snapshots of temporal or regional trends in funding, but these data do not illuminate much about the local context for social service provision or the organizational characteristics of providers. At a basic level we should begin to develop more accurate estimates of public and private social service expenditures and caseloads, with a goal to collect program information at the neighborhood-level to better understand local geographic variation in the safety net.

Closely related, do we know what constitutes adequate access to assistance or adequate availability of assistance? Mapping providers and poor populations is useful, but we need to understand how densities of providers, client slots, and resources shape the adequacy of services available to the poor. More precise estimates of adequate service availability would allow policymakers and community leaders to set targets and benchmarks for strategic planning or resource allocation processes. Understanding what constitutes adequate service provision would help guide private and nonprofit philanthropy to the most needed parts of our communities.

Which factors shape social service utilization? How do social service programs fit into an individual's efforts to find and keep a job? Program attrition and failure to complete a referral for services are generally thought to be matters of individual choice. Yet, when one spends time with service providers, it becomes apparent that many factors shape utilization. Lack of information, low levels of trust, low literacy, inadequate access to transportation, and spillover effects from factors typically thought of as barriers to work all serve as obstacles to receiving assistance in a service-based safety net. A better understanding of why some individuals seek assistance, why others do not, and how service utilization affects individual outcomes, will improve the provision of services that promote self-sufficiency among hard-to-serve populations.

Which programs work? Do certain programs or types of organization experience better outcomes than others? Frequently asked by researchers, policymakers, and practitioners alike, these questions seek pathways to a more efficient and effective safety net. Rigorous random-assignment evaluations of program implementation and outcomes can help determine which types of interventions, delivery approaches, or organizations are best able to achieve policy goals. Program implementation or evaluation studies also should make a more concerted effort to account for the spatial context in which clients live and agencies function, so as not to overlook the impact of mismatches and volatilities on program outcomes. Findings here suggest that gaps in the accessibility of programs and availability of revenues should dampen program effects, even if interventions are otherwise well-designed. In addition, research should compare service delivery and program outcomes across different types of secular and faith-based nonprofit organizations, to discern whether particular organizations have better outcomes when working in particularly distressed communities.

What are the political consequences of a privatized and fragmented safety net? The centrality of social services and nonprofit agencies to the contemporary safety net has profound political implications both practically and theoretically, but these implications typically go overlooked. Hacker (2002) argues that such policymaking environments are characterized by low visibility and low traceability, where it is not easy to track which actors are providing which benefits and it is even more difficult to identify the impact of programs or policies. The public's lack of understanding about program provision or outcomes and its lack of incentive to become more knowledgeable make it difficult to mobilize concern for policy developments. Only those most familiar with the programs will become involved, Hacker argues, leading to a "subterranean politics" or hidden policymaking activity that is more likely to produce inequities in outcomes or provision than more transparent policymaking processes. In the case of social services, we should expect the most politically active or savvy nonprofit agencies to have a greater influence over the provision and financing of programs. To the extent that the most active nonprofit organizations wellrepresent high-poverty communities, perhaps there are fewer inequalities in the distribution of program resources than we might expect. Results here, however, indicate that many nonprofits serving predominately poor persons are not well-connected to political actors or administrative agencies.

In addition, there is reason to believe that a decentralized and fragmented safety net will also have static or inertial qualities. Because social service programs emanate from so many different public and private funding sources, it will be difficult for local safety nets to develop immediate or comprehensive responses to sudden shifts in need. Changes in regional or metropolitan economic conditions that increase joblessness and poverty will be particularly difficult to address, as will budget crises that reduce the availability of federal and state funds for programs. Even though local safety nets may be more responsive to local conditions, therefore, we should expect them to be less responsive to sudden increases in need or dramatic losses of resources.

We should also consider how mismatches and instabilities in the provision of social services shape or are shaped by the implementation of other social welfare policies intended to assist low-income populations and neighborhoods. For example, findings reported here indicate that federal 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. Faith-integrated and faith-segmented agencies may be good candidates for the expansion of services in high-poverty neighborhoods. Such agencies often can be widely recognized and trusted within communities, which may allow them to reach population groups that currently fall through the cracks. As important, many of these agencies have experience and capacity to build upon, which can make them an effective avenue for expanding social service provision to currently underserved areas. Given limited staff and administrative capacity, however, community leaders should be realistic about what smaller faith-based agencies might be able to accomplish. It may be that these organizations are not interested or are not able to offer services with enough breadth or professionalism to justify diverting resources away from other types of agencies.

Moreover, aside from direct services, there are many other roles for FBOs within local safety nets. For instance, faith-based organizations can connect poor persons to agencies that offer relevant programs of assistance. They also may be critical agents for raising funds and resources to support services provided by other agencies.

Welfare reform continues to shape the manner in which government and nonprofit agencies provide social services. Reauthorization of the TANF block grant in 2006 has changed the playing field for state welfare policymaking by placing constraints on how states and communities operate TANF welfare-to-work programs. States face tougher federal work requirements and can no longer place clients who are not working in separate state TANF programs shielded from federal work participation requirements. Combined, these regulatory changes ratchet up pressure to promote work, address barriers to employment, and remove noncompliant clients from the caseload. To the extent that employment service and adult education programs are not readily accessible to poor populations, states may have a hard time promoting work among welfare recipients. This may be particularly problematic because such programs will be critical to helping the hardest-to-serve clients, who compose a large share of the current caseload, find work. Moreover, the a resurgence in welfare caseload reduction may place additional burdens on a nonprofit sector that already struggles to cope with uncertain funding streams and increased demand for assistance.

Transitions in public housing assistance away from large housing developments to lower density mixed-income developments and vouchers should lead us to ask whether this new era of housing assistance recipients has adequate access to the safety net. Local service providers may not be able to weather the transition phase to smaller developments or find large enough client concentrations in mixed-income developments to maintain operations. Those individuals receiving vouchers may move to areas with fewer providers or fewer available slots. As a result, public housing authorities and affordable housing advocates should ensure that outreach and referral strategies help connect housing assistance recipients to service agencies in the surrounding community. In addition, while our focus is often on promoting residential mobility through housing programs, we should not lose sight of the problems posed by housing instability. Although difficult to estimate, a large percentage of poor families make at least one residential move each year. Some of these moves are to better housing arrangements or neighborhoods, but most are from one poor housing situation to another. Volatility in housing arrangements weakens ties to employers, schools, and service providers. Most housing assistance tools focus on enhancing residential mobility or providing low-cost housing opportunities; little attention is given to promoting stability. Yet, there is reason to believe that supporting residential stability may help poor families better attach to the labor market, to their local schools, and to sources of community support.

Efforts to improve public and private safety net programs, therefore, should consider ways communities can improve access to providers and cultivate more stable streams of program funding. First, there may be many feasible community-based solutions that will improve linkages between persons in need and existing safety net program offerings. Part of the puzzle, as noted, is developing a better understanding of factors affecting program participation and attrition. Part of the puzzle also involves finding ways to better promote and support existing service agencies. Technology solutions offer great promise to reduce some of the mismatches or gaps in the safety net observed. For example, improving information about services available through routinely updated 2-1-1 telephone systems or through web-based systems that connect persons in need to providers with relevant services may help make better use of existing programs.

Communities also should seek to strengthen private commitments to nonprofit service organizations. Given the dependence of nonprofits upon government sources of revenue, diversification of funding portfolios can lead to greater organizational stability. Private giving of both money and time may be one promising source of additional resources. Currently most nonprofit providers receive some type of private giving, and many rely upon volunteers to staff programs. And it appears that there is significant untapped potential among charitable practices. Americans gave about $250 billion to charities in 2004, with only about 13 percent targeted at human service organizations. In 1996 Americans volunteered 20 billion hours, of which an estimated 16 percent was for human service agencies. If accurate, these estimates suggest that volunteerism created the equivalent of 1.6 million full-time workers for human service agencies nationwide (Brown 1999; Brooks 2006). Policymakers and community leaders should develop new strategies to promote greater private giving to human service organizations without reducing the resources available from government. Changes in the tax deductibility of private donations to nonprofits are proposed frequently by policymakers and nonprofit advocates. Currently private giving is tax deductible only if tax returns are itemized. Legislation at the federal level that would allow individuals to take credit for private donations even if they do not itemize may increase the incentive for lower- and middle-income taxpayers to donate. Communities also can work to connect private donors, many of whom may not live in high-poverty areas or be knowledgeable of the organizations operating in those areas, to nonprofits that are working in the most disadvantaged neighborhoods.

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, particularly nonprofit agencies. Finding affordable space 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. 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 collocate to be accessible to poor populations.

Efforts to improve local access to services also should consider how the geography of the safety net matches the geography of poverty and need over time. Even if services are adequately provided today, population shifts can lead to mismatches between providers and populations in need in the future. Of particular relevance is evidence that poverty rates are in decline across many central city neighborhoods while increasing in outer urban and inner-tier suburban neighborhoods (Berube and Kneebone 2006; Jargowsky 2003). Even if agencies can anticipate how demand will change in their communities, most providers are challenged to find affordable space. Given the finite resources available for service provision and the inherent instability of nonprofit service organizations, government agencies and nonprofit philanthropies are often hesitant to finance basic facility needs or relocations. These realities make it difficult for communities to respond to shifts in the geography of poverty and suggest that poor persons in outlying areas will have difficulty finding help.

Finally, if we are to improve access and provision of social services, federal agencies, states, and communities should vigorously maintain public commitments to funding social service programs. Even if nonprofit providers cultivate greater private giving and more diverse revenue bases, public dollars will still compose a vast majority of all funds dedicated to social service programs. Private giving to nonprofit social service organizations would have to increase by more than ten-fold to come close to matching public commitments to programs that promote work and greater well-being among the poor. Moreover, cuts in public funding are likely to have a destabilizing ripple effect through communities, where the nonprofits that form the foundation of the safety net become unstable or nonoperational in the face of public program cuts. When faced with budget deficits, government agencies and community-based nonprofit organizations should pay greater attention to how cuts in social service programs may affect impoverished neighborhoods and communities. In short, a stronger public fiscal and administrative commitment to the service-based elements of the safety net is necessary if communities are to better address currently unmet needs of working poor populations in the coming decades.

Technical Appendix

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.

Response Rates. 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.

Defining Faith-based Organizations. 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

Calculating Service Accessibility. 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.

Table 1. Comparing Service Provision across Faith-Based and Secular Service Organizations in the MSSSP and RSSSP

	Percentage of Service Organizations					
	MSSSP Providers			RSSSP Providers		
	Faith-Integrated	Faith-Segmented	Secular Nonprofit	Faith-Integrated	Faith-Segmented	Secular Nonprofit
Type of Assistance						
Emergency Assistance†‡	90.9	69.1	51.9	93.0	92.2	59.6
Mental Health/Substance Abuse†‡	38.6	32.9	53.4	34.9	9.8	43.8
Employment-related Services†‡	44.3	51.4	60.1	41.9	35.3	63.7
Annual Budget†‡						
Greater than $1 million	32.9	25.4	51.3	5.1	8.7	31.1
$1 million–$200,000	23.3	34.6	33.1	10.3	21.7	25.2
$200,000–$50,000	12.3	27.0	11.1	33.3	34.8	22.7
Less than $50,000	31.5	13.0	4.5	51.3	34.8	21.0
Median Monthly Caseload Size	140	150	150	30	135	100
Median Number of Full-time Staff	3	3.5	12	1	1	5
Median Number of Volunteers	na	na	na	9	7	3
Client Characteristics						
0–25% are Women‡	10.5	8.1	9.2	2.3	6.0	5.6
26%–50% are Women	32.6	28.2	29.3	25.6	18.0	28.2
51%–75% are Women	45.4	44.5	40.8	51.2	62.0	48.6
More than 75% are Women	11.6	19.1	20.7	20.9	14.0	17.6
0–25% in Poverty †	7.1	14.3	9.8	7.1	3.9	7.8
26%–50% in Poverty	8.3	9.4	13.3	4.8	7.8	12.1
51%–75% in Poverty	19.1	23.2	19.1	16.7	9.8	20.6
More than 75% in Poverty	65.5	53.2	57.7	71.4	78.4	59.6
0–25% on Welfare †‡	44.4	46.2	57.1	32.4	28.9	40.9
26%–50% on Welfare	14.3	31.5	20.1	11.8	26.7	26.8
51%–75% on Welfare	23.8	14.7	14.8	29.4	17.8	19.7
More than 75% on Welfare	17.5	7.7	7.9	26.5	26.7	12.6
N	88	210	582	43	51	146

† Chi-square tests indicate significant variation in this row or panel at the .10 level across faith-integrated, faith-segmented, and secular nonprofit organizations in the MSSSP.
‡ Chi-square tests indicate significant variation in this row or panel at the .10 level across faith-integrated, faith-segmented, and secular nonprofit organizations in the RSSSP.
Source: Multi-City Survey of Social Service Providers; Rural Survey of Social Service Providers.

Table 2: Changing Demand for Assistance Among Nonprofit Service Organizations in the MSSSP and RSSSP

	Percentage of Service Organizations					
	MSSSP Providers			RSSSP Providers		
	Faith-Integrated	Faith-Segmented	Secular Nonprofit	Faith-Integrated	Faith-Segmented	Secular Nonprofit
Report Increase in Demand for Assistance Over Previous Three Years†	70.5	58.9	73.1	71.4	72.0	69.9
Increase in demand was significant (+25 percent increase in demand)†	45.2	35.5	46.4	na	na	na
Expect Increase in Demand in Next Year	76.8	74.7	75.5	na	na	na
Percentage of Providers Serving Welfare Recipients	76.3	75.6	86.8	80.5	100.0	93.0
Of Providers Serving Welfare Recipients . . .						
Serving a Larger Number of Welfare Recipients†	46.2	20.2	26.0	45.2	34.9	36.4
Serving a Smaller Number of Welfare Recipients	13.5	19.3	19.4	19.4	30.9	24.6
Serving a Larger Number of Welfare Recipients Who Have Been Sanctioned†	52.3	32.3	44.0	47.6	46.4	46.4

† Chi-square tests indicate significant variation in this row or panel at the .10 level across faith-integrated, faith-segmented, and secular nonprofit organizations in the MSSSP.
‡ Chi-square tests indicate significant variation in this row or panel at the .10 level across faith-integrated, faith-segmented, and secular nonprofit organizations in the RSSSP.
Source: Multi-City Survey of Social Service Providers; Rural Survey of Social Service Providers.

Table 3. Access to Faith-based and Secular Nonprofit Service Organizations in the 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 4. Funding and Stability across Nonprofit Service Organizations in the MSSSP and 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†‡	32.6	58.2	83.6	16.3	53.1	86.8
Received and Dependent on Government Funding†‡	10.7	33.9	56.5	14.3	8.0	62.9
Received Nonprofit Funding in Previous 3 Years†‡	56.3	74.0	73.1	27.9	60.0	56.9
Received and Dependent on Nonprofit Funding†	34.1	15.7	10.4	36.4	13.8	15.4
Received Private Giving in Previous 3 Years†‡	94.3	89.9	74.0	95.4	96.1	52.1
Received and Dependent on Private Giving†‡	50.0	18.0	5.7	79.0	53.2	5.9
Report Decrease in Funding from Any Revenue Source in Previous 3 Years†‡	29.6	39.5	48.8	25.6	41.2	50.0
Reduced Staff in Previous Year due to Funding Decrease†‡	42.3	48.2	60.6	0.0	28.6	65.8
Reduced Services in Previous Year due to Funding Decrease‡	46.2	51.8	44.2	36.4	71.4	48.0
Reduced Clients in Previous Year due to Funding Decrease	38.5	40.2	38.9	27.3	52.4	42.5
Temporarily Closed Site in Previous Year Due to Funding Decrease	11.5	4.9	6.7	18.2	14.3	6.9

Note. Providers are defined as dependent on a particular revenue source if they receive more than 50% of total revenues from that source.
† Chi-square tests indicate significant variation in this row or panel at the .10 level across faith-integrated, faith-segmented, and secular nonprofit organizations in the MSSSP.
‡ Chi-square tests indicate significant variation in this row or panel at the .10 level across faith-integrated, faith-segmented, and secular nonprofit organizations in the RSSSP.
Source: Multi-City Survey of Social Service Providers; Rural Survey of Social Service Providers.

Table 5: Political Communication and Advocacy Activity Among Nonprofits Serving Predominately Poor Populations

	Percentage of Service Organizations					
	MSSSP Providers			RSSSP Providers		
	Faith-Integrated	Faith-Segmented	Secular Nonprofit	Faith-Integrated	Faith-Segmented	Secular Nonprofit
Frequent Communication with . . .						
Representatives of Local Government†‡	35.7	27.9	48.3	19.4	11.4	38.5
State Legislators†‡	10.5	11.8	28.7	13.9	2.3	21.6
Local or State Administrators†‡	27.5	24.0	56.4	10.8	22.7	42.9
Advocate for Programs on Behalf of Poor Populations†‡	57.4	58.4	70.8	36.1	44.4	73.0
Educate Public about Issues Relevant to Poor Populations†‡	70.0	69.7	86.1	52.8	73.3	85.7
Help Register, Educate, or Mobilize Voters†‡	40.0	19.4	39.7	16.2	4.4	29.2
Frequent Involvement with Courts or Legal System on Behalf of Clients†‡	27.5	18.4	43.2	8.3	2.3	28.3
N	71	155	438	37	45	113

Note: Column percentages are reported. Data reflect only nonprofit service organizations with caseloads that are at least 50 percent low-income persons. a - In the rural sites, organizations were asked if they communicated with elected representatives in the "state legislature or in Congress". b - In the rural sites, organizations also were asked if they communicated with administrators of federal agencies.

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

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

Source: Multi-City Survey of Social Service Providers; Rural Survey of Social Service Providers.

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Endnotes

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[2]Amounts are reported in $2006. This estimate 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. Also, it is important to note that social services are defined slightly differently in other research settings, here I take a relatively broad definition (see Smith 2002).

[3]Amounts are reported in $2006. Allard (2008) generates estimates of 501(c)(3) organizations from data provided by 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]The federal government has enacted numerous additional service-related programs in the past forty years. For example, the Comprehensive Employment and Training Act (CETA), Job Training Partnership Act (JTPA), and Workforce Investment Act (WIA) have funded tens of billions of dollars in services and programs to help youth and adults overcome employment barriers since 1973. The Substance Abuse and Mental Health Services Administration (SAMHSA) administers about $3 billion of grant programs and contracts annually. Medicaid reimbursements have emerged as important sources of support for health and social service programs targeted at children, pregnant women, working poor adults, and elderly populations. The Community Services Block Grant (CSBG) and the Community Development Block Grant (CDBG) offer grants to local agencies that provide employment and support services to impoverished communities. In addition to these many different federal sources of funding, state and local governments have developed their own programs or contracts to provide social services to low-income populations.

[5]Nonprofit organizations in this analysis are those defined as 501(c)(3) organizations by the tax code, meaning that private donations are tax deductable (see Berry and Arons 2003). Private for-profit organizations have become more involved in social service delivery during the last few decades, as state and local agencies seek to increase the efficiency of public programs and improve program performance. Hoping to harness market forces that will generate better results for the dollar, some states and communities have contracted with for-profit companies to deliver a range of child care, early childhood education, child welfare, job-training, and education programs. For instance, Arizona, Florida, Texas, and Wisconsin have contracted out welfare-to-work program services and case management to two large private for-profit companies, MAXIMUS and Affiliated Computer Services. For-profit organizations compose less than 5 percent of all agencies interviewed by the MSSSP and RSSSP.

[6]As is the case for the nonprofit sector overall, the faith-based nonprofit sector is characterized by substantial variation. Some FBOs, like Catholic Charities or Lutheran Social Services, provide professionalized services that receive government support and are nearly indistinguishable from those offered by government agencies. Other FBOs are just simple neighborhood churches that operate food pantries or clothing closets for poor persons in the community.

[7]By law, however, FBOs are not allowed to use public funds for worship or proselytizing activities, nor can they incorporate elements of faith into service programs that receive support from government funds or contracts. Public funding of faith-based or faith-related service organizations is limited to programs that do not have an explicit religious purpose, are not primarily designed to promote a religious viewpoint, and do not involve substantial "entanglement" between religious organizations and public offices or bureaucracies. Keeping faith components distinct from service components has been required as a condition of government support for the past thirty-five years.

[8]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.

[9]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.

[10]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.

[11]Welfare reform could affect demand for help from nonprofit agencies in a few ways. On the one hand, welfare recipients are more likely to be referred to nonprofits for help finding a job or addressing barriers to employment. Increases in demand also may occur because work requirements, time limits, and tighter eligibility determinations have reduced welfare caseloads by more than 60 percent nationally since 1996. Millions of former recipients, whether or not they have found work, often find themselves with income below the poverty line and many seek assistance from nonprofits for unmet material needs, or for help finding a better job. Although there are many reasons to expect that welfare reform has increased demand on social service agencies, it is possible that welfare reform has reduced demand for aid. Some individuals may have found a good job and no longer seek help from social service agencies. Others may have left welfare and simply become more isolated from their surrounding community and the social assistance it offers. Welfare-to-work programs, however, generally cannot pinpoint the extent to which welfare reform has affected demand for assistance from service providers.

[12]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.

[13]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.

[14]Although secular nonprofit organizations appear slightly more likely to report reductions in operations than FBOs, often these differences are not statistically significant.