Avenues to Self-Sufficiency:  
The Accessibility and Stability of Faith-based and Community-based Service Organizations in Urban and Rural America

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The Accessibility and Stability of Faith-based and Community-based Service Organizations in Urban and Rural America

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Abstract

Program accessibility and stability are critical components of any effort to cultivate greater capacity among faith-based and community-based social service organizations. Working poor populations are more likely to benefit from programs if they are nearby, easily accessible, and operate with consistency. Yet, we know very little about where faith-based service organizations (FBOs) and secular nonprofits are located, or whether certain types of providers exhibit more stability than others. Drawing on unique survey data on nonprofit service providers, this paper compares the characteristics of FBOs and secular organizations in several urban and rural communities. FBOs that integrate faith 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, I find that large percentages of FBOs and secular nonprofits experience funding volatility and program instability each year.
Introduction¹

Over the past four decades, social services promoting work activity and greater personal well-being (e.g., job training, adult education, child care, substance abuse or mental health services, temporary emergency assistance) have become a central component of the safety net that assists low-income families in America.² Up until the late 1960s and early 1970s, welfare cash assistance was a primary method for helping poor persons, particularly poor single mothers. Today, however, federal and state spending on welfare cash assistance totals about $11 billion in spending annually, whereas the Congressional Research Service (2003) estimates that means-tested federal, state, and local social service programs today receive at least $110 billion in federal and state funding each year.³ Contrary to popular perceptions, which perceive welfare cash assistance to be the dominant approach to antipoverty assistance, the safety net is composed largely of social service programs that help poor populations overcome barriers to employment and achieve better work outcomes.

The role of social service programs in the public safety net has numerous implications for policy and communities. First, it is important to recognize that secular and faith-based nonprofits play a critical role in the provision of publicly funded social service programs. 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). Similarly, Dilulio (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). Not only does the nonprofit sector administer many government-supported services, but it also offers assistance financed through philanthropic and

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²Social services are defined slightly differently in other research settings; see Smith (2002).

³Amounts are reported in $2006. Such an estimate certainly understates the size of the public social service sector, however, 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.
charitable giving. Beyond their administrative and financial contributions to the safety net, nonprofit service organizations are believed to be more trusted in high-poverty neighborhoods and more responsive to community priorities than government agencies. It should come as no surprise, therefore, that efforts to strengthen faith-based service organizations (FBOs) and community-based nonprofit service providers have become more prominent components of national, state, and local antipoverty policy agendas.

Second, delivery of social service programs is very different from delivery of cash assistance programs. While welfare or food stamp benefits can be delivered directly to recipients through the mail or an electronic benefits transfer (EBT) card, most social services cannot be mailed or delivered directly to an individual at home. Instead, clients typically visit a social service agency, often several times, to receive assistance or complete a program. Poor persons who do not live in proximity to relevant service providers may find it difficult to address basic household needs, barriers to employment, or more serious health issues. This is particularly true for low-income populations with limited access to transportation resources and complex commutes, which cannot readily access agencies that are not located nearby. Inadequate access to providers for these working poor families is tantamount to being denied aid.

Finally, because funding of social service programs can be volatile from year to year, we should pay particular attention to the stability of nonprofit service organizations within our communities. Whether due to changing needs or public priorities, the allocation of service program funds changes from year to year. Public and private funding of social services also is cyclical, contracting during periods of economic downturn and tight budgets, just when need for help rises. For a number of reasons, therefore, nonprofits must cope persistently with lost or shifting revenue streams. As critical as service accessibility may be to improving outcomes among working poor families, the consistency and stability of those providers is also essential if we are to adequately assist low-income populations.
With these considerations in mind, this paper answers a number of important questions about the role of faith-based and community-based secular nonprofit service organizations:

- Are certain types of faith-based or secular nonprofits more accessible to poor populations than others?
- From where do FBOs and secular nonprofits draw funding?
- Is service provision more stable and consistent across FBOs than secular organizations?

This paper provides insight into these questions by analyzing data from a unique survey of nearly 1,200 faith-based and secular nonprofit social service agencies operating across seven urban and rural sites. The results show FBOs that integrate faith into service delivery and secular nonprofit organizations are more accessible to poor populations than FBOs that do not integrate religious elements into service provision. Moreover, these data indicate that a large percentage of FBOs and secular nonprofits experience funding volatility and inconsistency in service provision each year. The paper closes with implications for policy seeking to strengthen faith-based and secular nonprofits and for future research into the role of nonprofits within the contemporary safety net.

**Place, Stability, and Social Service Avenues to Self-Sufficiency**

The term “safety net” is used to describe the assistance that seeks to prevent adults and children from falling below a minimum material standard of living. Today’s safety net is composed of a bundle of governmental and nongovernmental antipoverty programs targeted at 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 the prevalence of material poverty or address health care needs. Public programs such as food stamps, Temporary Assistance for Needy Families (TANF) welfare cash assistance, and the Earned Income Tax Credit (EITC) seek to increase poor families’ income and resources; the Medicaid program provides health insurance coverage for low-income elderly, adults, and children.
Less well understood, however, is the importance of social service programs to the modern American safety net. Social services are critical avenues through which poor and near-poor households address immediate needs, overcome obstacles to employment, and seek better work opportunities. Assistance comes through many different programs: substance abuse or mental health; food pantries or soup kitchens; temporary cash or food; child care; job training and adult education; housing; transportation. Such help frequently is identified as central to the coping strategies of working poor families. Edin and Lein (1998) find that poor families draw heavily upon social service agencies for help meeting basic needs and advancing in the labor market. Most single mothers in their study visited several different nonprofit service agencies for assistance with a variety of needs not met by work or public assistance programs. Similarly, Gutiérrez-Mayka and Bernd (2006) find that 43 percent of persons living in high-poverty communities of Pittsburgh received help from a social service agency in the previous year.

The prominence of social service programs within the safety net is a relatively recent phenomenon, as programs have expanded significantly in the four decades following the War on Poverty. Tracing a limited set of social service programs from 1975 to 2002, the Congressional Research Service (2003) concludes that federal, state, and local funding for such services nearly doubled in real dollars over the last 30 years. Expanding public funding led to an increase in the size of the nonprofit service sector since 1970. Salamon (2002) finds that the number of organizations filing nonprofit status with the IRS increased by 115 percent between 1977 and 1997, with total revenues for those organizations more than doubling during that time. The nonprofit service sector has continued to grow in the past decade, as the number of nonprofit human service and job training service providers increased by more than 60 percent between 1990 and 2003, with total revenues for those organizations roughly doubling in
real dollars during that time to reach about $80 billion in 2003 (Allard 2008). Combining public and private expenditures, the author estimates that we as a nation allocate between $150 to 200 billion to social service programs annually.

Although there are a number of implications of maintaining a safety net reliant upon social services as the primary vehicle for helping poor persons, issues of provider accessibility and stability are paramount. A poor person cannot readily participate in a social service program located many miles away, making proximity to service providers critical to receiving help. Information about services or assistance available is likely to be a function of proximity to providers because one is more likely to know about the agencies and services present in their immediate community or neighborhood than in communities and neighborhoods farther away. Caseworkers often will provide low-income individuals with information about programs and resources in their 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.

Compounding the challenges of providing adequate access to social service organizations, the level and sources of program revenues fluctuate from year to year for many service agencies. 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 will allocate their finite resources to reflect moving priorities. As noted, both public and private funding for social service programs decrease during economic downturns, when revenues, endowments, and private giving contract. This responsiveness to the economic cycle means that funding available for social service programming will decrease at the same time the need for assistance increases.

4 Amounts are reported in $2006. Author’s estimates of 501(c)(3) organizations based on data from the Urban Institute’s National Center for Charitable Statistics, Washington, D.C.
Because of these features of social service funding, social service organizations devote substantial energy to maintaining program funding, seeking new sources of funds, or looking for revenues to replace lost sources of funding. Agencies that cannot receive a consistent flow of revenues or program resources will be forced to cut staff, reduce services available, and/or limit the number of people served. In extreme cases agencies may be forced to temporarily close or even permanently shut their doors due to insufficient or inconsistent funding. Volatility in program funding streams not only makes assistance less available to those in need, but it destabilizes the agencies upon which the safety net is founded. Understanding how funding is allocated within communities and across agencies is critical to identifying where the safety net is most vulnerable.

Existing studies find evidence of mismatches in the location of social service providers. Allard (2008) shows that neighborhoods where the poverty rate is over 20 percent have access to almost half as many social service opportunities as neighborhoods where the poverty rate is less than 10 percent. Grønbjerg and Paarlberg (2001) present evidence that Indiana communities with higher poverty rates are home to fewer nonprofit organizations per capita than communities with lower poverty rates. These findings fit with work by Mosley et. al. (2003), which finds the high-poverty neighborhoods in South and East Los Angeles to be underserved by nonprofit service providers compared to other impoverished areas of the county. Likewise, Peck’s (2008) analysis of nonprofit service organizations in Phoenix indicates that providers are less accessible to high-poverty areas near the central city than to low-poverty areas outside the central city.

Research also finds service program funding to be volatile. Grønbjerg (2001) and Salamon (1999) find 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) note 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) link recent state fiscal crises to cuts in public expenditures for social service programs. Allard (2008) shows that cuts in funding reduces the assistance available to the poor, hampers the effectiveness of programs, and destabilizes nonprofit organizations upon which the safety net depends.

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

Despite the importance of accessibility and stability to the success of social service programs, there is relatively little information comparing the accessibility and stability of FBOs to secular nonprofit service organizations. Most existing data sources either are unable to make distinctions between different types of faith-based and secular nonprofits, or focus exclusively on congregations. We are left with mostly intuition or hunches and few concrete facts.

To better understand how faith-based service organizations and secular nonprofit service organizations operate within local safety nets, this paper analyzes data from the Multi-City Survey of Social Service Providers (MSSSP) and the Rural Survey of Social Service Providers (RSSSP) completed with executives and managers in three metropolitan areas (Chicago, Los Angeles, Washington, D.C.) and four multi-county rural sites (southeastern Kentucky, south-central Georgia, southeastern New Mexico, and the border counties of Oregon-California) between November 2004 and June 2006. Each survey contains detailed information on location, services provided, clients served, funding, and organizational characteristics from a range of governmental, nonprofit, and faith-based social 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.
As expected, nonprofit service organizations are critical components of safety nets in urban and rural areas. Seventy percent of the organizations interviewed by the MSSSP self-identified as secular or religious nonprofits and are included in the analyses above; 61 percent of providers in the RSSSP reported either secular or religious nonprofit status. Totaled across the two surveys, there are 1,172 secular or faith-based nonprofit organizations.

Of these 1,172 nonprofit organizations, about 60 percent self-identified as secular nonprofits (67 percent in the MSSSP, 58 percent in the RSSSP). For those identifying as religious nonprofits, I use survey questions about the frequency with which religious elements are incorporated into service delivery to sort these FBOs into one of two categories: faith-integrated agency, or faith-segmented agency. Faith-integrated agencies are those that report frequent involvement of prayer with clients, promotion of particular religious viewpoints, or discussion of behavioral or lifestyle issues using religious principles in the course of service delivery. Faith-integrated organizations often are small church-based food pantries or emergency assistance programs that help several dozen people each month, but also include larger organizations that help to several hundred clients at any point in time with a wide range of material, employment, and personal needs. Faith-segmented organizations are those that do not frequently incorporate prayer, religious viewpoints, or religious principles into service delivery.\(^5\) A typical example of a faith-segmented organization might be 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 would be local nonprofits spun off from places of worship or ministerial associations with the intention of separating the social mission from the religious mission of the organization. Using this approach, 70 percent of FBOs in the MSSSP are classified as faith-segmented and 30 percent as faith-integrated. Rural

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\(^5\)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, we might expect 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.
FBOs were more closely split, as slightly more than 53 percent of FBOs in the RSSSP are faith-segmented and 47 percent categorized as faith-integrated. See the Technical Appendix for more detail about these two surveys and the questions utilized to determine faith-based or secular status.

Below I compare organizational characteristics, service accessibility, funding patterns, and responses to funding cuts across faith-integrated, faith-segmented, and secular nonprofit organizations. For simplicity and because the data is cross-sectional, these tables primarily report mean differences across groups. Although more detailed information about these comparisons between organizational types can be found in Tables 1 through 3, all differences between types of organizations discussed in the text reach conventional levels of statistical significance, unless otherwise noted.

### Comparing the Features of Faith-based and Secular Service Providers

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

Also, there is variation in the degree to which FBOs and secular nonprofits deliver programs intended to improve non-material well-being and work outcomes. About half of all secular nonprofits in the MSSSP offer mental health or substance abuse programs; nearly 60 percent administer employment-related programs. By comparison, only about one-third of FBOs in the MSSSP and the RSSSP offer

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6Chaves (2002) finds that less than ten percent of congregations are involved in providing services outside basic food, clothing, or housing needs. Also see DeVita (1999) and Graddy (2006).
outpatient mental health or substance abuse services. Slightly larger percentages of faith-integrated and faith-segmented agencies offer employment-related services such as job training or adult education, but again at rates well below secular nonprofits.

(Table 1 about here)

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

Given that a larger share of secular nonprofits provide mental health, substance abuse, and employment-related programs that are utilized by a broad range of poor and non-poor persons, we might expect those nonprofits to maintain client caseloads containing fewer poor persons than FBOs that focus primarily on material needs of the poor. This is not the case. The bottom panel of Table 1 suggests that both faith-based and secular nonprofits target most of their programs at populations below the poverty line. Although FBOs, particularly FBOs in rural areas, serve poor persons almost exclusively, nonprofit providers of all types in the MSSSP and RSSSP reach caseloads that are predominantly poor.

Accessibility of Faith-based Versus Secular Providers

Differences in client characteristics are suggestive, but alone do not provide much information about the accessibility of social service opportunities in a particular community. Even though data from
the MSSSP indicate that 63 percent of nonprofit agencies draw a majority of their clients from within three miles, we should still be concerned about where nonprofit choose to locate in communities. 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; proximity to adequate densities of potential clients.

To better reflect whether providers locate near high-poverty areas, I calculate service accessibility scores in the three urban sites to reflect each residential census tract’s relative access to a particular type of nonprofit agency (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 by agencies within three miles of a given tract and by the number of poor persons within three miles to control for potential demand. The Technical Appendix provides more detail about the construction of the service accessibility measures utilized in this paper. One can use these service accessibility scores to make comparisons among different types of census tracts or neighborhoods. For example, Neighborhood A with an access score of 1.10 is located within 3 miles of 10 percent more service opportunities than the metropolitan mean tract. If Neighborhood B has an access score of 0.90, it can be said to be located near 10 percent fewer service opportunities than the metropolitan mean tract. Contrasting Neighborhood A to Neighborhood B, it can be said that Neighborhood A has access to 22 percent more service opportunities than Neighborhood B (1.10 ÷ 0.90 = 1.22).

Service accessibility scores indicate whether a particular type of service provider is located closer to concentrations of poor populations within a given community. If a certain type of provider is more likely to locate near or within impoverished neighborhoods, then service accessibility scores associated with that type of provider should be at or above 1 in high-poverty neighborhoods. It is important to note, however, that accessibility scores indicate how resources within a particular component of the nonprofit

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7Respondents to the RSSSP were asked how long it would take the average client to drive to their site. The typical nonprofit provider in the RSSSP, faith-based or secular, indicated the average commuting time by car was 15 minutes.
service sector are distributed across low versus high-poverty neighborhoods. Scores do not speak to how all public and nonprofit resources are allocated across a community or whether the supply of services is adequate to meet need. Also, access scores do not account for whether programs are of high or low quality, or for the length of time in which a client typically participates in a program. With these caveats in mind, Table 2 reports mean accessibility scores across census tracts with low poverty (poverty rate less than 10 percent), moderate poverty (poverty rate between 11 and 20 percent), high poverty (poverty rate between 21 and 40 percent), and extremely high poverty (poverty rate over 40 percent).

I find consistent evidence that neighborhoods with higher poverty rates have greater access to secular nonprofit and faith-integrated providers than to faith-segmented service providers. The top panel in Table 2 reports the mean scores for access to emergency cash or food assistance. Low-poverty neighborhoods have nearly twice as much access to faith-segmented providers offering emergency assistance as high- or extreme high-poverty neighborhoods (1.27 versus 0.72 and 0.67 respectively). In contrast, high- and extreme 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 2 about here)

Similar patterns are evident in the next two panels of Table 2, where I report access to outpatient mental health/substance abuse services and to employment-related services. Even though 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- and extreme high-poverty neighborhoods have access to many more mental health and substance abuse service opportunities delivered through faith-integrated

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8Almost 70 percent of nonprofits in the MSSSP and RSSSP – FBOs and secular organizations alike - report increases in demand for services in recent years.
agencies than through faith-segmented agencies. Persons living in high- and extreme high-poverty tracts also have higher than average access to secular nonprofits offering these types of services, with access scores about 11 to 12 percent above the metropolitan mean. Gaps in accessibility between faith-integrated agencies and faith-segmented or secular nonprofit agencies 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 nonprofits (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 agencies. 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 those organizations play in impoverished communities.

Again, it is important to note that measures of service accessibility do not speak to the adequacy or quality of service provision. For example, despite evidence that faith-integrated agencies are most accessible to high-poverty communities, such 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 agencies are well-located with respect to poverty, but very few faith-based or community-based agencies provide enough aid to meet the demand in their surrounding community. Neither do these results capture the intent or motivation to serve low-income populations. Location decisions are shaped by many factors, among which the lack of affordable suitable office space in high-poverty neighborhoods is particularly important. In fact, much of the observed differences in
accessibility between faith-integrated agencies 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. Even with these qualifications, the findings reported here underscore the importance of cultivating greater capacity among both faith-based and community-based nonprofits, as in many cases they are working in communities with the most need and could translate additional funding into direct assistance to working poor families.

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

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

The findings in Table 3 indicate that private nonprofits receive substantial amounts of government funding. For example, roughly 85 percent of secular nonprofits in urban and rural areas report receiving government funding of some kind. Close to 60 percent of those secular nonprofits receiving government funds are dependent upon those funds. Such findings are not too surprising, because since the late 1960s the nonprofit service sector has emerged as a key administrative arm of the

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9Although 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 nonprofits receive Medicaid funding, less than 10 percent of all FBOs in the MSSSP and RSSSP receive such funds. In most instances even when nonprofits do receive Medicaid funds, it does not account for a large percentage of operational revenues. As a result, I focus most of my analysis on other sources of government funding.
expanded public safety net. Without secular nonprofit organizations, many government programs could not be implemented or delivered at the street-level.

What may be more surprising is that a sizeable share of FBOs report receiving public funding of some kind. More than half of all faith-segmented providers and a smaller, but substantial, share of faith-integrated providers receive government grants or contracts. On the one hand these findings run counter to assumptions made by past and current federal initiatives to better connect religious nonprofits 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 us to cautiously view information about public funding of FBOs. Neither survey 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.

(Table 3 about here)

In addition, Table 3 indicates that governmental funding does not compose a substantial share of operating revenues for faith-integrated organizations. Only 35 percent of faith-segmented agencies in the MSSSP receiving governmental funding rely upon those funds for at least 50 percent of their total revenues; only 7 percent of faith-segmented agencies in the RSSSP are dependent on public funds. Less than 20 percent of faith-integrated agencies that receive public funding are dependent on these funds.10

If governmental grants and contracts are less common among FBOs than secular nonprofits, from where do religious nonprofit service providers draw funding? Most FBOs report revenue from nonprofit

10 These findings are consistent with other studies. Monsma (1996) concludes that child service agencies high on his religious practice scale were less likely to be dependent upon public funds than secular nonprofits or faith-based providers exhibiting low levels of religiosity.
organizations or philanthropies and from private donors. Funding from the nonprofit sector and from private donors provides critical support to faith-integrated organizations in urban and rural areas. Fifty-six percent of faith-integrated providers in the MSSSP receive nonprofit grants and over 93 percent receive private donations. Similar patterns are evident in the RSSSP. While about one-third of faith-integrated agencies receiving support from other nonprofit organizations are dependent on those revenue streams for a majority of their funding, more than half of those reporting private donations draw a majority of organizational revenues from those sources. Neither faith-segmented nor secular nonprofit service providers appear to be heavily reliant upon nonprofit and private giving. For example, while three-quarters of faith-segmented agencies in the MSSSP receive nonprofit grants and 90 percent receive private donations, very few of those agencies are dependent upon nonprofit grants or private philanthropy for a majority of their operating revenues. Even from this brief snapshot, it is apparent that secular nonprofits are dependent upon governmental grants, faith-segmented service providers maintain more balanced funding streams, and faith-integrated agencies are highly reliant upon private giving.

Beyond concerns about the sources of program funding, we should be concerned with whether certain types of providers are more vulnerable to cuts in funding than others. When looking at reports of decreases in any funding source over the three years prior to the survey, both religious and secular service providers display fairly high levels of volatility in the composition of agency funding. The bottom panel of Table 3 indicates that secular nonprofit organizations are more vulnerable than religious service agencies to revenue cuts. Nearly 50 percent of secular nonprofits in the MSSSP and RSSSP report a decrease in any revenue source in the previous three years. By comparison, roughly 40 percent of faith-segmented agencies and 30 percent of faith-integrated agencies in these two surveys report a funding decrease. The fact that secular nonprofit organizations are more likely to experience funding cuts may be a reflection of their substantial dependence upon public funding sources that change frequently from year to year.
Funding cuts often translate into changes in program offerings, staffing levels, numbers of clients served, or in the extreme, closure of a facility altogether. Almost 55 percent of all nonprofit service providers in urban and rural areas report reducing service provision in the previous year as a result of funding cuts. The last four rows of Table 3 report specific programmatic responses to funding cuts. Although secular nonprofits appear slightly more likely to report reductions in operations than FBOs, these differences often are not statistically significant. For instance, 37 percent of faith-integrated agencies in the MSSSP and 33 percent in the RSSSP cut the number of clients served in response to recent funding cuts; 39 percent of secular nonprofits in the MSSSP and 43 percent in the RSSSP report serving fewer clients as a result of decreases in funding. Secular nonprofits, 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 agencies in both urban and rural areas indicated cutting staff in the wake of funding losses, compared to about 40 percent of faith-segmented organizations. Reflecting the vulnerability associated with being a small and modestly funded organization, faith-based service providers appear more likely to temporarily close due to funding cuts than secular nonprofits. These differences, however, do not reach conventional levels of statistical significance. Even though different nonprofits draw upon 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.

**Implications for Policy and Communities**

Faith-based and community-based nonprofit organizations are critical components of the contemporary American safety net. Nonprofits are the avenues to self-sufficiency for many working poor persons because they deliver many public programs and generate much private support for additional services. Data from the MSSSP and RSSSP indicate that faith-based service organizations play a
particularly critical role in providing basic material assistance to low-income households, many of whom may fall through the cracks of governmental programs or may not be eligible for governmental assistance. Yet the fact that more than one-third of FBOs in urban and rural areas offer mental health, substance abuse, and employment-related services suggests that FBOs also offer assistance that addresses a broader range of barriers to self-sufficiency among the poor than we might otherwise assume. Moreover, when looking at the accessibility of secular and faith-based service organizations in the three urban sites, I find evidence that faith-integrated organizations - those that incorporate matters of faith in service provision - are the most geographically accessible sources of support to high-poverty communities across a number of different program areas. Secular nonprofits, which provide more assistance and more services that address barriers to employment than FBOs, are also quite accessible to high-poverty communities.

Apart from issues of accessibility, the nonprofit sector exhibits substantial volatility in service delivery due to fluctuations in revenues. Secular nonprofits are particularly vulnerable to funding cutbacks, in part because they are so heavily reliant upon public revenue streams that can be quite responsive to economic downturns or tight budgetary times. Yet anywhere from one-quarter to 40 percent of FBOs in urban and rural areas have experienced a recent cut in funding, and many of those organizations were forced to cut services, clients, or staff as a result.

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

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

As critical as it is to ensure funding for local service providers, more attention should be paid to the space and facility needs of these organizations. 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 agencies that help poor populations. Declining poverty rates in many central city neighborhoods and increasing poverty rates in nearby suburban communities also pose complications for providers.11 Because most funding is for programs or services and not for relocation or space acquisition, nonprofits will struggle to remain proximate to client populations as poverty moves outward from cities. Any initiatives to support faith-based and community-based nonprofits, therefore, should address the space and facility challenges confronting many service providers. Such assistance may come through direct funding for capital investment, or it may come through efforts to create office space where nonprofits can co-locate to be accessible to poor persons.

Noted at the outset, we have relatively little information about faith-based and secular social service organizations despite their centrality to local safety nets. Rigorous and objective research of nonprofit social service provision, therefore, also will play an important role in identifying how government and communities can best support human service nonprofits. Of great importance is research that evaluates program outcomes between different types of faith-based and secular nonprofits. In addition, research should develop better measures tracking how faith activities matter or shape individual-level outcomes, as well as understand whether service delivery within FBOs differs from secular nonprofits. While this paper generates important insight into issues of service delivery, the presence of mismatches between nonprofits and poor persons, program funding, and organizational stability, future research should seek stronger measures of program accessibility, the adequacy of service provision relative to need, and program quality. To permit meaningful comparisons across communities, we should structure data collection activities to be geographically representative of several different regions or metropolitan areas. Moreover, there is need for further inquiry into the needs of working poor families and the factors shaping utilization of social service programs to address those needs. It is

important for research to assess which strategies best support modestly-resourced community-based service organizations and can help those organizations adopt high quality programs capable of serving large numbers of clients. Along these lines, scholarly work may examine whether public investment in new nonprofit organizations creates more new service opportunities or more accessible service opportunities than strategies that target funding at faith-based and secular nonprofit agencies already in operation.

Combined, such efforts by policymakers, community leaders, and researchers can expand the capacity of faith-based and community-based service providers located in high-poverty communities, which should translate into more direct assistance available to the working poor and improvement in their well-being.
Table 1: Comparing Service Provision across Faith-based and Secular Service Organizations in the MSSSP and RSSSP

<table>
<thead>
<tr>
<th>Percentage of Service Organizations</th>
<th>Multi-City Survey of Social Service Providers</th>
<th>Rural Survey of Social Service Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Assistance</td>
<td>87.9&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>68.7&lt;sup&gt;ac&lt;/sup&gt;</td>
</tr>
<tr>
<td>Mental Health/Substance Abuse</td>
<td>37.8</td>
<td>32.7&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Employment-related Services</td>
<td>43.3&lt;sup&gt;a&lt;/sup&gt;</td>
<td>51.2</td>
</tr>
<tr>
<td>Annual Budget +$1 million&lt;sup&gt;†‡&lt;/sup&gt;</td>
<td>34.2</td>
<td>25.3</td>
</tr>
<tr>
<td>Annual Budget $1 million - $200,000</td>
<td>22.4</td>
<td>35.0</td>
</tr>
<tr>
<td>Annual Budget $200,000 - $50,000</td>
<td>13.2</td>
<td>26.9</td>
</tr>
<tr>
<td>Annual Budget less than $50,000</td>
<td>30.3</td>
<td>12.9</td>
</tr>
<tr>
<td>0-25 % Clients in Poverty&lt;sup&gt;‡&lt;/sup&gt;</td>
<td>6.9</td>
<td>14.7</td>
</tr>
<tr>
<td>26-50 % Clients in Poverty</td>
<td>9.2</td>
<td>9.3</td>
</tr>
<tr>
<td>51-75 % Clients in Poverty</td>
<td>19.5</td>
<td>23.0</td>
</tr>
<tr>
<td>+75 % Clients in Poverty</td>
<td>64.4</td>
<td>52.9</td>
</tr>
</tbody>
</table>

Note: a, b, c – Differences in percentage of providers offering a particular service are significant below the .10 level. † - Chi-square tests indicate statistically significant variation in this panel across faith-integrated, faith-segmented, and secular nonprofit organizations in the MSSSP. ‡ - Chi-square tests indicate statistically significant variation in this panel across faith-integrated, faith-segmented, and secular nonprofit organizations in the RSSSP.
Sources: Multi-City Survey of Social Service Providers; Rural Survey of Social Service Providers.
Table 2: Access to Faith-based and Secular Service Organizations in the MSSSP

<table>
<thead>
<tr>
<th></th>
<th>Mean Service Access Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low-Poverty Tract (Poverty Rate 0 to 10%)</td>
</tr>
<tr>
<td>Faith-Integrated Nonprofits †</td>
<td>0.96</td>
</tr>
<tr>
<td>Faith-Segmented Nonprofits †</td>
<td>1.27abc</td>
</tr>
<tr>
<td>Secular Nonprofits †</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Mean Access to Emergency Assistance Services Delivered by . . .

Mean Access to Mental Health and Substance Abuse Services Delivered by . . .

Mean Access to Employment-related Services Delivered by . . .

<table>
<thead>
<tr>
<th></th>
<th>Mean Service Access Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Faith-Integrated Nonprofits †</td>
</tr>
<tr>
<td>Mean Access to Emergency Assistance Services Delivered by . . .</td>
<td>0.96</td>
</tr>
<tr>
<td>Faith-Integrated Nonprofits †</td>
<td>1.27abc</td>
</tr>
<tr>
<td>Faith-Segmented Nonprofits †</td>
<td>1.49abc</td>
</tr>
<tr>
<td>Secular Nonprofits †</td>
<td>0.95a</td>
</tr>
</tbody>
</table>

Mean Access to Employment-related Services Delivered by . . .

<table>
<thead>
<tr>
<th></th>
<th>Mean Service Access Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Faith-Integrated Nonprofits †</td>
</tr>
<tr>
<td>Mean Access to Emergency Assistance Services Delivered by . . .</td>
<td>0.67abc</td>
</tr>
<tr>
<td>Faith-Integrated Nonprofits †</td>
<td>0.97</td>
</tr>
<tr>
<td>Faith-Segmented Nonprofits</td>
<td>1.09</td>
</tr>
</tbody>
</table>

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 across tract poverty rate. a, b, c, d, e – Mean differences in access score are significant below the .10 level.

Sources: Multi-City Survey of Social Service Providers; U. S. Census Bureau 2000
### Table 3: Funding and Stability across Faith-based and Secular Service Organizations in the MSSSP and RSSSP

<table>
<thead>
<tr>
<th>Percentage of Service Organizations</th>
<th>Multi-City Survey of Social Service Providers</th>
<th>Rural Survey of Social Service Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received Government Funding in Previous Three Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent on Government Funding</td>
<td>33.7&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>58.4&lt;sup&gt;ac&lt;/sup&gt;</td>
</tr>
<tr>
<td>Received Nonprofit Funding in Previous Three Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent on Nonprofit Funding</td>
<td>55.6&lt;sup&gt;ab&lt;/sup&gt;</td>
<td>74.2&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Received Private Giving in Previous Three Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent on Private Giving</td>
<td>93.4&lt;sup&gt;a&lt;/sup&gt;</td>
<td>90.0&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Report Decrease in Funding from Any Revenue Source in Previous Three Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>29.7&lt;sup&gt;a&lt;/sup&gt;</td>
<td>39.3&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Reduced Staff in Previous Year due to Funding Decrease</td>
<td>44.4</td>
<td>48.2</td>
</tr>
<tr>
<td>Reduced Services in Previous Year due to Funding Decrease</td>
<td>44.4</td>
<td>51.8</td>
</tr>
<tr>
<td>Reduced Clients in Previous Year due to Funding Decrease</td>
<td>37.0</td>
<td>40.2</td>
</tr>
<tr>
<td>Temporarily Closed Site in Previous Year due to Funding Decrease</td>
<td>11.1</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Note: Providers are defined as dependent upon a particular revenue source if they receive more than 50 percent of total revenues from that source. a, b, c – Differences in percentage of providers receiving funding from a particular source, being dependent upon that source, or experiencing cutbacks are significant below the .10 level. Sources: Multi-City Survey of Social Service Providers; Rural Survey of Social Service Providers
Technical Appendix

Data for this paper were drawn from the Multi-City Survey of Social Service Providers (MSSSP) and 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 multi-county 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); south-eastern New Mexico (Chaves, Curry, Debaa, Eddy, Lea, and Roosevelt counties); and, an Oregon-California border site composed of ten 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 one hundred questions about client characteristics, connections to community organizations, funding streams, and other pertinent organizational characteristics.

Each survey drew respondents from databases of government and nongovernment service agencies constructed for each city or rural region from community directories, social service directories, county agency referral lists, phonebooks, and internet searches. Churches listed in community directories as providing social services were included in the survey. Providers were contacted by each survey if they operated programs at low or no cost in one of several service areas: welfare-to-work, job training, mental health, substance abuse, adult education, emergency assistance. The MSSSP began with 5,313 providers,
compared to 1,266 in the four rural regions covered by the 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 the MSSSP (2,183 of 5,313) contacted were invited to complete a longer telephone survey; about three-quarters of agencies contacted by the 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. The MSSSP completed interviewed with 1,487 of the 2,183 agencies eligible for the longer survey (response rate of 68 percent); the RSSSP completed surveys with 588 of the eligible 964 social service providers (response rate of 61 percent). The poverty rate of the neighborhood in which a provider is located was not statistically related to whether the provider completed the 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 the RSSSP.

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

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

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

Do you consider your organization to be religious or secular?

1) Religious 5) Secular 9) DK/NA

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

1) Yes 5) No 9) DK/NA

The degree of involvement of religious activities in service provision was determined by answers nonprofit organizations provided to the following three questions:
Would you say the following activities occur frequently, occasionally, or not at all at your site?

Staff or volunteers pray with a client.

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

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

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

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

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

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

Based on job accessibility scores calculated previously (see Allard and Danziger 2003; Raphael 1998), I calculate city-specific service accessibility scores with data from the MSSSP as follows. First, I total 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). 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 the MSSSP and RSSSP indicate that these estimates are good approximations of supply of services. To account for potential demand for services, I sum the number of individuals with income below the poverty line within three miles of each residential tract. I then divide the number of clients served by the number of persons in poverty within three miles. To be
able to compare tracts to each other, I divide this tract-specific access score by the average of that access score for the metropolitan area.

Thus I calculate a set of demand-, distance-, and organization-weighted service accessibility scores as follows: $A_i = \frac{\Sigma(CS_i)}{\Sigma(P_i)}$, 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 three miles of tract $i$, multiplied by the number of clients served in each agency in a typical month ($C$). To account for potential demand, I divide by the total number of persons living below the poverty line ($P_i$) within three miles of tract $i$. To make service accessibility scores more readily interpretable, I divide each tract’s score for a given access measure $A_i$ by the metropolitan area mean score for that particular access measure.
References


