

IV. THE SCOPE, FUNDING AND EFFECTIVENESS OF FAITH-BASED SOCIAL SERVICES

A. SCOPE OF FAITH-BASED SERVICES

What is currently known about the scope and scale – the characteristics and activities – of faith-based organizations (FBOs)?⁴² Broad answers are challenging given the enormous variation in types of FBOs, their activities and the amount of resources FBOs contribute through social services.

One way to conceptualize the scope and scale of FBO involvement in social services is through their resource contributions, such as the volunteers and technical assistance that congregations and FBOs provide. Faith-based organizations often depend on the support and contributions of volunteers for the delivery of social services. One study by Independent Sector found that approximately 23 percent of Americans volunteered for a religious organization. Other estimates indicate that approximately 74 percent of congregations provide volunteers to at least one FBO involved in service provision while about 60 percent of individual congregants reported that they volunteered to provide social services at least a “few times a year.” The 1998 National Congregations Study reported that approximately half of all congregations support some social services by providing volunteers.

FBOs also provide direct and indirect financial support for social service delivery. National estimates indicate that these organizations spend tens of billions of dollars annually on social service programs. The social service expenditures of congregations have predominantly been supported by contributions from private individuals rather than from private companies or government support. Larger state and national FBOs, by contrast, are considerably less dependent upon private individual contributions.

A number of studies have estimated the monetary value and the total replacement costs of local congregational social services. An Urban Institute study of FBOs in five cities estimated they spent between \$2.4 million and \$6.8 million on employment-related services annually per city. Considering the value of volunteer hours, paid staff, the use of buildings and services, as well as monetary contributions, a 1998 report on congregations in six cities estimated that congregations provide \$3,176.98 per month, per program. The Census of Philadelphia Congregations study calculated the replacement value of social services provided by congregations in Philadelphia – taking into account the value of paid and volunteer labor, the use of buildings and services, as well as monetary contributions – at \$246 million annually.

Past research has shown that many FBOs provide short-term, emergency assistance to individuals and families, such as food, clothing, shelter and financial aid. Other social services represent more long-term developmental assistance. Examples include child care, intermediate to long-term housing, individual and family counseling, employment assistance and training, youth mentoring and after-school programs.

Studies have also reported that FBOs play an important role in community economic and housing development designed to make longer-term changes in blocks, neighborhoods and regions. Specific activities include small-business development, housing renovation, the provision of low-income housing loans through community credit unions, and wide-scale employment training. FBO involvement in community economic and housing development has typically involved the creation of congregation-sponsored organizations commonly referred to as “faith-based community development corporations” or “faith-CDCs.”

A 2007 national survey conducted by the Rockefeller Institute’s Roundtable on Religion and Social Welfare Policy provided additional details on the scope and character of social services offered by or through American congregations. Almost 70 percent of the congregations around the country provided social services to their members or communities. Yet despite government efforts to encourage faith-based groups to use public funds for such offerings, relatively few congregations applied for or received government funds to provide those services, or knew about changes in federal law over the past dozen years meant to ease the way for them to do so. Most congregations provided some social service, but only 7 percent financed the service with government grants.⁴³

The findings of the report are significant in light of the goals of President George W. Bush’s Faith-Based and Community Initiative, which sought to encourage smaller religious charities to compete for government contracts to provide social services. Congregations are the very sort of smaller, grassroots-based groups that the initiative targeted. Government grant activity was not tremendously important for congregations, the survey showed, even though they were engaged in social services in a wide variety of areas.

Congregations’ low level of government contracting, according to the survey, did not appear to be due to a philosophical or theological opposition to partnering with state or federal agencies. Instead, most congregations were not competing for government funds for more practical reasons – they didn’t have enough staff or space to take on more work, they feared external control, or they simply didn’t know that they are eligible for such contracts.

The idea behind the Faith-Based Initiative – to promote collaborations among faith-based and secular nonprofits, the government and the private sector to help the needy – was something widely supported by American congregations, whether or not they were engaged in the activity. More than 80 percent of the congregations surveyed said that they agreed with the need for multi-sector collaboration, including faith-based groups and the government, to provide services for the needy.

For many congregational leaders surveyed, the government contracting process remained daunting. Almost 80 percent reported difficulty in applying for and managing public funding. Of those congregations that did not seek government grants, 22.5 percent said in the survey that it was because of concerns over external control of their organization, 17.4 percent said they lacked space for new programs, and 14.8 percent said they lacked staff or volunteers to handle new responsibilities. Only 5.3 percent stated they were opposed to partnering with the government on philosophical or theological grounds.

The 2007 survey also looked at whether congregations had the administrative practices in place that would allow them to work successfully with the government. About half the congregations reported having certain administrative practices needed to receive and manage public funds, such as a recently audited financial statement (53.1 percent), secure records storage and retrieval (52.8 percent), written personnel policies (52 percent), and capital improvement reserves (50.2 percent).

Other essential practices were less common, such as written conflict of interest policies (25.1 percent), a formal volunteer training program (24.2 percent), evaluation of program outcomes (24 percent), formal attendance records (22 percent), and formal policies for overhead charges (19.5 percent).

The survey also identified the types of services that congregations are engaged in. Of 26 social service program areas listed in the survey, marriage counseling was most commonly provided by congregations, offered by two-thirds of survey respondents. Vocational training was the least common, offered by just one-tenth. Nearly 65 percent of American congregations provide a food pantry in their communities. Almost half of the country's congregations offer emergency clothing. Nearly a quarter of congregations run a soup kitchen.

Congregations that were more active in social service delivery tended to have experienced growth over the last decade, were more diverse in terms of race and income, and had younger members than less active congregations. Larger congregations were also more likely to be providing services to community residents who were not among their own members. In one of the few areas in which the survey found distinctions among religious traditions, African-American churches were most likely to have familiarity with Charitable Choice provisions and to have attended a federally sponsored conference to promote partnerships between the government and religious groups. Conservative evangelical churches were less likely to seek collaboration with partners in providing services, more likely to mandate some religious content within their programs, and more likely to oppose restrictions against their preferring members of their own faith when hiring.

Most congregations that responded to the survey – almost 74 percent – reported that religious content in their programs was present and non-mandatory, or offered on a voluntary basis to program recipients. Just over 10 percent reported making religious content a condition of receiving services.

Other than full-time clergy and part-time professional office staff, most congregations had no paid employees. One-half of all the congregations reported agreement with religious/faith commitment being a requirement for hiring. Another one-quarter agreed that religious/faith commitment is preferred for hiring, and one-tenth of the congregations agreed that religious/faith commitment is not relevant to hiring.

B. PUBLIC FUNDING FOR FAITH-BASED SERVICES

The Bush administration's Faith-Based Initiative was intended to expand the participation of faith-based organizations in social services, in part, by increasing opportunities for public

funding of their efforts through government contracts and grants. The bulk of federal funding for social services flows through state and local governments, where administrative decentralization and the lack of capacity to identify the faith-character of grantees and contractors present significant obstacles for tracking the award of federal funds to religious groups. Thus, it is no small task to assess the extent to which FBOs have received federal discretionary grant awards.

Beginning in 2003, the Bush administration reported numbers indicating year-over-year increases in federal funding for FBOs. The data reported were based on a shifting, partial set of federal programs that do not support reliable trend analysis however. Reporting in the early years covered the five departments that were the first to house centers for Faith-Based and Community Initiatives (FCBI) created by a Bush executive order, and this expanded to 11 agencies in later years.

In its summary report on the faith-based legacy, the Bush administration indicated that there was a 41 percent increase in the number of competitive awards made to FBOs from those five agencies with the first FBCI centers: the departments of Education, Health and Human Services, Housing and Urban Development, Justice, and Labor.⁴⁴ But even within the subset of agencies in the reports from the beginning, the funding streams and programs that were covered shifted from year to year.

Moreover, the method used to identify the religious character of federal grantees – a data point that is generally not recorded in federal programs other than through self-identification begun during the Bush years – was not rigorous or even explained. Some of the harshest challenges of the veracity of the amounts claimed as grants made to FBOs have come from former Bush administration officials with a hand in creating the reports.

During a congressional hearing on legislation to establish the administrative apparatus of the Faith-Based Initiative in law, questions arose about how the Bush administration had compiled reports claiming that some \$2 billion in federal grant money had gone to FBOs during the 2004 fiscal year. “Who put that out there?” asked Rep. Cummings. “Let me tell you, everywhere I go, people say ‘Gee, that was really nice of the president to put all that extra money out there for faith-based.’”⁴⁵

“The answer is, the White House put that out there,” responded David Kuo, former deputy director of the White House Office of FBCI, who was testifying. “The problem is, the data on which that is based would not stand up to any scrutiny. The reason we asked Bobby Polito and the other [federal agency faith-based] centers to come up with data was to cover ourselves because the president’s promise of \$8 billion a year in new spending and tax incentives had not come through.”⁴⁶

Polito, the former head of the Center for FBCI at the Department of Health and Human Services, said in his own testimony that the numbers should have been produced by the Office of Management and Budget because “they do that well.” Instead, he said, they were done by the various federal agencies that had made the grants. “Having center directors and interns in our offices looking down sheets and saying ‘faith-based, not faith-based’ was insane,” Polito said at the hearing.⁴⁷

Critics sought to push the administration to “live up to promises of billions of dollars in increased aid to faith-based organizations,” adding some pressure for self-reported numbers to be as high as possible. For example, during the same congressional hearing, Kuo praised Bush for launching the faith initiative in 2001 but also charged that the campaign promises he made had not been fulfilled, including a pledge to pump \$8 billion a year into the program. “Four years later, rather than \$32 billion in new spending and tax incentives for the poor, we’ve seen a few hundred million at best,” Kuo told the House panel. “There is a chasm between what was promised and what has been delivered that cannot be glossed over by any new White House reports, initiatives, policies, conferences, speeches, pronouncements or purportedly objective data collection intended to make the failure look better.”⁴⁸

Only one formal trend study has been conducted on federal discretionary grant funding to FBOs – research tracking awards from a consistent set of grant programs over time, and with a formal, replicable method for identifying the faith character of recipient organizations.⁴⁹ The study, published in 2006 by the Roundtable on Religion and Social Welfare Policy, analyzed 99 federal programs over a three-year period and included an examination of more than 28,000 awards. This study found:

- There was a slight increase in both the number of FBOs receiving a grant from one or more of the programs studied and in the total number of grants received by the FBOs identified.
- In 2002, FBOs received 11.6 percent of the total number of grants awarded under the 99 programs in the study. By 2004, they received 12.8 percent of the total grants awarded.
- Federal grant awards shifted toward larger FBOs rather than congregations. The share awarded to congregation-based FBOs declined, the share to independent religiously affiliated organizations that were local or regional fell, and the share awarded to multi-state or national organizations with religious affiliations rose.
- The relative share of grant dollars going to FBOs remained flat. In 2002, FBOs received 17.8 percent of the total dollar amount awarded from the 99 grant programs in the study. In 2003, that share of dollars awarded dropped slightly to 17.1 percent, but then it returned to 17.8 percent in 2004.
- Total funding for the discretionary grant programs themselves dropped appreciably over this period, by more than \$230 million.
- Thus, while FBOs received 17.8 percent of program awards in both 2002 and 2004, the dollar amount declined from \$669,522,328 in 2002 to \$625,928,212 in 2004, a decrease of 6.5 percent.
- Federal grant funding to FBOs, like awards, shifted to favor larger organizations.

C. EFFECTIVENESS

There is a macro theory about the value of faith-based social service, which holds that, compared with secular nonprofit or government service providers, FBOs:

- Are more “holistic” in their approach, treating the “whole” person by stressing spiritual renewal and personal transformation;

- Are better at placing program recipients in an ongoing support network that provides role models and connects clients with the community;
- Have “front-line” workers who are more caring and more personal in their approach;
- Translate these features into effective service.

DiIulio notably said: “We do not yet know... whether America’s religious armies of compassion, local or national, large or small, measurably outperform their secular counterparts.”⁵⁰ That remains true today. Little is known about the role that “faith” plays in bringing about desired change in the lives of social service recipients. Does faith make a difference in the outcomes of services, and if so, how and for whom? There is almost no empirical research to support, or counter, the value of faith as a key to the delivery of effective social services, although answers to these central questions are beginning to emerge.

Ample research has been conducted on the role of religiosity in influencing desirable outcomes. Attending religious services or being raised by religious parents is associated with improved health, for example. (Questions remain as to whether this is due to religion or other factors.)

But only a small handful of studies have been conducted to test for the effectiveness of faith-based social services. And unfortunately these studies suffer from important shortcomings. They cover too few organizations to support rigorous quantitative analysis; cover very narrow geographic areas; fail to control for differences in approach, population served or environment that affect results; and tend not to separate the effects of religious belief and worship from religious content delivered through programs. Importantly, no comparative study has tracked effectiveness and connected measures of performance with statistical rigor to underlying program theories that relate to the faith character of the organization and the services delivered.

A religious connection may interact with many aspects of service organizations. Religion may influence the leaders and staff organizations recruit, the people they serve, their location and connection with the community, and the ways in which they deliver services. To understand the influence of faith on organizational effectiveness, we need to trace how faith affects organizational activities or capacities and how these alter effectiveness. Such influences may take several forms:

Impact on general effectiveness of the program: Religiosity may influence characteristics of the program that in turn affect the effectiveness of programs for most clients, regardless of their religiosity. These characteristics – such as staff commitment, service range, community ties and strength of relationships with clients – may also occur among secular programs, but faith-based elements in the program may increase the probability that such characteristics are found.

Resonance with religious clients: Religiosity may permit programs to respond more fully and effectively to the faith-related understandings and needs of those individuals receiving services and for whom religion is already important, i.e., prior to admission.

Transformation or conversion: By creating or strengthening religious belief and practices among people receiving services, faith-related programs may enhance individuals’ capacities to make fundamental changes in their lives.

The Rockefeller Institute's Roundtable on Religion and Social Welfare Policy sought to illuminate the effectiveness of faith-based social service providers in several specific service areas: housing programs, outreach and assistance to families on welfare, drug treatment, parenting programs, nursing homes and home health agencies.

Our case study of interim housing programs in Michigan found that FBOs were more likely to focus on values, treat their clients in a more comprehensive manner, and be perceived by their clients as more caring. Terms such as "loving," "nurturing" and "helping" were used to describe caseworkers in programs that scored high in faith integration. However, some recipients felt there had been too much intrusion in their personal lives, and the degree to which faith was involved tended to depend more on the front-line workers than it did on the programs themselves.⁵¹

We found that faith-based contractors involved in a New York City Charitable Choice demonstration program designed to help individuals who had lost their welfare benefits because of compliance problems had a difficult time making contact with the majority of the targeted group – many of whom had moved or were living in shelters after losing their welfare benefits. But once a client was reached, the success rate among the FBOs was, on average, half-again higher than anticipated, while certain individual FBO programs scored two and one-half times better than expected.⁵²

Using federal government data on nursing homes and home health agencies, the Roundtable was able to compare program characteristics and performance, based on multiple measures, of a large number of "church-related" (as defined by the federal Centers for Medicare and Medicaid Services), other nonprofit and government service providers located throughout the country. Substantial differences were found: Church-related providers had fewer deficiencies and better patient outcomes on average than other forms of service providers.⁵³

A set of case studies comparing faith-based to secular providers of drug treatment programs in the Puget Sound area, homeless housing programs in the state of Michigan, and parenting programs in the state of Mississippi found more similarities among service providers than the debate rhetoric would suggest, but some distinctive attributes as well. FBOs tended to serve more troubled clients and for longer periods. Moreover, FBOs with a high degree of religious integration in their programs and services tended to view their service as a moral endeavor, a process of client change involving "transformation from the inside out," rather than one of imparting technical skills.⁵⁴

The Roundtable's flagship project on comparative effectiveness involves an unprecedented study on substance abuse treatment services. The study goes well beyond observing the character of services in case settings and instead measures the actual impact of religion on the delivered service. It assesses differences in effectiveness in a way where such differences may validly be attributed to the religious character of the service organizations involved, and does so in a contextualized way.

The study uses a randomized trial to compare the effectiveness of faith-based and secular agencies providing drug treatments in Baltimore. Moreover, the random assignment experiment

is embedded in a study that uses extensive field research, semi-structured interviews and other data to understand the place and unique features of religious institutions and faith-based treatment organizations in the city's substance abuse system.

The project seeks to understand whether and how religiosity in substance abuse treatment programs increases, decreases or has no impact on the effectiveness of such programs in treating patients with substance abuse problems. In the context of this study, religiosity is defined in terms of frequency and range of expressly religious activities in treatment programs, institutional connections between religious institutions and treatment programs, and religiosity of program staff.

The experiment is designed not only to estimate the impact of using faith-based treatment organizations but also to shed light on the reasons for the impact, including the possibility of interactive effects between individual characteristics and assignments to FBOs. The size and structure of the substance abuse system, the large role performed by FBOs in the system, and cooperation of city officials assure that this comprehensive study of the role and effects of religion will produce a benchmark study of practical importance to the national debate over religion and social services.

The study gauges whether and how substance abuse treatment programs – characterized by different levels and forms of religiosity – produce different experiences for clients enrolled in the programs. It also looks at how these different experiences for clients relate to changes in client attitudes and behavior, including intensity of religious beliefs and practices. And, it will assess how changes in religious attitudes and behavior relate to changes in client outcomes. Finally it will examine whether and how religiosity in substance abuse treatment programs affects some clients more than others.

The Baltimore treatment study focuses on understanding the role of religion in state-certified substance abuse treatment and recovery support programs. Data sources included a phone survey of all substance abuse treatment programs and recovery support agencies in the study area; extensive structured interviews with program directors of secular as well as faith-based treatment programs and recovery support agencies; interviews with clients of 10 of the surveyed programs, including faith-based and secular agencies; and extensive administrative data on clients, including information on the services they received, the duration of their treatments, client characteristics, the severity of their substance abuse problems, and client outcomes at admission and discharge.

In a significant expansion from other research, the Roundtable's Baltimore treatment study consists of voluntary random assignment of publicly funded substance abuse treatment clients to different groups of programs operating in their communities. Participants in the experiment are volunteers among those individuals required to enroll in treatment programs in order to receive public assistance. If these volunteers are eligible to enroll in two or more treatment programs, and those programs differ significantly in faith-based characteristics, then participants are randomly assigned to a program.

The Baltimore treatment study measures several outcomes, including drug usage, as well as client histories and their experiences in the treatment programs. The study also monitors characteristics of the programs, including faith-related qualities as well as other aspects of their operations. The objective is to isolate observations on the effects of individuals being assigned to treatment programs with greater or fewer faith-related characteristics, including connections to religious institutions, expressly religious activities – such as scriptural study or prayer – or a strongly religious staff. In doing so, the study tests whether programs with greater faith-related characteristics generate different treatment-related experiences, and it examines the relationships between these experiences and client outcomes.

This randomization allows for a comparison to be made between two groups: one group – the treatment group – is assigned to faith-intensive programs, such as those with extensive faith-related activities, and a second group – the control – is assigned to secular programs that have neither strong institutional connections to FBOs nor faith-related activities during the course of treatment. Because of the random assignment, the study provides reliable measures of differences between clients in the treatment and control groups with respect to client outcomes, experiences, attitudes (religious and otherwise), backgrounds, and other client characteristics or changes. These are measured during a pre-test and post-tests at 3, 6 and 9 months following treatment.

The client outcomes assessed in the study include: a) sustained abstinence from drug use; b) criminal activity; c) independent living; d) employment; and, e) completion of treatment goals and/or length of stay in treatment. Added to the list of traditional outcomes are: f) marital status and stability, g) family functioning, h) continued involvement in the child welfare system, and i) connections to community-based resources that promote recovery and quality of life.

Gauging the relative effectiveness of faith-intensive and secular drug treatment programs and discerning the reason for these differing effects has several implications for public policy. First, having better insights into how certain types of programs benefit certain types of people may make it possible to match client characteristics to program characteristics to improve long-term outcomes. Second, discerning whether as well as how differences in performance occur may make it possible to distinguish specific practices associated with faith-intensiveness that are associated with good outcomes and that are transferable to secular programs (for example, finding that increased access to community-based resources promotes long-term abstinence). In such a case, increasing religiosity of programming might not be as necessary as increasing connections to the community post-discharge from treatment.

If clients enrolled in faith-intensive programs are more likely to strengthen their religious beliefs and practices, and if increased religiosity among clients produces better client outcomes, then public agencies would better understand the advantages of having faith-intensive services available to clients. Here, the design and development of consumer choice models may apply – with special care taken, given the condition of clients, to assure the requirements are met for the Supreme Court’s test of “genuine, independent choice” among providers.

If, on the other hand, faith-intensive providers of substance abuse treatment are more effective than others, not because clients strengthen their religious beliefs and practices, but because they

experience less staff turnover as a result of high levels of staff commitment, then more attention can be paid to increasing the stability of the client-counselor relationship over the course of a treatment episode across all types of providers.

By learning more about the context in which religiosity occurs in programs, policymakers will know more about the roles of individual choice and neutrality in faith-related activities, which have been important criteria in federal court decisions in recent years when resolving constitutional questions about the application of the First Amendment of the Constitution to the delivery of publicly funded services.

Clearly, more research like this needs to be conducted to assess the value of contracting with FBOs versus secular nonprofits to provide social services to those in need. In its absence, what is known is that faith-based and community initiatives have opened up broader competition over sources of public funding for social services and supports that in many respects are shrinking. Some regard that as an end goal in itself. However, it remains an open question whether better results come from the inclusion of FBOs as providers of public services.