

## Grants to Faith-Based Service Providers: Promise and Pitfalls

The view that government should increase its reliance on faith-based organizations to deliver social services is an idea whose time has apparently come. It's an idea that has attracted support from an unlikely alliance that crosses the political spectrum. The most striking feature of the current discussion about public support for faith-based service providers, however, is not so much the strange bedfellows that it has attracted as the fact that proponents are rushing to endorse the concept with little or no reference to what we know about existing religion-sponsored social service providers and about their relationship to government.

In some ways, support for faith-based social services is old hat. Governments at all levels have frequently entered into contracts with religiously affiliated groups, such as Catholic Charities, to deliver publicly funded social services. The 1996 federal welfare reform legislation expanded on this tradition both by establishing that organizations whose main activity is religion—such as churches and synagogues—may receive public money to support social service activity and by declaring that the religious character of these organizations and their services should be respected and affirmed.

The concepts underlying President George W. Bush's new initiative have broad appeal. Conservatives favor private partnerships of all kinds as a way to reduce direct involvement by government agencies in welfare activities, and they are sympathetic to faith-based contractors bringing religious values to bear on social problems. Liberals are instinctively wary of anything that might be construed as an erosion of government commitment to social welfare, but some view Charitable Choice as consistent with a new push for alternative solutions to social problems.

Whatever the motivations of proponents, the key question is: Will it work? Several studies supported by the Aspen Institute's Nonprofit Sector Research Fund (NSRF) shed light on the willingness and capacity of faith-based organizations to assume the responsibilities now being envisioned for them. For example:

- Mark Chaves of the University of Arizona found some reason for optimism when he analyzed 1998 survey responses from a representative sample of 1,236 religious congregations. He determined that while only about three percent of these congregations were engaged in government-funded social

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programs, leaders of 36 percent of them said they were potentially willing to apply for such funding. Although Chaves believes that the latter figure overstates the number of congregations likely to become involved, he nevertheless concludes that the possibility exists for “substantial change in congregations’ relations with government and with congregations’ role as providers of social services to poor people.”

- Another study by John McCarthy of Pennsylvania State University and Jim Castelli, an independent researcher, was less bullish. They estimated that congregations may now be spending only 15 to 20 percent of their annual income, or \$15 billion to \$20 billion a year, on social services, and new research may put this spending even lower. Even if new financial resources from government were available, they said, social service provision by religious congregations would be restrained by their existing organizational structures, level of management expertise, and the number of available volunteers.

- Based on his research, Robert Wuthnow of Princeton University concluded that the Charitable Choice legislation was unlikely to draw churches into new activities or into serving new populations.

The studies that looked at which churches and other religious organizations would be likely to take advantage of Charitable Choice found interesting patterns. Those most likely to participate are large African American churches, Jewish and Roman Catholic congregations, and Protestant churches associated with the more liberal denominations. Least likely to sign up are conservative congregations and congregations in conservative denominations.

Researcher Mark Chaves noted a striking paradox: Liberals who might have been wary about Charitable Choice on church-state grounds are the most likely to take the money once it becomes available.

In another important finding, McCarthy and Castelli concluded that most funds administered by religion-based organizations are spent in the communities where they are raised. This pattern suggests that, at least at the present time, churches in low-income areas facing the greatest social needs are least likely to have the resources to address them.

While some of these congregations may be willing to use new government funds to increase their service delivery, the fragile ones especially may need special help to employ the new resources effectively.

There are other important issues related to Charitable Choice on which we lack seemingly important information. For example, we know little about the effectiveness of existing programs or the types of clients that faith-based agencies are able (or willing) to serve.

Suggestive data from a study by Susan Grettenberger of Michigan State University indicated that welfare recipients and stigmatized populations, such as gays/lesbians, ex-prisoners, and persons with HIV/AIDS, were unlikely to be served by congregations. Her study found that two other key questions need to be addressed: whether churches would be willing to deal with the government regulation that usually follows public funds and whether such a flow of funds would undermine their prophetic role as social critics.

### **President Bush's Charitable Choice Initiatives Examined: An Interview with Mark Chaves**

In January 2001, President George W. Bush issued two executive orders launching a series of initiatives aimed at increasing the participation of faith-based organizations in government-funded social service provision. The orders have sparked a range of reactions: applause from many Republicans and some Democrats, but concern from groups like the ACLU, who point to constitutional issues hinging on the separation of church and state. (For example, they see the potential for government funding going to agencies that engage in discriminatory hiring practices.) Some religious leaders, like Pat Robertson, are worried about money going to non-mainstream religious charities, while others are concerned that government funding requirements will force congregations to dilute their religious expression. Some worry that faith communities will spend more money on legal battles over constitutional issues than they will spend on helping the poor, and others have voiced concerns that the government will be funding programs that explicitly proselytize clients.

Mark Chaves, Ph.D., Associate Professor of Sociology, University of Arizona (Tucson), has been studying faith-based social services, the impact of Charitable Choice, and the politics of government linkages with faith-based

service providers. The following interview with Chaves was conducted by Jean Grace for the Aspen Institute's Nonprofit Sector Research Fund.

Q: Can you briefly explain Charitable Choice?

A: Charitable Choice was part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The Charitable Choice provision requires states to include religious organizations as eligible recipients if they contract with nonprofit organizations for social service delivery using funding streams established by this legislation. States can't require that a religious organization alter its form of internal governance or remove religious symbols as a condition for contracting to deliver services, and the law asserts that the religious organizations will retain control over the definition, development, practice, and expansion of their religious beliefs. The Charitable Choice legislation forbids recipients from using government funds for purposes of proselytizing, worshiping, or other activities directly related to religion. For decades, the government has legally provided funding for religiously affiliated social service providers like Catholic Charities and Lutheran Social Services. Although it isn't clear exactly what Charitable Choice permits that was not previously permitted, it is widely interpreted as establishing that organizations whose main activity is religion (like congregations) can receive public money to support social service activity.

Q: How is President Bush's initiative different from Charitable Choice during the Clinton years?

A: It's hard to tell how what the new administration is proposing is different from the status quo we have had, even for decades. Religious organizations have been able to compete for funds for a long time. When the new administration says its goal is to remove discrimination against religious organizations, I want to ask, "What discrimination?" It's very puzzling. Some of the language quoted in the media suggests that the administration wants to raise funding from private sources. We need to know more about what they intend to do with it.

Bush Administration officials say this funding will provide technical assistance and seed money. This almost sounds as though they want to use private funds to fund religious and other activity they can't support with public money. Is that something a White House office should be doing? They sometimes sound as though they might want to allow funding for proselytizing and worship; if they really did this, it would certainly be new. The 1996 Charitable Choice language explicitly forbids this, so it is puzzling if Charitable Choice was their inspiration. We need to know more specifically

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what this administration plans to do through these initiatives. It sounds like there's a lot in this initiative that is new and desirable, but the genuinely new pieces aren't desirable, and the desirable pieces aren't new.

Q: In your 2000 study of religious congregations and social services, you found that religious congregations typically engage in short-term emergency help rather than long-term social service provision. They are more likely to provide emergency food, shelter, and clothing, for example, than to run programs that focus on long-term face-to-face education or counseling. Yet you also found a significant number of churches expressing interest in participating in Charitable Choice. Are we now seeing a growing number of faith communities getting involved in long-term social service provision?

A: Very little on the ground has changed. In only a few states have officials proactively encouraged greater participation by faith communities in social service delivery. In Indiana, for example, the state gave eight grants to religious organizations as part of an effort in the spirit of Charitable Choice. So we're seeing some increased activity, but not a lot. In my most recent study, I found that the congregations that are doing long-term social service provision are already doing it in collaboration with secular nonprofits and government. When you look on the ground, you see that the faith communities that want to do long-term social service provision and are prepared to do it are already collaborating in some form with secular nonprofits and government.

Q: Your 2000 study begins by examining two common assumptions about religious organizations: The first is that they specialize in face-to-face, holistic service delivery that provides long-term solutions to individuals' problems. What did you learn from studying the data?

A: The National Congregations Study data suggest that congregations are not very involved at all in more holistic kinds of social services, though some religiously affiliated social service providers are. When congregations do more than donate money, canned goods, or old clothes, they are most likely to organize small groups of volunteers to conduct defined tasks on a periodic basis.

Q: You also explored the assumption that collaborations with secular, especially government, organizations threaten the ability of a congregation to engage in a holistic approach to social service, another idea circulating in the current debate sparked by President Bush's initiative. In your study, you quote those who argue that state funding may lead congregations to shift their focus from transforming lives to delivering services.

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A: We found that collaboration with secular organizations doesn't make congregations less likely to engage in long-term, face-to-face activities and may in fact encourage them to do so. For example, a church-based child-care program may in fact depend on ties with secular agencies that allow services to be coordinated in various ways. We didn't investigate whether such collaboration would dampen the congregation's political voice. There are different kinds of potential consequences of collaboration with government. So far we have investigated only one kind of consequence in this study.

Q: We will learn more about what this administration intends as the office of Faith-Based and Community Initiatives sends specific proposals to Congress. In the meantime, can you suggest directions for further analysis of President Bush's initiatives?

A: We can call attention to some of the assumptions behind this initiative and do our best to assess whether or not they're justified.

Here are three key assumptions: that there is discrimination against religious social service providers; that religious organizations do some things better than secular organizations, such as long-term, face-to-face social service provision; and that there's a lot of this religious social service activity out there that isn't already connected to larger community service systems. What do we know about whether these assumptions are true or false?

*Adapted with permission from Nonprofit Research News, Spring 2001. Copies of Mark Chaves' studies, "Religious Congregations and Welfare Reform: Who Will Take Advantage of Charitable Choice?" (1999) and "Congregations and Social Services: What They Do, How They Do It, and With Whom" (2000) are available by calling the Aspen Institute's Publications Office at (410) 820-5338. For more information about this topic, visit the Web site of the Nonprofit Sector Research Fund, <http://www.nonprofitresearch.org>.*