

National Poverty Center

Gerald R. Ford School of Public Policy, University of Michigan [www.npc.umich.edu](http://www.npc.umich.edu)



## **The Impact of Religion and Faith-Based Organizations on the Lives of Low Income Families**

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## **SOCIAL SERVICES , FAITH BASED ORGANIZATIONS AND THE POOR.**

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### **Abstract**

The Indianapolis Office of Faith Based and Community Initiatives (OFBCI) are responsible for providing services to faith based organizations. While these organizations are connected to the OFBCI the benefit of this connection is yet to be determined. By analyzing data collected from these organizations this project will evaluate the degree to which faith based organizations in Marion County Indiana are meeting the needs of the poor. In light of the current funding priorities by the Bush Administration and the expectations of faith based organizations to have an impact on community development this study seeks to understand this impact in Indiana. Using a representative sample of 285 churches in Marion County Indiana, this study investigates the relationship between race and social service provision and the effect on low income communities. In this study race is identified as a significant factor in social service delivery and African American FBOs provide more economic and self help services which benefit the poor than white faith based organizations.

### **Faith Based Organizations and Social Service Delivery**

The idea of social based ministry is not new. Historically religious groups have provided social services and other community development activities which promote community empowerment (Billingsley,1999; Bartkowski and Regis, 2003; Chaves and Higgins,1992; Unruh and Sider, 2005; Harris,1999). The initiative by federal and state organizations participating in the movement to encourage faith organizations to address community ills is popular and widespread. While the religious dynamics of church based social services has been considered (Unruh and Sider, 2005, Bartkowski and Regis, 2003) the overall impact of these services is not well documented. Although the social capital literature suggests religious organizations are embedded with networks and resources, promote social, and community well-being more information is needed to completely understand this phenomena. (Bartkowski and Regis, 2003 ;Coleman, 2003; Cnaan, Boddie and Yancey, 2003; Rolland and Sider, 2005; Lincoln and Mamiya,1990).

The social capital literature explores the extent to which social relationships allow individuals to gain access to cultural, social and economic resources. (Portes,1998; Coleman, 1988; Sherkat & Ellison, 1999). These resources can be important sources of support and can produce values and norms which influence behavior. Thus, social capital is a way to understand the resources individuals can access by virtue of group membership. Congregations have historically been a vehicle by which groups have responded to structural and cultural marginality by providing members with opportunities to engage in religious expression and a forum to address group specific needs( Sherkat & Ellison, 1999; Bartkowski and Regis ,2003 ;Coleman, 2003; Cnaan, Boddie and Yancey, 2003; Unruh and Sider, 2005) . These studies intend to explore congregations as sources and builders of human and social capital and to identify religion's contribution to the public good.

A number of factors influence social service delivery and social service activity. These factors include access to resources, membership size and income and number of services they provide. (Chaves & Tsitsos, 2001;Cnaan, 2002). Membership size is significant because congregations with more members have more resources and are more likely to provide social services. (Billingsley, 1999;Chaves & Tsitsos, 2001; Cnaan, 2001). While these studies concentrate on organizational factors which effect social service delivery other scholars examined neighborhood characteristics to understand the nature of social service delivery. These studies suggest that congregations located in low income areas and neighborhoods have a clearer understanding of the needs of the area and this may also effect social service delivery. (McRoberts,2003; Owens, Smith; 2005).

Excluding congregation membership size and income, the characteristics of the Senior Pastor is a factor in social service delivery. Pastors with higher education, income and social class play a role in the social activities of their congregations. ( Harris,1999, Billingsley, 1999) The age of congregation and the amount of laymen in the congregation actively involved in leadership positions is also a factor in social service delivery. (Cavendish,2000;). Thus, stable congregations have a better sense of the community needs and the age of the congregation may effect social service delivery.(Wuthow,1998). Studies also found that new churches spend more time establishing their membership and less time on social delivery while small storefront churches are less likely to provide services because they are unstable.(McRoberts, 2003)

There have been a number of studies which compare social service activities of Black vs. White Congregations. Racial composition of congregation is not consistently a predictor of social service activities. Even though racial characteristics is not a consistent predictor of social service delivery it is however a predictor of socio economic status in certain areas and can help us understand the nature of poverty. This project investigates the relationship between church based resources, social capital and the community activities of faith based organizations. Specifically, this study addresses the question, 'what is the role and impact of faith based organizations in community empowerment as it relates to low income communities.'" The immediate purpose of this study is to understand the impact and effectiveness of these initiatives on meeting the needs low income families in Marion County and the differences in social service delivery by race.

## **Data and Method**

The Office of Faith Based and Community Initiatives was created in 2005 in Indiana to give faith based organizations equal access to state and federal resources and services. Interested faith based and community organizations were provided with information, technical assistance and grant funding. Initiated a collaborative effort with the OFBCI to further understand both the role of the OFBCI in providing services for faith based organizations and the impact organizations seeking assistance from the OFBCI have on their respective communities. This effort resulted in a project designed to collect and analyze data from faith based organizations.

Using an existing database of Faith Based Organizations in Marion County, Indiana, a representative sample was selected and interviewed. Data were collected during a telephone interview with the minister, priest or leader of the organization. The questionnaire contained questions which included the following components;

- Organizational information
- Listing of priority programs
- Age of organization
- Number of staff and volunteers
- Contacts with other nonprofits, government agencies and other congregations
- Past and likely future efforts to seek government funding
- Number and type of people served
- Diversity of revenue sources
- Specific types of social services including economic and health services
- Open ended questions which asked how the congregations would like to be served by the OFBCI
- Listing of current and future social service programs

In this study social service involvement is measured by determining the percent of congregations providing particular social services. This method was used in other comparative studies (Chaves and Higgins, 1992; Cavendish, 2000; Caan & Boddie, 2001;

Tsitsos, 2003). After utilizing the 975 initial faith based organizations listed on the OFBCI database, 285 of those were accurate listings. Data was then collected from these 285 FBO's which resulted in 232 usable responses. This process yielded a 81% response rate and the data collection was completed in December of 2006.

### **Sampling Frame and Characteristics**

It is important to note that the congregations and the communities in which they reside are composed of primarily African American and White Americans reflecting the demographic make-up of Marion County. Statistically, these two populations are 24% and 70% respectively. In Marion County, 9% of the total households are headed by women and 26% of the population is living in poverty, according to the 2000 U.S. Census. Marion County is the most racially diverse and is the largest county in the region. The majority, 81 % of the organization in this study were congregations, 8% were some other type of organization affiliated with a specific denomination and 10% were some other type of faith based organization.

As represented in table 1 the organizations were divided by race and approximately 65% of the organizations were categorized as white and 29% of these were African American. While the majority 85% of both white and African American organizations had a leader with at least a college degree there were differences in the level of education of the membership. White congregations with members with college degree were 72% compared to only 40% of the predominately African American congregations. A college degree is associated with increased earning potential and better quality of life and the African American organization serve populations with fewer opportunities. The membership of these organizations were evenly split, 20% of all

FBO's had less than 100 members, approximately 51% had 100-500 members, 18% African American and 11% white had 500-999 members and finally 10% of the African American and 16% white had more than 1000 members as represented in table 2.

**Table1 Characteristics of Faith Based organizations in Marion County Indiana**

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**% of Sample N=232**

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**Congregations by Race**

African American (more than 50% of members are of African descent)	29
White	65

**Type of Congregation**

African American Church or Congregation	73
White Church or Congregation	86
African American religious Affiliated organization	9
White religious affiliated organization	7
African American other FBO	17
White other FBO	6

**Pastor Education**

African American Pastor College Grad	85
White Pastor College Grad	85

**Congregation Education**

African American Congregation members with college degree	40
White congregations members with college degree	72

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**Note: Percentages are rounded**

**Table 2 Characteristics of Faith Based organizations in Marion County Indiana**

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**% of Sample N=232**

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**Membership size**

*Less than 100 members*

African American	20
White	20

*100-499 members*

African American	51
White	52

*500-999 members*

African American	18
White	11

*More than 1000 members*

African American	10
White	16

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**Note: Percentages are rounded**

## **Findings**

The community initiatives of these organizations were found to include educational, economic, social service and health services. Some of the most recurring examples of specific activities included educational assistance, personal finance classes, self-help activities and home assistance classes. In the area of social service, respondents offered counseling services, as well as alcohol, tobacco or other drug addiction services. In addition to these services, food services and youth activities were also offered. The most prevalent economic activities were job training and employment services. In the area of health, treatment and prevention activities were offered.

Prior research suggest that congregations offer services which address basic human and community needs which include poverty related issues. In this study these organizations provide similar social service activities but there are notable differences in the type of services provided by race. The percentage of social services provided by African American organizations is higher in all identified areas. As shown in table 3 the most substantial difference in social service delivery is in the area of food, housing and shelter, alcohol and tobacco and crime and legal services. African American organizations were more likely to provide these services.

Educational activities had similar results. In all areas of education activities which included self help, educational assistance, health and fitness personal finance, homeownership and credit, African American organizations were substantially more likely to provide these services. As represented in table 4 African American organizations were almost twice as likely to provide education assistance, twice as likely

to provide education as it relates to credit and more than five times more likely to provide education as it relates to home ownership as compared to white faith based organizations.

**Table 3 Funding of Social Services by Congregations in Marion County by race Provides at least one social service**

	% AA	% White
Counseling services for individuals couples or families	82	70
Food	72	60
Youth or community	65	58
Recreational Activities	59	53
Alcohol, Tobacco	42	33
Housing and/or shelter	31	16
Crime legal services	24	5
Public Safety Disaster	24	20

\*Specific examples of social services named by participants included the following ; Paying ther rent, offering food and utility hotline, food pantry, benevolence fund, children, family and elderly programs, recreational activities, providing affordable and transitional housing, public services, and community activism.

**Table4 Provides at least one Educational Activities by Congregations in Marion County by race**

	% AA	% White
Self Help	60	47
Educational Assistance	50	32
Health/fitness	47	37
Personal Finance	46	34
Home ownership	24	5
Credit	21	12

\* Specific examples of these activities named by participants included the following; GED classes ,day care, schools, structured parenting activities, credit repair classes, drug rehabilitation workshops, computer training, support groups, work release programs, education for the incarcerated and marriage counseling.

As it relates to economic assistance white organizations were very unlikely to provide economic activities compared to a number of African American churches.

African American churches provided employment services 28% , job training 26% and business development 15 %. The following table 5 indicates the highest percentage of white churches which provide any economic activity was 5% in the area of employment services. In respect to health activities, African American organization are more likely to provide certain health services, mental health and health service and treatment and prevention services then white organizations as listed in table 6.

In terms of number of individuals served in the last calendar year, 24% of African American organizations served less than 100 people compared to 14% white. According to table 7, about 16% of both African American and white FBO's served between 100-500 people, 11% of African American churches served between 500-1000 people and 1001-5000 people with 2% of these churches serving more then 5000 members. White FBO's had similar percentages, 9% of the FBO's served between 500-1000 people and 1001-5000 people leaving 4% who served more than 5000 people.

**Table 5 Provides at least one Economic Activities by Congregations in Marion County by race**

	% AA	% White
Employment Services	28	5
Job training	26	3
Business development	15	1
Business assistance	8	1
Other economic	7	2

- Specific examples of Economic activities included the following; credit repair, financial classes, business academy, budget planning assistance, financial counseling, economic assistance, home ownership classes and temporary employment opportunities

**Table 6 Provides at least one type of Health Activities by Congregations in Marion County by race**

	% AA	% White
Health Research	28	16
Health Care	20	13
Mental Health Crisis	18	13
Health Treatment	14	5
Other health services	4	1

\* Specific examples of health services offered by participants included the following; health screening, drug and alcohol assistance, mental health services, counseling, aids/hiv prevention, health fair, non medical nursing facility, Parish nurse

**Table 7 Number of Individuals served in last calendar year by Congregations in Marion County by race and percentage**

	% AA	% White
Less than 100	24	14
100 -500	17	16
500-1000	11	9
1001-5000	11	9
More 5000	2	4

Both African American and white organizations currently receive grant funding, 15% African American and 12% white. These congregations are similar and are identifies as having a 501. C 3 label as an independent corporation. The most significant difference is the number of congregations likely to seek funding in the next two years. As represented in table 8, 76% of African Americans plan to seek funding compared to 23% of white FBO's. The large number of African American FBO planning to seek grant funding may be a consequence of having large memberships with limited opportunities. Grant funding is usually provided to organizations which address poverty related issues and predominately white organizations in this study may be satisfied with the level of service they currently provide. Since these congregations are more likely to have members who

are college educated, they may not be motivated to seek grant funding because this may not adequately meet the needs of their population or they be have adequate funding sources in place to provide satisfactory level of social service delivery. African American FBO's plan to take advantage of grant opportunities since their organizational goals my supersede their resources.

Lastly, table 9 and 10 represent the funding priorities of both African American and white organizations if they had more resources. A number of social services were identified by both African American and white FBO which included providing more educational programs, youth and community programs, counseling services, personal finance and alcohol and drug abuse. However African American FBOs identified job training, housing food and shelter and employment services as important issues to be addressed with more resources. White FBOs identified recreational and health and fitness as being a priority worth addressing with more resources. These differences may represent congregational differences in the needs of the membership.

**Table 8 Grant Funding Characteristics of Faith Based organizations in Marion County Indiana**

	<b>% of Sample N=232</b>
African American congregations which currently receive government money from agencies or programs	15
White congregations which receive government money from Agencies or programs	12
Percentage African American congregations likely to seek grant funding in next two years	76
Percentage of White congregations likely to seek grant funding for programs in next two years	23

\* Services would provide with more resources

**Table 9 Services identified by Congregations as a priority with additional resources**

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African American Congregations	
Educational Programs	86
Youth Community Programs	84
Counseling Services	80
Job Training	77
Self Help	75
Food	74
Personal Finance	73
Housing/Food/Shelter	72
Alcohol/Drug Abuse	72
Employment Services and Health care	71

- Respondents were asked to focus on activities that would be a priority if they had more resources.

**Table 10 Services identified by Congregations as a priority with additional resources**

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White Congregations	
Youth Community Programs	83
Food	75
Educational Programs	72
Counseling Services	70
Self Help	69
Recreational	61
Personal Finance	58
Alcohol/Drug Abuse	57
Health Fitness	57
Health care	54

- \* Respondents were asked to focus on activities that would be a priority if they had more resources

### **Summary and Implications**

This study confirmed that FBOs in Marion county provide critical social services but there were differences by race. Although both African American and white FBO offered social services, educational, economic and health services, the latter were more likely by percentage to offer a wider range of activities. Prior studies on race effects found that African American congregations are more concentrated in certain type of activities as compared to other congregations ( Chaves & Tsitsos, 2001; Tsitsos, 2003;

Wuthnow, 2004) while other studies suggest that these congregations are not more likely to support programs for the underprivileged. (Tsitsos, 2003). A lot of the comparative research was limited by a non representative samples (Chaves and Higgins,1992) or by certain denominations( Cavendish, 2000). This study on the other had is unique in that it is a representative sample of all FBOs which include congregations, religious affiliated organizations and other FBOs. This study found that African American FBOs were more likely to offer social service activities. These activities were more clearly directed at meeting the needs of the poor and these organization are more likely to seek government funding.

The congregational characteristics explain some of the variation in racial differences and social service delivery by race. While both African American and white FBOs are more likely to have college educated leaders there are significant congregational differences. African American congregations serve populations who are not college educated. Since most religious organizations rely heavily on their offerings the amount of resources available to more affluent congregations would be greater than poorer congregations and this is consistent with the literature. Congregations with more resources have a positive impact on social service delivery. ( Cnann, Bodie and Yancey, 2003; Unruh and Sider, 2005).

In additional to racial difference in social service delivery this study identified specific economic development activities which to some extent are ignored in other studies. In this study activities were divided by category, social, educational, health and economic which made it easier to understand the nature of social service delivery amongst African American compared to white FBOs. African American churches

provide general survival services like bill assistance and temporary housing but are also involved in providing financial training, employment assistance and other economic activities which can improve basic needs.

The fact that most of the African American FBO's intend to seek funding may also be a function of congregation resources. Congregations with more resources may not be motivated to provide services in which they are able to provide within the scope of their existing budget. Also government grants are usually designed to provide services which benefit low income populations and more affluent congregations may not actively engage in this type of social service delivery to the extent that they will seek additional resources. Congregations are ultimately interested in providing religious activities and services and this priority in more affluent congregations may take precedence as compared to less affluent African American congregations who are forced to prioritize social service activities.

## **Conclusion**

In the current phase of this project I collected data on types of programs and future organizational goals. Understanding the role religious institutions have in creating opportunities and in influencing behavior is important in light of the unaddressed needs in certain communities. Additional research is needed to further investigate and address the changing demand for additional development opportunities in today's economy and faith based organizations may effectively address these needs if they have adequate resources.

In this consider I consider the race of the faith based organizations and other factors which effect the number of social services provided and effect of the social service activities and the effect these activities can have on the poor in Indianapolis. Future studies would include measuring the impact of the activities of these FBO on meeting the needs of the poor. Also it would be useful to compare the type of activities offered by different types of FBOs. There were not enough cases in the current study to make a valid comparison among FBSs. However understanding the future priorities of these organizations will help inform the initiatives of the Office of faith based and Community Initiatives.

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