

Empirical Evidence on Faith-Based Organizations in an Era of Welfare Reform

David A. Reingold
Indiana University–Bloomington

Maureen Pirog
Indiana University–Bloomington

David Brady
Duke University

Several recent policies encourage the involvement of faith-based organizations (FBOs) in the delivery of social services to the poor. Relying on data from Indiana's randomized welfare reform experiment, this article analyzes the characteristics of clients who seek and receive help from FBOs, particularly focusing on how exposure to the effects of welfare reform affects help seeking and the receipt of help. A separate analysis examines cross-sectional data from social service agencies to compare matched FBOs with nonreligious organizations (NROs). In general, results suggest that the most disadvantaged welfare recipients are more likely to receive assistance from FBOs than from NROs; however, welfare reform has inconsistent effects on the receipt of social services from these organizations. Results also suggest that FBOs are significantly more likely than NROs to have tightened service eligibility criteria.

Over the past decade, a major social policy development in the United States has been the movement to incorporate faith-based social service agencies into service delivery. The movement is fueled, in part, by numerous public initiatives aimed at increasing the involvement of religious social service agencies in the delivery of antipoverty services. Advocates for expanding the service-delivery role of faith-based organizations (FBOs) frequently argue that the organizations' religious ethos, social capital, wealth of volunteers, and donations give them

Social Service Review (June 2007).
© 2007 by The University of Chicago. All rights reserved.
0037-7961/2007/8102-0003\$10.00

unique advantages in helping the poor meet basic needs (Carlson-Thies 1997; Dilulio 1997, 2002; Minow 1999; Sider and Unruh 1999). The advocates presume that FBOs are particularly responsive to the needy and useful for helping the poor.

These presumptions and claims raise the general question of how FBOs actually serve poor individuals. They also bring into question whether these agencies respond to changes in the severity or extent of poverty, and thus are demonstratively responsive to the poor, and whether particular types of poor people use these agencies. This article thus provides empirical evidence on the behavior of FBOs within the context of welfare reform (i.e., in a situation where need or demand may be increasing). First, using data from Indiana's welfare reform experiment, it examines the use of FBO social services by current and former welfare clients. Second, it uses a sample of case-matched FBOs and nonreligious organizations (NROs) that provide social services to welfare recipients and the poor, analyzing agency differences in organizational capacity and responses to welfare reform. From this unique combined analysis of two data sets, three research questions are addressed: (1) What are the characteristics of clients who receive services from FBOs? (2) How does welfare reform influence the demand for services from FBOs? And (3) in the context of welfare reform, how do FBOs and NROs compare in their assistance to welfare recipients and the poor? The article also considers whether FBOs adjust to welfare reform more fully than NROs and whether FBOs generally serve poor clients.

FBOs and Social Services: A Brief Review

The contemporary faith-based movement emerged on a national level in 1996 with the passage of welfare reform and section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA; U.S. Public Law 104-193 [1996]). That section includes provisions that are frequently described as charitable choice. Section 104 of the act encourages government agencies to partner with religious organizations to provide social services, allowing organizations that receive public funds from Temporary Assistance for Needy Families (TANF) to deliver social services with explicit religious content, so long as these public funds are not used for "sectarian worship, instruction, or proselytization" (104-193 [1996], sec. 104j). The act also stipulates that such organizations may not discriminate against benefit recipients on the basis of religion and allows religious organizations to take religion into consideration when hiring employees. The act exempts such organizations from portions of the 1964 Civil Rights Act (*U.S. Code* 42 [2003], sec. 2000e1a).

Similar statutory changes emerged in 1997 Welfare-to-Work programs for hard-to-employ recipients (U.S. Public Law 105-34 [1997]), Com-

munity Services Block Grants (U.S. Public Law 105-285 [1998]), and federally funded substance abuse, prevention, and treatment services (U.S. Public Law 106-310 [2000]; White House Office of Faith-Based and Community Initiatives 2001). On January 29, 2001, President George Bush signed two executive orders establishing the White House Office of Faith-Based and Community Initiatives (Executive Orders no. 13,198 and no. 13,199, *Code of Federal Regulations*, title 3 [2002]). Eleven faith- and community-based offices were eventually created in federal agencies. On December 12, 2002, the administration extended charitable choice provisions to all U.S. social service programs (Executive Order no. 13,279, *Code of Federal Regulations*, title 3 [2003]). Ultimately, the administration's faith-based initiative calls for substantially expanding use of religious organizations in the delivery of publicly funded services to the poor.

Many states also developed programs designed to expand the role of faith-based social services in delivering antipoverty assistance, especially for current and former welfare recipients. One such effort is Florida's Faith Community Network. This program is designed to identify religious organizations willing to deliver social services. It consists of 44 local steering committees, 15 regional offices, and over 700 churches (Maggs 1999). Similarly, Mississippi matches welfare recipients with churches willing to help those recipients enter the labor market (Carlson-Thies 1997), and Texas actively recruits religious organizations to deliver social services. For example, prison programs are now delivered by evangelical Christian groups (McGoldrick 1997). To date, 18 states have implemented faith- and community-based initiatives (Sager 2005).

To be sure, faith-based social service organizations have a long and distinguished history in providing antipoverty relief. England's Speenhamland Act of 1795 (also known as the Relief of the Poor Act [36 Geo. 3, c. 23]) launched a national initiative that raised public funds at the local level and used churches to deliver services to the poor. The Speenhamland Act had some influence on U.S. social policy. During the colonial period, the Anglican churches in places such as Virginia were commissioned to serve as overseers of the poor (De Schweinitz 1947, 102). The Speenhamland Act eventually influenced the charity organization movement in the United States through Rev. S. Humphreys Gurteen's visit to observe the work of Thomas Chalmers in Glasgow and London (Lewis 1966). His observations resulted in the establishment and operation of religious-based charitable organizations, including the Buffalo Charity Organization in 1877. These organizations were designed to distribute poverty relief (and other related antipoverty services) to individuals and communities affiliated with the organization's denomination; they provided such services through much of the nineteenth and early twentieth centuries (Lewis 1966; Levine 1988; Polsky 1991; Jeavons 1994; Halpern 1995; Monsma 2004).

Currently, religious organizations play a crucial role in delivering social services to the poor. John McCarthy and Jim Castelli (1998) estimate that, across the 350,000 churches nationwide, the average congregation provides roughly five human service programs and allocates about 20 percent of its income to these activities. Using data from the 1998 National Congregations Study of 1,236 FBOs, Mark Chaves (1999) finds that one-third of U.S. congregations expressed an interest in expanding social service activities under the charitable choice provisions of PRWORA. Among those religious organizations delivering social services, some are heavily dependent on public funds. For example, the Roman Catholic Archdiocese of New York received 75 percent of its 1993 annual budget, approximately \$1.75 billion, from government sources (Maier and Curran 1993). Similarly, over the last 3 decades, Catholic Charities USA received about \$2.3 billion, or 65 percent of its budget, from government sources (Anderson 2000). The Salvation Army, Lutheran Services, and other FBOs also receive substantial public funding.

Nevertheless, the recent policy changes sparked growing scholarly interest in the activities of FBOs, especially within the context of welfare reform. Indeed, evidence suggests that religious social service organizations structure their services around the provision of food, clothing, and shelter (Salamon and Teitelbaum 1984; Wineburg 1992; Printz 1998; Silverman 2000; Chaves and Tsitsos 2001; Monsma 2004). Accordingly, to the extent that welfare reform pushes poor households off public assistance and FBOs respond to the needs of the poor, the onset of welfare reform should increase receipt of help from FBOs that focus on material needs. Moreover, if agencies are not unusually selective, they will serve clients similar to those of other social service providers. Some studies indeed suggest that FBOs and other providers serve clients with similar characteristics (Deb and Jones 2003). Finally, given the empirical social science literature (see, e.g., Kennedy and Bielefeld 2003; Chaves 2004; Monsma 2004; Kearns, Park, and Yankoski 2005), there may be few or no differences between FBOs and NROs in structure and clients served.

In general, much of the current research on FBOs can be placed into two categories: (1) institutional studies designed to investigate the characteristics and environments of religious charitable organizations (Wineburg 1992, 1993, 1994; Chaves and Tsitsos 2001; Campbell 2002; Green and Sherman 2002; Scott 2003; Tsitsos 2003; Monsma 2004; Kearns et al. 2005; Unruh and Sider 2005; Beyerlein and Hipp 2006) and (2) behavioral studies designed to investigate how religious affiliation and participation in organizations affect individual health, education, and socioeconomic outcomes (see Johnson [2002] for a comprehensive literature review; Scott 2003). Unfortunately, these research literatures have often been unable to bridge the micro-macro divide by investigating the re-

relationship between these institutional arrangements and individual outcomes. The current study helps to address this gap in the literature.

A primary focus of these institutional studies has been the definition and classification of the FBO as a meaningful social construct. Some have developed classification schemes based on scope or geography of service (McCarthy and Castelli 1998; Cnaan 1999). Others have developed such schemes by basing them on the extent to which religious affiliation is evident in an organization's structure and activities, as well as on the religiosity of the organization's staff (Jeavons 1994, 2004; Monsma 2004). Similarly, Steven Smith and Michael Sosin (2001) argue that variation in the extent to which religion is infused into an organization largely derives from the extent to which these organizations depend on resources from religious institutions. Such variation also stems, they assert, from the extent to which a religious belief system is embraced by board members and others responsible for administering an agency.

One limitation of institutional studies is the tendency to overlook the clients' point of view. With minimal input on the perceptions and beliefs of the individuals receiving services from these organizations, these studies frequently attempt to identify FBOs and classify them relative to other social service agencies. These typologies of FBOs are problematic. For example, in trying to differentiate social service agencies based on the intensity of faith in social services, sometimes referred to as faith saturation, studies often overlook the fact that the construct of faith-saturated services is relative for each client, and the accuracy of the construct likely depends on variation in the population of existing agencies. Such variation is subject to change over time. Moreover, the religious character of any organization (and its identification as an FBO or as one of the various types of FBOs) is subject to change (see Anderson's [2000] description of this type of change at Catholic Charities). This variability makes it very difficult to establish meaningful typologies that are not culturally and temporally dependent.

This work thus employs a subjective measure to assess what is or is not an FBO, relying on the perceptions of those receiving help from social service agencies, as well as of those who are responsible for managing such organizations. That is, individuals are judged to rely on an FBO if they report that they receive help from a church or a religious organization. The work does not consider the type of religious organization, the geography the agency serves, the degree of religious content in the services provided, the organization's dependence on external resources from religious groups, or other such factors. Similarly, agencies are called FBOs if the individuals who administer the social service agencies describe them as religious, nonprofit organizations. Therefore, this article presumes that the perceptions of clients and administrators

accurately differentiate providers with a religious dimension from those without one. This approach has the disadvantage of being unable to differentiate variation among FBOs, but it has the advantage of organizing the social sphere of human service provision around those differences perceived to be real by social service clients and administrators.

Indiana's Welfare Reform and Faith-Based Initiatives

Indiana was one of the first states to adopt an emphasis on work first and personal responsibility, replacing cash assistance with transitional services. Over 1 year before PRWORA was passed, Indiana adopted a welfare policy that included a personal responsibility agreement, a time limit on adult eligibility for cash assistance, a family cap (i.e., thus placing a cap on the family's benefits by eliminating a policy that increased welfare benefits as the welfare recipient had additional children), and financial sanctions for client failure to meet parenting and program responsibilities. Over the 6 years of welfare reform discussions and implementation, Indiana, like many states across the country, experienced a substantial drop in its welfare caseload, from approximately 70,000 in 1994 to 30,000 in 2000.¹

Indiana's welfare reform also is a particularly important demonstration because the state maintained a randomized control group that was not subject to reform. This allows for clear inferences to be drawn concerning the effects of welfare reforms on clients. Moreover, the central underlying premises, policies, and procedures of Indiana's efforts rest squarely in the mainstream of welfare reform initiatives. Further, welfare participants hit the time limits in Indiana earlier than public-aid recipients did in most other states. Thus, there is a longer time period over which to gauge the effects of the state's welfare reform (Beecroft et al. 2003).

Indiana was also early to adopt a state-level, governor-initiated program to promote the delivery of poverty assistance through religious social service agencies. Indiana's FaithWorks entered the planning stages in 1997 and was unveiled in 1999 (U.S. House of Representatives 2001). The program provided training and technical assistance to religious groups that were interested in contracting with local, state, and federal governments. FaithWorks was eventually phased out in 2004, soon after a change in governor (and the governor's political party). It was replaced by an Office of Faith-Based and Community Initiatives in the Office of the Governor. During its brief existence, FaithWorks dispersed a modest amount of funds (\$3.5 million) to local FBOs (efforts included providing training and technical support for FBOs), but the disbursements during this time period were much less than those in other states, including Michigan (approximately \$30 million), Ohio (approximately \$17 mil-

lion), and Texas (approximately \$5 million; U.S. House of Representatives 2001).

Because the data used here were collected prior to the actual implementation of FaithWorks activities, it is not possible to investigate any aspect of this short-lived initiative or its successor, the Indiana Office of Faith-Based and Community Initiatives. However, given the pattern of state-level adoption of faith-based initiatives across the country, there is reason to believe that the Indiana experience and the time period under study could be described as typical of what occurred elsewhere, making Indiana a desirable place to conduct research on FBOs. The results of this inquiry cannot address these issues on a national scale; however, the experiences from Indiana provide insight into welfare reform's intersection with FBOs and client well-being, an intersection that is taking place in every state across the country.

Data and Research Methods

This research relies on two large data sets we collected in 1999 and 2000. The client-level survey is used to address the first two research questions: who receives social services from FBOs and how does welfare reform influence receipt of services from FBOs? The agency-level survey is used to address the final question: how FBOs and NROs compare in the assistance provided to welfare recipients and the poor. Taken together, these data provide empirical evidence on FBOs in the context of welfare reform.

Client Survey

The first data set comprises results from a survey of 1,494 current and former welfare recipients who received at least 1 month of cash assistance between June 1, 1997, and December 30, 1998. Interviews were conducted by telephone. Each lasted between 30 and 40 minutes. They were fielded between May 1999 and February 2000 by Indiana University's Center for Survey Research. The response rate is 60 percent. To facilitate an evaluation of its TANF program, Indiana maintains a randomized control group of approximately 3,500 eligible adults who are subject to the benefits, rules, and requirements of the old Aid to Families with Dependent Children (AFDC) program. The client data in the survey include roughly equal numbers of control and treatment group members. A total of 1,303 survey respondents included complete data for the analysis in this article.²

The populations of AFDC (control) and TANF (treatment) recipients were identified from monthly data extracts of the Indiana Client Eligibility System, which is maintained by Indiana's Family and Social Services Administration, the state agency that administers TANF. Between

June 1, 1997, and December 30, 1998, 65,362 eligible adults participated in TANF for 1 or more months. In addition, 3,566 eligible adults participated in the randomized control group still receiving AFDC benefits. Each client in this survey was matched with his or her Indiana Client Eligibility System records, which include detailed data on TANF, Medicaid, and food stamp participation.

A stratified random sample of AFDC and TANF recipients was collected across three strata: (a) adults receiving cash assistance during December 1998, (b) adults who left welfare without exhausting their time-limited benefits as of December 1998, and (c) adults who left welfare and hit their time limit by December 1998. The AFDC (i.e., control) group members were never subject to a time limit. The benefit clocks of these individuals are estimated based on the number of months of assistance they used. Thus, across both AFDC (control) and TANF (treatment) groups, analyses examine (a) current recipients, (b) former recipients who left the rolls prior to hitting their time limit, and (c) former recipients who exhausted their eligibility. This survey sample was randomly selected within each stratum to provide approximately equal numbers of respondents in each of the six sampling cells.³ To produce reliable and consistent statistics that reflect state patterns, each observation is weighted according to the distribution of clients in each sampling cell for the entire state.

Results from the client survey are used to compare the characteristics of current and former welfare recipients who vary in receipt of help from FBOs. Bivariate analyses are conducted, comparing respondents who received help from FBOs with those who did not receive such help. Multivariate statistical models then test the effect of being in the welfare reform group on receiving help from an FBO. These analyses control for the basic socioeconomic characteristics of each respondent. Given the randomized experimental design of the client survey, this approach provides a rigorous test of the effects of welfare reform on the likelihood of seeking and obtaining help from FBOs.

Appendix table A1 presents the variables used in the analysis of the client survey. Some variables stem from questions asking about the receipt of eight specific types of help from (or areas of need addressed by) an FBO. The variables measure whether or not a respondent reports receiving help for specific areas of need from a community organization, church or religious organization (i.e., an FBO), township trustee (i.e., an elected local government official responsible for delivering emergency poverty assistance, among other public functions), and friends and family. Respondents were asked: "Since [reference date], have you received [area of need: food, housing (i.e., rental subsidy), clothing, utilities, diapers or toys, emotional support, transportation, or child care] from a community organization, church or religious organization, township trustee, and [or] friends and family?" Receipt of assistance

from an FBO is indicated for those reporting receiving help from a church or religious organization. Unfortunately, those respondents who report receipt of help from a church or religious organization were not queried for additional information on the degree of religious intensity in the service (or services) received or on the nature of the relationship between the organization and its social service functions. Moreover, there is no detailed information on the duration, intensity, or cost of these services.

A measure is constructed to consider whether respondents reported receiving any help from an FBO.⁴ Because the numbers of respondents who received housing and child-care help from an FBO were too small to provide sufficient variation, we created six measures of specific forms of help received. Each dependent variable is constructed to measure whether clients report receiving help of each type from an FBO. Because these are dichotomous dependent variables, logit regressions are used in analyses of predictors of receiving help.

Control variables in the regressions include background characteristics expected to influence welfare receipt or reliance on FBOs: sex, age, marital status, race, number of adults in the household, number of dependent children in the household, per-capita household income, whether the respondent was working at the time of the survey, and educational attainment (high school or secondary degree). Also included are various measures of material hardship. Variables that identify sources of help measure the use of three other possible sources of assistance in meeting the respective needs. These other sources are friends and family, community organizations, and township trustees. The experimental variables capture whether a respondent was randomly assigned to receive welfare benefits under AFDC (control) or TANF (treatment), as well as characteristics of the respondent's welfare experience. Each respondent was given a reference date to be used when answering this series of questions. The reference period begins when one starts receiving welfare (if on welfare in the sampling month) or when one left welfare (if off welfare in the sampling month).

Agency Survey

The second data set includes the results of in-depth, face-to-face interviews with 295 representatives from social service agencies in seven Indiana counties (Marion, Lake, Howard, Bartholomew, Greene, Floyd, and Harrison). Data collection was organized around a network of field researchers (or field associates) located in or near these counties. Field associates in this study were university researchers (faculty and a doctoral student) associated with one of Indiana University's eight campuses. A field associate was assigned to each county. Together, these field associates comprised the field network. The field network design is an es-

tablished research strategy that takes advantage of local, indigenous researchers, using their experience and expertise to gain firsthand, in-depth analysis of the subject. Each field associate conducted structured interviews and wrote a case study, providing an integrated qualitative narrative and analysis of the interviews. These materials are used to provide additional context for understanding the findings of this study.

The interviews were with the executive director or the person most responsible for the day-to-day operation of the social service agency. When this person was unavailable or deferred the interview to a subordinate, the interview was still conducted. Each interview lasted for approximately 60–90 minutes. The face-to-face interviews were conducted between February and August of 1999. The response rate was 86 percent. Overall, 207 interviews were conducted with the organization's executive director, president, director, or the person occupying the chief executive position in the organization; 19 interviewees occupied a senior administrative post, such as an associate director or vice president; 32 interviewees held less senior posts, including program director, general administrator, or legal counsel; 12 interviewees were ministers or pastors; and 25 interviewees were direct-service providers, including counselors, therapists, or program coordinators.⁵

The selection of counties was based on two factors. First, the selection identified a range of urban, suburban, and rural counties. Together, the seven counties are fairly representative of the mix of communities in the state of Indiana.⁶ Second, selection focused on counties that could be accessed by local field associates who had prior knowledge of the social service landscape. As a result, each of the counties in this study is close to an Indiana University campus.

Interviews were structured according to a questionnaire. The first half of the questionnaire contains closed-ended questions that were designed to record basic descriptive characteristics of the organization, including its financing, staffing patterns, and service activities. The second half of the questionnaire is largely open ended, tapping agency respondents' perceptions of welfare reform. The second half also documents collaborative and innovative programs, as well as organizational changes linked to welfare reform. Selection of agencies was based on a modified (soft) quota snowball sampling technique. Initially, organizations were identified through public documents, such as telephone directories and United Way service directory listings, as well as through the interview process; agency respondents were asked to name up to 10 social service agencies with which they work.

Potential agency respondents were screened according to the following two criteria: (1) the contact's organization provided or coordinated services for current or former welfare recipients and (2) the contact's organization operated within the targeted county area. The sample includes a wide range of organizations selected by both organizational

type and activity. Five organizational types were identified and used in the sampling of agencies: (1) public or government organizations, (2) nonprofit NROs, (3) nonprofit FBOs, (4) for-profit firms, and (5) hybrid organizations. No representatives from hybrid organizations were interviewed in this study. Eight types of organizational activity were identified and used in the sampling: (1) counseling and mental-health-related services, (2) intermediary services (e.g., coordinating the provision and funding of social services for other providers), (3) transportation, (4) legal, (5) housing, (6) food and health, (7) child care and youth services, and (8) workforce development and education. Because many organizations provide services across these various categories, field associates were instructed to ask potential agency respondents to identify the most important service area for the organization. Associates were also asked to use this response when screening organizations. Field associates were instructed to interview contacts from no more than five agencies within any one category of organizational or primary service type. This quota guaranteed a relatively even sample by organizational type and activity.⁷

Responses to the following survey question differentiated the final sample of 295 agencies by organizational type: "Is this agency a public, private, nonprofit-nonreligious organization, nonprofit-religious organization, or other?" Approximately 72 percent of the sample were identified as nonprofit organizations, and roughly one-quarter of these were FBOs. Public and government organizations account for 17 percent of the sample. The remaining 20 cases are for-profit firms, and only 6.2 percent of the sample provides intermediary services.

The distribution of interviews across organizational service types is as follows: 34.7 percent provide workforce development and educational services; 25.1 percent provide counseling and mental-health-related services; 33.3 percent provide food and health services, including food pantries; 29.2 percent provide child care and youth services; and 23.7 percent provide housing-related assistance, including homeless shelters. Much smaller percentages of organizations in the sample provide legal (5.1 percent), transportation (5.2 percent), or intermediary (6.2 percent) services. A substantial number of organizations in this sample provide services across service areas. These figures are not mutually exclusive, and organizations are counted in more than one category. Therefore, these figures do not add up to 100 percent. For the purposes of this article, only nonprofit FBOs and nonprofit NROs are analyzed.

The agency data are analyzed using a case-match method (Rubin 1997; Smith 1997; Winship and Morgan 1999; Ichimura and Taber 2001). Case matching, a rigorous technique for examining causality, can be incorporated with multivariate regression. The method can also be used with descriptive statistics and analysis of variance to demonstrate differences across groups of cases. To match cases, a maximum likelihood logit

regression is estimated with organization type (FBO or NRO) as the dependent variable and three independent (control) variables: agency age (number of years since agency's founding), staff size (i.e., number of full- and part-time paid employees in 1998), and agency operating budget for fiscal year 1998.⁸ This model is used to generate propensity scores that predict the probabilities of being an FBO for each case.

Specifically, the maximum likelihood logit regression model for an unordered categorical dependent variable with categorical and continuous independent variables is

$$\log \frac{\pi_i}{1 - \pi_i} = \log O_i = \alpha + \beta_1(X_i) + \beta_2(X_i) + \dots + \beta_k(X_k),$$

where π is the conditional probability of being an FBO for the i th organization, and $1 - \pi$ is the conditional probability of not being an FBO, given $X_{i,k}$ for the i th organization, where $i = 1, 2, \dots, 74$, and X represents a set of independent variables (specifically agency age, staff size, and agency budget). Therefore, O_i is the conditional odds of being an FBO, given the explanatory variables. The betas represent the change in the log odds due to unit increments in the values of the predictors (DeMaris 1992, 66).

The matching process follows the randomized, nearest-neighbor method. A computer program assigns a random number to each of the treatment cases (FBOs in this analysis). Then, starting with the largest random number, each treatment case is matched to a comparison (NRO) case based on the propensity score of plus or minus 1 standard deviation. With each match, the comparison case is eliminated as a possible match for other treatment cases. It is important to note that cases were matched only if they shared a primary service type (i.e., counseling and mental-health-related services, intermediary services, transportation, legal, housing, food and health, child care and youth services, and workforce development and education) and service area (urban, suburban, or rural). If agencies with similar propensity scores did not match on a primary service type or area, they were omitted from the analysis. Requiring all matched cases to share a common service type and area ensures that compared organizations provide similar services in similar environments. This process matched 37 FBOs with 37 similar NROs.

For the matching process to be a complete success, there should be no differences in the confounding covariates between the two subgroups in the final sample. The matching process was successful at eliminating differences between the final FBO and NRO subsamples in two of the three confounding covariates (independent or control variables): staff size and agency budget (for variables used in the matching process, see table 6). Moreover, the effort to match only those cases that share a

common service type and area achieved its goal in that there are no statistically significant differences in the distribution of services offered among FBOs and NROs in the final matched sample. However, differences in agency age were not eliminated by the matching methods. In the descriptive statistics, some of the observed differences between FBOs and NROs may therefore reflect differences in agency age (as well as differences in factors that differentiate religious nonprofits from non-religious nonprofits and that are not observed in the study).

Only those cases selected through the matching process are included in the analysis ($n = 74$). The research strategy is to compare matched cases on a number of dimensions, including organizational changes since the inception of welfare reform, staffing patterns, and organizational networks. To determine whether differences in means are real or occur by chance in these two groups, t -tests are performed. If analyses reveal statistically significant differences in organizational changes since welfare reform, the effect of FBO status is estimated by using multivariate methods. Estimates control for observed differences in staffing patterns, organizational characteristics, and organizational networks.

Table A2 presents the variables used to analyze the agency data. These include variables for matching FBOs and NROs, organizational characteristics, staffing patterns, changes in services since welfare reform, services provided, and the organization's network.⁹ These measures capture organizational capacity and organizational changes that occurred in the wake of welfare reform.

Findings

Client Survey

According to the client survey, 78.5 percent of all respondents indicate they have a service need of some type. The most commonly expressed need of TANF respondents is for help with utilities (44.0 percent). Those respondents also reported needing help with transportation (41.5 percent), child care (40.5 percent), food (37.5 percent), rent (32.5 percent), emotional support (27.6 percent), diapers or toys (24.5 percent), clothing (24.4 percent), and finally shelter (15.4 percent; figures not shown in tables).

Current and former welfare recipients reported that many of their needs were unmet or only partially met. Those who expressed a need for help reported that their child-care needs were most frequently met (46.5 percent). Yet, less than half of those who had child-care needs reported receiving most or all of the help needed. Respondents reported that their other needs were less likely to be met; 42.3 percent reported that their need for housing was met; 38.5 percent reported that their need for emotional support was met; 35.3 percent reported that their

need for transportation was met; 30.3 percent reported that their need for diapers or toys was met; and 28.1 percent reported that their need for utilities was met. Reported needs for help with rent (26.9 percent), food (18.2 percent), and clothes (15.5 percent) were less likely to be met. If one looks at all sources of help, including friends and family, township trustees, community organizations, and FBOs, individuals on TANF are not statistically significantly different from those on AFDC in the reported ability to meet needs.

Table 1 displays weighted sample means and percentile distributions of the characteristics of client survey respondents who expressed needs for help and those who actually received help from FBOs. It also reports tests of mean differences between the two groups of all respondents (i.e., those who did not need help and those who needed help) and between the two groups of those needing help (i.e., those who received no FBO help and those who got FBO help). Among all respondents, those reporting needing help were more likely to be female and divorced than those who did not report needing help; those who reported needing help were also more likely to have never married. Those who reported needing help had fewer adults in the household and less per-capita income and were less likely to be working than respondents who did not report needing help. Analyses also suggest that, compared to those who report not needing help, those who report needing help were more likely to also report that they sometimes do not have enough to eat (25 percent), that they have been homeless (11 percent), that they have had their utilities turned off (33 percent), and that they have health or drug problems limiting their ability to work (30 percent). So too, those who reported needing help were more likely to also report that they panhandled (i.e., asked for spare change, begged for work, and searched through trash cans to make ends meet; 10 percent), sold food stamps or passed bad checks (6 percent), or sold plasma (10 percent) to try to make ends meet. Although the TANF and AFDC groups did not differ in the rates at which they reported needing help, respondents with child-only assistance (i.e., benefits granted only to children, not to the head of household, because of parental noncompliance with the new welfare reforms) or TANF sanction were more likely to report needing help than to report that they did not need help. Perhaps respondents who are needy for other reasons are more likely to be restricted or sanctioned. It may also be that restrictions or sanctions themselves impose additional financial hardships.¹⁰

Table 1 also examines the characteristics of those who reported needing help. It compares those who reported receiving help from FBOs with those who reported that they did not receive such help. First, and perhaps most important, the results suggest that whether a respondent reported receiving help from an FBO is not contingent upon the group (AFDC or TANF) to which the respondent belongs. But several differ-

Table 1

RESPONDENTS BY NEEDS AND ASSISTANCE RECEIPT (Means and Percentage Distributions)

	ALL RESPONDENTS		AMONG THOSE NEEDING HELP	
	Did Not Need Help	Needed Help	No FBO Help	Got Any FBO Help
Sex:				
Female	.91 ⁺	.94 ⁺	.94	.93
Male	.09 ⁺	.06 ⁺	.06	.07
Age	31.89	31.30	30.77**	32.23**
Marital status:				
Never married	.53	.55	.58**	.49**
Married	.24**	.16**	.13**	.20**
Separated	.10	.12	.09**	.16**
Divorced	.13 ⁺	.17 ⁺	.19	.15
Widowed	.00	.01	.01**	.00**
Race:				
White	.55	.59	.57 ⁺	.63 ⁺
Nonwhite	.45	.41	.43 ⁺	.37 ⁺
No. of adults in HH (hhadults)	1.66**	1.51**	1.53	1.47
No. of dependant kids in HH (dependkd)	2.03	2.10	2.01**	2.26**
Per-capita income (pcapinc)	1,443.57**	935.29**	983.04	851.06
Working	.50*	.43*	.47**	.35**
Education:				
High school diploma or GED (hsdegree)	.61	.61	.62	.59
Vocational, technical, or col- lege degree (secdegree)	.07	.04	.04	.04
Not enough to eat (noeat)	.04**	.25**	.19**	.36**
Homeless	.00**	.11**	.07**	.18**
Utilities turned off (utilsoff)	.04**	.33**	.29**	.41**
Health, disability, or substance abuse problem (hlthdrug)	.21**	.30**	.28**	.35**
Panhandle	.04**	.10**	.07**	.17**
Sold food stamps or bounced checks to make ends meet (illegal)	.01**	.06**	.05*	.09*
Sold plasma (plasma)	.03**	.10**	.06**	.17**
Risktime	1,022.33	1,007.33	982.07*	1,051.88*
Strata:				
A	.32 ⁺	.37 ⁺	.38	.36
B	.37	.38	.38	.37
C	.31 ⁺	.25 ⁺	.24	.27
TANF	.49	.52	.51	.54
Child only receives benefits	.08**	.15**	.12**	.19**
Sanctioned	.12**	.20**	.18	.22
Off welfare because of time limit (offlimit)	.05	.07	.07	.08
N	280	1,023	653	370

NOTE.—FBO = faith-based organization; HH = household; GED = general equivalency diploma; TANF = Temporary Assistance for Needy Families program. Parenthetical terms in the stub column refer to variables described in the appendix. Results are weighted to reflect the state public assistance population. Two-tailed *t*-tests: *t*-tests reflect comparisons between the two groups of all respondents and between the two groups of those needing help.

⁺ *p* < .10.
* *p* < .05.
** *p* < .01.

ences emerge in comparing individuals who received help from FBOs with those who did not. Those who reported receiving help from FBOs are older, more likely to be white, and married or separated and have more children in the household. Those who received such help are less likely to be working when surveyed, to have never married, or to be widowed. Those who reported receiving help from FBOs were more likely to not have had enough to eat (36 percent), experience homelessness (18 percent), have utilities turned off (41 percent), have a disability, health problem, or drug problem that limits ability to work (35 percent), panhandle (17 percent), sell food stamps or write bad checks (9 percent), and sell plasma to get by (17 percent). These results suggest that FBOs serve unusually needy individuals. Clients of FBOs, in contrast with those who did not receive help from FBOs, have a greater (and noticeably high) likelihood of reporting that they sometimes lack enough to eat, have been homeless, and have experienced other forms of absolute deprivation.

A series of logit regressions are estimated to explore why clients received specific forms of help from FBOs. The dependent variables measure if a respondent reports receiving any help in each of the six specific forms of help. Again, the independent variables include a series of background characteristics thought to influence personal well-being (sex, age, marital status, race, household composition, income, work, educational attainment, and measures of disadvantage), as well as the experimental variables that measure whether recipients are in the AFDC (control) or TANF (treatment) group.

Other included variables measure whether respondents reported that they were sanctioned, that they left TANF because of time limits, and that only their children received welfare benefits. Data on membership in the treatment or control group, as well as these other welfare-related indicators, are drawn from administrative records. These were merged with responses from the survey of clients and were designed to determine whether the client-survey respondents believed that they were subject to TANF work requirements and time limits. But approximately 75 percent of the AFDC control group members report that they are unsure whether they were subject to the TANF rules. This suggests that a potential contamination problem (most likely due to false impressions) may partially undermine the experimental design. Because of this potential limitation, the findings for the experimental conditions (i.e., comparing the AFDC and TANF groups) should be interpreted with caution.

Table 2 displays the coefficients and standard errors for all eight models. Table 3 shows the changes in probability for each covariate in these same models. Results of the equation predicting receipt of any help show that the TANF coefficient is statistically insignificant. There thus is little evidence that welfare reform dramatically increased the

receipt of any help from FBOs. Results of equations predicting specific types of help from FBOs, however, suggest that TANF recipients are nearly 3 times as likely to report receiving help from FBOs with rent. They are almost twice as likely to report obtaining emotional support from an FBO. However, very few current or former welfare recipients report receiving rental assistance from FBOs. The near tripling of the probability of such help, although statistically significant, is substantively small. It reflects an increase from 0.26 to 0.74 percent. However, this is likely a cause of factors related to welfare reform, such as sanctions, time limits, and material hardship (this is discussed in more detail below). In contrast, there is solid evidence that TANF significantly increased welfare recipients' receipt of emotional support from FBOs. The estimated effect of TANF represents an increase from 0.79 to 1.57 percent. Because this variable measures whether respondents report receiving help, the results may suggest that FBOs provide clients with a feeling of received emotional support rather than that clients sought emotional support disproportionately from FBOs.

Just as important, there is no evidence that being in the TANF group affects receipt of help from an FBO for food, clothing, utilities, diapers or toys, or transportation. There is evidence that respondents whose welfare benefits were sanctioned are statistically significantly less likely than those who were not sanctioned to report getting FBO help with food. But, compared to those who received the adult and child portions of their welfare benefits, those who only received benefits for their children (i.e., child-only benefits) were statistically significantly more likely to report getting help from FBOs for food, utilities, and transportation.

The most consistent predictors of receiving help from FBOs are the measures of disadvantage and reporting receipt of help from other sources. For example, respondents who reported selling plasma are statistically significantly more likely to receive help from FBOs for food, clothing, diapers or toys, and emotional support. Those who report lacking enough food to eat are more likely to report receiving any help from an FBO. Receiving help for a particular need from friends and family, township trustees, or NROs consistently predicts reports of receiving help from an FBO. In fact, separate analyses reveal that respondents seldom go only to FBOs (and no other source) for help. Among those who report receiving help from an FBO, only 2 percent report receiving help from an FBO alone. An additional 28 percent of those who report receiving help from an FBO also report receiving help from one additional source; 80 percent of those reporting receiving help from an FBO also report receiving help from two other sources (e.g., township trustees, friends or family, or NRO).

Further analyses investigate the effects of TANF (not shown in tables). First, models are reestimated only with those respondents who report

Table 2

LOGIT REGRESSION RESULTS FOR HELP RECEIVED FROM FAITH-BASED ORGANIZATIONS

Independent Variable	Any Help	Food	Rent	Clothing	Utilities	Diapers or Toys	Emotional Support	Transportation
Sex	-.10 (.33)	.19 (.42)	-.91 (1.12)	.29 (.70)	-.13 (.59)	.30 (.61)	-.22 (.62)	.30 (.65)
Age	.02 ⁺ (.01)	.01 (.01)	.01 (.03)	-.01 (.02)	.04* (.02)	-.02 (.02)	.04 ⁺ (.02)	.03 (.02)
Married	.29 (.22)	-.11 (.29)	1.00 ⁺ (.52)	-.10 (.47)	.52 (.38)	-.35 (.44)	-.14 (.44)	.86 ⁺ (.45)
Nonwhite	-.25 (.17)	-.53* (.23)	.39 (.45)	-.63 ⁺ (.35)	-.16 (.30)	-.40 (.31)	.35 (.31)	.46 (.39)
Hhadults	-.15 (.13)	-.20 (.19)	-.98 (.63)	.33 (.21)	-.18 (.29)	-.16 (.22)	-.17 (.24)	-.15 (.29)
Dependkd	.08 (.07)	.23** (.09)	.19 (.15)	.12 (.13)	-.01 (.11)	.21 ⁺ (.13)	.16 (.12)	.21 (.13)
Pcapinc	.30 (.20)	.57* (.27)	.10 (.80)	-1.03* (.52)	-.13 (.45)	-.22 (.42)	-.56 (.44)	.05 (.55)
Working	-.18 (.17)	.08 (.23)	1.19** (.45)	-.25 (.35)	-.23 (.33)	-.53 (.32)	-.45 (.33)	.25 (.40)
Hsdegree	-.16 (.17)	-.17 (.23)	-.52 (.45)	.26 (.35)	-.36 (.30)	.57 ⁺ (.32)	.13 (.34)	-.56 (.38)
Secdegree	.17 (.38)	-.09 (.50)	-.38 (1.13)	-1.53 (1.39)	.09 (.64)	.19 (.80)	1.03 ⁺ (.60)	-1.09 (1.09)
Nocat	.65** (.18)	.61** (.22)	.12 (.44)	.99** (.32)	.20 (.31)	.38 (.31)	-.10 (.35)	.08 (.40)
Homeless	.64* (.25)	.50 ⁺ (.30)	.72 (.54)	.41 (.41)	.47 (.41)	.49 (.40)	.47 (.44)	-.21 (.60)
Utilsoff	.25 (.17)	.54* (.21)	.57 (.40)	.44 (.32)	.41 (.30)	.00 (.30)	-.01 (.32)	.08 (.36)
Hlthdrug	-.27 (.18)	.05 (.23)	.52 (.45)	-.15 (.34)	-.83* (.35)	-.19 (.32)	-.19 (.34)	.64 (.39)

Panhandle	.52*	.29	.80	.77 ⁺	-.01	-.42	.54	.08
	(.25)	(.30)	(.54)	(.41)	(.43)	(.42)	(.43)	(.49)
Illegal	.11	.38	1.03 ⁺	.33	-.35	.75 ⁺	-.88	-.29
	(.30)	(.36)	(.55)	(.48)	(.52)	(.44)	(.57)	(.69)
Plasma	1.09**	.95**	-.25	.75 ⁺	.26	1.09**	1.30**	.36
	(.26)	(.30)	(.61)	(.42)	(.42)	(.39)	(.42)	(.53)
Risktime	.00	.00 ⁺	-.00	-.00	-.00	.00*	.00	.00
	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)
Frndfam ^a	1.34**	1.76**	.05	2.13**	.74*	2.14**	3.25**	2.82**
	(.19)	(.22)	(.46)	(.33)	(.30)	(.31)	(.32)	(.51)
Trustee ^a	.75**	.89**	3.22**	1.06 ⁺	2.13**	1.02 ⁺	-.47	.63
	(.17)	(.33)	(.45)	(.55)	(.29)	(.53)	(.87)	(1.16)
Commorg ^a	1.81**	2.80**	3.08**	3.37**	1.96**	2.12**	1.85**	1.03*
	(.16)	(.23)	(.59)	(.38)	(.30)	(.32)	(.33)	(.41)
TANF	.22	-.03	1.06*	-.04	.33	.01	.69 ⁺	.47
	(.20)	(.26)	(.49)	(.43)	(.36)	(.36)	(.37)	(.46)
Child only	.24	.61*	.69	-.48	.66*	.36	.21	.68 ⁺
	(.21)	(.27)	(.50)	(.43)	(.32)	(.35)	(.39)	(.41)
Sanction	-.21	-.49 ⁺	-.72	.65	-.08	.12	-.12	-.49
	(.22)	(.30)	(.56)	(.44)	(.38)	(.39)	(.41)	(.47)
Offlimit	-.01	-.03	-.91	.35	.16	-1.03*	.00	-.06
	(.23)	(.30)	(.59)	(.45)	(.38)	(.45)	(.41)	(.48)
Constant	-3.98**	4.62**	5.58**	4.62**	5.08**	-4.65**	5.97**	7.45**
	(.46)	(.63)	(1.31)	(.86)	(.84)	(.80)	(.84)	(1.09)
-2LL	1,088.32	676.61	223.35	337.99	413.22	396.77	371.73	269.86
Cragg and Uhler pseudo R^2	.43	.56	.44	.50	.36	.44	.45	.29

NOTE.—TANF = Temporary Assistance for Needy Families program; LL = log likelihood. $N = 1,303$. Numbers are the beta coefficients on top and standard errors are in parentheses. See the appendix for an explanation of variables.

^a For the column labeled "Any Help," results include getting help from the respective source for any need. For the need-specific columns, results represent getting help from the respective source for that need only.

⁺ $p < .10$.

* $p < .05$.

** $p < .01$.

Table 3

CHANGES IN THE PROBABILITY OF RECEIVING FBO HELP

Independent Variable	Means	Any Help	Food	Rent	Clothing	Utilities	Diapers or Toys	Emotional Support	Transportation
Sex	.06	-.34	.66	-.16	.25	-.18	.55	-.15	.07
Age	31.96	.44 ⁺	.29	.02	-.02	.31 ⁺	-.14	.17 ⁺	.03
Married	.17	1.34	-.29	.44 ⁺	-.05	.96	-.46	-.12	.30*
Nonwhite	.44	-.86	-1.39*	-.12	-.34 ⁺	-.23	-.52	.32	.12
Hhadults	1.53	-.42	-.50	-.16 ⁺	.32 ⁺	.77	-.21	-.13	-.02
Dependkd	2.09	.28	.83*	.05	.10	-.02	.37 ⁺	.14	.04
Pcapinc	1,007.81	.04	.11*	.00	-.06*	-.02	-.03	-.03	-.01
Working	.44	-.59	.27	.58**	-.15	-.28	-.63	-.28	.06
Hsdegree	.63	-.55	-.51	-.11	.23	-.43	1.17 ⁺	.11	-.10
Secdegree	.05	.68	-.31	-.08	-.56	.13	.32	1.40 ⁺	-.15
Noeat	.20	3.32**	2.77**	.03	1.20**	.30	.65	-.08	.01
Homeless	.08	3.20*	2.05	.27	.36	.83	.93	.48	-.05
Utilsoff	.26	1.04	2.35*	-.14	.42	.69	.00	.01	.01
Hlthdrug	.26	-.88	.19	.17	-.11	-.80*	-.28	-.14	.18
Panhandle	.09	2.46*	1.09	.31	.83 ⁺	-.02	-.53	.57	.01
Illegal	.06	.45	1.50	.46 ⁺	.29	-.42	1.71 ⁺	-.46	-.05
Plasma	.08	6.82**	5.01**	-.60	.86 ⁺	.43	2.98**	-2.07**	.09
Risktime	1,013.39	.05	.16 ⁺	-.01	-.04	-.01	.25*	.00	.01
Frndfam	.57	9.37**							
Trustee	.22	3.98**							
Commorg	.38	15.87**							
FoodFRNDFAM	.22		13.73**						
FoodTRUSTEE	.05		4.58**						
FoodCOMMORG	.14		33.98**						
RentFRNDFAM	.15			.01					
RentTRUSTEE	.06			5.81**					
RentCOMMORG	.02			5.05**					
ClothFRNDFAM	.07				5.07**				
ClothTRUSTEE	.02				1.38*				

ClothCOMMORG	.05				17.24**				
UtilFRNDFAM	.18					1.52*			
UtilTRUSTEE	.13					9.47**			
UtilCOMMORG	.11					7.82**			
DiaprFRNDFAM	.14						10.32**		
DiaprTRUSTEE	.02						2.61 ⁺		
DiaprCOMMORG	.07						10.13**		
EmotFRNDFAM	.11							16.28**	
EmotTRUSTEE	.01							-.03	
EmotCOMMORG	.08							4.02**	
TransFRNDFAM	.27								3.23**
TransTRUSTEE	.01								.19
TransCOMMORG	.06								.37*
TANF	.51	.88	-.12	.48*	-.04	1.11	.02	.78 ⁺	.12
Child only	.15	1.02	2.74*	.25	-.28	1.29*	.66	.18	.20 ⁺
Sanction	.20	-.70	-1.33 ⁺	-.13	.70	-.11	6.24	-.09	-.09
Offlimit	.20	-.03	-.09	-.16	.29	.24	-1.00*	.00	-.02
Cragg and Uhler pseudo R^2		.43	.56	.44	.51	.36	.44	.45	.29
-2LL (df = 25)		-544.62	-338.50	-111.68	-167.74	-206.52	-198.29	-185.82	-134.90
Baseline (%)		3.88	3.47	.26	.72	1.43	1.56	.79	.22

NOTE.—FBO = faith-based organization; TANF = Temporary Assistance for Needy Families program; LL = log likelihood; df = degrees of freedom. See the appendix for an explanation of the variables. For the continuous variables that do not represent people, the change in the probabilities of receiving FBO help is calculated separately for each variable; analyses assume a 10% change above and below the sample mean. All other continuous variables are set equal to their sample means, and the dummy variables are equal to zero. For the continuous variables representing people, the change in the probabilities of receiving FBO help is calculated similarly. Analyses assume a one-person increase above the sample mean. For the dummy variables, the change in the probabilities of receiving FBO help represents a change from zero to one. The baseline probabilities are the probabilities of receiving FBO help if all continuous variables are set at the sample means or the nearest whole number for people and if the dummy variables are equal to zero. Thus, the baseline person is a 32-year-old, unmarried, white woman who has one adult and two dependent children in the home, earns approximately \$1,007.81 in annual per-capita income, was not employed at the time of the survey, does not have a high school or college degree, is or was on AFDC, is not sanctioned by having the adult portion of the welfare benefit terminated (i.e., child only), is not otherwise sanctioned, is not off welfare because of time limits, has enough to eat, has never had utilities shut off, lacks health problems, lacks substance abuse problems, lacks disabilities limiting ability to work, does not panhandle, has not sold food stamps or bounced checks, has not sold plasma, has a risk time of about 1,013 days, and has not received help from any other source. This baseline describes a person who is not in a very disadvantaged situation for this population.

⁺ $p < .10$.

* $p < .05$.

** $p < .01$.

some need, and the results remain largely unchanged. Second, two alternative specifications of the client-level regression models are computed to determine whether the observed welfare reform (i.e., TANF) effects for all dependent variables, including receipt of help from FBOs for rent and emotional support, interact with some of the other potential pathways that are controlled for as independent variables in the models. In particular, models are reestimated without the sanction, time limit (offlimit), and child-only variables. These variables are excluded because they represent cases in which the parent lost his or her share of the TANF benefit for noncompliance with the welfare reforms. These three indicators are closely related to welfare reform in the original model, and they may confound the TANF effect. Models are also specified without these indicators, as well as without indicators for working (working), per-capita income (pcapinc), and several forms of material hardship (noeat, homeless, utilsoff, hlthdrug, panhandle, illegal, and plasma). The goal is to ensure that the welfare reform coefficients are not influenced by such closely related factors. In both alternative specifications, the TANF findings do not change for receipt of any help from an FBO. Similarly, the results do not change for receipt of food, clothing, utilities, or diapers or toys. Moreover, the statistically significant association between welfare reform (TANF) and receipt of emotional assistance from FBOs persists in both alternative models. However, for receipt of an FBO's help with rent, the results do change, and the TANF coefficient is no longer statistically significant. This is the case in both alternative specifications and suggests that activities related to welfare receipt (e.g., employment, earnings, being sanctioned, hitting time limits, and material hardships) have a confounding effect on receipt of help from FBOs for rent.

Overall, the results suggest that welfare reform has not substantially increased the demand for services from FBOs. When the TANF and welfare conditions coefficients are significant, their effects are relatively modest. Measures of disadvantage (i.e., not having enough to eat; experiencing homelessness; having utilities turned off; having health problems, disabilities, or substance problems that impede employment; engaging in panhandling; selling food stamps; passing bad checks; or selling plasma to make ends meet) and the extensiveness of an individual's search for help are the primary drivers of receipt of help from FBOs. Thus, welfare reform's influence on the demand for FBO services is probably less consequential than these other factors.

Agency Survey

Table 4 compares NROs and FBOs on the matching criteria, changes in service since welfare reform, and staffing patterns. In general, the matching process proves successful in that it eliminates differences be-

Table 4

COMPARISON OF MEANS OF BACKGROUND CHARACTERISTICS OF NONRELIGIOUS AND RELIGIOUS NONPROFIT SOCIAL SERVICE AGENCIES IN INDIANA, 1998–99

	NRO		FBO	
	% or Mean	<i>N</i>	% or Mean	<i>N</i>
Variables used for matching:				
Agency age (years; mean) ^a	19.46**	37	49.14**	37
Staff size (individuals; mean)	19.03	37	21.00	37
Agency budget (\$; mean)	734,828.00	37	716,394.70	37
Changes since inception of welfare reform:				
Reduced number of applicants served ^a	5.56	36	13.50	37
Tightened eligibility requirements for service ^a	8.33*	36	27.03*	37
Reduced level of service provided to individuals	19.44	36	10.81	37
Eliminated specific services or programs	11.11	36	16.22	37
Expanded the number of applicants served	72.22	36	54.05	37
Expanded eligibility requirements for services	30.56	36	24.32	37
Increased the level of service provided to individuals	47.22	36	43.24	37
Introduced new services or programs	66.67	36	59.46	37
Organizations' target service population changed	16.67	36	21.62	37
Organizations that now target particular people	78.38	37	72.00	36
Staffing patterns:				
With masters degree	24.16	37	16.34	35
Women	74.31	36	65.04	35
African American	15.97	36	16.00	35
Asian American	.28	36	.29	35
American Indian ^a	.42	36	.00	35
Hispanic American	2.19	36	1.71	35
Current or former welfare recipients in 1994	9.63	24	10.13	24
Current or former welfare recipients in 1998	8.93	29	13.22	29

NOTE.—NRO = nonreligious organization; FBO = faith-based organization; two-tailed *t*-tests. All figures are percentages unless otherwise noted. Tests at *p* < .10 did not find an effect.

^a Indicates means were compared assuming unequal variance.

* *p* < .05.

** *p* < .01.

tween FBOs and other nonprofits in the staff size and agency budget (for fiscal year 1998); however, among the matched cases, the FBOs are considerably older than their secular counterparts. In the final sample, services are distributed as follows: counseling and mental-health-related services (13.5 percent), intermediary services (2.7 percent), transportation (0.0 percent), legal (2.7 percent), housing (21.6 percent), food and health (40.5 percent), child care and youth services (32.4 percent), and workforce development and education (32.4 percent). Again, the

effort to match cases with a common service type appears to have achieved the goal of minimizing variation in this confounding variable; the distribution of service type does not vary between the FBO and NRO subsamples.

Although welfare reform is not found to uniformly increase the receipt of services from FBOs by current and former welfare recipients, there is evidence that many of these organizations tightened service eligibility requirements since Indiana's welfare reform in 1995. About 27 percent of FBOs report that they tightened eligibility criteria compared to only 8.3 percent of NROs (discussed in more detail below). Aside from this, however, there are no other statistically significant differences between FBOs and NROs in changes since welfare reform. Additionally, the two types of organizations are not statistically significantly different with respect to the demographic composition and education levels of staff. The one noticeable estimated difference concerns staff; FBOs hired more former and current welfare recipients in 1998 than in 1994, but the opposite is true among NROs; however, given the small sample sizes, these differences are not statistically significant.

Table 5 reports results from the agency survey presenting scales of organizational performance (0 = low, and 10 = high), expenditures, revenues, and organizational networking comparisons. In rating their own organizations, FBO contacts provide ratings that are similar to those provided by NRO contacts. Compared to NROs, FBOs report spending considerably higher proportions of their total operating funds on human and social services; FBOs spend less on housing and legal services than their secular counterparts. Although the revenue sources for the two organizational types differ greatly, the standard errors are very large, and these differences are not statistically significant in this small sample. Nonetheless, the findings suggest that, compared to NROs, FBOs receive more funding from religious organizations and the federal government but less from state and local governments.

Another interesting finding is that FBOs and NROs report working in organizational networks with similar characteristics as they strive to serve current and former welfare recipients.¹¹ There are two notable exceptions. Compared to NROs, FBOs have statistically significantly more reported ties with the local township trustees, the locally elected public administrators of emergency poor relief in the state of Indiana. Also, FBOs have statistically significantly more reported ties with other religious organizations.

To further scrutinize the finding that FBOs are more likely than NROs to have tightened eligibility criteria since welfare reform, table 6 presents results of analyses that estimate the effect of FBO status on whether an organization tightened eligibility criteria. These analyses control for observed organizational differences (such as age of the agency, differences in organizational networks, and budgets) between FBOs and NROs.

Table 5

COMPARISON OF MEANS OF ORGANIZATIONAL CHARACTERISTICS OF NONRELIGIOUS AND RELIGIOUS NONPROFIT SOCIAL SERVICE AGENCIES IN INDIANA, 1998–99

	NRO		FBO	
	% or Mean	<i>N</i>	% or Mean	<i>N</i>
Organizational characteristics:				
Self-rating of service delivery (mean)	8.59	37	8.16	37
Self-rating of service coordination (mean) ^a	8.46	37	7.97	36
Self-rating of job placement services (mean)	4.75	12	5.20	15
Self-rating of job retention and advancement services (mean)	5.53	15	5.00	16
Self-rating of job skills improvement services (mean)	6.36	14	4.95	19
Self-rating of life skills improvement services (mean)	7.04	24	6.23	22
Expenditures on human and social services	47.31*	33	70.71*	28
Expenditures on child-care services	7.79	33	8.86	28
Expenditures on employment and training assistance ^a	6.33	33	3.54	28
Expenditures on housing services ^a	15.52*	33	3.14*	28
Expenditures on legal services ^a	7.82*	33	.52*	29
Revenue from religious organizations ^a	.81	33	27.00	31
Revenue from federal government contributions and grants ^a	11.88	32	18.14	33
Revenue from state government contributions and grants ^a	5.99	32	2.18	33
Revenue from local government contributions and grants ^a	2.84	31	.81	33
Organizational networks:				
No. of organizations in network (mean) ^a	8.89	37	8.30	37
For-profit organizations	3.53	37	4.53	37
Nonprofit organizations	69.15	37	70.96	37
Public or government organizations	33.76	37	33.49	37
Township trustees ^a	2.94 ⁺	37	5.67 ⁺	37
Religious organizations ^a	4.47**	37	27.73**	37
Part of larger service network	38.11	37	46.03	37
Refer clients to their organizations	66.75	37	62.64	37
Refer clients to your organization	68.43	37	63.15	37
Direct service providers	75.72	37	77.86	37
Fund your operations	13.25	37	12.18	37
Your organizational funds ^a	5.34	37	6.40	37
Serve same target area or population	67.54	37	67.30	37
Share board members with your organization ^a	15.16	37	8.15	37
Share office space with your organization ^a	6.18	37	4.32	37
Have larger operations	63.65	37	64.36	37
Worked with in 1995 prior to welfare reform	77.48	37	66.62	37

NOTE.—NRO = nonreligious organization; FBO = faith-based organization; two-tailed *t*-tests. All figures are percentages unless otherwise noted. Self-rating scores range from zero (low) to 10 (high).

^a Indicates means were compared assuming unequal variance.

⁺ *p* < .10.

* *p* < .05.

** *p* < .01.

Table 6

LOGIT REGRESSION RESULTS FOR FBO EFFECT ON TIGHTENING
ELIGIBILITY CRITERIA

INDEPENDENT VARIABLE	TIGHTENED ELIGIBILITY	
	β	SE
FBO	2.41*	1.17
Agency age	.03 ⁺	.02
No. of township trustees in network	.01	.06
No. of FBOs in network	-.06	.01
Expenditures on human and social services (%)	-.02	.01
Expenditures on housing services (%)	-.04	.04
Expenditures on legal services (%)	.02	.02
Constant	-2.18*	.95
Pseudo R^2		.25

NOTE.— $N = 59$; FBO = faith-based organization. Tests at $p < .01$ did not find an effect.

⁺ $p < .10$.

* $p < .05$.

These background characteristics are selected to represent factors that might influence agencies' decision to limit services. Since the matching process minimizes differences in organizational size (i.e., in staff and budget) but not in organizational age, the agency age indicator also is included as a control variable. Other measures capture the distribution of expenditures because they may be related to the rationing decision. The overall number of control variables is constrained by the small number of observations in the final matched sample, but there are sufficient cases to generate reliable and consistent estimators.

Based on these logit regression results, the difference between FBOs and NROs holds; in these data, FBOs are significantly more likely than NROs to have tightened eligibility criteria since Indiana's welfare reform was adopted in 1995. In addition, the age of the organization is positively associated with eligibility tightening.

Discussion and Implications

This study is designed to help understand how FBOs behave, how they serve poor individuals, and whether they (and their clients) respond differently than other nonprofits to changes in the extent and severity of poverty. The issues, in turn, help to suggest the potential consequences of recent policy shifts designed to expand the role of religious social service organizations in helping the poor. Three general research questions are tested: (1) What are the characteristics of clients who receive services from FBOs? (2) How does welfare reform influence the demand for services from FBOs? And (3) in the context of welfare

reform, how do FBOs and NROs compare in their assistance to welfare recipients and the poor? This section reviews how the empirical analyses address each of these questions.

First, analyses suggest that clients who receive help from FBOs are substantially different from the general population of welfare recipients. Compared to the general welfare population, clients who receive help from FBOs are more likely to be older, white, and married. These findings contrast with prior research showing that nonwhites, specifically African Americans, are more likely than whites to receive help from FBOs (Tsitsos 2003). Differences in study results may partly reflect the demographic characteristics of Indiana.

Further, clients who report receiving help from FBOs seem to experience substantial economic strain, material hardship, and great need. Clients who report receiving help from FBOs, compared to clients who did not receive such help, are less likely to be working, have more children in the household, and report disproportionately more economic hardship: lacking enough to eat; experiencing homelessness; having utilities turned off; having health problems, disabilities, or substance problems that impede employment; engaging in panhandling; selling food stamps illegally; passing bad checks; or selling plasma to make ends meet. Therefore, evidence suggests that clients who receive help from FBOs are among the most disadvantaged welfare recipients.

Second, the analyses suggest how welfare reform has influenced the demand for services from FBOs. Although being enrolled in TANF (in contrast to AFDC) does not statistically significantly increase reported need for services, respondents currently receiving welfare benefits, and those forced off by time limits, express more needs than individuals who only collect benefits on behalf of their children and than those who were sanctioned. Thus, for large portions of the welfare caseload, TANF's effects on need for service are not benign.

Results suggest that current and former public assistance recipients who actually receive help from FBOs do not share the characteristics of those who expressed needs but do not receive FBO assistance. Those reporting receipt of help from religious social service agencies are less likely than those not reporting receipt to be nonwhite and to have never married. These data do not make it clear whether this finding is a consequence of self-selection on the part of FBOs or on the part of welfare recipients. This ambiguity is clearly an important area for further research. Additionally, those receiving help from FBOs are among the most disadvantaged recipients in the welfare caseload; they report considerably higher rates of hunger, homelessness, panhandling, and health, disability, and substance abuse problems than do those not receiving FBO help.

Multivariate analyses again suggest that receipt of TANF does not increase the likelihood that an individual will also receive help from

religious social service organizations. There are two statistically significant but substantively small exceptions: TANF increases the reported receipt from FBOs of help with rent and emotional support. For certain specific needs (i.e., food, utilities, diapers or toys, and transportation), those respondents who were sanctioned, hit the time limit, and only receive welfare benefits for children (i.e., child-only cases) are more likely to report the receipt of help from FBOs. However, the estimated effects of seeking help from other sources, and several measures of severe disadvantage (e.g., not having enough food to eat, experiencing homelessness, and panhandling), are consistently better predictors of receipt of FBO help than are measures of receipt of TANF. Again, the results reinforce the notion that FBOs are working with a highly select group of seriously disadvantaged individuals. Results also are consistent with the descriptive finding that religious social service organizations are not the first line of defense for this population. Rather, the population uses FBOs to supplement help received from friends and family, township trustees, and NROs. To the extent that those on the TANF caseload become increasingly disadvantaged, there also may be increases in the involvement of those religious social service organizations that are working with the seriously disadvantaged.

Third, the study provides unique evidence on how FBOs compare with NROs in providing help to welfare recipients and the poor. Generally, the study provides evidence of many similarities and a few key differences between FBOs and NROs; FBOs spend a greater proportion of total operating funds on human and social services; they spend less on housing and legal services. In addition, FBOs report statistically significantly more ties with the local township trustees and other religious organizations. These differences are notable, but it is also essential to point out that FBOs and NROs do not differ to a statistically significant degree in self-rated reports of agency performance. In popular media and political debates, it has been common for proponents of charitable choice to claim that FBOs are more effective and efficient than NROs. In fact, this claim is one of the major bases of support for charitable choice initiatives. The current study provides no evidence that FBOs believe they are more effective or efficient than NROs.

The absence of substantive organizational differences between the FBOs and NROs in the sample is consistent with findings from studies designed to investigate organizational patterns among social service providers. Indeed, the current findings support the notion that “religiously based social services are not, in general, an alternative to secular or government-supported social service delivery. They are, rather, part of that world” (Chaves 2004, 93; for additional comparative evidence on organizational differences among FBOs and NROs, see Demerath et al. 1998; Cnaan 1999; Farnsley 2001; Smith and Sosin 2001; Monsma and

Mounts 2002; Seley and Wolpert 2002; Kennedy and Bielefeld 2003; Monsma 2004; Kearns et al. 2005).

It is important to note one particular finding: after welfare reform, FBOs tightened eligibility more than NROs. This finding is persuasive because it stems from two separate analyses. The case-matching method used here suggests that 27 percent of FBOs reportedly tightened eligibility criteria; the rate was only 8.3 percent among NROs. Similarly, the robust effect observed in a logit regression suggests that FBOs are statistically significantly more likely than NROs to report tightening eligibility criteria after welfare reform. This finding is based on retrospective evaluations, and controls for the revenue source are very general. It thus remains possible that the FBO effect may disappear with more accurate organizational data. Nevertheless, this finding is potentially important.

Although FBOs may have tightened eligibility criteria for a number of reasons, anecdotal evidence suggests that FBO staff are concerned that clients are abusing their generosity. For example, in Greene County, agency-survey respondents from FBOs report that many of the people they assist are not congregational members. In FBOs that are part of a church or that provide social service activities as part of a church, some respondents view the social services that they provide as a means to an end. These respondents report believing that their true mission is spiritual, not material. That is, these respondents report that they intend for the support they offer to encourage people to attend the church. Often, however, people accept the assistance without joining the church. Similarly, one agency-survey respondent, a minister from Greene County, expressed concern that clients increasingly request cash assistance rather than food or other commodities. In some cases, this concern about the potential for abuse led organizations to cap assistance at \$50 per person per visit.

Similarly, one of the ministerial associations in the agency sample created a system that requires clients seeking assistance (primarily help with food and utilities but also for gasoline, rent, and other payments) to have a voucher from a local government agency. The association views such vouchers as evidence that the clients are truly needy, and the voucher requirement reduces the likelihood that clients will ask multiple agencies for help with the same need. The requirement is largely a reaction to the growing perception among local service providers that people are going from FBO to FBO, asking for help, taking advantage of charity, and receiving more help than deserved.

As a matter of public policy, welfare reform's effect on the increased receipt of emotional support from FBOs appears consistent with the argument made by advocates of charitable choice. Such advocates argue that FBOs are better at providing personal and intensive face-to-face

interaction with clients. They also argue that FBOs may be in a better position than NROs to transform individuals and change behavior (Carlson-Thies 1997; Minow 1999; Sider and Unruh 1999). It is important to note, however, that this finding is inconsistent with recent research by Mark Chaves and William Tsitsos (2001). This study indicates that congregations are no more likely than NROs to participate in or support programs involving personal and intensive face-to-face interaction. However, current results are consistent with the previous findings that religious social services are more likely than NROs to be involved in meeting emergency needs and that FBOs serve a more disadvantaged client population (Chaves and Tsitsos 2001). Perhaps the one discrepancy with prior research is the result of differences in the samples (congregations versus religious social service agencies) and in measurement techniques for identifying FBOs.

Despite the strengths of the current analyses, there are some limitations. First, the study uses subjective measures to determine whether welfare recipients receive services from an FBO. The study also depends on agency administrators to self-report the religious status of their agency. The analyses thus cannot determine how welfare recipients' outcomes reflect welfare reform's respective interactions with the many types of FBOs. Similarly, the agency data do not enable one to identify subsamples of FBOs by the nature and extent of religion in agency operations. Despite these limitations, the subjective measurement strategy in this article does have the advantage of bringing client and agency perspectives into the formulation of what is or is not a religious social service agency. This approach helps to overcome the limitations of typologies that may not have much meaning for actual clients or agency administrators.

Second, these analyses should not be taken as the final word; the client data are limited to the study of one state, and the agency data are limited to 74 social service providers in a limited number of counties. Although Indiana and the study counties have many similarities to other states and communities across the country, it is unclear how particularistic these findings are to the study samples.

Third, results capture the time period of the initial phase of welfare reform, and the nascent phase of the contemporary FBO movement. That is, the findings are unable to address the issue of how policy shifts will unfold over the long run for low-income individuals and social service providers.

Fourth, it is possible (although unlikely) that some of the observed changes in client and provider behavior are the result of unmeasured exogenous events (other than welfare reform) that confound the observed effects of welfare reform. It is important to note, however, that we cannot attribute the results to any aspect of the economy, polity, or

demographic composition of Indiana. The same can be said of the counties in the study.

Fifth, although the analyses provide evidence at the client and agency levels, data from different levels cannot be linked to investigate the interaction between clients and organizations. Nevertheless, the findings indicate that welfare reform is pushing clients to seek emotional support from FBOs. These clients, as well as the most disadvantaged recipients on the welfare caseload, have responded by seeking assistance for basic material support (e.g., food, clothing, and shelter). Assistance is sought from a number of sources, including religious organizations. It is unclear whether there is a temporal order to the receipt of these types of help. The observed shift in the demand for services from FBOs is being met by organizational changes within these organizations. Agencies report that such changes are designed to ration services, and the anecdotal evidence suggests that this rationing is motivated both by a growing client demand and by the potential for abuse. Unfortunately, it is unclear how much of this rationing behavior is driven by changes in the demand for services, how much results from the perception of client abuse, or how much is motivated by client misuse of the services being offered.

Clearly, more research is needed to overcome the limitations and further explore the remaining questions about the effects of charitable choice. Given the selection issues involved in identifying who does and does not receive assistance from FBOs, the putative advantages of charitable choice could be elucidated by longitudinal studies that follow welfare recipients over an extended period of time. Such studies could record why clients choose to go to FBOs or NROs. It would also be useful to document the types and costs of assistance received, as well as any changes in behaviors and attitudes that follow. In the interim, analyses of cross-sectional survey data enable one to examine relationships between welfare reform and charitable choice. Although the current data have limited generalizability to the entire United States and are limited in their ability to enable direct tests of the effectiveness of charitable choice, they provide valuable evidence on the types of people who use FBOs for social services. They may also reveal welfare reform's effects on receipt of FBOs' services, as well as the organizational differences between FBOs and NROs in the context of welfare reform.

Appendix

Table A1

DEFINITION OF VARIABLES IN THE ANALYSIS OF THE CLIENT-LEVEL DATA

	Definition
Dependent variable names:	
Any help	Equals one if R received help from an FBO for any need, zero otherwise
Food	Equals one if R received help from an FBO with food, zero otherwise
Rent	Equals one if R received help from an FBO with rent, zero otherwise
Clothing	Equals one if R received help from an FBO with clothing, zero otherwise
Utilities	Equals one if R received help from an FBO with utilities, zero otherwise
Diapers or toys	Equals one if R received help from an FBO with diapers or toys, zero otherwise
Emotional support	Equals one if R received help from an FBO for emotional support or counseling assistance, zero otherwise
Transportation	Equals one if R received help from an FBO for transportation assistance, zero otherwise
Control variable names:	
Sex	Equals one if R is male, zero otherwise
Age	R's age
Marital status	Equals one if R is married, zero otherwise
Nonwhite	Equals one if R is nonwhite, zero otherwise
Hhadults	Number of adults (over 18) in the household
Dependkd	Number of dependent children (under 18) in the household
Pcapinc	Per-capita income in R's household
Working	Equals one if R reports working for pay at the time of survey, zero otherwise
Hsdegree	Equals one if R has at least a high school degree or GED but less than a college degree or vocational training, zero otherwise
Secdegree	Equals one if R has at least vocational, technical, or college degree, zero otherwise
Noeat	Equals one if R reports sometimes not having enough to eat or seldom having enough, zero otherwise
Homeless	Equals one if R has been homeless at any time (since reference date), zero otherwise
Utilsoff	Equals one if R has had utilities turned off (since reference date), zero otherwise
Hlthdrug	Equals one if R reports that a drug problem, alcohol problem, health problem, or disability has limited his or her ability to get or keep a job, zero otherwise
Panhandle	Equals one if R reports asking for spare change, begging for work, or searching through trash cans to make ends meet, zero otherwise
Illegal	Equals one if R reports selling food stamps or passing bad checks to make ends meet, zero otherwise
Plasma	Equals one if R reports selling blood or plasma, zero otherwise
Risktime	Total number of months in the reference period

Table A1 (Continued)

	Definition
Other sources of help:	
Frndfam	Equals one if R got any help from friends or family, zero otherwise
Trustee	Equals one if R got any help from a township trustee, zero otherwise
Commorg	Equals one if R got any help from a community organization, zero otherwise
FoodFRNDFAM	Equals one if R got help with food from friends or family, zero otherwise
FoodTRUSTEE	Equals one if R got help with food from a township trustee, zero otherwise
FoodCOMMORG	Equals one if R got help with food from a community organization, zero otherwise
RentFRNDFAM	Equals one if R got help with rent from friends and family, zero otherwise
RentTRUSTEE	Equals one if R got help with rent from a township trustee, zero otherwise
RentCOMMORG	Equals one if R got help with rent from a community organization, zero otherwise
ClothFRNDFAM	Equals one if R got help with clothing from friends and family, zero otherwise
ClothTRUSTEE	Equals one if R got help with clothing from a township trustee, zero otherwise
ClothCOMMORG	Equals one if R got help with clothing from a community organization, zero otherwise
DiaprFRNDFAM	Equals one if R got help with diapers or toys from friends and family, zero otherwise
DiaprTRUSTEE	Equals one if R got help with diapers or toys from a township trustee, zero otherwise
DiaprCOMMORG	Equals one if R got help with diapers or toys from a community organization, zero otherwise
EmotFRNDFAM	Equals one if R got help with emotional support from friends and family, zero otherwise
EmotTRUSTEE	Equals one if R got help with emotional support from a township trustee, zero otherwise
EmotCOMMORG	Equals one if R got help with emotional support from a community organization, zero otherwise
TransFRNDFAM	Equals one if R got help with transportation from friends and family, zero otherwise
TransTRUSTEE	Equals one if R got help with transportation from a township trustee, zero otherwise
TransCOMMORG	Equals one if R got help with transportation from a community organization, zero otherwise
UtilFRNDFAM	Equals one if R got help with utilities from friends and family, zero otherwise
UtilTRUSTEE	Equals one if R got help with utilities from a township trustee, zero otherwise
UtilCOMMORG	Equals one if R got help with utilities from a community organization, zero otherwise
Experimental (welfare reform) variable names:	
TANF	Equals one if R is a member of the welfare reform group (TANF), zero if the control (AFDC) group
Child only	Equals one if no adult is receiving benefits but R's children are, zero otherwise

Table A1 (Continued)

	Definition
Sanction	Equals one if R was or is on TANF and has ever been sanctioned, zero otherwise
Offlimit	Equals one if R was on TANF and left because of time limits, zero otherwise

NOTE.—R = respondent; FBO = faith-based organization; GED = general equivalency diploma; TANF = Temporary Assistance for Needy Families program; AFDC = Aid to Families with Dependent Children program.

Table A2

DEFINITION OF VARIABLES IN THE ANALYSIS OF THE AGENCY-LEVEL DATA

	Definition
Matching variables:	
Agency age	Number of years since the A's founding
Staff size	Total number of full- and part-time paid employees in the A (in 1998)
Agency budget	A's total operating budget for fiscal year 1998
Organizational characteristics:	
Agency performance	A self-reported rating (from 1 = very poor to 10 = excellent) of the A for service delivery, service coordination, placing welfare recipients in jobs, helping clients find and keep good paying jobs that last for at least 6 months and offer opportunities for advancement, improving jobs skills of welfare recipients, and improving the life skills of welfare recipients
Budget distribution	Percent of operating expenditures in 1998 that went for human social services, child-care services, employment and training programs, housing and community development, and legal aid/advocacy services, as well as the source of this revenue
Staffing patterns:	
Masters	Percent of staff with a masters degree or more
Demographics	Percent of staff that are women, African American, American Indian, and Hispanic
Welfare employees	Percent of staff that are current (or former) welfare recipients, 1994 (and 1998), as well as the number of current and former welfare recipients employed by the A in 1999
Change in staff size	Percentage change in the number of full- and part-time workers between 1994 and 1998
Changes since welfare reform:	
Applicants served	Percent of As that reduced the number of applicants serviced since welfare reform
Tightened eligibility	Percent of As tightening eligibility criteria since welfare reform
Eliminated services	Percent of As that eliminated services since welfare reform
Expanded services	Percent of As that expanded services since welfare reform
Expanded eligibility	Percent of As that expanded eligibility requirements since welfare reform

Table A2 (Continued)

	Definition
Expanded level of service	Percent of As that increased service levels after welfare reform
New services	Percent of As that introduced a new service since welfare reform
Target groups	Percent of As that target a different group since welfare reform
Target groups now	Percent of As that target a particular group
Services provided:	
Workforce development and education	Equals one if A's primary service activity is workforce development and education assistance, zero otherwise
Counseling and mental health	Equals one if A's primary service activity is counseling and mental health assistance, zero otherwise
Food and health	Equals one if A's primary service activity is food and health assistance, zero otherwise
Child care and youth	Equals one if A's primary service activity is child care and youth assistance, zero otherwise
Housing	Equals one if A's primary service activity is housing assistance, zero otherwise
Legal	Equals one if A's primary service activity is legal assistance, zero otherwise
Transportation	Equals one if A's primary service activity is transportation assistance, zero otherwise
Intermediary	Equals one if A's primary service activity is intermediary services, zero otherwise
Organizational networks	Characteristics of an A's network are constructed from a question that asked respondents to list 10 social service organizations with which they work. For each organization listed, R's were asked a series of questions to capture the types of organizations in the network. These questions are used to construct measures of network characteristics.

NOTE.—A = agency; R = respondent.

References

- Anderson, Brian C. 2000. "How Catholic Charities Lost Its Soul." *City Journal* 10 (4): 28–39.
- Becroft, Erik, Wang Lee, David Long, Pamela A. Holcomb, Terri S. Thompson, Nancy Pindus, Carolyn O'Brien, and Jenny Bernstein. 2003. "The Indiana Welfare Reform Evaluation: Five-Year Impacts, Implementation, Costs, and Benefits." Report to the Indiana Family and Social Services Administration, Division of Family and Children. Abt Associates, Cambridge, MA.
- Beyerlein, Kraig, and John R. Hipp. 2006. "From the Pews to Participation: The Effect of Congregation Activity and Context on Bridging Civic Engagement." *Social Problems* 53 (1): 97–117.
- Campbell, David. 2002. "Beyond Charitable Choice: The Diverse Service Delivery Approaches of Local Faith-Related Organizations." *Nonprofit and Voluntary Sector Quarterly* 31 (2): 207–30.
- Carlson-Thies, Stanley W. 1997. "Don't Look to Us': The Negative Responses of the Churches to Welfare Reform." *Notre Dame Journal of Law, Ethics, and Public Policy* 11 (2): 667–89.

- Chaves, Mark. 1999. "Religious Congregations and Welfare Reform: Who Will Take Advantage of 'Charitable Choice'?" *American Sociological Review* 64 (6): 836–46.
- . 2004. *Congregations in America*. Cambridge, MA: Harvard University Press.
- Chaves, Mark, and William Tsitsos. 2001. "Congregations and Social Services: What They Do, How They Do It, and with Whom." *Nonprofit and Voluntary Sector Quarterly* 30 (4): 660–83.
- Cnaan, Ram A. 1999. *The Newer Deal: Social Work and Religion in Partnership*. New York: Columbia University Press.
- Deb, Partha, and Danna Jones. 2003. "Does Faith Work? A Preliminary Comparison of Labor Market Outcomes of Job Training Programs." In Kennedy and Bielefeld 2003, 57–64.
- DeMaris, Alfred. 1992. *Logit Modeling: Practical Applications*. Newbury Park, CA: Sage.
- Demerath, N. J., III, Peter Dobkin Hall, Terry Schmitt, and Rhys H. Williams, eds. 1998. *Sacred Companies: Organizational Aspects of Religion and Religious Aspects of Organizations*. New York: Oxford University Press.
- De Schweinitz, Karl. 1947. *England's Road to Social Security, 1349–1947*. 3rd ed. Philadelphia: University of Pennsylvania Press.
- Dilulio, John J., Jr. 1997. "The Lord's Work." *Brookings Review* 15 (4): 27–31.
- . 2002. "The Three Faith Factors." *Public Interest* 149 (Fall): 50–64.
- Farnsley, Arthur E., II. 2001. "Can Faith-Based Organizations Compete?" *Nonprofit and Voluntary Sector Quarterly* 30 (1): 99–111.
- Green, John C., and Amy L. Sherman. 2002. "Fruitful Collaborations: A Survey of Government-Funded Faith-Based Programs in 15 States." Report. Hudson Institute, Charlottesville, VA.
- Halpern, Robert. 1995. *Rebuilding the Inner City: A History of Neighborhood Initiatives to Address Poverty in the United States*. New York: Columbia University Press.
- Ichimura, Hidehiko, and Christopher Taber. 2001. "Propensity-Score Matching with Instrumental Variables." *American Economic Review* 91 (2): 119–24.
- Jeavons, Thomas H. 1994. *When the Bottom Line Is Faithfulness: Management of Christian Service Organizations*. Indianapolis: Indiana University Press.
- . 2004. "Religious and Faith-Based Organizations: Do We Know One When We See One?" *Nonprofit and Voluntary Sector Quarterly* 33 (1): 140–45.
- Johnson, Byron R. 2002. "Objective Hope: Assessing the Effectiveness of Faith-Based Organizations: A Review of the Literature." Report. University of Pennsylvania, Center for Research on Religion and Urban Civil Society, Philadelphia.
- Kearns, Kevin, Chisung Park, and Linda Yankoski. 2005. "Comparing Faith-Based and Secular Community Service Corporations in Pittsburgh and Allegheny County, Pennsylvania." *Nonprofit and Voluntary Sector Quarterly* 34 (2): 206–31.
- Kennedy, Sheila S., and Wolfgang Bielefeld, eds. 2003. *Charitable Choice: First Results from Three States*. Indianapolis: Center for Urban Policy and the Environment.
- Levine, Daniel. 1988. *Poverty and Society: The Growth of the American Welfare State in International Comparison*. New Brunswick, NJ: Rutgers University Press.
- Lewis, Verl S. 1966. "Stephen Humphreys Gurteen and the American Origins of Charity Organization." *Social Service Review* 40 (2): 190–201.
- Maggs, John. 1999. "In Florida, Government Gets Religion." *National Journal* 31, no. 30 (July 24): 2176–77.
- Maier, Thomas, and Tom Curran. 1993. "Church Services Public Funds Help O'Connor to Help Others." *Newsday*, May 17, 6.
- McCarthy, John, and Jim Castelli. 1998. "Religion-Sponsored Social Service Providers: The Not-So-Independent Sector." Report. Aspen Institute, Nonprofit Sector Research Fund, Washington, DC.
- McGoldrick, Lillemor. 1997. "Texas and the Charitable Choice Provision of the Personal Responsibility and Work Opportunity Act of 1996." *Georgetown Journal on Fighting Poverty* 5, no. 1 (Winter): 69–70.
- Minow, Martha. 1999. "Choice or Commonality: Welfare and Schooling after the End of Welfare as We Knew It." *Duke Law Journal* 49, no. 2 (November): 493–559.
- Monsma, Stephen V. 2004. *Putting Faith in Partnerships: Welfare-to-Work in Four Cities*. Ann Arbor: University of Michigan Press.

- Monsma, Stephen V., and Carolyn M. Mounts. 2002. "Working Faith: How Religious Organizations Provide Welfare-to-Work Services." Report. University of Pennsylvania, Center for Research on Religion and Urban Civil Society, Philadelphia.
- Polsky, Andrew J. 1991. *The Rise of the Therapeutic State*. Princeton, NJ: Princeton University Press.
- Printz, Tobi Jennifer. 1998. "Faith-Based Service Providers in the Nation's Capital: Can They Do More?" Charting Civil Society Brief no. 2. Urban Institute, Center on Nonprofits and Philanthropy, Washington, DC.
- Rubin, Donald B. 1997. "Estimating Causal Effects from Large Data Sets Using Propensity Scores." *Annals of Internal Medicine* 127, no. 8, pt. 2: 757–63.
- Sager, Rebecca. 2005. "State Offices of Faith-Based and Community Initiatives." Paper presented at the 34th Annual Conference of the Association for Research on Nonprofit Organizations and Voluntary Action, Washington, DC, November 17–19.
- Salamon, Lester M., and Fred Teitelbaum. 1984. "Religious Congregations as Social Service Agencies: How Extensive Are They?" *Foundation News* 25 (5): 62–65.
- Scott, Jason D. 2003. "The Scope and Scale of Faith-Based Social Services: A Review of the Research Literature Focusing on the Activities of Faith-Based Organizations in the Delivery of Social Services." Report, 2nd ed. State University of New York, Nelson A. Rockefeller Institute of Government, Roundtable on Religion and Social Welfare Policy, Albany.
- Seley, John E., and Julian Wolpert. 2002. *New York City's Nonprofit Sector*. Community Studies of New York. New York: Nonprofit Coordinating Committee of New York.
- Sider, Ronald J., and Heidi R. Unruh. 1999. "'No Aid to Religion?' Charitable Choice and the First Amendment." *Brookings Review* 17 (2): 46–49.
- Silverman, Carol. 2000. "Faith-Based Communities and Welfare Reform: California Religious Community Capacity Study; Quantitative Findings and Conclusions." 66–84 in "California Religious Community Capacity Study: Technical Report." Report. California Council of Churches, University of Southern California Center for Religion and Civic Culture, and the University of San Francisco Institute for Nonprofit Organization Management, San Francisco.
- Smith, Herbert L. 1997. "Matching with Multiple Controls to Estimate Treatment Effects in Observational Studies." *Sociological Methodology* 27 (1): 325–53.
- Smith, Steven R., and Michael R. Sosin. 2001. "The Varieties of Faith-Related Agencies." *Public Administration Review* 61 (6): 651–70.
- Tsitsos, William. 2003. "Race Differences in Congregational Social Service Activity." *Journal for the Scientific Study of Religion* 42 (2): 205–15.
- Unruh, Heidi R., and Ronald J. Sider. 2005. *Saving Souls, Serving Society: Understanding the Faith Factor in Church-Based Social Ministry*. New York: Oxford University Press.
- U.S. House of Representatives, Committee on the Judiciary, Subcommittee on the Constitution. 2001. Testimony of Amy Sherman. 6–16 in *State and Local Implementation of Existing Charitable Choice Programs: Hearing before the Subcommittee on the Constitution*. 107th Cong., 1st sess., April 24 (Su. doc. no. Y4/J89/1:107/13).
- White House Office of Faith-Based and Community Initiatives. 2001. *Unlevel Playing Field: Barriers to Participation by Faith-Based and Community Organizations in Federal Social Service Programs*. Report. Washington, DC: White House Office of Faith-Based and Community Initiatives.
- Wineburg, Robert J. 1992. "Local Human Services Provision by Religious Congregations: A Community Analysis." *Nonprofit and Voluntary Sector Quarterly* 21 (2): 107–17.
- . 1993. "Social Policy, Community Service Development, and Religious Organizations." *Nonprofit Management and Leadership* 3 (3): 283–97.
- . 1994. "A Longitudinal Case Study of Congregations in Local Human Services." *Nonprofit and Voluntary Sector Quarterly* 23 (2): 159–70.
- Winship, Christopher, and Stephen L. Morgan. 1999. "The Estimation of Causal Effects from Observational Data." *Annual Review of Sociology* 25:659–706.

Notes

1. Although the data for this study were collected prior to the official start of a recent recession, March 2001, Indiana's welfare caseload has increased a dramatic 30.2 percent, reaching a total of over 52,000 cases in March 2003 (Beecroft et al. 2003).

2. Compared to those in the TANF group, those who had records with missing data were more likely to be AFDC recipients and were somewhat more likely to receive welfare for less than 24 months.

3. The distribution of welfare participants in the population is as follows. Of the 65,362 welfare recipients who were in the TANF (treatment) category in December 1998, 45.6 percent (29,813) were on welfare, 49.3 percent (32,202) were off welfare before hitting the 24-month time limit, and 5.1 percent (3,347) were off welfare because they hit the time limit. Of the 3,566 welfare recipients who were in the AFDC (control) group category in December 1998, 26.0 percent (928) were on welfare, 25.5 percent (911) were off welfare before 24 months, and 48.4 percent (1,727) were off welfare after 24 months or more of benefits. The distribution of respondents across the six sampling strata is as follows. Of the 674 respondents who were in the TANF category in December 1998, 35.12 percent (237) were on welfare, 29.7 percent (200) were off welfare before hitting the 24-month time limit, and 35.2 percent (237) were off welfare because they hit the time limit. Of the 629 respondents who were in the control group category, AFDC, in December 1998, 34.7 percent (218) were on welfare, 27.5 percent (173) were off welfare before 24 months, and 37.8 percent (238) were off welfare after 24 months or more of benefits. Due to rounding, some distributions do not sum to 100. Approximately equal numbers of individuals were interviewed in each of the sampling cells. The sampling proportions were used to create weights so that the results would reflect the state's population.

4. The measure of any help includes all types of help: food, housing, clothing, utilities, diapers or toys, emotional support, transportation, and child care.

5. Overall, the educational attainment of the respondents is very high; 46 percent of the respondents report having a master's degree, and 29 percent had a 4-year college degree. Respondents' field of study in school varies considerably. Administration and planning degrees represent the largest category, accounting for 21.9 percent of the education of all respondents. Social work and psychology degrees are the next largest category, accounting for the education of 21.7 percent of all respondents.

6. Marion (which contains Indianapolis) and Lake (which contains Gary) counties are the most urban, densely populated counties in the state. Both have large African American populations, slightly above-average poverty rates, and below-average home ownership rates. In contrast, Howard County (which contains Kokomo) is less dense and is best described as a suburban area with many links to the Indianapolis metropolitan area. Bartholomew County (which contains Columbus) and Greene, Floyd, and Harrison (a cluster of three southern rural counties) have population densities closer to the state's average, reflecting the presence of small cities and towns adjacent to rural areas. Despite these differences, the seven counties have similar age distributions and per-capita income. They also are fairly similar to state averages for these two indicators. All of the counties experienced substantial declines in TANF participation following the implementation of welfare reform (1995–2000), and these declines mirrored overall state trends. The rate of decline has been greatest in the rural areas (specifically in Greene and Floyd counties). Although Lake County continues to have the highest rate of welfare receipt in the state, Marion County's TANF participation reached surprisingly low levels for a place that contains the state's largest city. Despite these declines, the seven targeted counties contain 51 percent of the state's 1999 welfare caseload, compared to approximately 47 percent in 1995, when Indiana's welfare reform began (Beecroft et al. 2003).

7. Each field associate was charged with conducting at least 40 interviews. Because Marion and Lake counties have the largest populations among the targeted counties, the two field associates assigned to those counties were instructed to conduct at least 60 interviews. Field associates were allowed to exceed the quota of five agency respondents within any one category of organizational type and activity if and only if (1) the organization was considered to be a very important agency in serving current and former welfare recipients in that county and (2) not conducting the interview would prevent the field associate from reaching the target goal of completed interviews. As a result, more interviews

were conducted with nonprofit NROs that provide human services (specifically, food and nutrition programs) than would have been expected had the sampling quota been fixed without these exceptions.

8. Large numbers of cases are missing from the organizational budget data. Missing values are imputed. Imputation criteria are agency age, staff size (in 1998), number of offices (in 1998), total contributions received (in 1998), and the county population (in 1998). Number of offices and total contributions are not shown in tables.

9. Executive directors (or respondents) in the agency survey were asked to identify their organization as government (public), nonprofit nonreligious, nonprofit religious, or a hybrid. Unfortunately, these respondents were not asked to identify the degree of religious intensity in the services they provide.

10. Separate analyses, not shown in table 1, examine whether TANF recipients were more or less needy than AFDC recipients by need category. With one exception, there are no significant differences for TANF and AFDC recipients: TANF clients were 5 percent more likely than AFDC recipients to report child-care needs.

11. Indicators to measure professional networks stem from a question that asked agency respondents to list 10 social service agencies with which they work. For each organization listed, agency respondents were asked a series of questions to capture the types of organizations in the network.