

***Faith-Based Organizations Providing
Employment and Training Services:
A Preliminary Exploration***

Fredrica D. Kramer
Demetra Smith Nightingale
John Trutko
Shayne Spaulding
Burt S. Barnow

Revised
February 2002

The Urban Institute
2100 M Street, NW
Washington, DC 20037

This report was prepared at the Urban Institute under U.S. Department of Labor, Employment and Training Administration contract number 1-6830-8-00-80-30, Task Order #6. Opinions expressed are those of the

authors, and do not represent official positions of the Department of Labor, the Urban Institute, its Trustees or its sponsors.

TABLE OF CONTENTS

HIGHLIGHTS	III
1. INTRODUCTION	1
Definitions	2
Approach and Limitations	4
2. WORKFORCE INVESTMENT AGENCIES' CONTRACTING WITH FAITH-BASED ORGANIZATIONS	7
3. WORK-RELATED SERVICES PROVIDED BY RELIGIOUS CONGREGATIONS	11
Informal or episodic assistance	11
Referral services and other cross-institutional relationships	12
Formal Congregation Services and Programs	13
4. WORK-RELATED SERVICES PROVIDED BY FAITH-BASED NON-PROFIT ORGANIZATIONS	18
Types of Organizations	19
Funding Sources	22
Nature of Services	22
5. CONCLUSIONS	24
General Findings	24
Outstanding Issues	28
APPENDIX A: FAITH-BASED ORGANIZATIONS RECEIVING WELFARE-TO-WORK GRANTS	30

APPENDIX B: WORKFORCE DEVELOPMENT BOARDS' CONTRACTING WITH FAITH-BASED ORGANIZATIONS.....31

APPENDIX C: NUMBER OF CONGREGATIONS IDENTIFIED THAT PROVIDE EMPLOYMENT-RELATED SERVICES, BY CITY.....32

APPENDIX D: NONPROFIT FAITH-BASED ORGANIZATIONS33

HIGHLIGHTS

This is an exploratory examination of faith-based organizations' (FBOs)—congregations and nonprofit organizations—provision of employment related services in five cities: Baltimore, Ft. Worth, Milwaukee, Pittsburgh, and San Diego. The review suggests the following points:

- **All five of the local workforce investment agencies (WIAs) contract with FBOs.** The value of FBO contracts in 2000 range from \$36,000 in Milwaukee to \$3.6 million in San Diego. But FBO contracts represent just a small portion of the WIA local budgets, ranging from about 1percent (in 3 cities) to about 6 percent in San Diego and 10 percent in Pittsburgh. The median FBO contract in 2000 was about \$98,000. All five agencies indicate that they expect more FBO contracts in the future.
- **Most of the religious congregations/houses of worship contacted indicated that they do not formally provide employment-related services.** Several explained that they provide help on an informal case-by-case basis to persons who need or request help, and that sometimes might include work-related help. But such assistance is not characteristically formal, extensive, or prolonged.
- **However, one to three congregations contacted in each of the five cities provide more formal or programmatic services that are work-related,** such as English tutoring or other remedial education help, job search assistance, and supportive services like clothes or transportation to work. In these congregations, the levels of service and numbers served are extremely wide ranging (from fewer than 10 to hundreds of clients), public funds are not used, and resources may still be minimal (e.g., staff are volunteers or spending is \$1,000 or less a year).
- **A few of the—usually large—congregations that provide fairly substantial employment-related services may serve substantial numbers of individuals (several hundred a year), and resemble programs operated by nonprofit organizations.** Three such programs were identified--one each in Ft. Worth, Milwaukee, and San Diego. Services may include pre-employment preparation, job search training, supportive services, job placement, and arranging for work experience or transitional jobs.
- **FBO-nonprofit organizations, like other employment service providers, offer a range of employment or supportive services, sometimes in combination with other services for the particular populations that they target.** Forty-three FBO nonprofit organizations that provide employment-related services were contacted across the five cities. Nearly half have federal funding, with HUD being the most prevalent source of the funds, and many of the organizations are homeless shelters, other transitional housing facilities, or social service agencies.

1. INTRODUCTION

Employment and training services in the United States have historically been delivered through a decentralized network of local public, private, and nonprofit agencies and programs. Among the many service providers, some faith-based entities, particularly nonprofit service organizations, have provided a variety of employment-related services, for example, to help people prepare for work, improve basic skills, find jobs or new jobs, or arrange for social or emergency services that might be needed. Some of these organizations receive some public funds and deliver publicly-funded services in a secular, not a religious context. Others use only private resources (e.g., from philanthropic foundations, charitable donations, and religious groups), and may have religious features or activities as part of the services they provide.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 included a “charitable choice” provision, which allows faith-based organizations to compete for state and federal welfare funds on the same basis as other organizations and maintain their religious character. Legislation governing other federal programs, including substance abuse education, prevention and treatment, and community services block grant services, subsequently also included a charitable choice provision. The Bush Administration has placed new emphasis on expanding the role of community-based and faith-based organizations in the provision of services to meet the social and emotional needs of families and individuals.

While faith-based organizations are an important partner in the workforce development area, there is little systematic information about the extent of their involvement in the formal public employment and training system, the amount of federal funds they receive, particularly through the Workforce Investment Act (WIA) or the nature of work-related services they provide.

The purpose of this report, therefore, is to provide a basic understanding of the extent to which faith-based organizations are providing employment-related services, drawing upon exploratory information compiled for five communities: Baltimore, Maryland; Fort Worth, Texas; Milwaukee, Wisconsin; Pittsburgh, Pennsylvania; and San Diego, California. The communities were purposively (not randomly) selected to provide geographic diversity to address three general questions:

- How much federal employment and training funding is going to faith-based organizations?
- What sorts of employment-related services do faith-based organizations provide?
- How much employment-related services do religious congregations provide and to whom?

The examination and the findings are exploratory, but nonetheless offer insight into the possible scale of activity by faith-based organizations in the workforce development system, and suggest the feasibility of conducting more empirical and comprehensive research to examine this issue more fully.

Definitions

There is no single generally-accepted definition of what a faith-based organization (FBO) is. *For the purposes of this report, a faith-based organization is an organization that holds religious or worship services, or is affiliated with a religious denomination or house of worship.*¹ This includes churches and other congregations or houses of worship; nonprofit organizations affiliated with churches, congregations or religions; and local nonprofit

¹ A broader conception of faith-based organizations could include secular entities that are not religiously affiliated or religiously-based but have specific missions to promote certain values, beliefs, character, or moral behavior, or that are affiliated with groups with particular philosophic objectives. This study, however, focuses only on those associated with or founded according to a religion or religious faith.

organizations affiliated with an umbrella or national faith-based network. Faith-based nonprofit organizations generally maintain a faith-based mission but the services they deliver may or may not have a faith-based content and they do not necessarily restrict participants to those who adhere to that faith.²

For simplicity, the discussion in this report refers to two types of FBOs: (1) local congregations of churches, synagogues, mosques, and other houses of worship; and (2) nonprofit organizations with some religious or faith-based association. Admittedly, the second category encompasses a wide range of organizations, each worthy of separate examination but which are considered together in this exploratory review: local affiliates of national networks such as Catholic Charities, Jewish Family Services, Lutheran Social Services, the Salvation Army, as well as local independent organizations or ministry groups operating in a single community.

Some large national organizations originally founded with a religious affiliation no longer consider themselves faith-based, even though some local affiliates may so define themselves. Goodwill Industries and the YMCA/YWCA are perhaps the largest of the secular nonprofit service organization networks with a faith-based origin. A few local Goodwill affiliates consider themselves to be FBOs, although the vast majority of Goodwill affiliates and local YMCA/YWCAs, like their parent organizations, consider themselves secular. In this report, organizations such as Goodwill and YMCA/YWCA which are primarily secular, are excluded from the broader faith-based organization category. Local affiliates of other large national organizations, such as Jewish Family Services and Lutheran Social Services, which have carefully distinguished their secular services and activities, but still provide some separate services that are more religious in nature; these types of organizations are included in the study.

² This study does not address whether the services provided by the organizations include any religious content or whether individuals do or are asked to adhere to (be receptive to) that content. These are important issues, but beyond the scope of this report.

Approach and Limitations

This is an exploratory study, examining FBO provision of employment-related services in five communities. Within each site, information was collected along three tracks:

1. **Extent of WIA contracting with FBOs**, based on telephone discussions with the local WIA administrator or designated staff person who was asked whether they contract with FBOs and the dollar amount of the contracts; and discussions with the 9 largest WIA contractors, who were also asked whether they subcontract to FBOs.
2. **Nature of employment-related services provided by congregations**, based on telephone discussions with the nine largest congregations and houses of worship and nine smaller ones (100-700 members) selected at random from a list obtained from the American Church Lists.
3. **Nature of employment-related services by faith-based nonprofit organizations**, based on telephone discussions with nine organizations selected at random from organizations presumed to be religiously affiliated, identified from an on-line telephone directory search (switchboard.com) under the categories “social services/welfare” or “employment agencies and opportunities.”

The information compiled from these informal telephone discussions is summarized in the following sections.

There are obvious limitations. First, the study is exploratory—while the congregations and nonprofit organizations were randomly chosen, the selection process did not involve statistical random sampling,³ and only a small number of congregations, nonprofit organizations, and workforce investment agencies⁴ were contacted.

Second, because we drew our samples from incomplete listings and contacted a limited number, the estimates presented in this report may understate the activity by faith-based organizations. It is likely that there are more faith-based organizations than we were able to identify. The extent of the underestimate, however, is unknown, and a precise estimation would require further research with larger samples.

Thus, the samples of congregations and nonprofit organizations are not statistically representative, and the findings cannot provide a valid generalization of the sites in the study or of any other sites. The patterns of findings in this exploratory study, however, provide a useful starting point and offer a rough estimate, or approximation, of the extent of FBO involvement in employment-related services.

³ Statistical random sampling requires a complete enumeration of the entire population, but we used listings that were likely to be incomplete. For example, we sampled only churches for which we had a known congregation size in order to contact both large and small institutions. However, in identifying faith-based nonprofits, we attempted to avoid introduction of systematic bias by identifying every *n*th entry with presumed religious affiliation to produce a total of nine from the list, and substituting the entry immediately next if the organization was either not faith-based or did not offer employment-related services.

⁴ For consistency throughout the text, the term workforce investment agency is used to characterize the local organization that administers federal workforce investment funds under the Workforce Investment Act.

The appointed board as well as the administering agency are sometimes both referred to generically as the Workforce Investment Board (WIB).

2. WORKFORCE INVESTMENT AGENCIES' CONTRACTING WITH FAITH-BASED ORGANIZATIONS

Five workforce investment agencies⁵ (WIAs) (in Baltimore, Ft. Worth, Milwaukee, Pittsburgh, and San Diego) were contacted to determine the extent to which they contracted with FBOs in the last full 12-month period for which data were available (usually this was program year 2000). Table 1 summarizes the information by workforce investment agency in terms of: the number of FBOs under contract, the number of FBO contracts, the total value of the FBO contracts, the program funding sources (such as WIA/JTPA or Welfare-to-Work grants) for FBO contracts, and the percent of the agency's total budget that goes to FBOs. Two of the five cities, Milwaukee and San Diego, have programs operated under national competitive Welfare-to-Work (WtW) grants. Appendix A provides additional information on FBO participation in the WtW program.

The extent of FBO contracting by workforce investment agencies in these sites varied, ranging from less than 1 percent (in three cities) to as much as 10 percent (in Pittsburgh). A total of 19 FBOs received contracts from these five boards in the most recent program year. Several of these FBOs had multiple workforce board contracts from different funding sources—and so, the total number of contracts let to FBOs by the boards was 26. Across the five boards the median value of an FBO contract was about \$98,000, and FBO contracting represented about 4 percent of the boards' total budget. Appendix B summarizes the FBO contracting reported by each of the five agencies.

There was, however, much variation across the boards, as indicated in Table 1. With the exception of Three Rivers Workforce Investment Board in Pittsburgh (which contracted with 11 FBOs), the boards included in our sample contracted with between one (two of the boards) and three FBOs. The total contract value of awards to FBOs ranged from under \$150,000 (at

⁵ As noted in Chapter 1, the terms workforce investment agency and workforce investment board are often used interchangeably. Local agency names may vary depending on historical precedent, but each serves as the official body responsible for administering federal funds under the Workforce Investment Act.

two of the boards) to slightly over \$3.5 million (at the San Diego Workforce Partnership Board). Sources of funding were principally WIA/JTPA and Welfare-to-Work, though some FBOs received contracts from the local board under the Youth Opportunities program and the Temporary Assistance for Needy Families, or TANF, employment program. The total amounts contracted by local boards in 2000 to individual FBOs in the five cities ranged from \$26,145 to nearly \$3 million (for Metro United Methodist Urban Ministries in San Diego). However, half of the FBOs received contracts of less than \$100,000.

Table 1
Selected WIA Agencies' Contracting with FBOs (most recent year)

Workforce Investment Area	# of FBOs as contractors	# of FBO contracts	Total value of FBO Contracts	FBO contracts as a % of Agency's budget
San Diego Workforce Partnership Board, San Diego, CA	3	5	\$3.6 million	6%
Mayor's Office of Employment Development, Baltimore, MD	1	1	\$300,000	1%
Three Rivers Workforce Investment Board, Pittsburgh and Allegheny County, PA	11	15	\$1.8 million	10%
Tarrant County Work Advantage Board, Ft. Worth and Tarrant County, TX	3	3	\$144,000	1%
Private Industry Council of Milwaukee County, Milwaukee and Milwaukee County, WI	1	2	\$36,000	Less than 1%

After reviewing program and fiscal data obtained from the five workforce investment agencies, brief telephone discussions were also held with administrators in the largest non-FBO contractors for each of the local boards to determine if these non-FBOs are subcontracting a portion of their funding to FBOs. Of the 26 non-FBOs with contracts from the WIA agency,

just one had in turn sub-contracted with an FBO. This particular contractor had subcontracted about 15 percent of its workforce funds to an FBO to conduct intake, client assessment, and case management. However, a number of other non-FBO contractors to the WIA agency indicated that while they do not have a contractual or financial relationship with FBOs, they are well connected with the faith-based community in their localities. Some of these contractors noted that FBOs can be very helpful in recruiting individuals from targeted neighborhoods and providing in-kind support services to which program participants can be referred (e.g., emergency food, clothing, housing, and counseling services).

Future Funding Efforts

Some local board administrators and non-FBO service contractors are likely to expand their contracting with FBOs in the near future. Several board administrators observed that they either are in negotiations with additional FBOs for employment and training services for the upcoming program year or that they expect an expansion in the number of FBOs they contract with in the future. For example, one board administrator noted that while the Request for Proposals (RFP) process has always been open to FBOs on the same competitive basis as for other non-faith-based organizations and the board has funded some FBOs in the past, awareness on the part of FBOs and desire to compete for contracts/grants has increased significantly in the faith-based community over the past year.

However, as would be true for many small organizations, especially those new to contracting within the workforce development system, workforce development board representatives and FBO administrators are concerned about the ability of FBOs to meet the stringent audits imposed under programs such as WIA. As one administrator of a non-faith-based community-based organization with a long track record of contracting under JTPA/WIA noted, FBOs—especially churches—are “particularly viable service providers at the street level,” but often lack the infrastructure and expertise needed to administer contracts/grants

under the exacting requirements imposed under DOL. He is in active discussions with several local FBOs (including a large church), and his organization is offering to act as a fiscal agent for local FBOs to manage funds and the documentation required under the contract/grant process.

3. WORK-RELATED SERVICES PROVIDED BY RELIGIOUS CONGREGATIONS

In each of the five communities, informal telephone discussions were also held with representatives of a small number of religious congregations. The congregations were selected non-scientifically from lists obtained from the American Church Lists but represent a diverse mix of sizes and denominations. Telephone calls were made to selected congregations and the representative was asked whether they provide any employment-related services, casting the net widely to include, for example "...anything from job readiness or job retention services, training or education explicitly related to employment, or support services such as transportation, tools or clothing to enable individuals to work" but excluding services that were not explicitly employment-related. If employment-related services were provided, they were asked to describe them and estimate approximately how many people received the services in a given year, and how much resources were dedicated to providing those services. About half the congregations contacted provide no employment services, about one-third provide informal or episodic services, several collaborate with other congregations or organizations to refer people to services, and a few directly provide more substantial or formal services.

Informal or episodic assistance

Congregations and church groups commonly provide humanitarian help to individuals in need; if members of their congregation or the community ask for or need help, that help will be provided, usually on an informal basis as needed. This help may at times be employment-related, such as providing bus tokens to get to work. While about half the congregations contacted indicated that they provide no employment-related assistance, over a third explained that they do provide some employment assistance, but that it tends to be primarily informal or episodic, involving very little expenditure of money, and serving very few people in the course of a year.

For example, some congregations report providing one-time or time-limited transportation (for a few trips or a week) to a job or job interview. For example, one large Ft. Worth church⁶ provides bus tokens, paid for by the City, for one-time transportation to a confirmed job or job interview, and arranges access to a "career clothing closet" to persons referred by a caseworker from a service agency, such as a local women's shelter. In the past year, "hundreds" of bus tokens were distributed. Volunteers from that church also help another local church tutor and assist students with schoolwork.

Informal help might also include general job search assistance, such as posting job opportunities on a bulletin board, and referring individuals who say they are looking for a job or training to agencies that do provide skills training or education, depending on the individual's needs. In addition, churches may house child care facilities, which may enable a parent to work, but such facilities are not considered employment-related for this study unless the facility was established for that purpose. None that we identified were established for that purpose.

Referral services and other cross-institutional relationships

In some cases, churches have established relationships with other institutions that offer employment services, although these relationships have varying degrees of formality and may or may not involve explicit expenditures by the church. For example, one Baltimore church is a pick-up location for a "Bridges to Work" program that provides transportation to work. In Ft. Worth, one church refers, and contributes a small amount of funds, to a larger church that operates a formal program for employment assistance. That program is profiled below.

Some churches support activities as part of a consortium of churches or through an umbrella institution. One Ft. Worth church contributes about \$5,000 a year to an inter-church social service agency that provides a variety of employment-related services. In Milwaukee a

⁶ Some representatives contacted asked that published information not specifically identify them. Therefore, in general, congregations are not identified by name in the report.

formal consortium of churches makes referrals to a faith-based nonprofit organization that works with 29 Lutheran churches and a larger network of multi-faith congregations and some employers to provide life skills, career development, counseling, and placement services. One church in San Diego makes routine contributions and ran yearly fundraisers to support an organization within the United Church of Christ that provides services. In Pittsburgh, volunteers from an inter-faith reemployment organization provide speakers to help in reemployment issues, such as resume preparation.

These types of collaborations were identified in the course of conversations with representatives of the congregations contacted, but it was beyond the scope of the study to pursue further information specifically from or about the networks. That would be a useful activity in future research to gain a fuller understanding of the role of congregations.

Formal Congregation Services and Programs

In each of the five cities, typically one or two of the large congregations contacted provide what could be characterized as substantial services explicitly related to employment. As defined here, substantial employment-related services include routine programmatic services or a formal organizational component, such as a social service ministry dedicated to employment-related and perhaps other support services. Small congregations seem less likely to provide such services and provide services on a much smaller scale.

Twelve congregations were identified that provide some type of service related to employment that appears to be fairly substantial and somewhat formal. This represents around 10 to 15 percent of the congregations contacted. While this is not a statistically valid estimate of the percent of congregations that provide services, it does offer a rough

idea of the extent of congregation involvement with employment services. Of those churches that described more formal programs or services to help individuals with employment needs, the levels of service and the numbers served are extremely wide ranging, as summarized in Table 2.

Some of these churches have a social welfare ministry through which they offer counseling, job search assistance, clothing, or tutoring, but in general the services provided are modest or episodic. For example, a church in Baltimore (Case 1) uses its social welfare ministry to offer counseling in employment and education, provided by retired educators or other individuals in the church as needed. The church also offers tutoring to high school drop-outs and adult education students through a local community college. But the level of expenditures (\$500 in 2000), number of volunteers, and numbers of participants (25 to 50) suggest the services are quite modest.

Similarly, a church in Pittsburgh (Case 1) received an endowment from a private individual to provide tuition scholarships to needy students for college or trade school. Another Pittsburgh church (Case 2) is the site for an English as a Second Language (ESL) program and a site for the Pittsburgh Lutheran Center for the Blind. The ESL program, first subsidized by the church and now funded with a small grant from a church in another state, offers two semesters of two classes per week and a language lab for adults who are principally spouses of foreign graduate students (most of whom eventually return to their home country). The Center for the Blind provides computer classes for a fee to a small number of blind individuals. A church in Baltimore (Case 2) provides a comprehensive program for refugees where employment assistance is a major component. The employment assistance consists of job search assistance, job counseling, and any supportive services necessary over a three-month period to help the refugees find and maintain employment. The program served four individuals in 2000.

At a somewhat higher level of service, a church in Pittsburgh (Case 1) offers computer training courses throughout the year and courses in how to build computers (mostly to young men). This program served approximately 80-100 individuals in 2000. A church in Ft. Worth

(Case 2) has developed a system within the church for matching individuals needing work with older parishioners needing homecare or household assistance. While this program developed informally, the social service director now receives two to three calls per week from parishioners needing assistance, although the actual extent of job creation or the duration of employment is unclear. The church also provides approximately 400 gas vouchers per year for individuals who need assistance in getting to work.

Some churches provide even more comprehensive services, but the number of participants and the level or intensity of service may still vary widely. For example, a church in San Diego (Case 1) contributes \$12,000 of congregation funds (they are currently exploring foundation support) to provide mentoring, using teams of volunteers and a small commitment of paid staff, to a small number (18 in 2000) of single mothers and their families, all of whom have been on welfare. The mentoring is done by phone or in person, and continues for as long as needed, sometimes six months to a year. Initially the church received referrals from the state welfare program (CalWorks), but it now receives referrals mainly from another service organization. Comprehensive services are also provided by a church in Baltimore (Case 3), which relies heavily on volunteers and served 1,200 individuals in 2000. Services include workshops on resume preparation, job search assistance, GED classes, life skills training, and vocational training. They also offer a range of supportive services including transportation to work, work clothing, and help with work expenses.

Table 2
Summary of Employment-Related Services Provided by Selected Congregations⁷

	Education	Job/Trng. Services	Support Services	Total Annual Expenditures	Number Served ⁸	Public Funding
Baltimore						
Case 1	X	X	X	\$500	25-50	None
Case 2			X	Minimal (refugee supp. up to 3 mos.)	4	None
Case 3	X	X	X	\$0 (in-kind, volunteers)	90-480 (1200)	None
Ft. Worth						
Case 1	X		X	\$0 (volunteers)	(100s) ⁹	None
Case 2		X	X	\$2,500	2-3 job referrals/wk	None
Case 3		X		\$140,000	30-300 (530)	None
Milwaukee						
Case 1	X	X	X	n.a. ¹⁰	10-200 (620)	None
Pittsburgh						
Case 1	X			\$8000 (tuition scholarships)	50-100 (100)	None
Case 2	X	X		ESL: \$2500	4-17 (21)	None
Case 3	X			n.a.	80-100 (100)	n.a.
San Diego						
Case 1		X		\$12,000	18	None
Case 2		X		\$1.1M	50-500	None

⁷ Total expenditures, funding sources, and participants served are for 2000. Education services include literacy training, English as a Second Language (ESL), adult basic education, GED/ high school diploma preparation, and related services. Job or training services include job search assistance, job or career counseling, job mentoring or job coaching, life skills training, work experience, and specific trade or customized job training. Support services include transportation, tools or clothing provided specifically to enable work, help with work expenses, legal assistance related to employment, and any other support offered specifically to help individuals get or keep jobs.

⁸ Indicates range of individuals served in each of several program components. Numbers in parentheses suggest maximum total if no individuals participated in more than one component.

⁹ Although 100s of individuals may receive services, these are limited and episodic access to bus tokens or clothing assistance.

¹⁰ Expenditure data not available, but church staff estimated that about two staff were directly engaged in providing employment- related services.

					(800)	
--	--	--	--	--	-------	--

Although expenditure and participation data were not consistently available, three congregation programs identified appear to be providing extensive services (brief profiles of each are presented on the following page). Richland Hills Church of Christ (identified on Table 2 above as Case 3 in Ft. Worth) provides weekly evening job fairs led by a deacon as a ministry within the church. Among the ministry activities, they also offer a 12-week course four times a year in financial planning and budgeting. About 300 persons participated in that course in 2000. In addition, they now have a social worker on site under the supervision of a church elder to provide case management to about 200 persons a year and are arranging short-term (ranging from 10 hours to two weeks) work experience opportunities for a small number of persons (30 in 2000) coming out of the criminal justice system or otherwise unemployed.

The Holy Redeemer Institutional Church of God in Christ (Case 1 in Milwaukee) operates several institutions within the church, including a social service agency that offers a range of employment services: 12-week on-the-job training (about 20 individuals received services in 2000) and vocational rehabilitation (20-30 in 2000); an 8-week life skills training course twice a year (about 30 received services in 2000); job mentoring/coaching services biweekly (about 200 individuals received services in 2000); GED/HS preparation and computer technology in partnership and paid for by a local junior college; and literacy and ESL (about 100 received services). It also provides bus tickets (to about 25 per year) and refers a small number of participants (10-20) to outside agencies for legal assistance.

Impact Urban America (Case 2 in San Diego) operated a \$1.1million program in 2000 providing services ranging from job readiness to job placement. The program is in its second year of implementation, with funding coming from community members and from employers with whom it makes temporary, transitional, or permanent placements. The program uses a model aimed at developing job and life accountability skills, and has partnered with the San Diego Housing Authority to apply the model.

Profiles of Selected Congregation-based Employment Programs

Impact Urban America, a self-described "faith-based social entrepreneurial organization," is a project of the **Maranatha Chapel**, a Christian non-denominational church in San Diego, California. It has developed a model that combines leadership training with job and life accountability skills and customer service, using a seminar format and follow-up derived from a well-known executive leadership training model, to help residents of low income urban communities prepare for and find jobs. It has partnered with the San Diego Housing Authority to apply the model within the context of the HUD-funded Self-Sufficiency program. In addition, the program develops temporary, transitional, and permanent placements with local employers. Employers pay salaries for temporary or transitional workers through the program, thereby limiting their own costs for a direct hire. Now in its second year of operation, the program had a budget of \$1.1 million in 2000, \$100,000 of which came through community member contributions and \$1 million was paid for by corporate placements. The project is a ministry of the Maranatha Chapel, the church provides no additional funds. In 2000, about 800-1000 persons received some type of service.

The **Richland Hills Church of Christ** in North Richland Hills, Texas, in the Fort Worth area, operates several ministries that offer a range of humanitarian assistance, some of which is explicitly employment-related. Their "Christian Career Network" is a deacon-led series of once-per-week evening workshops offering job search assistance. Job counseling is now offered as part of once-per-week job fairs. A social worker on site, under the direction of church elders, provides ongoing case management and served about 200 individuals in 2000. They also offer work experience, ranging from 10 hours to two weeks, to individuals coming out of the criminal justice system or otherwise unemployed. About 30 individuals received those services last year, including some who were referred from other churches in the area. Other services that may indirectly help with employment include their Crown Ministry, a course offered four times a year that teaches financial planning and other life skills in the context of biblical teachings. About 300 individuals took that course in 2000. They also operate clothing resale shops whose profits go to homes for battered women, and they offer gas vouchers to help individuals get to work. About \$140,000 was spent on employment and training-related services last year. All funds are raised by the congregation of about 2800 families (5000 individuals).

Holy Redeemer Institutional Church of God in Christ in Milwaukee operates several educational and social service programs sponsored by the church. Among the services they provide are job search assistance (weekly), job counseling, job mentoring and job coaching, an eight-week course twice a year in life skills training (about 30 received services last year), case management (about 50 received services in 2000), on-the-job training and vocational rehabilitation in 12-week segments (20-30 received services in 2000), and career advancement assistance, GED preparation and computer technology through workshops in partnership with a local junior college. Also, about 100 individuals received literacy training, a similar number received assistance in English as a Second Language (ESL) training, and GED/High School preparation assistance. In addition the program provides bus tickets (about 25 a year), referrals for legal assistance (about 20 a year) and, less frequently, tools or clothing for work (about 10 per year). The church has been providing employment-related services for about 10 years, with funds raised entirely by the congregation.

4. WORK-RELATED SERVICES PROVIDED BY FAITH-BASED NON-PROFIT ORGANIZATIONS

Telephone calls were also made to a select number of nonprofit organizations in each of the five cities. The organizations were identified through a search of an on-line telephone directory. Those listings in the categories “social services/welfare” and “employment and opportunities” that were presumed to be religiously affiliated (based on the name of the organization only) were identified. A non-scientific but fairly random group of nonprofit organizations in each of the five cities were called to ask (1) their religious affiliation (to verify whether or not they indeed are FBOs), and (2) whether they provide employment related services.

The results of these calls are discussed in this section, and Table 3 summarizes the types of organizations contacted, their sources of funds, and the nature of employment-related services they offer.

Types of Organizations

The entities contacted include some that are independent and some that are part of a larger social service or other organization. Similarly, in some of the organizations employment-related activities are part of a larger social service or faith mission, while in others, employment assistance is the principal purpose of the organization.

For example, some programs are part of larger multi-purpose social service institutions, such as Catholic Charities, St. Vincent de Paul, Lutheran Social Services, Jewish Family Services (and related organizations), or the Salvation Army. Others, while still multi-purpose, have single discrete facilities, perhaps supported by a church or a consortium of churches and therefore quite modest in size. Even programs that were part of larger social service organizations take

very different forms in different locations. Some are totally independent of the larger institution except for their receipt of funds and other resources, and others are programmatically quite connected. Since we were more concerned in this exercise to explore the nature of services being delivered, we cannot generalize about the magnitude of services or interconnections between the facility we contacted and the umbrella organization.

As noted in Table 3, many of the faith-based programs contacted are in shelters or transitional housing facilities, in which employment assistance might be one component of a broader humanitarian mission to assist homeless individuals or families become stabilized, or part of a considerably narrower mission to offer short-term emergency assistance. A program might house individuals for six months to a year, provide them with a range of social services, offer them in-house work experience, or full employment services to transition into independence. Or a program might be an emergency night shelter dealing with individuals with severe substance abuse or other challenges and less receptive to intervention, but the facility might still offer them small jobs within the shelter.

A much smaller number of faith-based programs contacted serve special populations such as refugees. A still smaller number are those whose sole mission is employment and training.

Table 3
Program Types, Funding Sources and Services Provided by Faith-Based Organizations

	BALTIMORE (n=8)	FT. WORTH (n=9)	MILWAUKEE (n=9 ¹¹)	PITTSBURGH (n=8)	SAN DIEGO (n=9)
Nature of Facility¹²					
Shelter, Transitional, Supportive Housing	3	3	1	3	4
Social Service Agency	2	6 ¹³	4	4	4
Program for Special Population	3		2	1	
Employment/Training Program			1		1
Public Funding¹⁴					
HUD	2	2	1	1 ¹⁵	2
DOL	1	1		2	1
FEMA				2	1
HHS			1		
State of Local	3	1		2	1
Other Federal	1	1	2 ¹⁶	1	2 ¹⁷
Any Public Funding	4	4	4	5	5
Nature of Services					
Comprehensive Mix of employment, educ/training, & support services	5	3	5	5	6
Basic Employment/ job search assistance	2	3	4	1	3
Education only	1				
Support only		3		2	

¹¹ Facility type uncertain in one case.

¹² Reflects the nature of the program at the site of interview.

¹³ One program may also operate a shelter.

¹⁴ Programs may receive funding from more than one source and therefore be counted in more than one cell. Five cases did not report on funding sources.

¹⁵ HUD emergency shelter funds, through city.

¹⁶ Uncertain federal funding source through state and city.

¹⁷ One program receives Community Development Block Grant funds, source of federal funds for other program not known.

Funding Sources

About half of the programs reported receiving some public funding for employment-related services, but less than half received federal funding. Of the 43 programs contacted, 22 receive some public funding, 19 of which receive federal funding. Funding typically comes from either the church or churches with which the program is affiliated or from foundations or private donations. The majority of federal funding reported (in seven of the programs) is from HUD, principally funds to support housing for the homeless. Five of the programs received funds from DOL, three from FEMA, two from HHS and six cited other federal sources, four of which were uncertain of specific sources (summarized in Table 3). Other public funding sources mentioned include state and local monies and could represent pass-through of federal funds about which the interviewee was unaware.

The HUD funding is principally from the McKinney Act and reflects the predominance of shelter and supportive housing in the sample. At least one program cited funding from HOPE VI, a program to revitalize the most distressed public housing and one which typically engages community-based organizations. The DOL funds were either not specifically identified other than as ETA grants, or were identified as "Welfare-to-Work" funds, although there is some uncertainty about whether these funds are from the DOL Welfare-to-Work Grant program or from other efforts related to TANF and welfare reform. One program was the conduit for the refugee resettlement program funded by the HHS Office of Refugee Resettlement and under which they and several other social service agencies delivered services in the city.

Nature of Services

The nonprofit FBOs contacted represent a variety of types of employment-related programs. As summarized at the bottom of Table 3, based on our very brief and informal

conversations, it seems that some of the programs provide just one type of service—such as remedial education, or basic job search assistance or short-term job preparation, or support services such as transportation assistance. Most contacted, though, provide what appear to be a more comprehensive mix of services designed to improve employability and which include not only job search assistance and job placement, but also training or education as well as supportive services. The comprehensive programs, for example, might include a range of employment preparation services, such as life skills or job readiness training, accompanied by remedial education and/or support services such as transportation or clothing.

The general categorization of types of services in Table 3, does not reflect a sense of the magnitude of the programs, however. Although we asked for estimates of the number of individuals receiving services last year, that information was not consistently available for this study.

5. CONCLUSIONS

Faith-based organizations, both religious congregations and nonprofit service providers, have been delivering a variety of social services, sometimes including employment-related services, for many years. Some of these organizations are attached to congregations, some are community-based organizations, and some are affiliated with national social service organizations. One question on the minds of many policymakers concerns understanding better the potential for expanding the role of faith-based organizations in providing social services, and, for the purposes of this report, specifically in providing employment-related services. This study explores the nature of current participation of congregations and faith-based organizations in the provision of employment-related services in order to contribute to the policy discussions.

General Findings

Congregations. Although many congregations provide limited humanitarian assistance that may help in employment—such as job postings, clothing, or occasional transportation—most that we contacted do not provide programmatic or extensive services for employment-related needs of church or community members. Except in two cities (Ft. Worth and San Diego), the majority do not provide even limited employment assistance. Of the one to three, usually large, congregations in each of the cities that do provide substantial programmatic employment-related services, none operate these services with public funds. Rather, most use funds raised directly by the congregation, or in some cases from private charitable foundations. Whatever the funding source, the numbers served in these programs are also generally quite limited, ranging from under 10 to a little over a thousand in the largest program in the most recent year.

Nonprofit Faith-based Organizations. Many faith-based social services organizations, whether independent or local affiliates of national networks, do provide employment-related assistance. Characteristically the assistance in the programs studied was one component of a broader array of services; few programs were devoted solely to employment and training services. The numbers served in these programs were also often limited, although about one-quarter of the programs contacted served over 500 in the year 2000.

Workforce Investment Act and Other Public Funds. About half of the programs that we contacted received public funding. Of those that received federal funding, that funding was more likely to come from HUD to support services for the homeless than from other sources, including DOL through Workforce Investment Act or Welfare-to-Work grant programs. Consistent with those findings, WIA funding for faith-based organizations in the areas studied represented only a small portion of the local workforce investment agency's total contracting activity (less than 10 percent of total funding, and often for relatively small contracts to a small number of organizations). Though public funds and especially WIA funds are not typically supporting employment-related services provided by FBOs, local workforce investment agencies in the areas studied frequently work collaboratively with the faith-based community in recruitment and referral of individuals and in providing supportive services to complement workforce development services. There is some indication that local workforce investment agencies may expand the participation of faith-based organizations in the near future.

Magnitude of FBO Employment Service Activity. Because this is an exploratory study, involving only brief discussions with staff who were available at the time, and because the sample of FBOs is not scientifically representative, we cannot provide precise estimates of the magnitude of services or service levels provided by FBOs in the cities studied. But to provide some sense of the possible magnitude of FBO activity, we have attempted to develop a range of estimates, as presented in Table 4, based on the information compiled and using different explicit assumptions.

To estimate the spending of all congregations on employment services in a city, we applied the percentage that provided employment services to the total number of congregations on the American Church Lists. For a conservative estimate ("Low Estimate" in Table 4), we assumed that congregations would spend on average \$1,000 per year¹⁸ and therefore combined the spending identified in the congregations contacted with \$1,000 for each of the remaining congregations to arrive at an estimate of total spending among all congregations. To produce a high estimate, we used the same extrapolation but included one congregation at a \$50,000 annual expenditure.

To estimate spending by nonprofit FBOs, we applied the percentage that provided employment services of all those contacted in the city to the total number of nonprofits presumed to be faith-based in that city. We then assumed that half of those organizations spend \$10,000, 42 percent spend \$100,000, and the remaining 8 percent spend \$1 million a year on employment-related services.

To produce the estimates of total spending on employment and training from local workforce investment agencies (WIAs) and WtW grantees that appear in Table 4, we combined the estimates of congregation and FBO spending with our estimates of allocations to FBOs made from WIA and WtW sources.

The detailed estimates for each of these calculations appear in Table 4. A very rough sense of the magnitude of FBO provision of employment-related services emerges. It suggests that local spending on employment services by congregations and nonprofit FBOs might range from perhaps \$2.4 million a year (low estimate for Baltimore) to as much as \$6.9 million a year (high estimate for San Diego). To put this in perspective, the level of spending by congregations and FBOs, largely not currently supported by public funds, is an amount equivalent to under 10

¹⁸ Congregations providing substantial services, noted in Chapter 3, often spent minimal or no direct funds.

percent (in Baltimore) to a little over 20 percent (in Pittsburgh) of the public funds spent in these cities on WIA and WtW activities.¹⁹

Table 4: Rough Estimates of Magnitude of Spending for Employment-Related Services by Congregations and FBOs in Five Cities (Year 2000)

Estimates and assumptions	Baltimore	Ft. Worth	Milwaukee	Pittsburgh	San Diego
CONGREGATIONS					
Approx. #	1200 ²³	900	700	700	600
Approx. % with substantial ²⁰ employment-related services	15% (180)	15% (135)	5% (35)	15% (105)	10% (60)
Spending On Empl. Services <i>Low Estimate</i> ²¹	\$177,500	\$274,500	\$84,000 ²⁴	\$112,500	\$1,170,000
Spending On Empl. Services <i>High Estimate</i> ²²	\$226,500	\$323,500	\$133,000	\$161,500	\$1,229,000
NONPROFIT FBOs (non- WIA) ²⁵					
Possible # with empl. services	16	15	17	15	15
Spending On Empl. Services (Non-WIA) (assumes 50% spend \$10,000; 8% spend \$1 million; 42% spend \$100,000)	\$1,962,000	\$1,905,000	\$2,169,000	\$1,905,000	\$1,905,000
APPROX. WIA \$s TO FBOs	\$300,000	\$144,000	\$36,000	\$1,800,000	\$3,600,000
% of all WIA \$s	1%	1%	1%	10%	6%
APPROX. WtW \$s TO FBOs (non-WIA)	0	0	\$147,577	0	\$147,577

¹⁹ This percentage does not capture funds spent on employment and training-related services by FBOs that derive from all public and non-public sources, but is simply meant to provide some perspective on the magnitude of spending by congregations and FBOs for employment-related services in comparison with total WIA and WtW spending.

²⁰ As defined in Chapter 3.

²¹ Dollars identified + \$1,000/per congregation times remaining number of congregations assumed to provide employment services.

²² Dollars identified + 1 more congregation at \$50,000 + \$1,000/per congregation times remaining number of congregations assumed to provide employment services.

²³ Possible inclusion of surrounding county may be responsible for larger number relative to other cities studied.

²⁴ Imputes \$50,000 for church program for which no expenditure estimates were available, using estimates of number of staff providing services.

²⁵ In order to estimate the number of FBOs in each city that provided employment-related services, the percentage who provided employment services of all those contacted was applied to the total presumed to be faith-based.

TOTAL SPENDING BY CONGREGATIONS AND FBOS					
<i>Low Estimate</i>	\$2,439,500	\$2,323,787	\$2,436,577	\$3,817,500	\$6,822,577
<i>High Estimate</i>	\$2,488,500	\$2,372,787	\$2,485,577	\$3,866,500	\$6,881,577
TOTAL WIA, WtW, and other misc. E/T funds	\$33,419,931	\$26,495,077	\$26,420,441	\$17,981,382	\$56,899,822

Outstanding Issues

There is heightened interest on the part of the Bush Administration, the Congress, and some local workforce development boards to engage faith-based organizations more fully in providing publicly-funded social services. There is also interest on the part of some faith-based organizations to participate more fully in assisting individuals in employment-related and other social services and to use public funding to help support those efforts. The discussion is drawing sufficient attention that the governing bodies of several national religious organizations are reexamining the tenets and conditions under which they would receive or continue to receive public funds. While this study is exploratory, the findings suggest a number of important questions that need to be addressed in order to understand appropriate directions for expanded support of faith-based efforts in employment and training. These questions include:

- What is the level of interest of faith-based organizations in expanding their services or receiving public funding under public rules?
- What is the capacity of congregations or other faith-based community organizations to expand their services?
- What sorts of services are faith-based organizations best suited to deliver: how does the effectiveness of current FBO services and service models compare to current federally-funded programs providing such services?

The mission of many local organizations, including FBOs and especially local congregations, is to provide highly flexible, often low cost, responses to local needs. Many such organizations have relatively little experience in the formal contracting requirements, financial

tracking, and caseload tracking, including outcomes, required to meet audit requirements of federal, state, and local programs. Some could easily make the adjustment; others might find it difficult to focus on outcomes and maintain the character of their mission. In addition, our conversations suggested that some organizations who are faith-based but whose programs have no religious content may still resist the oversight over content that federal participation might entail.

Our conversations with local administrators and faith-based organizations suggest that there is likely widespread need for technical assistance in conjunction with potential federal funding for these organizations. As with many first time federal grantees, adjustments will need to be made to fulfill federal reporting requirements. Federal and state governments may need to look for ways to help interested organizations build the necessary internal organizational capacity, both from the standpoint of building effective service delivery systems and safeguarding expenditures of public funds.

APPENDIX A: FAITH-BASED ORGANIZATIONS RECEIVING WELFARE-TO-WORK GRANTS

In addition to federal funds through WIA (and previously, JTPA), the Welfare to Work (WtW) grants represent a fairly large source of funding for communities and workforce boards. Grantees received WtW funds between 1999 and 2000, and were allowed three years in which to spend those funds (later extended by Congress to five years). Seventy-five percent of the \$3 billion Congress authorized for WtW grants was distributed by formula to states, which in turn must distribute 85 percent to local workforce boards or, in a few instances, to other sub-state organizations. Local boards operate programs with the grant funds or, more typically, contract with service providers to operate separate programs or deliver particular services. This means local boards may contract with FBOs for WtW services, just as they do for WIA services.

The other 25 percent of WtW funds has been distributed by DOL competitively, based on applications submitted by nonprofit organizations, public agencies, workforce boards, and consortia of various entities. About \$40.3 million in WtW competitive funds nationwide were distributed directly to faith-based organizations, of the total \$383 million total competitive grants allocated, representing about 11 percent of the total competitive grant amount. The twelve faith-based WtW grantees, most of which are nonprofit organizations affiliated with a house of worship, are:

- DePaul University, Chicago (\$5,000,000) (Jesuit)
- Benedict College, Columbia, South Carolina (\$4,771,156) (Baptist affiliated, Historically Black College)
- Vorhees College, Denmark, South Carolina (\$1,990,859) (Episcopal affiliated, Historically Black College)
- Bethel New Life, Chicago (\$2,739,506)
- Catholic Social Services of Albuquerque, Inc. (\$1,351,541)
- Catholic Charities of Los Angeles (\$3,037,423)
- International Association of Jewish Vocational Services (\$4,204,777) (multi-site grantee)
- Catholic Community Services of Southern Arizona (\$1,978,125)
- So Others Might Eat, Washington, DC (\$963,865)
- St. John the Baptist Roman Catholic Church/North Brooklyn Coalition for Welfare Reform and Economic Development, New York City (\$2,926,751)
- Catholic Social Services, Charlotte North Carolina (\$1,086,006)

APPENDIX B: WORKFORCE DEVELOPMENT BOARDS' CONTRACTING WITH FAITH-BASED ORGANIZATIONS

<i>Board</i>	<i>Service Area</i>	<i># of FBOs Contracted</i>	<i># of FBO Contracts</i>	<i>Total Value of FBO Contracts</i>	<i>Program Sources Contracted to FBOs</i>	<i>Board's Budget Related to E & T</i>	<i>% of Board's Budget Contracted to FBOs</i>
San Diego Workforce Partnership Board	San Diego Co. (incl. San Diego)	3	5	\$3,568,880	WtW, Youth Opportunities	\$56,437,345	6%
Mayor's Office of Employment Development	Baltimore City	1	1	\$300,000	WtW	\$33,000,000	1%
Three Rivers Workforce Investment Board	Allegheny Co., (incl. Pittsburgh)	11	15	\$1,768,706	WIA (Adult, Youth, DW) WtW	\$16,947,428	10%
Tarrant County Work Advantage Board	Tarrant County (incl. Ft. Worth)	3	3	\$144,287	TANF (CHOICES)	\$26,995,077	1%
Private Industry Council of Milwaukee County	Milwaukee Co. (incl. Milwaukee)	1	2	\$35,855	JTPA-Adult, Older Worker	\$25,400,000	0%
Totals		19	26	\$5,817,728		\$158,779,850	4%

Note: Data are for period 7/1/2000-6/30/2001, except for Tarrant County (9/1/1999-8/30/2000) and PIC of Milwaukee County (7/1/1999-6/30/2000).

**APPENDIX C: NUMBER OF CONGREGATIONS IDENTIFIED THAT PROVIDE
EMPLOYMENT- RELATED SERVICES, BY CITY**

	Large Congregations	Small Congregations
Baltimore	2 (n=10)	1 (n=9)
Ft. Worth	3 (n=11 ²⁶)	0 (n=10)
Milwaukee	1 (n=10)	0 (n=9)
Pittsburgh	1 (n=10)	2 (n=11)
San Diego	2 (n=10)	0 (n=10)

Informal discussions indicated that the following congregations provide employment-related services:

Baltimore: Concord Baptist Church
Bethel A.M.E.
St. Stephen United

Ft. Worth: First United Methodist Church
Richland Hills Church of Christ
St. John the Apostle

Milwaukee: Holy Redeemer Institutional

Pittsburgh: First Trinity Evangelical Lutheran
Monumental Baptist
St. Thomas More Church

San Diego: First United Methodist Church

²⁶ Includes one church identified in the sample of faith-based affiliated organizations.

APPENDIX D: NONPROFIT FAITH-BASED ORGANIZATIONS

Informal discussions were held with the following nonprofit FBOs, which indicated that they provide employment-related services.

Baltimore: Spanish Apostlate; Young Christian Workers; Salvation Army; Christopher Place; St. Ambrose Family Outreach; Payne Memorial Outreach; Brown's Memorial Church Shelter

Ft. Worth: Eastside Ministries; Catholic Charities; Bread Basket Ministries; Northside Inter-Church Agency; Presbyterian Night Shelter; Cornerstone New Life Center; Restoring Hope Center; South Central Alliance of Churches; Salvation Army

Milwaukee: House of Peace; Holy Family House; Catholic Charities Archdioces; Islamic Family and Social Services; Service Empowerment and Transformation (SET) Ministry; Milwaukee Christian Center; Salvation Army; Jewish Family Services; St. Vincent de Paul

Pittsburgh: Holy Family Institute; Jubilee Kitchen; Northside Common Ministries; St. Vincent de Paul; St. Joseph's House of Hospitality; Salvation Army; Light of Life Ministries

San Diego: First Step Ministries; Catholic Charities; Mid City Christian Service Agency; Center for Urban Ministry; Uptown Interfaith Services; Lutheran Social Services; San Diego Rescue Mission; St. Vincent de Paul; United Jewish Federation