UTAH’S CHARITABLE ORGANIZATIONS FACE WELFARE REFORM:

Concerns of Charitable Leaders

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UTAH'S CHARITABLE ORGANIZATIONS FACE WELFARE REFORM: Concerns of Charitable Leaders¹

INTRODUCTION

On August 22, 1996, President Bill Clinton signed into law the most significant welfare reform legislation in three generations, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This legislation is having greater impact on charitable organizations than any Congressional action in recent memory. Congress acknowledged that the Act left gaps in service provision and made clear its intent that the charitable sector would be expected to assume a greater role in meeting the needs of the poor. The Act was met with wide acclaim from many Americans who were frustrated with the traditional welfare system. It also prompted trepidation and dismay from those who feared the dissolution of the "safety net" and the concomitant uncertainties facing America's poor. At the much-publicized signing of the Act, President Clinton acknowledged that it was not perfect. Promising to amend it in the future, he nonetheless hailed the reform as the "end to welfare as we know it."

PRWORA devolves to the states major responsibility for aid to families with dependent children and imposes limitations on the receipt of various types of public assistance. Replacing the entitlement provisions for financial assistance with time-limited assistance, the new program is expected to compel the poor increasingly to turn to religious and community social service organizations for help.

Headlines in the news media are increasingly reporting the apparent success of the sweeping 1996 welfare reform legislation, adding to the popularity of this policy. President Clinton, in his radio address to the nation on April 10, 1999, hailed the dramatic drop in welfare rolls in the States (Kamen, 1999). Nationwide, welfare recipients are leaving the welfare rolls in record numbers, including in Utah (Salt Lake Tribune, 1998). Indeed, cases of single mothers on welfare, successfully entering the workforce, are being heralded—and are to be applauded. Furthermore, recent reported comments of two presidential hopefuls, Governor George W. Bush of Texas and Vice-President Al Gore, emphasize the role of charitable institutions in providing welfare services for those in need. Both campaigns are on record as advocating for increased government funding to religious organizations, calling for, in Gore’s terms, a “New Partnership”

¹ This paper was presented at the annual meeting of the Association for Research on Nonprofit Organizations and Voluntary Action, November 5, 1999, Crystal City, VA. The author expresses appreciation to Sara McCormick, Shirley Weathers, Bill Walsh, and Hillary Diamond for their participation in this research effort. Special thanks go to Victor Brown for his valuable suggestions. This project is funded by the Utah Department of Workforce Services.
between church and state. According to the July 23, 1999, *Dallas Morning News*’s front-page article, Governor Bush’s position is that “billions in public resources should be funneled to religious groups and charities to help the sick and the needy” (Hoppe, 1999; see also Neal, 1999). Vice-President Gore’s campaign advocates a magnified role for faith-based organizations, in meeting social needs (Connolly, 1999).

However, as newspapers widely report welfare reform to be a success, and politicians capitalize on the heightened role of charitable organizations in social policy, Utah’s charitable leaders are not convinced. While charitable organizations would like nothing more than to help all in need, many are voicing alarm at what their institutions are currently experiencing, even during exceptionally strong economic times for the state. County human services officials echo their concerns.

This paper reports research findings relating to the capacity of Utah’s charitable organizations to meet the needs of the poor. Specifically outlined in this report are the concerns of charitable leaders with regard to their heightened social service delivery role--a role which can only increase as Utah’s lifetime limits are imposed, beginning December 31, 1999. According to the Utah Department of Workforce Services, over 151 Utah families reached their lifetime limits on that date, followed by an average of 116 new families facing the end of their eligibility every month thereafter. The first wave of families includes over 412 children.

While the assessment of welfare policy by charitable leaders has some variation, there is a strong common response to this key public policy issue in Utah. These findings are derived from qualitative data collected in interviews and focus groups held statewide. The quantitative data regarding the actual capacity of the charitable sector to meet the needs of the poor are being collected at the time of this writing.

This study adds to a rapidly growing body of research regarding the interrelationships of welfare reform and social service nonprofit organizational capacity in the States. Some, like the Urban Institute’s study of congregational capacity in the Washington, D.C. metropolitan area, focus solely on religious congregations (Printz, 1999). Others, such as research by the Boston Area Academics Working Group on Poverty, collect information from community agencies, excluding congregations (Withorn and Jons, 1999). The research effort on which this report is based, addresses both faith-based and nonfaith-based efforts, but carefully identifies distinctions and commonalities among these organized efforts.

Aside from the significant national welfare policy context, another important context to this research is that Utah is a religious capital. Dominated by a major religious organization, the issues for Utah become increasingly complex. Utah is a unique setting for examining the impact of welfare reform and provides a case study for the heightened role of religious institutions as welfare policy changes. Utah is the home of one of the fastest growing religious denominations in the nation, the Church of Jesus Christ of Latter-day Saints (LDS). The Mormon welfare...

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2 This figure has been rapidly dropping since the summer of 1999, when this report was first drafted. Originally at 800, impacting over 1600 children, the number as of December 31, 1999 was considerably less, as stated. There is strong evidence that families, as time limits drew closer, chose to “bank” what few months they had for harder times ahead.
program has garnered wide attention since its inception during the Great Depression (Mangum and Blumell, 1993); this program is vigorous in spite of the political conservatism that characterizes the state. The other religions located in Utah are exceptionally strong, as well.

Throughout Utah the LDS Church provides welfare assistance through its bishops primarily to its own members (approximately 70% of Utah’s population), occasionally to people not of its faith, as well as to community agencies through its Humanitarian Service organization. Assistance includes food, equipment or supplies such as furniture and bedding, and occasionally, funds. The church’s policy of caring for its members means that as needs increase, the LDS system is expected to expand its capacity. For this reason it is accurate to say that LDS Utah residents who choose to approach their church can reasonably anticipate being taken care of, in accordance with LDS principles and procedures. Obviously those LDS residents who do not choose to apply to the church may turn to other charitable institutions for help.  

In the following sections, a description of key welfare reform provisions in the national policy, and in the Utah implementation, is provided. Further, the types of charitable institutions studied are described. Then the methodology and findings are presented, followed by conclusions and implications.

**PROVISIONS OF WELFARE REFORM AND IMPLEMENTATION IN UTAH**

Briefly, there are five key differences between the old welfare system and the new welfare system under PRWORA. First, the federal financial commitment to welfare programs has been reduced and block-granted to the states. While primary responsibility is devolved to the states, the federal government maintains some regulatory involvement. Second, welfare assistance is no longer an entitlement to the poor, as it was under Aid to families of Dependent Children (AFDC). Now AFDC is replaced by Temporary Assistance to Needy Families (TANF), as welfare programs have become work-based.

The third key difference in AFDC and PRWORA is that now families in need have a 60-month federal lifetime limit on the receipt of TANF assistance, with the states empowered to choose lower limits. The 60-month limit was adopted by 34 states; the 26 other states have a range of 12-48 month limits. Utah has adopted a 36-month limit, which began to be imposed on December 31, 1999. The law permits 20% of the caseload to be exempted from the life-time limits due to hardship, e.g., where specified medical conditions or domestic violence exist, where the parent is under age 19, or where other special conditions are demonstrated. In Utah, families may be extended on a month-to-month basis. However, it is not known whether twenty-percent will be sufficient over time, especially as the total caseload comes to be increasingly dominated by more difficult situations.

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3 Single mothers may find it difficult to speak with any male clergy, especially if the women, in their past, suffered abusive treatment from men. It may be the case that single mothers of various faiths are at risk in the charitable system when they must seek help through men. This dynamic merits further investigation.

4 There are two notable exceptions: New York State is the only state whose constitution mandates care for the poor; thus after New York’s federal assistance expires, the State is bound constitutionally to care for those in need. Second, the state of Michigan has opted to take responsibility for the poor after the federal limits expire.

5 An important exception to time limits is provided for Native American reservations. If the unemployment rate is over 50%, then the time-limit provision of PRWORA does not apply. In Utah, both the Navajo nation and the Utes
Fourth, for the first time in the history of our nation’s welfare programs, the economy is a major factor in welfare assistance, as the presumption is that many will leave welfare for secure jobs. Reflecting this welfare-to-work emphasis, Utah’s state agency responsible for administering TANF funds and other assistance programs for the poor is the Department of Workforce Services (DWS). The DWS mission is two-fold: to assist workers in finding jobs, and to administer the Family Employment Program (FEP), Utah’s TANF program. Fortunately, Utah’s economy has been showing exceptional strength and growth; this is expected to continue until 2002, the year of the winter Olympic games, and also the end of the four-year Interstate15 reconstruction (currently the most significant highway project in the nation). Indeed, Utah welfare recipients are now leaving welfare for work in record numbers. The number of cases on the welfare rolls has dramatically decreased. What is strongly suspected in Utah, as in the rest of the nation, is that many who leave welfare rolls are joining the ranks of the working poor.

Finally, and significantly for this research, there is clear expectation in the law--expressed by the Congress—that charitable organizations would fill in the gaps of social service provision. The Charitable Choice section of PRWORA allows religious institutions to apply for government grants to provide welfare assistance; however, like their counterparts nationwide, most religious leaders in Utah were unaware of this clause and those who were made aware of it, shunned its use (Moore and Williams, 1999). While the Charitable Choice provision may constitute a “model of change” for cooperation between church and state (Sider and Unruh, 1999: 49), some legal scholars question its constitutionality (see Weaver, 1997). Also some have expressed concern that this relationship may in fact advance a great long-term detriment to the poor. Governments by law cannot discriminate on the basis of race, religion, and so forth, but these same anti-discrimination laws do not apply to charitable organizations (Van Biema, 1995). If charitable responsibility for the poor is accelerated as government responsibility lessens, the inevitable “gap” in services to the underclass, that afflict even the best of programs, may indeed widen considerably, negatively impinging on more families and children.

Currently, what all of these new welfare changes mean is that as the role of governments to assist those in need decreases, the pressure on charitable organizations to fill this role increases. It is important to note that this is not the case due to an edict, shall we say, of government policy makers; this is the case precisely because of the long-honored role of these organizations in our society. In modern society, both in the United States and abroad, for hundreds of years direct service charitable organizations have been rendering assistance to those in need. Many of these organizations do so with great effort and sacrifice by staff and volunteers. For the most part they are not resource-rich institutions; they rely on the good graces of contributors and funders. Many of these organizations struggled to meet unmet needs during the past half-century of the federal welfare entitlement program. Now they face a major policy effect, and many local leaders are caught unawares.

have unemployment rates in excess of 50%. However, the Ute reservation is a “checkerboard” reservation, rather than being an uninterrupted stretch of land, as is the case with the Navajo. In the case of checkerboard reservations, federal law requires that the unemployment rate for “Indian country”—that is, including nonIndians in surrounding counties—be over 50%. Thus, even though records of the Utes show their unemployment rate to be 77%, they remain subject to the time limit provisions because unemployment for nonIndians in the area is less than 10%. Hence, as of this writing, negotiations are taking place between Ute leaders and Utah state officials. See Romboy, 2000.
In the state of Utah, welfare assistance is a state function; however, there are county human services agencies. While this report includes some reference to findings from counties, as appropriate, the immediate interest of this study is the concerns of charitable institutions. We now turn to a description of those institutions.

**TYPES OF CHARITABLE INSTITUTIONS STUDIED**

By charitable organizations I refer to all nongovernmental organizations (faith-based and nonfaith-based) rendering direct service to those in need. Included are religious institutions and congregations as well as community-based nonprofit organizations. The charitable sector represents a widely diverse group of organizations that differ along a myriad of variables, including approaches, interests, resources, and primary missions.

In this research we examine the capacity of three types of charitable organizations, as follows. The first category consists of social service non-profit organizations, such as the Utah Food Bank. This category includes those affiliated with religious organizations but whose primary role is the delivery of social services, such as Catholic Community Services. Leaders of these organizations are very aware of public policy changes that affect them; they often have a staff of paid individuals and volunteers who follow legislative activities and engage in advocacy efforts, as well as providing needed services. Their funding is from a variety of sources; they tend to keep accurate records of services provided and to whom. For these organizations, social service delivery is their fundamental defining priority.

The second category consists of religious congregations headed by professional clergy. For these organizations, religious purposes are their major endeavor; clergy are full-time and have some recognized training. Welfare and social policy are not their prime function. They want to help others and wish for their congregational members to help, as well. Some leaders of smaller congregations, not affiliated with a strong centralized denomination, feel that they are responsible for aiding the poor and that the government should not be involved. As one clergy stated, “Church members should be taking care of each other’s needs, rather than the government doing it.” Many religious leaders share the basic philosophy that, although they appreciate the help government gives to those in need, “we have a responsibility to take this on.”

For the most part, they keep few records regarding helping those in need. In fact, some point out that considerable help that congregations give emerges spontaneously from members, and that the clergy actually will know little about what is happening. Yet they worry that their capacity will not meet all the need.

The third category consists of congregations (or wards) of the Church of Jesus Christ of Latter-day Saints (LDS). Like the second category, religious purposes are their major endeavor. However, unlike the second category, these congregations are headed by part-time lay-leaders, or bishops, whose primary responsibilities are their own families and career endeavors. They hold full-time jobs elsewhere. Like their counterparts in the second category, some LDS bishops feel that they should take care of the poor and favor minimal government involvement; other bishops, however, take the position that more referrals to government programs and nonprofit
organizations are needed. Like other religious congregational leaders, bishops point out that considerable help is offered among members of the congregation, and that bishops do not track the assistance being rendered. Unlike other religious leaders, LDS bishops do not concern themselves with fundraising and with funding resource limitations when it comes to serving those in need. The LDS Church, a centralized religious institution, collects offerings from congregational members to distribute worldwide, through the bishops, according to need. The resource of concern to LDS bishops is the time required to assess and respond to the needs of families and individuals requesting assistance.

Three distinct types of charitable organizations have been described, each with their own unique responses to welfare reform. It is clear, however, that as these leaders are feeling the impact of policy change, their concerns are mounting. We now turn to the research project itself and to the methodology used for this study.

RESEARCH PROJECT AND METHODOLOGY

In late 1997, just over a year after signing of PRWORA into law, the Center for Public Policy and Administration (CPPA) at the University of Utah embarked on a major research and partnership-building initiative to consider how the new law would affect charitable organizations in Utah. Our efforts are not prompted by scholarly issues; instead, and appropriately, they are in response to an expressed need by a concerned humanitarian. A prominent religious leader who serves on a CPPA advisory board suggested this undertaking. He was concerned because charitable organizations were experiencing increasing requests from the poor in a strong economy and well before the imposition of time limits. Furthermore, it was clear that charitable organizations would benefit from understanding what welfare reform might mean for them. Government agencies and policy-makers stand to gain from this understanding, as well. The Welfare Reform Initiative (WRI) thus was designed to assist the charitable sector in its expanded social service role. Initial funding support came from religious and humanitarian organizations. The initiative is now a multi-year effort, consisting of research efforts and partnership-building among charitable and government institutions.

The assessment of the ability of charitable organizations to meet the needs of TANF-eligible families and others is being conducted under a grant from the Utah Department of Workforce Services. Both qualitative and quantitative data are being gathered for analysis; only the qualitative data are reported here. In addition, under a grant from Salt Lake County Government, qualitative data have been collected from local government officials throughout the state in order to assess any unintended consequences of welfare reform on counties.

In order to expedite agency efforts, the Utah Department of Workforce Services divides the state into five regions, each headed by a regional council of community, business, and DWS leaders. Focus groups were conducted in each of the regions. While the manifest purpose of the focus groups was to gather information, it was clear to researchers that the groups would also serve an educational function, alerting participants, as needed, about the policy changes.

Six focus groups consisting of charitable leaders were conducted; the additional focus group was held in the heavily populated Salt Lake City region. A total of 46 charitable leaders
attended these sessions; in addition, six interviews were conducted with religious leaders. It should be noted that in conducting separate but related research, five focus groups of county officials were conducted to ascertain the impact of welfare reform changes on county governments in Utah. A total of 29 county leaders attended those focus groups. The concerns expressed by human services directors and other social service county leaders fundamentally mirrored and reinforced what we were hearing from charitable leaders.

Charitable leaders attending the focus groups were mailed a draft of the survey to be used in the quantitative data collection. They were invited to critique it and come to the meeting with suggestions. Responses to the survey made it clear that all charitable leaders did not relate to the one instrument; thus three separate instruments have been developed for the quantitative data gathering: one for each of the categories of charitable organizations mentioned above. While there is considerable overlap among the instruments and with the Urban Institute instrument, the three versions enable researchers to tailor the questions to the various organizations being studied.

The survey contains questions regarding types of social services provided; service capacity: waiting lists and so forth; collaborations with other organizations; funding for programs and services; characteristics of clientele; increases or decreases in demand experienced; and strategies planned if demands outstrip capacity. The discussion of items on the survey thus prompted considerable discussion and information sharing among focus group participants.

In these separate meetings with charitable leaders and county officials, researchers learned about increases in requests for help in the years since welfare reform was implemented, and the concerns of the charitable sector and local government. It also appears that county human services are experiencing increased requests, as an additional outgrowth of welfare changes, and many are anticipating even greater impacts. At the same time, it appeared that prior to the focus groups, county commissioners had regarded welfare issues as a state challenge; as a consequence of participating in the focus groups, these officials became very aware of county impact. We turn now to what Utah’s charitable leaders reported in the focus groups.

**CONCERNS OF CHARITABLE LEADERS**

Charitable leaders in Utah, as an aggregate, express substantial concern about welfare reform. The heads of nonprofit social service organizations, for the most part, are keenly aware of the provisions of PRWORA and of the sweeping changes; they easily foresee the consequences for their organizations and for the poor. They were anxious to meet with researchers to discuss what their organizations were experiencing.

Like the leaders of nonprofit social service organizations, some congregational leaders also expressed strong concerns. These leaders tended to be from major denominations (Catholic, Episcopal, Jewish, LDS), or from large minority urban churches. Some of them referred to the Utah State legislature as very “mean-spirited” with regards to the adoption of welfare changes.

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6 The survey distributed at that time was developed at the Urban Institute regarding service and capacity of religious congregations in the metropolitan Washington D.C. area (see Urban Institute, 1998).
Citing mistakes of DWS caseworkers and their attempts to educate them regarding key eligibility requirements, these clergy expressed the view that as long as their church would have to make up for the mistakes of government caseworkers, then they have a right to oversight of the agency. The extent to which these leaders, including some LDS bishops, had kept up with the welfare changes was mixed; for some their alarm was prompted by what they saw happening to those in need.

In contrast to their counterparts described above, some of the smaller independent congregational leaders, as well as a few LDS bishops, expressed strong support for the new welfare policy and welcomed the changes. They view the AFDC entitlement system as promoting dependency and diminishing self-esteem. They reason that efforts to help those in need are most appropriately designated to religious institutions, as service to others is the prime goal of religion. Some pointed out that there are many benefits to the congregation for members to be involved helping others. However, these leaders still expressed deep concern about capacity issues. Ministers pointed to their efforts to collaborate with other churches in setting up emergency funds at the local Sheriff’s office; LDS bishops pointed out that the capacity of bishops’ storehouses and canneries of the LDS Church in Utah are apparently being increased.

In sum, in spite of the diversity of views regarding the proper role of government to meet the needs of the poor, and their differences with regards to their views of welfare reform, charitable leaders expressed strong concerns regarding welfare reform’s impact in Utah. Their expressed concerns fall into four categories: 1) Organizational Capacity; 2) Those in Need; 3) Consequences of Implementing the New Welfare Policy; and 4) Miscellaneous Concerns. We now turn to a discussion of these areas.

**ORGANIZATIONAL CAPACITY CONCERNS:**

**Demands:** Many charitable leaders are noting heightened demands for services during an exceptionally strong economy and before the first wave of families have time limits were imposed on December 31, 1999. News media reported that the Utah Food Bank and other food pantries experienced an increase of over 30% in demand in 1999 over 1998. Other Utah charities report similar levels of increases; numbers for assistance in June and July were very high in all basic services.

One nonprofit immediately connected lack of affordable housing as the root of many problems. This congregational leader in an upper middle-class area of the city noted that requests overall had actually decreased over the past year; however, he attributed that to the demographics of his congregation. He noted, however, that those he sees are more destitute, presenting more complex situations, and requiring more time and assistance. Of the counseling time he spends with individuals in a given week, about one-third, or eight hours, is devoted to welfare issues.

Leaders in our focus groups made it clear that charitable providers have been able to manage some emergency assistance, but definitely are not able to replace government financial assistance. “Providing emergency food or transportation money are important, but that alone won’t do it.” These leaders asserted that congregations cannot be expected to take up all of the slack in government assistance. One suggested that, “Congress engaged in ‘unfounded optimism’ when they suggested that we could. Many unanticipated problems will emerge, but
poor families will pay the costs.” A minister pointed out that, “Churches will be likely to continue to provide charity (help such as food assistance), but we can’t provide what people need to become self-reliant and therefore the problems will not be solved.” He went on to call for political activism on the part of clergy: “Under capitalism the poor don’t participate—that’s the problem—therefore we need to address the political situation at hand. Most religious issues have political implications and vice versa. Churches and charitable organizations can work together to press the political changes that are needed.”

Respondents in the focus groups also pointed out that many people do not attend any kind of church, and thus may be unlikely to come to churches for help. When people do approach clergy for help, there may be issues. For instance, accessing welfare needs for church members varies from one congregational leader to another, sometimes creating problems. Arbitrary decisions regarding whom to help cuts across all churches. Another issue concerns families that have to move frequently, trying to find less expensive housing. The question was raised regarding these families who move: do they stay in their congregations where they have been getting support, or do they become "unchurched?"

With regard to whether congregations predominantly serve their own members or those from outside of the organization, one minister stated, “It is difficult to tell if more people are being served from out of the congregation, but there has probably been an increase in such requests.” Other clergy said that their congregations have had a huge increase in requests for service from people outside the congregations. In one congregation, 90-95% of requests do not come from the congregation. One clergy stated, “People passing through are the major source of calls for help, not locals or members.” Another commented, “People in congregations who need help are usually helped by other members.” And yet another, “In a rural area like this, we know each other and each other’s needs. If someone needs help, they get taken care of.”

**Contributions:** Charitable leaders are very aware of society’s dedication of resources to help those in need. They also noted that there has been a decrease in funds and federal assistance. Block grants decrease every year, while needs of the poor increase.

Turning to their own funding, for some charitable organizations, contributions have increased. However, contributions have not kept pace with the increased demand. Leaders pointed out that when the economy is good, donations are fine. Other participants reported that in Utah United Way donations are flat and barely keeping pace with inflation. Agencies took an 11% cut in funding from the United Way of the Great Salt Lake area. An LDS leader reported that LDS donations were up slightly one year ago, but needs are rising faster. All of this is consistent with the national picture. In fact, according to a study by the Fannie Mae Foundation, contributions to charitable organizations would have to increase seven-fold in order to meet the demands prompted by welfare reform (Edin and Lein, 1998). Relating contributions to tax policy, one leader observed, “When PRWORA passed, programs were cut but taxes were not. This restricts the amount people can give to charitable organizations.”

Still another donation issue affecting Utah charities is the upcoming 2002 Winter Olympic Games, as this event provides stiff competition for charitable donations. The fear is that fund raising for the Olympics from Utah-based businesses and foundations is drawing
resources away from humanitarian work locally. Beyond the Olympics, noted one participant, “Private businesses are exhausted and approaching ‘charity burn-out’ from repeated requests from multiple organizations.”

Some church leaders are not concerned about running out of resources, but they are engaged in preparing for increases in need. This means training people to handle the increase in assistance requests. In addition, there is some consideration among these religious leaders about establishing another food bank. “It’s good to expand services—we should do it.”

**Strategies:** Most of the participants, however, are already considering their options once resources of their organizations have been pressed. Recognizing their limitations as congregations, one minister pointed out that “Although churches will try to do that for awhile, they simply can’t continue indefinitely.” Some organizations have already begun rationing. While none want to limit assistance to certain groups, they fear that inevitability. They report that although time limits have not yet taken effect, they are already seeing increased need.

Specific strategies many would consider in the event that demands for services outstrip organizational capacity include: reducing staff, decreasing hours of operation, instituting fee for service, seeking more collaborations and partnerships, spending more time fundraising, cutting back to fewer programs, cutting services overall, more grant writing, and rationing. The convergence of all of these factors was expressed by a prominent nonprofit leader in this manner:

> The high cost of housing makes it very difficult for the working poor and those on TANF. While TANF rolls have dropped, we have seen an increase in that population coming to us for services. We have been challenged in that the numbers of people coming to us for food has increased so much that we do not have the capacity to spend time counseling—we were just handing out food. We have closed rural locations so we can use staff to counsel. We ran out of food in August 1997 and have had to spend more time doing food drives.

Regardless of their stated position on welfare reform, Utah’s charitable leaders express concern for their capacity in the face of increasing demands for services. Many of them recognize that contributions cannot increase with the need, and have given thought to what strategies to use if and when demands outstrip organizational capacity to help those in need.

**CONCERNS REGARDING THOSE IN NEED:**

While charitable leaders hold serious concerns about the capacity of the sector to serve the poor, their concerns about the plight of those in need are more profound. Leaders in interviews and focus groups are quick to point out that the population of TANF-eligible families is dynamic; many families are at risk for enrolling in TANF and need services while at risk. One crisis can put them into the welfare program. However, they need help before entering the government system. Many of the families at-risk, or on the welfare rolls, or having left the rolls, seek extra services provided by charitable organizations. As stated by one participant, “The

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7 Apparently the Salt Lake Olympic Committee (SLOC) heard this fear and responded. A front-page *Salt Lake Tribune* piece on Monday, September 27, 1999 quoted SLOC President Mitt Romney as urging contributors not to neglect charities (see Gorrell, 1999).
number of case closures does not necessarily reflect the number of people moving into full employment.” The increase in services, charitable leaders point out, is not merely a function of the population increase. “It is 3-4 times that.”

Additionally, it was clear to these leaders that there is a distinct difference between a family being off of the welfare rolls, and being self-sufficient. People can leave the rolls only to join the ranks of the working poor. In addition, helping families towards self-sufficiency is far more resource-intensive than simply granting assistance. Below we find their major categories of concern.

**Housing:** When asked about what kinds of conditions they are seeing as families request assistance, the most frequent response related to housing. One pointed out, “A new request in recent months is for money to pay rent. Money to help with utilities has been a traditional request, but not for the entire rent payment. The requests are getting bigger—beyond the resources that are available.” They added that renters are seeing their rents raised more frequently, and that this factor is harmful to struggling families. Another said, “There are more people who have an income, but are unable to afford housing in the market. We anticipate a 30% increase in requests for housing assistance.” Looking to the imposition of time limits beginning at the end of the year, leaders pointed out that demands for rent will accelerate when people are forced off welfare.

These leaders are seeing families whose resources are stretched to the maximum, paying increasing amounts in rent and having less money for their other expenses. Comments elaborating this point included: “Many individuals and families that we help are working full time at a non-living wage.” “Having a minimum wage job while providing for small children, and difficulties in child care and transportation, coupled with costly housing, is not self-sufficiency.” “People need help with rent, utilities, bills, prescriptions, childcare, and transportation. They are not asking for $50-$75 anymore, but $500-$600.” One nonprofit head pointed out, that HUD has not had an increase in money for housing in three years. “The waiting list is 3000-5000 and growing while the program only expands 75-100 units per year.”

**Children:** The plight of children of poor families was another frequently expressed concern. Charitable leaders were unanimous in asserting that the consequences for children are grave. They noted the impact of housing difficulties on children. As an example, “Forty percent of children at Lincoln elementary school do not complete school there. Families are moving or ‘rent hopping’ to find lower rates. This is valley wide, not just in specific areas. This is very destabilizing.”

Participants worry about what will happen to children of TANF-families who lose their eligibility. If the parents have time limits imposed, will the children need to leave their parents and live with friends and relations? As one leader pointed out, “The government is breaking up families to reform welfare; forcing children into foster care because their parents lack money is wrong.”

Childcare issues concern these leaders. One participant stated, “My top concern is that as more people move into entry-level low paying jobs, high quality affordable day care will not be
available. If that happens the negative impact on this generation of children will be tragic.” Leaders noted that many working Utah families do not qualify for child care assistance, which means that parents must place their children in whatever care they can find, in order to continue to work.

Leaders called for attention to the consequences of children being ignored because their mothers are required to go to work. They point out that single mothers with junior to senior high school aged children are caught in a tough spot when their children get into trouble. There are not enough after school programs to serve this population. Some mothers need to respond to their children's needs and quit work to stabilize the home. They also noted the downside of work: mothers of two children who are working full-time at minimum wage do not qualify for Head Start. The families also lose Medicaid eligibility. Although the children would be eligible for CHIP (the medical insurance program for children in poor families), the parent is without health coverage. “These sorts of circumstances create stress for families.”

**Living Wage:** Another frequently reported concern is the ability to earn a living wage. Situations are more difficult for those with low skills and low educational levels. While many on welfare want to be self-sufficient, they are having difficulty getting the skills or services they need to address their barriers to employment. Parents are not getting training they need. One observed, “DWS is requiring them to work without adequate training to get a decent job.” They noted that there are more part time jobs available, but that they have no benefits. “These people need more help with staples and prescriptions.”

One charity reported that for their organization, “Food services have increased 13%, dental 41%, utilities 30% in one year. It is hard to imagine a bigger increase.” Another leader observed, “The situation is grim.” Specific types of cases that were mentioned in the focus groups include the following:

- **We help those who have gone off the rolls.** Some have secured jobs and are indeed on their way to self-sufficiency; others have secured jobs but at a low wage and are having difficulties.

- **Some TANF-eligible young mothers with infants, faced with a three year lifetime limit for assistance, opt not to seek government help at this time; they wait until the child is older, eating more, and thus more expensive to feed and care for.**

- **We see families who have been sanctioned off of the rolls due to noncompliance with rules; some individuals have left welfare to stockpile the time available to them. They have voluntarily withdrawn to try other options now; things may get worse later.**

- **Some women became TANF-eligible when they left physically and emotionally abusive husbands/boyfriends, seeking their safety and the safety of their children. This has placed them in a financial crisis; they return to their husbands/boyfriends so their children can eat, and in the process endangering their own safety.**

- **We also see middle class families seeking help.** As sudden unemployment due to corporate downsizing or divorce has driven up credit card debt, some find themselves at food pantries as they try to make ends meet.
The people we are seeing now are more destitute, more down and out. They have fallen through the cracks. Lower education, less financial resources, their situations are more complicated. We are not asked for temporary help that much anymore.

Housing, children, and living wage issues are concerns that were reiterated in the focus groups. In general, leaders also observe that there are people for whom life is harder. “It is often difficult to rectify simple mistakes and the world is becoming more complex (such as ATMs, etc.).” Any setback is a major ordeal to these vulnerable families. They see the new policies as punishing those who are doing their best. One leader was given to remark: “It is obscene, the situation these families are in.”

CONCERNS REGARDING THE POLICY AND ITS IMPLEMENTATION:

Charitable leaders are quick to understand that the new welfare system is inextricably linked to the economy. One participant observed, “This reform has been done in an economic boom and yet the needs increase and time limits have not taken effect. What will happen when the economy weakens?” They expect the impact of unemployment on the overall system of services to be profound, expressing concern that perhaps Utah’s exceptionally low unemployment rate will increase by 2002.

Leaders also express their doubts as to whether, over the long-term, the 20 percent extension will be sufficient to care for all who need help. Many of the nonprofit leaders (and few of the congregational leaders) were familiar with the University of Utah Social Research Institute study on multiple barriers to self-sufficiency among long-term welfare recipients (Barusch and Taylor, 1999). This study of Utah welfare recipients who had been on government assistance for 36 months or longer revealed that they had a number of different and debilitating barriers to employment: multiple barriers to self-sufficiency such as mental health issues, children with behavioral problems or chronic illness, no transportation or day care, no education, and so forth. One leader worried, “It appears that, with the number of barriers people have, the loss of financial assistance and other assistance, they may be out on the street.” As one leader observed, “Many people are in self-sufficiency programs and either cannot stay in them or simply cannot do what is asked of them.”

Charitable leaders worry that government is retreating from assisting those who need long-term welfare assistance. They also recognize that helping people become self-sufficient is a challenging and resource-consuming task. “Most people are genuinely trying and many have barriers. It’s important to help, and it’s also important to help them become more independent.” As another participant wondered, “Some people are unemployable and will never be able to work, but do not qualify for disability assistance. What will happen to them?” As an alternative, some observe that long-term recipients are being referred to other government programs. “There is a scramble recently to encourage people to apply for Supplemental Security Income (SSI) as the time limits approach. It’s important to note, though, that there’s a substantial time delay in that process—around a year.”

These leaders observe that the initial TANF successes were obtained by creaming; those with the fewest problems and the most alternatives going off the rolls quickly. These successes are not an indication of the ability of the new policy to deal with serious problems. One
participant observed, “Eighty percent of the homeless are men–for whom there are no programs. We’re about to treat women and children the same way.” Another pointed out, “It well may be possible to find jobs for people, but problems like anger management mean they won’t be able to keep their jobs. Nobody wants to address that.”

Leaders were obviously concerned about housing costs, and judge many efforts to assist families to be ill fated unless coupled with a meaningful low-income housing policy. “Subsidized housing is greatly needed. Affordable housing can make a big difference. The problem is that HUD funding is being reduced.”

Many leaders questioned the ethics of holding families to the three-year time limit, noting that they have not had input into the welfare policy changes. Yet the responsibility has been thrust onto the charitable sector. At the same time, they recognize that the government “bureaucracy cannot do some parts of helping people become self-sufficient because their rules prevent flexibility and innovation.” Another observed, “There is need for better assessment–of abilities and problems. The current system doesn’t reach far enough.”

Two more observations were made. One is that churches tend to be excluded when it comes to interagency networking meetings; clergy often do not know what sorts of services are available in order to make referrals. “More coordination/partnerships are needed between the religious sector and government.” Finally, they point out that the public needs to be educated about welfare policy. “It’s so complicated that many people are overwhelmed.”

In sum, charitable leaders have their doubts about several aspects of the Family Employment Program, Utah’s implementation of PRWORA. They take issue with the 36-month time limits for assistance, as well as with the extensions available being limited to 20% rather than being determined on an as-needed basis. They recognize that housing policy has a great impact on vulnerable families, and readily see that going off of the welfare rolls does not necessarily mean that families no longer need assistance.

MISCELLANEOUS CONCERNS:

Leaders predict an increase in crime, especially vandalism, burglary, theft, and gang activity as a result of welfare reform. Heads of substance abuse programs indicated that the number of their clients will double. One expressed concern that “As resources become more constricted, there will be a tendency to move people through treatment programs faster than would be effective. For example, substance abuse clients may be moved out before they’re ready and relapses may result.” Also mentioned was an increase in child abuse as parents become more stressed and vulnerable.

Others expressed distrust for the Department of Workforce Services. One pointed out, “DWS doesn’t appear to have a clear idea of what’s going on. I left a meeting with them with more questions than answers. My organization has decided to move ahead with its own plans, but there’s uncertainty as to what will result.”
Some participants called for more partnering and partnerships among social service providers. One recommendation was that centralization of data among the nonprofits would be helpful. For example, they pointed out that intake documents vary from organization to organization in terms of the types of information collected. Perhaps if a standard format could be used by all—or most—charitable organizations, along with a database available to all, then assessment time would be cut and more complete service rendered.

Others pointed to a basic dilemma: many charitable organizations often compete for funding from the same sources. Not only may the sources not be expanding to cover the need for increased funds, but the basic competition inherent among organizations that seek funding from the same sources, can make partnering and collaboration difficult. The point was also made that arranging partnerships used valuable resources, so partnering may not contribute to an organization’s resources.

Participants also clearly saw volunteers as organizational resources. Some expressed concern for both volunteer and donor burnout if needs and requests for help become overwhelming and long-term.

Other concerns included: lack of tracking of what is happening to recipients who leave the welfare rolls; how to inform those in need of resources available as well as eligibility for government programs; teen pregnancy and young mothers who have been abandoned by their husbands; low-paying jobs for those who want to work; as well as some people who are refusing to work; the worsening situation for the working poor; difficulties in finding family sustaining jobs. Some participants accused the legislature of being “mean-spirited,” asserting it is wrong to balance the budget on the backs of the poor.

CONCLUSIONS

Charitable leaders in our focus groups varied considerably with regards to knowledge of welfare policy. Virtually all of them, however, reported increased requests for overall services, even in a strong economy and before time limits are imposed. Some of them basically agree with the policy changes, being highly critical of the AFDC-entitlement system and they embrace the role of helping those in need. Even so, these leaders voiced strong concerns for their capacity and for the plight of the poor.

The sense from the focus groups is that while welfare reform may be working for some former recipients who have found solid employment, the success of this policy is predicated on a strong economy and a vigorous charitable sector capable of helping families on and off assistance, with and without jobs. In sum, leaders of non-faith based social service nonprofits as well as major religious denominations voice strong concerns about the impact of welfare reform. Interestingly, local government officials who are responsible for county social services echo these concerns. Virtually all point out that demands for services have already increased dramatically and they worry about capacity issues once time limits are imposed. While weaker levels of concern were expressed by some local religious leaders who head independent churches, as they see helping those in need as an important responsibility for their congregations, even these leaders report making preparations for accelerated increases in requests for help. It
thus became clear to researchers that forging successful welfare outcomes is not a concern of only one level of government, but is a community concern that must be addressed by all governmental levels, as well as by private and charitable organizations.

It is important to note that these concerns are expressed by individuals who head organizations dedicated to helping those in need; many of these organizations have been doing so for generations. They would wish to be able to adequately help everyone who comes to them. These findings are not from individuals who are critical of helping others; they are from charitable leaders who find themselves severely stressed by a major public policy change.

As heads of organizations that serve the poor, these leaders know what is happening to vulnerable families and see the impact on multiple levels in their organizations and in their communities. As such they are valuable resources for any assessment of the extent to which welfare reform is working. The sense from the focus groups is that while welfare reform may be working for some, the success of this policy is predicated on a vigorous charitable sector, helping families on and off assistance, with and without jobs.

Besides social service capacity, research in this area raises compelling public policy issues: what is the proper role of government and charities in meeting the needs of the poor? The issue of appropriate help for the needy raises concerns regarding equity and discrimination. Within that context, the current welfare policy and its implications for faith-based organizations raises compelling concerns regarding the historic separation of church and state and the proper role of churches in society. Additionally, concerns about accountability when nonprofits contract with governments to provide services, may heighten with increased involvement of faith-based organizations.

For any society, how to help those in need is indeed a challenge. Historical records indicate that all societies have found a way to approach economic inequities. Many simple societies practiced forms of leveling out and spontaneously helping one another. Other ancient nations developed sophisticated tools of labeling and stigmatizing the poor, characterizing them in a variety of ways, from being punished for their sins, to being inherently inferior to others. Echoes of these rationalization efforts can be found today, as many of the poor still find themselves stigmatized and labeled. These responses are heightened upon receipt of government assistance. “It appears that…many see welfare as a political and moral evil, perhaps even a greater public enemy than poverty” (Weathers, 1999: 8). As charities’ involvement with welfare policy increases, perhaps this dim stereotype of welfare will change.


