
CHICAGO/SSA/CENTENNIAL

THE UNIVERSITY OF CHICAGO SCHOOL OF SOCIAL SERVICE ADMINISTRATION

Out of Reach: Place, Poverty, and the New American Welfare State

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Economics/Political Science

OUT OF REACH / PLACE, POVERTY, AND THE NEW AMERICAN WELFARE STATE
SCOTT W. ALLARD

Sweeping changes in the social safety net have transformed the way America cares for its poor. Today, for every dollar spent on cash welfare payments, some fifteen to twenty dollars are spent on programs targeted at the working poor: job training, adult education, child care, emergency assistance, mental health care, and other social services. In *Out of Reach*, Scott W. Allard examines our current system and argues that it fails to deliver assistance to places where need is greatest.

Drawing on interviews with almost 1,500 public and nonprofit service organizations in three cities, this important book identifies significant gaps in the accessibility of assistance and looks at the profound impact of unstable funding on programs for low-income populations. Full of original research and valuable insights, *Out of Reach* points the way toward making the safety net more equitable and reliable.

"Some imagine that our programs to help the poor are too generous. Scott Allard not only punctures this myth but does so in a remarkably constructive way that should influence public policy for years to come. *Out of Reach* makes an enormous contribution to a debate that needs to be shaken up."

—E. J. Dionne Jr., author of *Why Americans Hate Politics*

"*Out of Reach* is a meticulously researched, elegantly written, nonideological study of how services to the poor are truly delivered today."

—Arthur Brooks, President, American Enterprise Institute for Public Policy Research

"A very timely book with important implications for American social policy."

—Steven Rathgeb Smith, Evans School of Public Affairs, University of Washington

"An important and original argument."

—Margaret Weir, University of California, Berkeley

SCOTT W. ALLARD is associate professor in the School of Social Service Administration at the University of Chicago.

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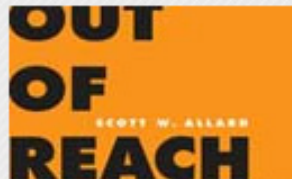
Research on Place, Poverty, and Opportunity in the U.S.



About this Website



Survey Data



Out of Reach



Papers & Reports



Blog & Opinion

Welcome

With more than 50 million Americans living near or below the poverty line and need on the rise, it becomes important to have an accurate grasp of what the safety net is, how it functions, and where the gaps in assistance are most severe. The written work presented here address challenges facing today's safety net.

[Click here to read about my book, *Out of Reach: Place, Poverty, and the New American Welfare State*](#), which explores the consequences of the transformation in safety net assistance from a cash-based system to one where social service programs compose a much larger share of expenditures.

[Click here for shorter research briefs and reports](#) on the current economic crisis and its implications for nonprofit organizations and policymakers.

This website contains a number of [reports, tables, and maps](#) that further explore issues of place, race, poverty, and opportunity in America.

In addition, there are [op-ed pieces](#) and [multimedia content](#) related to poverty in America. Also, please [visit my blog](#) with (roughly) weekly updates about issues of poverty, place, and social policy.

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ABOUT

Professor Scott W. Allard

Out of Reach: Place, Poverty, and the New American Welfare State

What's New: Alleviating Poverty During Economic Crisis: Recommendations from Graduate Students of the University of Chicago's School of Social Service Administration (12/27/08)

Chronicle of Philanthropy: Strengthening the Social-Service Safety Net (12/11/08)

UPI Business News: As need rises, services for poor may fall (12/3/08)

West Coast Poverty Center Spotlight: Out of Reach: Place, Poverty, and the New American Welfare State (12/08)

U of C News Service: Agencies Serving the Poor Face Increased Problems as the Economy Worsens (12/2/08)

Funding and Support

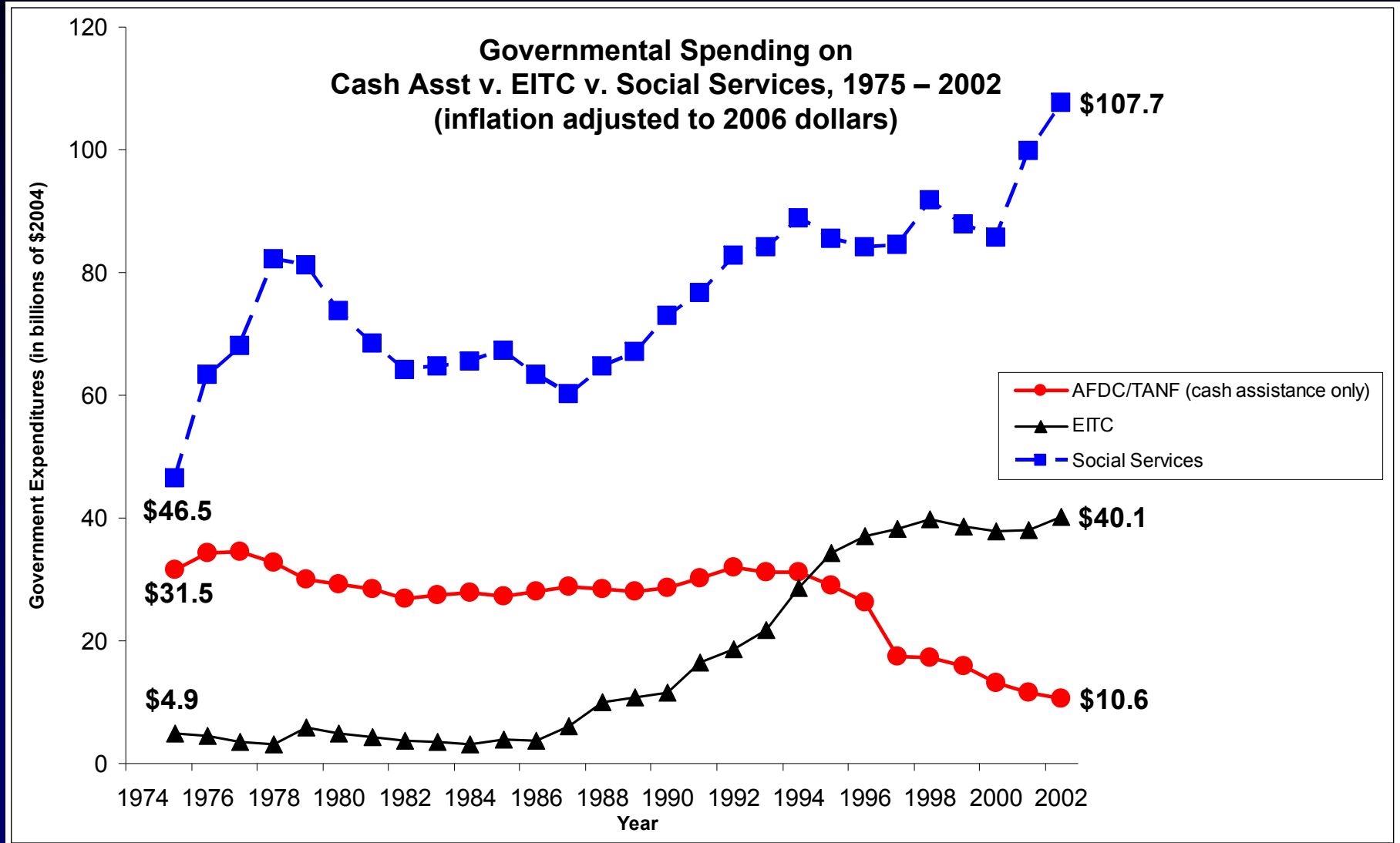
Outline of the Talk

- **New realities of the safety net**
- **Surveys of urban social service providers**
- **Spatial access to providers**
- **Stability of nonprofit service sector**
- **Implications for research and policy**

How Will the Safety Net Help?

Welfare cash assistance	≈\$12 billion
Food stamps	≈\$40 billion
Unemployment insurance	≈\$50 billion
Earned Income Tax Credit	≈\$45 billion
Social services Substance abuse or mental health; employment and education; emergency assistance; food pantries; housing; child care/welfare; youth programming; transportation <u>Publicly funded (\$100-150 billion expenditures)</u> <u>Delivered by nonprofits (\$100 billion revenues)</u>	\$150 to \$200 billion

Safety Net: From Cash to Services



Source: Congressional Research Services, 1998 and 2004 Green Book

New Realities of the Safety Net

- **Centrality of nonprofits**
 - Service delivery capacity
 - Civic community
- **Place matters in service-based system**
 - Spatial variation in provision and access
 - Poverty, work, barriers to employment have spatial components
- **Funding decreases during downturns**
- **Structural realities shape opportunities for success**

Data

- **Multi-City Survey of Social Service Providers (MSSSP)**

- Chicago/Cook County
- Los Angeles/Los Angeles County
- Metropolitan Washington, D.C.

1,487 respondents
68% response rate

- **Telephone survey with about 125 questions**

- Governmental and nonprofit organizations
- Includes churches and faith-based organizations listed as providers
- Must serve low-income adults on site
- Services, clients, \$, org characteristics

- **Key services included:**

- Outpatient substance abuse
- Food pantries or soup kitchens
- Adult education
- Outpatient mental health
- Emergency cash assistance
- Employment services

***MSSSP does not gather information on health services, child care, or public housing assistance**

Services Offered in MSSSP

Type of Service	Chicago	LA	DC
Mental Health	41.5	30.9	27.3
Substance Abuse	33.9	35.4	22.9
Adult Ed/GED/ESL	24.8	40.9	41.7
Employment Services	45.9	48.6	55.3
Emergency Asst	40.1	23.4	38.7
Food Asst	42.9	45.6	54.5
N	445	548	399

Note: Numbers reported are percentage of all organizations.

Types of Service Organizations

Type of Organization	Chicago	LA	DC
Governmental	23.9	36.5	24.2
Nonprofit	70.9	59.9	73.6
Secular	50.2	40.9	43.5
Religious	20.2	18.3	29.8
N	445	548	399

Note: Numbers reported are percentage of all organizations.

Measures of Service Access Should:

- **Reflect a reasonable commuting distance**
 - 3 mile radius – based on provider responses
- **Based on where services are provided**
 - Most data sources = administrative headquarters
 - MSSSP = site of service delivery
- **Control for supply of services**
 - Total number of clients served in a typical month
- **Control for potential demand**
 - Total number of persons below poverty
- **Permit comparison of differences across tracts**
 - Standardize by dividing by metropolitan mean

$$\text{Access}_i = (\Sigma(\text{Clients}_i) / \Sigma(\# \text{ in Pov}_i)) \div \text{Metro Mean}$$

Interpreting Service Accessibility Scores

Neighborhood A

Access Score = 1.30

**Access to
30% more service
opportunities than
average
neighborhood**

**85% more service
opportunities than
neighborhood B**

$$\text{Access}_i = (\Sigma(\text{Clients}_i) \div \Sigma(\# \text{ in Pov}_i))$$

Divide Access_i by metropolitan mean score to compare across tracts

Average Neighborhood

**Access Score =
1.00**

**Mean level of
access in city**

Neighborhood B

Access Score = 0.70

**Access to
30% fewer service
opportunities than
average
neighborhood**

**Access to Service Providers
by Tract Poverty Rate**

Access to Service Providers Weighted by Number of Clients by Type of Service and Tract Poverty Rate

	Basic Needs	MH/SA	Employment
Chicago			
Poverty Rate 0-10%	1.23 ^{abc}	1.36 ^{abc}	1.16 ^{abc}
Poverty Rate 11-20%	0.78 ^a	0.79 ^a	0.88 ^a
Poverty Rate 21-40%	0.79 ^b	0.60 ^b	0.84 ^b
Poverty Rate +40%	0.84 ^c	0.63 ^c	0.85 ^c
Los Angeles			
Poverty Rate 0-10%	1.14 ^a	1.35 ^{abc}	1.28 ^{abc}
Poverty Rate 11-20%	0.95	0.83 ^a	0.99 ^a
Poverty Rate 21-40%	0.91 ^a	0.77 ^b	0.77 ^b
Poverty Rate +40%	0.88	0.86 ^c	0.63 ^c
Washington, D.C.			
Poverty Rate 0-10%	0.97	0.95	1.03
Poverty Rate 11-20%	1.14	1.05	0.88
Poverty Rate 21-40%	1.04	1.36	1.06
Poverty Rate +40%	0.72	1.06	0.80

Note: a, b, c – differences are statistically significant at .10 level or below

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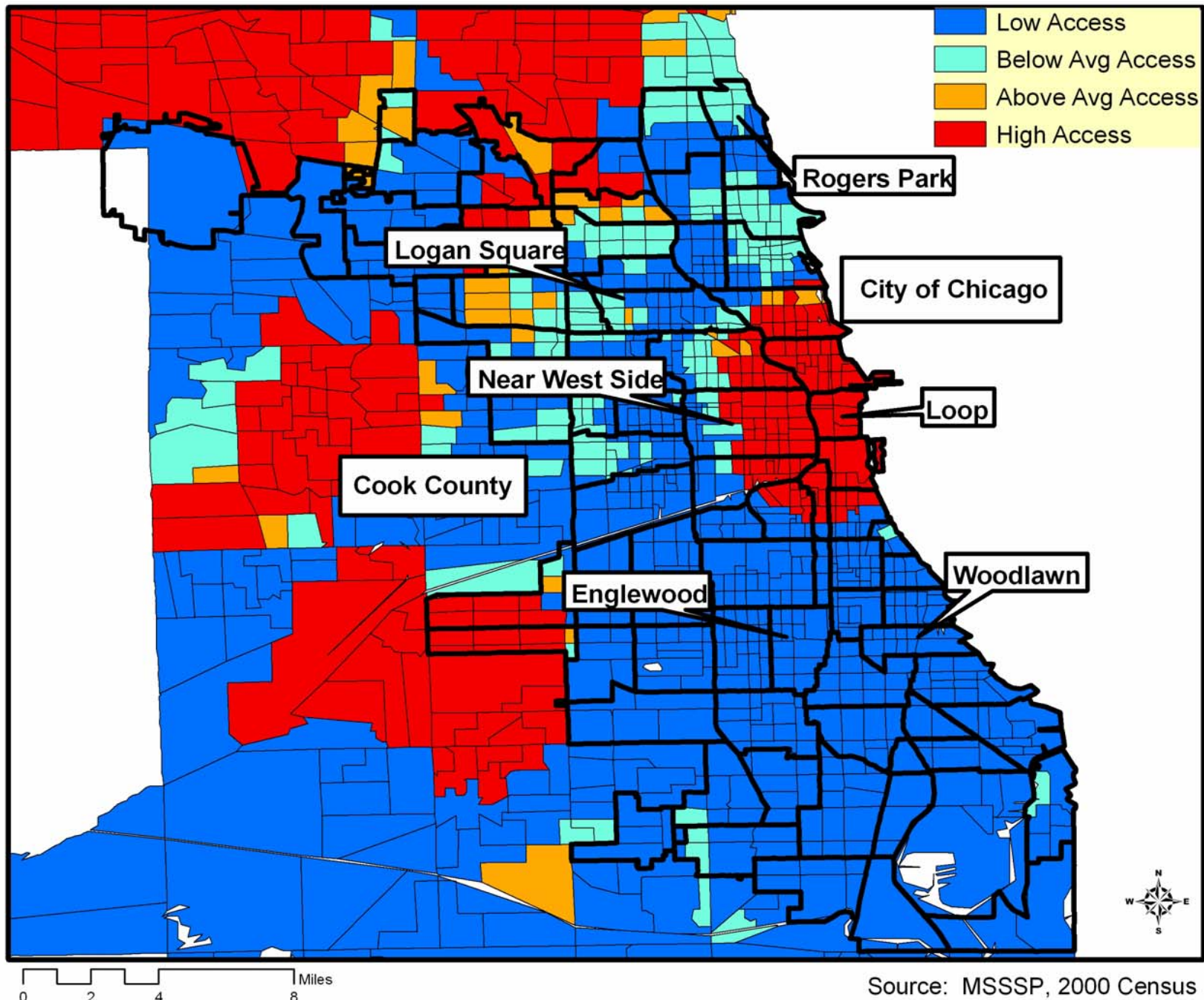
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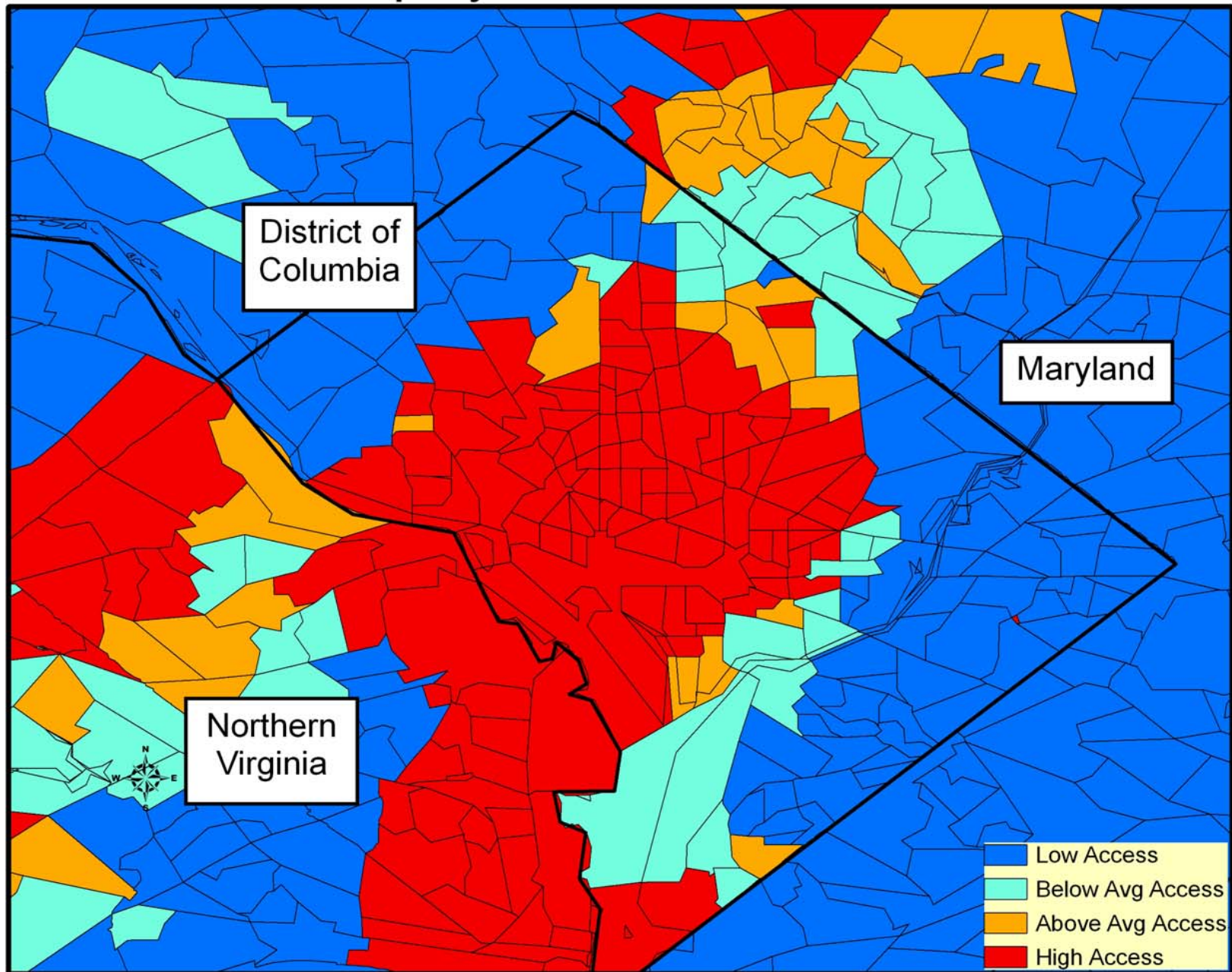
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Mapping Access to Service Providers

Access to Employment Services in Chicago

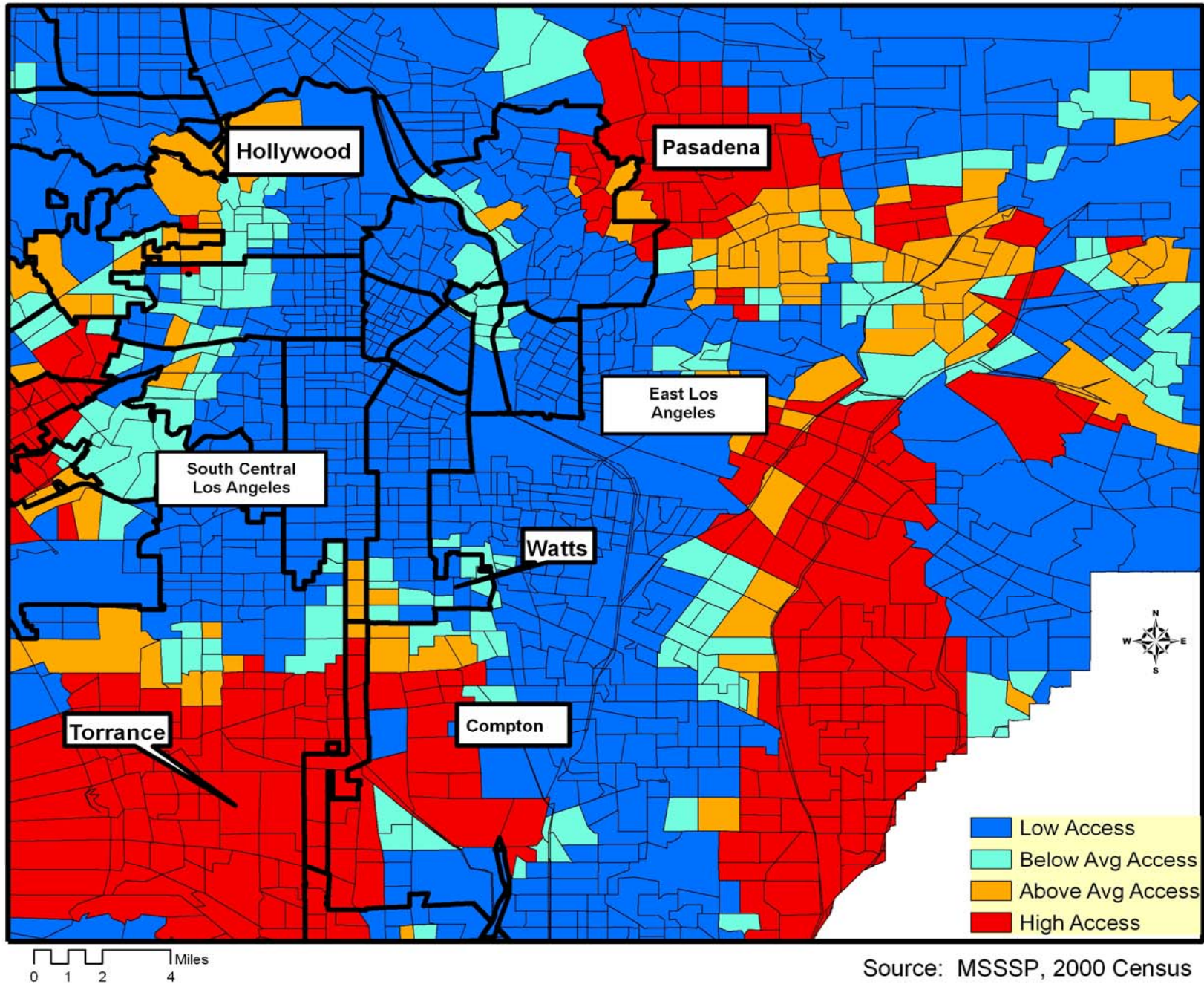


Access to Employment Services in Metro D.C.

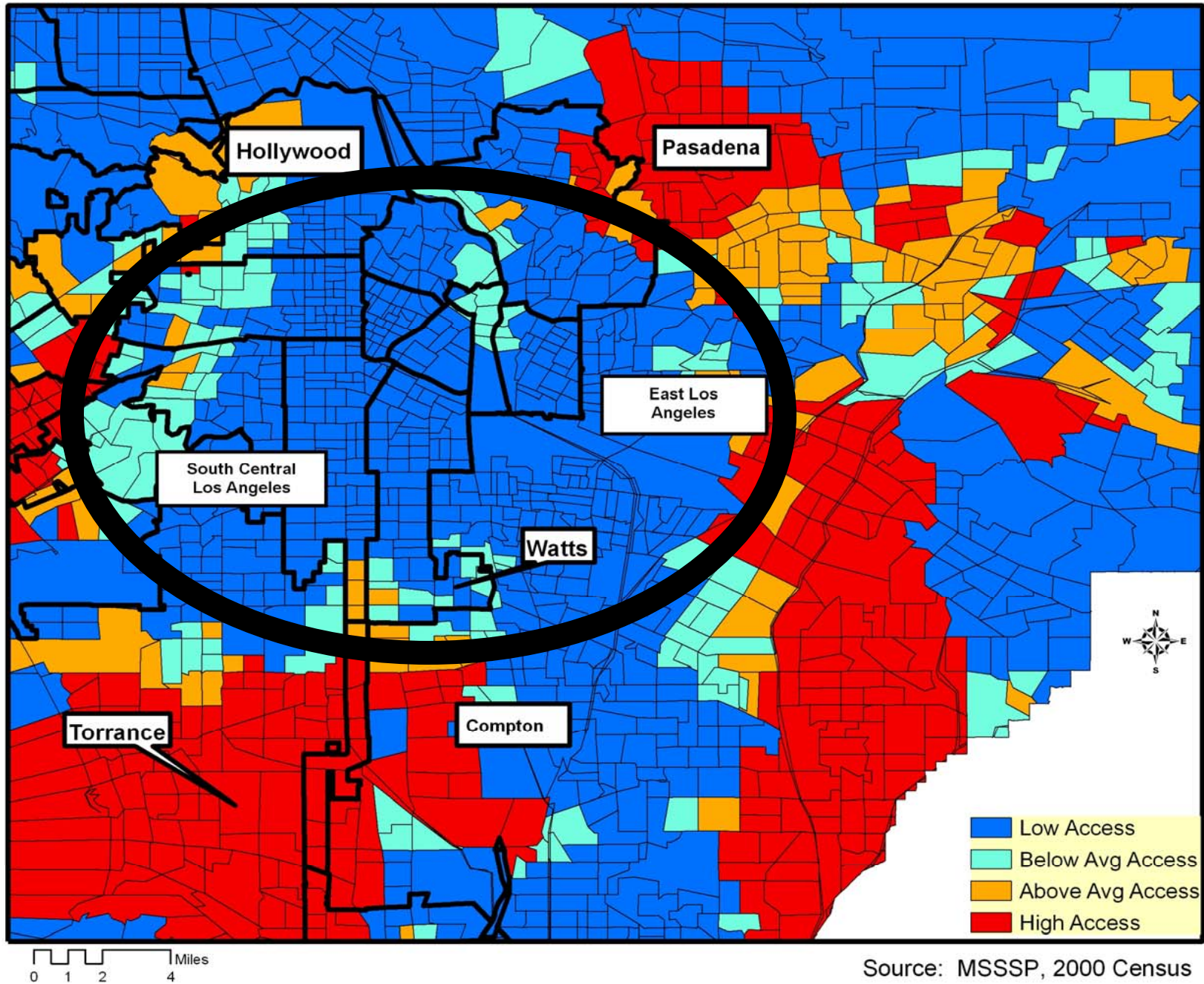


Source: MSSSP, 2000 Census

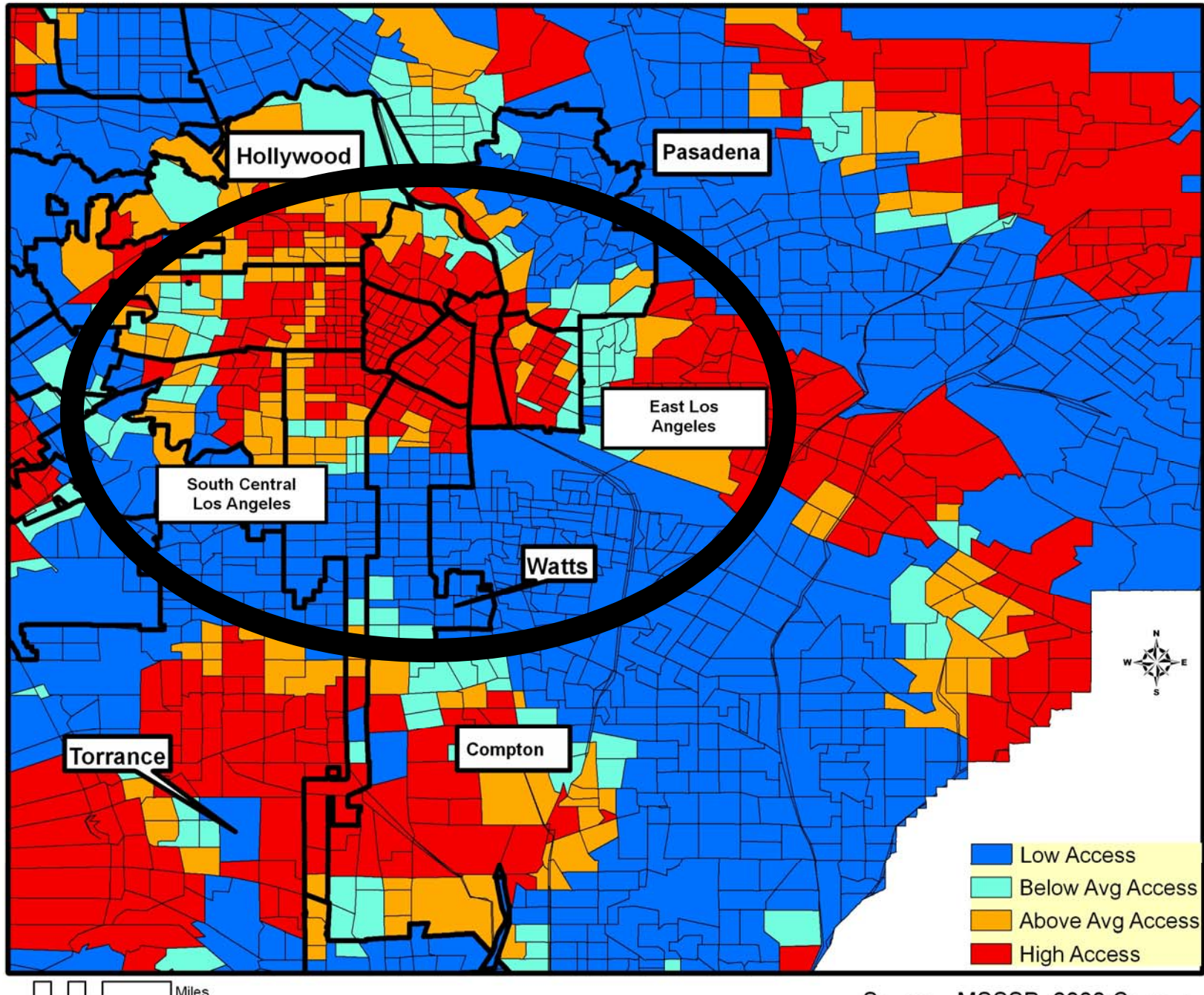
Access to Employment Services in Los Angeles



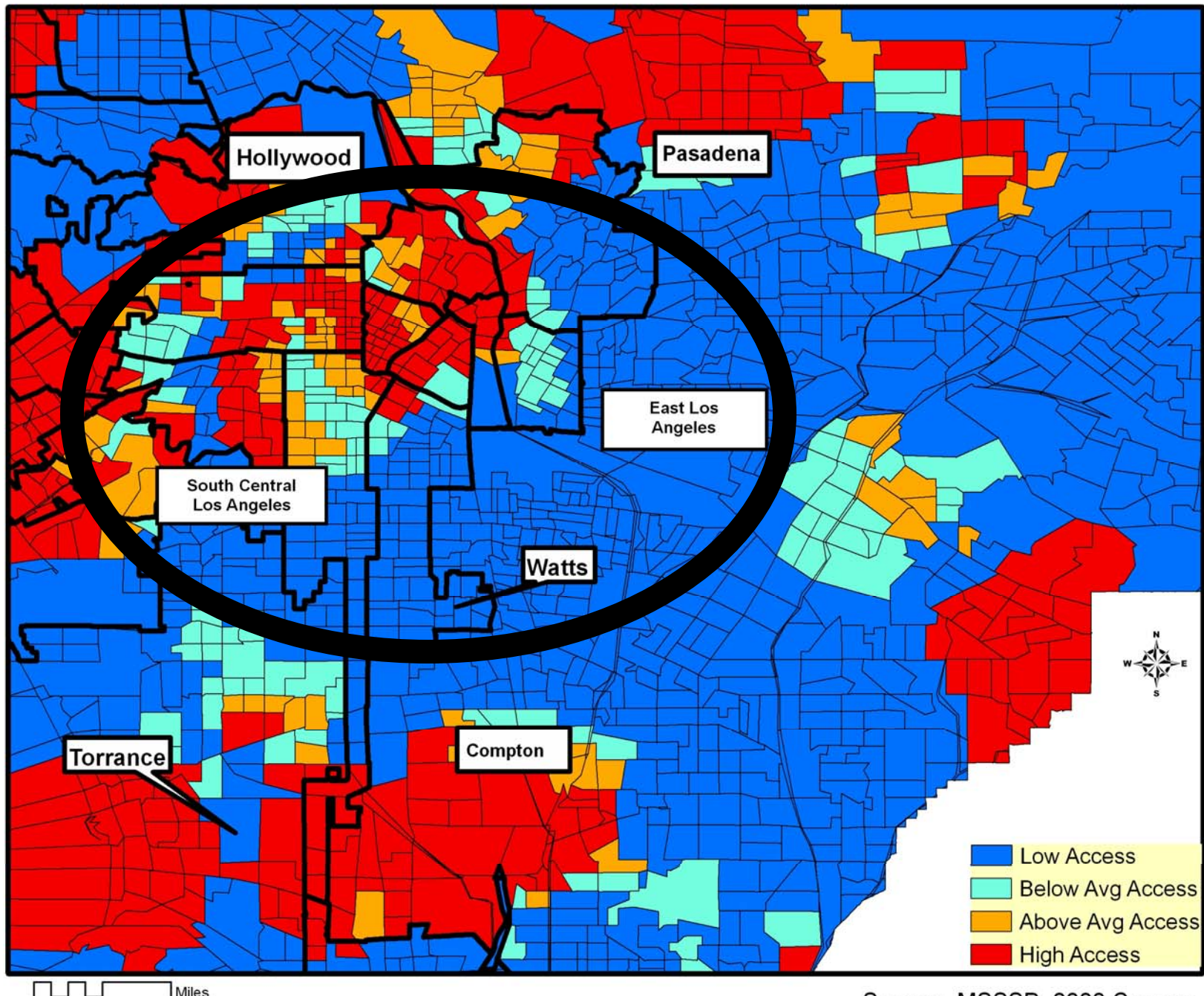
Access to Employment Services in Los Angeles



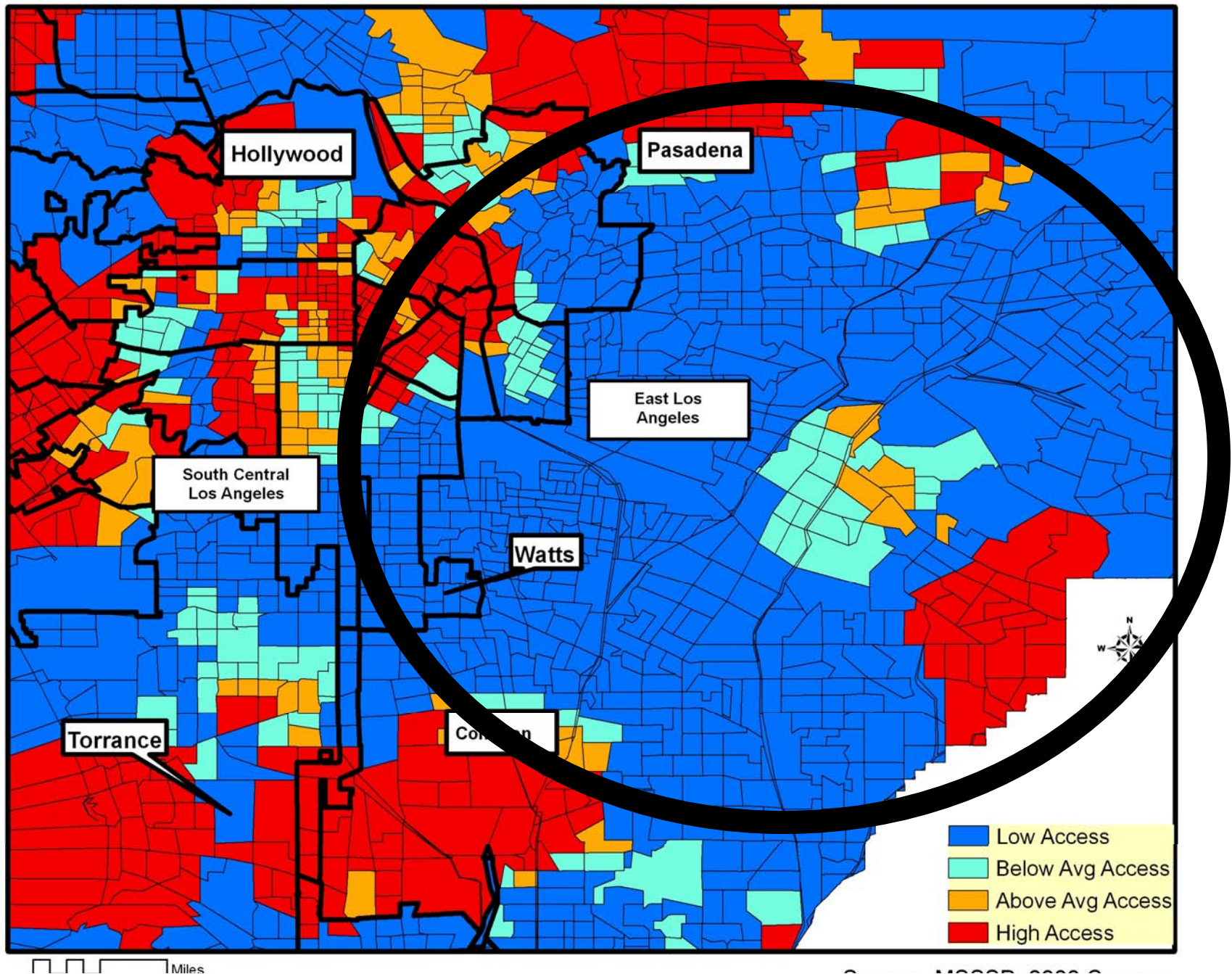
Access to Food Assistance in Los Angeles



Access to Mental Health Services in Los Angeles

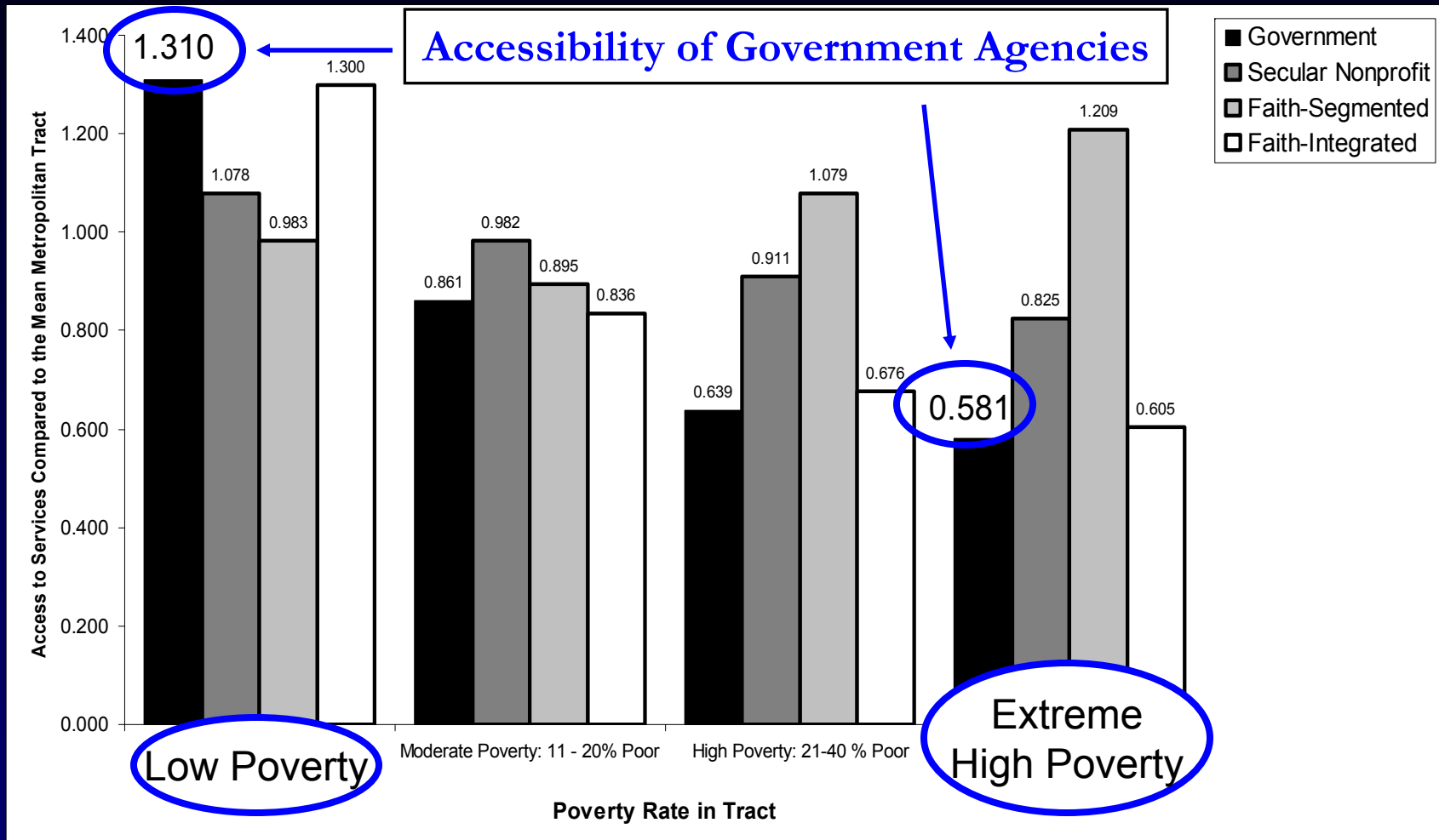


Access to Mental Health Services in Los Angeles



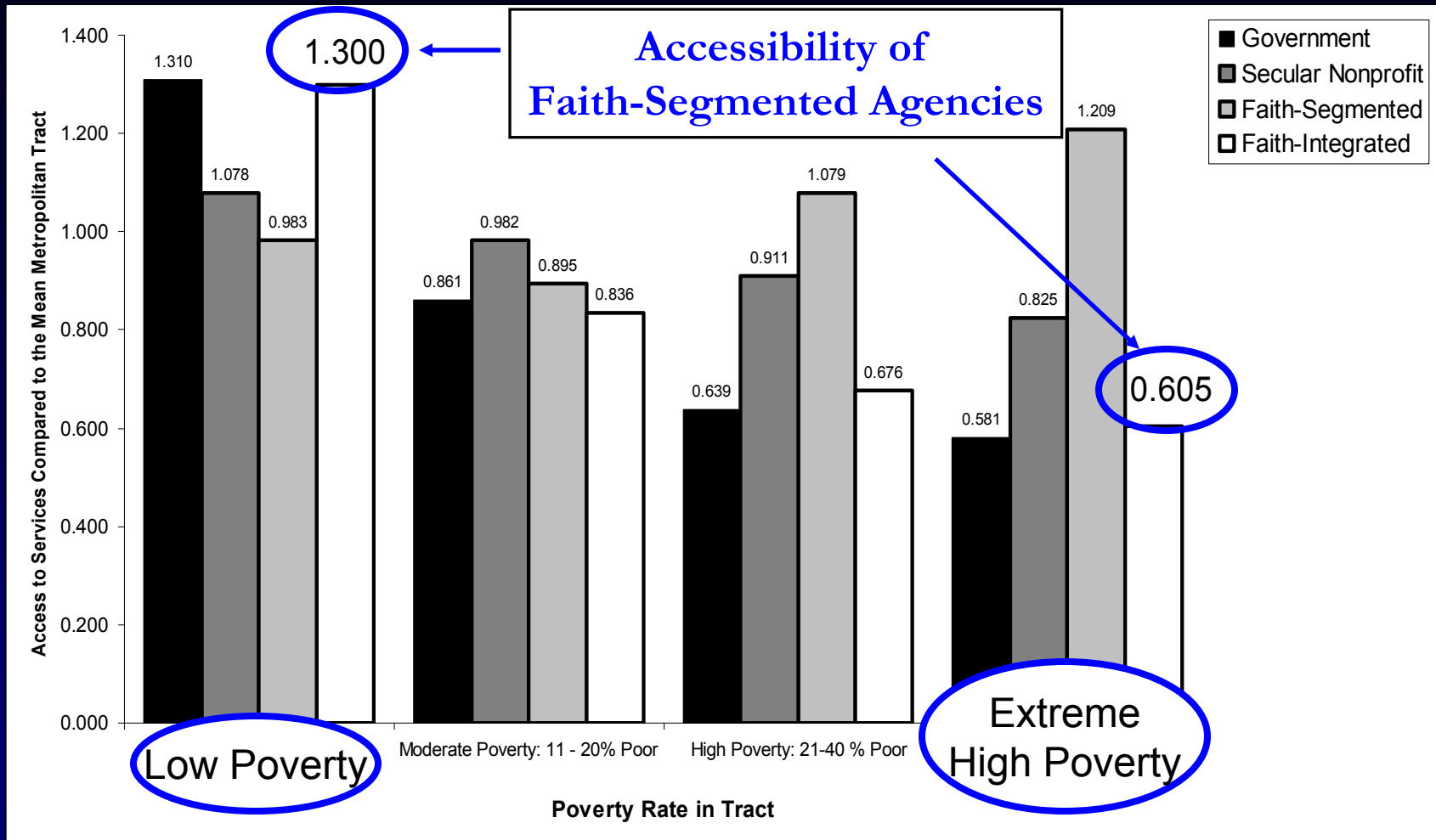
**Access to Secular v.
Faith-based Providers**

Access to Service Providers Weighted by Number of Clients by Tract Poverty Rate



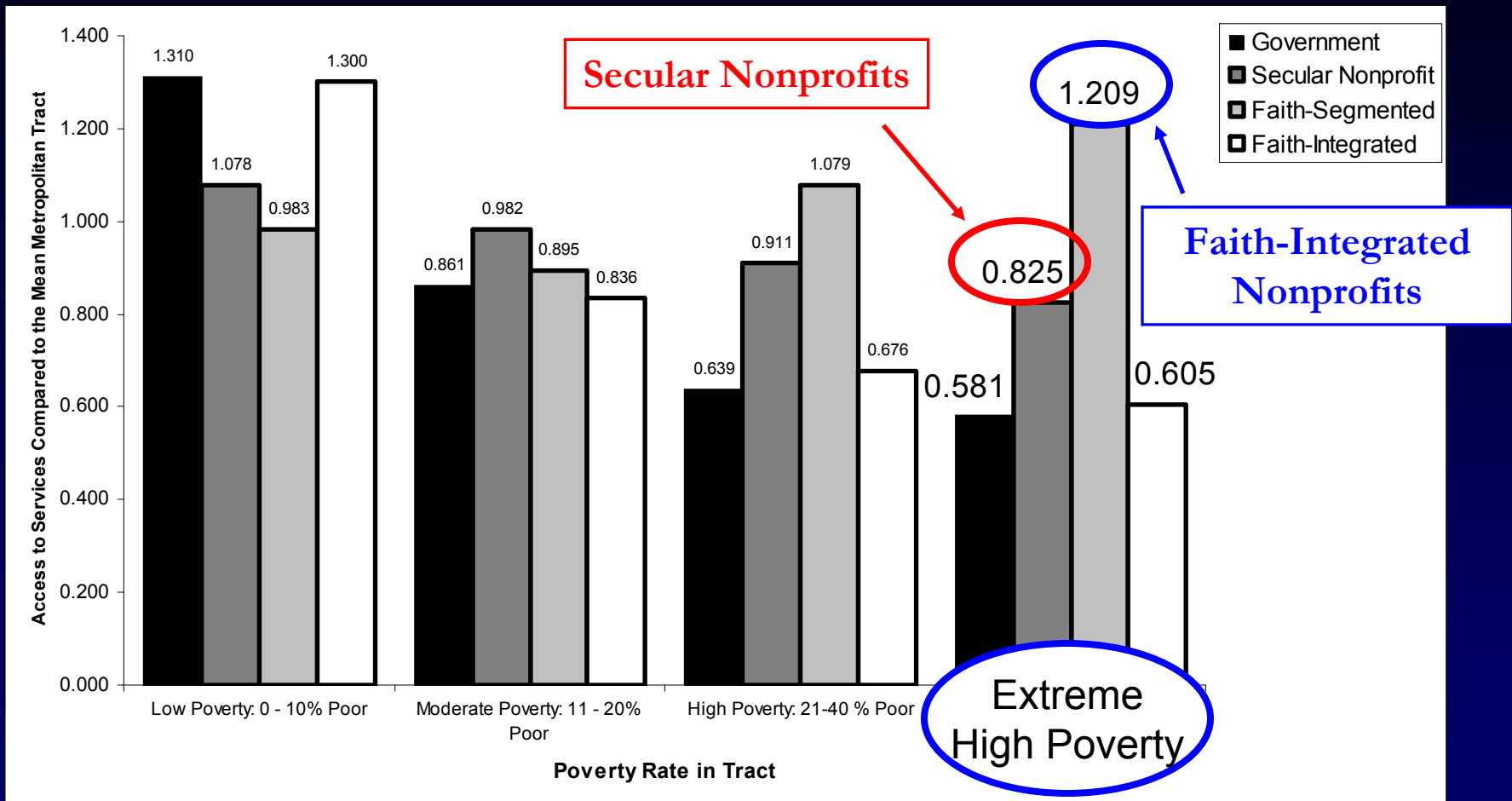
Note: Scores reflect access compared to metropolitan mean and are weighted by potential demand.

Access to Service Providers Weighted by Number of Clients by Tract Poverty Rate



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**Access to Service Providers
by Race Composition of Tract**

Access to Service Providers Weighted by Number of Clients by Type of Service and Race Composition of Tract

	Basic Needs	MH/SA	Employment
Chicago			
Percent Black 0-25%	1.15 ^a	1.25 ^a	1.17 ^a
Percent Black +75%	0.64 ^a	0.55 ^a	0.68 ^a
Percent Hispanic 0-25%	1.10 ^a	1.09 ^a	1.07 ^a
Percent Hispanic +75%	0.63 ^a	0.55 ^a	0.72 ^a
Los Angeles			
Percent Black 0-25%	1.03	1.02	1.05
Percent Black +75%	0.66	0.85	0.50
Percent Hispanic 0-25%	1.22 ^a	1.30 ^a	1.20 ^a
Percent Hispanic +75%	0.89 ^a	0.57 ^a	0.82 ^a
Washington, D.C.			
Percent Black 0-25%	1.17 ^a	1.22 ^a	1.24 ^a
Percent Black +75%	0.60 ^a	0.64 ^a	0.54 ^a
Percent White 0-25%	0.64 ^a	0.67 ^a	0.58 ^a
Percent White +75%	1.35 ^a	1.47 ^a	1.48 ^a

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How Do Communities Finance Nonprofit Service Agencies?

Funding of Nonprofit Social Service Agencies

% Receiving Funding	Chicago	LA	DC
Governmental Grants	83.8	70.8	63.5
+ 50% of Budget	64.4	50.0	42.2
Medicaid	37.0	16.4	15.5
+ 50% of Budget	9.1	9.5	5.2
Nonprofit Grants	76.1	62.4	76.6
+ 50% of Budget	13.5	9.5	22.0
Private Giving	80.1	72.0	87.9
+ 50% of Budget	7.2	21.9	19.1

*Primary revenue sources are those composing at least half of a nonprofit's budget.

Cuts in Funding Among Nonprofits

	Chicago	LA	DC
% Reporting Decrease in <u>ANY</u> Revenue Source in Past 3 Years	53.6	48.1	34.3
% Reporting Decrease in a <u>PRIMARY</u> Revenue Source in Past 3 Years	24.8	25.5	12.6

Impact of Funding Cuts

Type of Service Reduction	Chicago	LA	DC
Reduced Staff	62.1	60.7	44.9
Reduced Services Offered	46.1	50.7	37.8
Reduced Clients Served	38.8	44.8	31.6
Temporarily Closed Site	6.8	5.2	11.2

*Percentage of nonprofit organizations reporting cuts in funding and reductions in service provision.

Implications for Policy

- **Consequences of inequality in access**
 - Place-based variation in person-based aid
 - Cash assistance → Work Activity → Work Supports
 - Caution when making policy prescriptions
 - Missing link to program outcomes & effectiveness
- **Subtraction ripple effect across nonprofits**
- **Diversify revenues & increase private giving**
- **President Obama's Poverty Agenda**
 - Transitional Jobs and Training for Green Economy
 - Promise Neighborhoods
 - Strengthening families
 - Office of Faith-based and Community Initiatives
 - Invest in rural areas

Future Directions for Research

- **Suburbanization of poverty**
 - Consequences for places, poor people, and policy
- **Connecting geography of safety net to work and health outcomes**
- **Spatial contours of safety net**
 - Variation in regional and local safety net
 - Relationship between public and private safety nets