SOCIAL SERVICE AGENCIES: AN EXAMINATION OF PARTICIPATION, GOVERNANCE, AND ADVOCACY IN BLOOMINGTON, INDIANA

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Over the past forty years, responsibility for addressing poverty has shifted to the private sector, a result of elite interests and a changing political culture. Policy changes have eroded the state's effort at providing a social safety net, and replaced this effort with a nonprofit sector that is dependent on a complex mix of private and public funding. Using resource dependency theory, this research considers how grantmakers and field-level actors influence policies within nonprofit organizations. Ethnographic research in Bloomington, Indiana, a community that takes pride in its active citizenry and its robust social service sector, serves as a case study for examining how this mix of private and public effort address poverty. Using data collected from 35 social service agencies and in-depth studies of four nonprofit agencies that reflect the range of funding models, this research examines how the external environment affects participation, governance, and advocacy efforts within agencies. In terms of participation, this research shows that some agencies that rely on volunteers and community donations reflect an empowerment organizational culture, but that the complexity of government funding presents a major challenge to agencies, requiring professional skills and knowledge that exceed what is found in the community. With regard to governance, as agencies have to devote more effort to securing and managing funding, missions shift, services are reduced, and empowerment cultures are threatened. Advocacy efforts, except when considered most broadly as securing additional resources for clients, are of minimal importance among agency directors and board members.

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INTRODUCTION: TENT CITY

In the spring of 2010 homelessness became a contentious issue in Bloomington. With the Interfaith Winter Shelter closed for the season and nights still cold, homeless people struggled as they returned to sleeping outdoors. One homeless advocate's arrest after a public protest, followed by his invitation to allow homeless people to sleep in tents in his backyard, stirred the community to act. Hal Taylor was a retired minister in his nineties, and an active advocate at City Hall for people with no place to go, nowhere to sleep. He led a group of homeless people from site to site, until one night he refused to leave a public park and was arrested. This prompted him to offer his backyard as a site for a Tent City for the homeless. This move successfully kicked off a community conversation about the need for a shelter and put a great deal of pressure on the city to "do something." Opponents to the Tent City claimed that the presence of homeless people in their neighbors' yard was a potential threat to the safety of women and children. One resident was quoted in the local paper saying "We have single women, elderly folks and families with young kids here, they wonder whether these people are staying in their tents all night, or trolling the neighborhood looking for unlocked sheds and cars" (quoted in the (Bloomington) *Herald-Times*, Denny 2010). The Mayor, Mark Kruzan, stated that there was little he could do, but under pressure from citizens, the City charged Hal Taylor with code violations.

Hal Taylor served as spokesperson for a group of homeless people and community members who were committed to addressing homelessness. Their efforts appeared to be thwarted by the City and the local press. The City agreed to look the other way and allow the Tent City to quietly relocate onto city-owned brownfield, but when questioned by the press, the Mayor denied granting the group permission to move. When the City convened a group of stakeholders to study homelessness, neither Hal Taylor nor his group, nor several other groups that directly worked with the homeless, were included. So community members instead convened their own group, quickly creating a plan to address homelessness.

Tent City served as a catalyst. By the end of the first week in June a local evangelical church opened a low-barrier summer shelter in an open-air picnic shelter on its grounds. This provided an immediate short-term solution. On June 12th the director of the Interfaith Winter Shelter had organized a Homelessness Summit. The Summit identified three community priorities: a family shelter, a day shelter that operated on weekends, and a permanent low-barrier shelter. In the sheltering and housing vernacular, low-barrier refers to the degree people seeking shelter are monitored. For instance, in a high-barrier shelter people are not allowed to stay if there is evidence that they have used drugs, usually monitored through the use of a Breathalyzer. Low-barrier shelters do not require sobriety, but in most cases do not allow people to have access to their drugs or alcohol while using the shelter. There is another difference that Forrest Gilmore, the director of the day shelter, Shalom Community Center, emphasizes when talking to community members, and that is that low-barrier is not no-barrier. People using a low-barrier shelter have to behave respectfully towards others. The Summit educated community members, explaining key policy terms and giving an overview of Housing and Urban Development (HUD) programs. The Summit also served as the inaugural meeting of the Emergency Shelter Task Force (ESTF), led by two men, a retired Indiana University professor, James Riley and a retired minister, Ken Rogers. The ESTF performed a needs assessment of Bloomington, collected information about what kind of services were available, identified gaps in services, and developed a fundraising plan to bridge these gaps.

Their assessment confirmed the priorities identified at the Homelessness Summit, but meeting any one of these needs would be a challenge. As Table 0.1 shows, there appeared to be plenty of shelter beds in Bloomington. In 2010 there were 44 beds for men and 12 beds for women in high barrier shelters, and while utilization rates were low, the perceived bounty of beds, combined with a lack of understanding for what it meant to be a high-barrier shelter, made it a tough sell to the community whose donations and volunteering were critical to addressing these gaps in service. There was a strong sentiment in the broader community, especially among township officials and business owners, that a high-barrier shelter was preferable. While there were empty beds in the high-barrier shelters, the existing low-barrier shelter, even though it had geographic barriers to its use (the winter shelter was in a different church each night, and the newly established summer shelter was far enough outside of town that a dedicated bus picked clients up at a central location each evening and brought them back into town in the morning), operated at capacity.

While ESTF was only briefly in existence, my meeting notes and observations at ETSF meetings highlight the challenges of depending on community groups to meet important social needs such as housing. The meetings were attended by social service professionals as well as community members who had little to no background in providing services. These community members—James Riley was one, did not have the breadth of knowledge, or the personal history of established work relations with many of the social service "players" in the community. The usual barriers to effective organizing were present—meetings often trailed off topic, and people became involved and then did not follow through. But there was also evidence of quick progress—by August the ESTF had established an agreement with the local hospital to use a house it owned on an adjacent lot to serve as a family shelter on the condition that the ESTF could partner with an established agency to serve as the legal representative, and clean up and remodel the housing to meet the necessary building and municipal codes. Meeting these conditions brought the ESTF to a standstill.

Established social service providers were unwilling to partner with the ETSF. Two other shelters declined, stating that it was too far afield of their mission, or that they lacked the capacity to oversee the project. It looked as though it was going to be a replay of a previous effort to establish a family shelter in 2006, led by the CEO of the United Way. This effort failed when no existing agency would manage the project. Shalom offered some hope—having recently relocated and survived the transition, they briefly considered partnering with the ESTF, but personal differences resulted in them deciding against partnering.

Table 0.1: Number of Shelter Beds in Bloomington, 2009

Emergency Shelters	Criteria	Target Population	Number of Beds
Backstreet Mission	high barrier	men	22
Rosie's Place	high barrier	families	6
Martha's House	high barrier	men	22
		women	6
Middle Way House	domestic violence	women[1]	22
Interfaith Winter Shelter (Nov-March) and Genesis Summer Shelter (April-Oct)	low barrier	men, women, children	30-40
Catholic Worker House	low barrier	men, women, children	5
Youth Services Bureau	youth	children (ages 7-17)	15
		Total Beds	**138-148**
Transitional Shelters			
Backstreet	high barrier	men	37
		women and children	31
Centerstone	mental health	men and women	32
Amethyst	addiction treatment	men	19
		women	9
Middle Way House	domestic violence	women and children	78
Stepping Stones	homeless youth	youth (16-20)	9
Crisis Pregnancy Center	pregnancy	youth and young adults	10
Martha's House	mental health and homeless	adults/families	19
		Total Beds	**244**

Information gathered through interviews and annual reports
[1]Middle Way arranges for male victims of domestic violence to be placed in hotels.

By fall the ESTF was largely disbanded. James Riley continued to work with the hospital to identify an appropriate house to remodel and this would later serve as the site of the New Hope Family Shelter. Eventually the United Way agreed to serve as a temporary fiscal agent, and James Riley, against the advice of many, filed for and secured nonprofit status, creating another social service agency in Bloomington. The other two priorities identified at the Homelessness Summit—establishing a year-round low-barrier shelter and a seven-day a week daytime shelter—were partially met: for what turned out to be three years, a local evangelical church operated a low-barrier summer shelter, and combined with the Interfaith Winter Shelter, met a year-round need for shelter. And Shalom Community Center successfully reopened after moving to a large space and was able to provide a high level of daytime shelter services, although not on weekends. All in all, the Tent City was a huge success in mobilizing the community to meet a need.

It was through my involvement with the New Hope Family Shelter that I became familiar with how nonprofit agencies are formed, how they harness community resources to survive, and how they struggle to balance community interests with the needs of the population being served. In February 2011, I responded to an email, forwarded from my department chair, asking if anyone wanted to help rehabilitate a homeless shelter. I volunteered myself, and my husband, and together we went to see the house. Looking around at the dank house that smelled of feral cats and other waste, I set a demanding demolition schedule, recruited some colleagues, and quickly set to work rehabilitating the house. I solicited materials and supplies and recruited volunteers in the evening after spending the day with a wrecking bar and hammer, pulling up molded carpet and flooring, or scraping woodwork to remediate the lead paint problem that a city inspector had discovered. Leading crews of volunteers, we repaired flooring that termites had damaged, fixed plumbing lines, and remodeled the kitchen. With a small grant from the city we hired a contractor to install an ADA-compliant bathroom, and put new fixtures into a second bathroom. The contractor kept the cost low by letting me do any work I could at night after his crew had left. In total, the rehabilitation came in under fifteen thousand dollars – about twelve went to the contractor (the grant required the work be done by a hired contractor) and the remaining three to purchase the materials and supplies we could not get donated.

For five months I worked on the house and when I was not completing or overseeing construction, I attended board meetings and met with city officials. Observing meetings between James Riley and City officials, I realized that it was seldom the financial support that mattered, but rather their cooperation. The Office of Housing and Neighborhood Development advised New Hope on how to meet the city and county code requirements. There is a lot of leeway in code enforcement, and it took several meetings between county and city officials to determine exactly which codes the shelter house would be required to meet. Throughout this process it was clear that either the county or the city could erect a costly roadblock through code enforcement that would effectively derail the effort. In the end the city required that the shelter be clear of all lead hazards, but did not require that this be achieved through an expensive third party mediator, and the county required an American with Disabilities accessible bath and bedroom, but did not require the shelter to meet strict fire codes that would have made the project too expensive.

During these meetings I would be flummoxed. I was a volunteer, sitting at a table with (paid) City officials and “giving” a better part of my weekends and evenings to rehabilitate a marginal house into a place that homeless families could sleep comfortably and safely. I did not think of this as my problem—I was actually very sure it was the problem of the people I was meeting with, yet I would listen to them demand how I did the rehabilitation and it struck me that they did not see this problem as belonging to them. The officials I met with thought what I was doing was nice, and in reading reports that they submitted to HUD, my efforts were touted as demonstrating the “City’s effort” to address family homelessness, but it was clear from their demeanor and their demands that this was not something that they felt was actually their concern. After these meetings I would remind myself that kids sleeping in cars is not acceptable, and that I probably could get this house rehabilitated quickly if I just stayed focused and, of course, convinced a lot of other people that this problem was important, that it was solvable, and that their help, either with a hammer or with their wallets, would speed it along.

Rehabilitating the building was the first phase and my point of entry into over two years of fieldwork in the nonprofit social service sector in Bloomington. Once the shelter opened, I expanded my horizon and began to explore other social service agencies. I learned more about families experiencing poverty, the gaps in services, and the challenges individuals and families had to overcome if they were to successfully access services. Getting help required persistence and a thick skin, as well as a significant store of patience and time. In many ways the long lines that characterized public welfare in the eighties have been replaced by technology—applicants have to fill out forms online, prepare documents and have them faxed to centralized processing centers, and when they have questions, wait in long phone queues. And the assistance that this effort produced was often lacking—rather than solving a problem, applying for public forms of assistance generated more paperwork, requiring more forms to be filled out. Even when benefits were awarded, follow-up forms to prove continued eligibility required ongoing attention. At the local, private level there was a lot more leeway, although some providers seemed suspicious of clients, concerned that they were asking more than their fair share of food or money to pay utilities while others had a more client-first orientation and treated people with dignity by offering them choices in terms of what kind of food they wanted from the pantry (instead of handing them a bag of preselected groceries). Agencies differed a great deal in how they treated clients, how much they relied on volunteers, how they were funded, and the role board members held—topics that will be the focus of the substantive chapters in this dissertation.

My experience meeting with City officials sparked my interest in how our traditional consideration of the welfare state largely ignores the kind of private effort that has become the front-line providers for antipoverty programs in the U.S. I started to think about the U.S. welfare state as a hybridization of two distinct types—on one hand there is "the state" and with it, an expectation of responsibility for securing a range of rights associated with citizenship, much in the spirit of T.H. Marshall. And then there is a private system that is much less defined, not universal, and subject to the values of those who participate. This research is directed at answering questions springing from this participation—first, who is participating, and how? And what drives decision making within private, nonprofit organizations? As someone still affected by the idealism of youth, I wondered whether this private organized response to poverty was carrying the torch that the federal government lit with the "War on Poverty," or whether this had had been allowed to flicker out as nonprofit managers instead built organizations that maintained their own position?

To answer these questions I rely on 18 months of fieldwork in Bloomington, Indiana that began with my work rehabilitating a shelter and ended with 17 in-depth interviews with board members and executive directors at four social service agencies—Bloomington Housing Authority, Martha's House, Middle Way House, and Shalom Community Center. While in the field, I attended meetings, both board meetings and community meetings, volunteer trainings, United Way sponsored trainings for nonprofit professionals, grant presentations, and served as a volunteer at several agencies. I collected newspaper articles about social service agencies in Bloomington, followed stories that were developing and dug up old stories that informed both my fieldwork and the informal questions I asked others. I also collected social media efforts by agencies.

When I was not in the field I travelled to what is today called the Lilly Family School of Philanthropy library where I traced the funding streams to Bloomington social service agencies, and collected Form 990 data. I built a database of the 35 social service agencies in Bloomington and this helped me understand how agencies were funded and identify the general characteristics of funding streams, although inaccuracies and a lack of variation in these data proved them less useful as a way of identifying significant differences between agencies. I also collected data about public welfare efforts; compiling data on how much Indiana spends on social welfare in Bloomington (or Monroe County), Indiana. At each level of government I gathered financial reports, and these are used in Chapter 2 to illustrate the complexity of funding, and the limitations of using public welfare expenditures as our sole measure of the U.S. welfare state.

There is a methodological appendix that provided details of my field entry, data collection, and analysis.

In Chapter 1 I present a theoretical argument for why our conception of the U.S. welfare state needs to include measures of the *private effort* as well as measures of the public effort. I show that the nonprofit sector has largely replaced the administration and delivery of social services, and that as we consider including after-tax transfers and in-kind benefits in our calculation of poverty, we also need to move forward to counting this private effort as part of what we mean by the U.S. welfare state. Considering both parts—the private and the public—will help us more accurately measure progress toward reducing poverty, and provide us with a way of accounting for the private effort. We need to be able to evaluate and make informed decisions for how resources should be deployed.

In Chapter 2, I outline the range of agencies and organizations at both the federal, state, and local level that make up the social welfare state in America. Using prepared budget reports from each level of government, I show how much money is deployed in Bloomington and Monroe County in an effort to address poverty, and how this compares to private efforts. I focus on how social welfare is funded and how the current system demands high levels of technical skills and financial knowledge to access. This point is revisited in later chapters where I show the instability of funding, combined with the complexity of new funding mechanisms that funnel funding through the private financial markets places undue demands on social service providers who lack the skills and expertise to manage these financial flows. I argue that this is a real limitations of public funding, and that the benefits of so-called welfare spending is being directed to economic elites who are able to capture part of this low-risk capital. In the second part of this chapter I focus on local, private, nonprofit social service efforts in Bloomington, and how the agencies respond to gaps in services that have been brought about through cuts in federal spending. I develop a typology of organizations based primarily on funding streams. Using financial reports to the Internal Revenue Service (IRS) for the population of social service providers that operated in Bloomington, Indiana in 2010 (n=35), I use these data to identify commonalities in organizational structures, particularly in funding steams (government, private and fee-based funding), sector (shelter, hunger, medical services, and other), and board type (hands-on vs. providing basic oversight). Based on these categories, I focus on one sector, shelter agencies, and from these select four agencies—Shalom Community Center, Martha's House, Bloomington Housing Authority, and Middle Way House—that vary in board involvement and funding source. In-depth case studies of these four agencies informed the empirical analysis of the three chapters on participation, governance, and advocacy. Chapter two concludes with a description of each of these case studies.

Chapter 3 focuses on identifying who participates in nonprofit social service organizations, looking specifically at volunteers, board members and clients. This chapter explores the pathways through which people become involved with social service agencies, and the reliance that organizations have on voluntary participants in achieving their missions. I hypothesize that funding streams are predictors of (1) whether an organization will utilize volunteers, and (2) the level of involvement of board members, and find that whether funding is from private of public sources, does not create significant differences in participation outcomes. Taking Putnam's (2000) distinction between those who merely "write checks" and those who show up and volunteer as an important distinction in civil society, I argue that it is actually those who write checks who serve very critical roles as donors and that this should not be dismissed. Through interviews with board members and executive directors I examine whether agencies attempt to transform volunteers into cash donors, as suggested by the nonprofit management guidebooks. This line of inquiry instead leads to a key finding of this dissertation: agencies differed in promoting an organizational culture that either promoted empowerment or a supervisory culture. This was most obvious in how clients within agencies were treated, with some agencies working to incorporate clients and their lived experience with poverty into decision-making roles, while other agencies viewed clients as requiring supervision and developed internal processes to accomplish this. This cultural distinction transfers to the governing structures that are developed within agencies (Chapter 4) and are critical in determining the type and degree of advocacy efforts an agency engages in (Chapter 5).

In Chapter 4 I focus on governance of nonprofit organizations. Governance means both the process through which decisions are made and how external actors influence decision-making. Focusing first on field-level determinants, I show how field -level actors (including the IRS, the United Way, and professional consultants) assert control through rules, regulations, and control over resources. I then turn to internal processes, specifically board member-executive director management, to show how different roles affect where and how decisions are made. This chapter focuses specifically on how differences in funding stream—whether the agency relies predominately on federal or private funding—affects organizational structures and in turn, the governance of the organization. Through close case analysis of agencies as they encounter and negotiate challenges to their funding stream, this chapter lays out how federal funding generates a bureaucratic reporting structure with high levels of accountability that influence program and policies within the organization. In contrast, agencies that rely on private giving have greater flexibility in how they use financial resources, due in part to reliance on organizational reputation rather than strict financial accountability. This chapter also shows how the economic disruptions that these agencies experience provides evidence that funding instability, whether in the form of increases in grant money or a shortfall in funding, creates a governing crisis within organizations. I show how three agencies worked to divert the crisis by deploying their respective resources strategically, while a fourth agency muddled forward without a resolution.

In Chapter 5 I engage the question of how much of an agency's effort is directed at advocating for clients, and what factors influence the kind of advocacy an agency engages in. Building on prior definitions of advocacy, I develop a schema that distinguishes between two dimensions of advocacy: 1) "resource-advocacy" or efforts that are directed toward increasing resources; and 2) "rights-advocacy" or efforts that are directed toward increasing clients' rights. Resource-advocacy can range from bringing additional resources into an agency for staff salaries, or it can be more client-centered, as when agencies secure a grant to establish a new program or expand existing services, but in its most radical form, this type of advocacy transfers the resources directly to its clients, giving them control over the resource. Rights-advocacy ranges from educating the public about an issue, to working with policy makers to promote an expansion of the rights for agency clients. Using these conceptions of advocacy and interviews with executive directors and board members, I show how agencies that are tied to the community through funding, use their position to engage in both rights-advocacy and resource advocacy, but that when an agency achieves recognition for its work at a regional or national level, its influence expands, increasing the potential impact of advocacy efforts. Agencies with an empowerment culture are more likely to divert existing resources to stronger forms of both types of advocacy. Using Facebook status updates for two years (2011 and 2012), I show how two agencies successfully use this medium as an advocacy platform to encourage a greater understanding of the issues that face their clients, and to encourage community members to donate money to the agency.

Finally, in Chapter 6, I discuss the implications of my findings for the shift in funding from government to the private sector.

CHAPTER ONE: THE AMERICAN WELFARE STATE

"It is not government's obligation to provide services but to see that they're provided." -former New York Governor Mario Cuomo

There are many great accounts of the history of U.S. social welfare efforts, many focused on the U.S. response to poverty, with Katz's (1996) being one of the most complete (but see also Patterson [2000] and Axinn and Stern [2005]). While this dissertation is focused on the post-1975 era, this leaves a rich story untold: Early Colonies adopted the British system of laws, setting up a system of local poor relief vested in the counties, or in some areas the county subdivision--the township, and embodying longstanding popular misgivings about the degree and validity of need among the poor (Katz 1996, Leiby 1978, Axinn and Levin 1982). In America, as in England, the "deserving" poor were meant to receive assistance, but not the "undeserving" poor--those who could have worked for a living. The historic visit by Alexis de Tocqueville in 1835, in which he noted the widespread associations that gave form to American life, has become part of our cultural identity—that we are a nation of joiners, and it is in this sacred associational place that democracy is promoted and secured. These associations worked to control who received assistance, relying on local knowledge of kinship networks, and whether someone was really "in need" or whether they could access help from family (Katz 1996). The Populist movement arose in the latter part of the nineteenth century, when industrialization and urbanization gave rise to private charities, charged with filling the major gaps in needs left behind as family and kinship networks weakened (e.g. the Salvation Army, the Charity Organization Society; Watson 1922, Woodroofe 1971). This was followed by the rise of social work as a profession which served as gatekeepers, formalizing access to charity by controlling who received help and restricting assistance to those worthy of it, but also establishing settlement houses, such as Hull House in Chicago, based on a more egalitarian model of providing assistance (Popple and Reid 1999). As early as the Civil War there were federal efforts to provide disabled veterans of the Union Army in the Civil War a pension, and an even unlikelier pension that went to poor mothers (Hacsi 1997, Orloff 1988, Skocpol 1995). But the United States was hesitant to implement the changes that were taking place in other industrialized nations, even during the Roosevelt administration of the 1930s and 1940s when Federal spending increased (Bremmer 1956). It was only under the Johnson administration in the 1960s when the War on Poverty initiated an era that Herrick and Midgely (2002) have termed the "golden years of the welfare state" that a robust welfare state in America seemed likely, although as we know this was not to be. What this early history shows is a consistent effort to address poverty at the local level, a hesitancy to act at the federal level, and to deliver, if not fund services, through private organizations. There are regional differences, particularly between the North and South, but overwhelmingly the early history of the U.S. demonstrates discomfort with too much federal power and control, and a high degree of comfort with local control.

Progressives during the late Seventies and early Eighties were optimistic that the U.S. would adopt a European style welfare state, much in the style of a natural expansion of citizenship rights to include political, civil and social rights, as promoted by T.H. Marshall (1964). Some saw this expansion as a consequence of industrialization, viewing the welfare state as a response to increasing social problems brought about by industrialization, or as a result of the growing inequality that capitalism gave rise to (reviewed in Skocpol and Amenta 1986). Others view political systems as providing a better set of explanations, focusing on electoral politics (i.e. Esping-Anderson 1990, Brady 2003), or attributing expansions in social spending to interest groups, social movements and protest (Piven and Cloward 1977, Eriksson-Joslyn 1973, Andrews and Edwards 2004). A third set of theories, based on institutional theory, are founded on the argument that centralized bureaucratic political institutions with strong financial capacity expand social spending, while fragmented political institutions struggle (Amenta et al. 2001). This theory is particularly applicable to explaining the many false starts in developing a strong welfare state in the United States, mentioned above and perhaps best illustrated by the sociologist Theda Skocpol's (1995) historical examination of the rise in pensions for soldiers and mothers after the

Civil War. Skocpol shows how federal efforts were undermined by interest groups, and how a weak centralized state, that is endemic to the U.S. form of federalism, could not overcome strong opposition.

While scholars dispute the theoretical explanations for why some nations have adopted stronger or weaker forms social welfare policy, empirical studies of the welfare state differ in how they measure social welfare. Some quantify the size and scope of welfare states by counting social security transfers or government medical expenditures, and comparing them to overall economic activity (i.e. GDP; Brady 2003, Hicks and Misra 1993), while others calculate the amount of income workers would receive if they exited the workforce (Kenworthy 1999). Notably absent in the theoretical work reviewed above, as well as the empirical studies, are attempts to include private efforts in providing social welfare (Peterson 1985, Oakley 2006). This dissertation posits that our conception of the welfare state needs to be expanded to include private efforts, not because this will suddenly make the U.S. version of social welfare more robust and effective (it does not), but because by including this private effort we can begin to account for its success or failure in reducing poverty, and thereby have some means to evaluate empirically whether we wish to continue to structure our welfare system this way, or whether we would prefer to adopt a more centralized approach.

History makes clear that the current hybridized welfare state was not inevitable. On the heals of the Great Society programs, President Richard Nixon was ready to institutionalize a guaranteed minimum wage and universal child care (President's Message on Welfare Reform 1969), but Nixon's proposed welfare reform failed to win support in Congress. Steensland (2006) argues that this failure reflects the cultural categories of worthiness and unworthiness prevalent throughout American history. He compares the failure of Nixon to secure passage of a guaranteed income to his success in passing the Earned Income Tax Credit and the Supplemental Security Income, both of which tie benefits to work and demonstrate the strong attachment that Americans have to attributing worth to individual effort. Research, based on both content analysis of news reports and analyses of data from the General Social Survey, shows that the American people are easily swayed by how poverty is framed—when poverty is expressed as a collective outcome, people are more likely to award larger amounts of government assistance to people than when poverty is framed in relation to a specific poor person (Iyengar 1990). In an exhaustive study of policy framing in media outlets and public opinion, Gilens (2000) identified a shift in the media portrayal of welfare starting in the mid-1960s, with coverage moving from a positive portrayal of poor white people to a negative portrayal of poor black people. This racialized conception of poverty in American discourse, decreasing support for cash transfer programs, is in part due to associated stereotypes of blacks as lazy and shiftless. This tension between the "deserving" or "worthy" poor, depicted as white and made poor through circumstances beyond their control, and the "undeserving" or "unworthy" poor for whom poverty is seen as a choice made out of a desire to be lazy has a long history in America (Katz 1996). Categories of worth based on ascribed statuses have long affected attitudes of deservedness, and have become institutionalized in our social welfare policies (Steensland 2006). Harrell (2006) found that Americans hold strong beliefs in the ability of the individual to overcome challenges through hard work and are largely unaware of how social assistance is provided—most believe that the poor receive cash aid, not understanding that assistance is usually in the form of a voucher, a service, or in-kind assistance.

In this chapter, I argue that the definition of the American welfare state needs to be broadened to include the nonprofit social service sector. Currently, scholarship treats the welfare state as separate and distinct from the organizations and actual safety nets that serve people in need. One reason for this is that the United States is somewhat unique (but not alone) in its reliance on private enterprises and entrepreneurial social activists to develop an approach to helping people in need. While other countries have nonprofit sectors, the U.S. nonprofit sector is more developed and more relied on for assisting people experiencing poverty. Another reason welfare scholars have left out spending on social welfare in the nonprofit sector is that the data are not yet in a clean form, and what data are being collected is incomplete. Furthermore, what is meant by the "nonprofit sector" is often cloudy, with universities, hospitals, churches, and fraternal organizations sharing this classification with agencies that provide tradition forms of social assistance to the poor. But I think that the most serious challenge is that current theorists have conceptualized the nonprofit sector as a "partner" to government. As I present in this research, nonprofit social service agencies do not consider themselves to be government partners, instead they view their role as providing critical services to people in need, often in the absence of a government response, and sometimes by using government funding.

In this chapter I provide two theoretical perspectives that have dominated the discussion of the nonprofit sector since the mid-1970s. These theoretical frameworks have significant shortcomings, so I shift attention to the emerging political framework, part of which incorporates the partnership model. However rather than settle for this, I use historical evidence and the current literature on the nonprofit sector to argue for a new model for how the nonprofit sector, particularly in the social services, is influenced by external and internal actors, including political elites, who drive decision making within organizations.

A Hybridized Welfare State

Prior to the 1960s, there was a restricted relationship between private and public welfare institutions; federal rules prohibited public relief agencies from partnering with private welfare agencies (Grønberg 1982). During the Johnson Administration these rules were removed, as private agencies became vehicles for government agencies to try new programs at a small scale. From 1977-1997 the United States saw an enormous growth in the social service nonprofit sector (including health care): there was an increase in the number of charitable nonprofit social service providers from 40,983 in 1975 to 92,156 in 1997, over this time period the number of people employed in the sector increased by 135 percent, and the sector experienced a 704 percent increase in revenue (Frumkin 2002). Since then, growth has continued, with over 1.1 million registered charitable nonprofits, not including hospitals, controlling over $3.3 million in assets in 2012 (Roeger et. al 2012). Today nonprofits employ over 2.1 million employees, and over one million full-time equivalent volunteers (Salamon 2012). The contribution to the U.S. economy has also been impressive. In 1975, nonprofit agencies that served households added $56.7 billion (3.4% of GDP) to the US economy, an amount that increased to $804.8 billion (5.5% of GDP) in 2010 (Roeger et al., 2012). What changed?

Collective Good

Early efforts to explain the increasing role of nonprofits in delivering social welfare focused on market failure (Weisbrod 1975, Hansmann 1987) and government failure (Weisbrod 1975). There are three ways that markets can fail, according to this perspective: (1) markets can fail to produce enough of a collective good, often because it is inefficient to produce a good that everyone can use efficiently (Samuelson 1954); (2) markets can fail when they over-exclude people from a non-rival good or service. Non-rivalrous refers to whether one person using a good or service excludes another person from using the same good or service). For instance art museums are non-rivalrous—it costs nothing for each additional person to view the art. But because people can be excluded through cost barriers, and they often are, economists view a market failure as occurring when "the market" overly excludes people from consuming a good that it would cost nothing for them to consume. Market failure occurs when museum prices are so high that people—even those the museum wants to attract—stop going to museums. And (3) markets fail when consumers are unable to judge the quality of a service they are purchasing—either because they lack knowledge about the service (i.e. car repair) or they do not have direct experience of the service (i.e. purchasing assisted living for a parent with dementia) (Nelson and Krashinsky 1973). Government can respond to market failure in several ways: (1) it can provide collective goods or contract with a private firm to produce them; or (2) it can offer special access to excludable public goods for some populations (i.e. allowing children free entry to art museums) or (3) it can regulate providers (i.e. assisted living facilities) (Steinberg 2006).

Weisbrod (1975), focusing on government response to market failure, identified ways that the government also fails: (1) with respect to collective goods, the government does not provide collective goods at the level of the highest demand, as this would leave those with low demand for a good dissatisfied; and (2) the government is limited in its ability to regulate, reducing its ability to oversee exchanges between firms and consumers. Weisbrod (1975) viewed nonprofit organizations as arising as a solution to market and government failure. According to this perspective, nonprofit organizations represent a "third-party" approach to the government-market failure problem. This third sector, sometimes referred to as the "voluntary sector," is a broad term intended to capture the broad activities that shape civil society. This definitional broadness has generated a variety of scholarship, however it has become clear that the third-sector is too unwieldy of a term to refer to the distinctly American version of nonprofit organizations.

The market and government failure theories dominated the theoretical discourse of the origin of the nonprofit sector until the late Nineties, although there have been significant critiques. The political scientist Lester Salamon (1995) argues that if the federal government has failed to provide a public good, it does little good to show that the government is successfully partnering with nonprofit agencies to provide that good—as this amounts to saying that the government innovating and succeeding at providing the good. Salamon proposes an alternative conceptual approach for the U.S. welfare state, where what is meant by "the state" is expanded to include not just the government's supply of services, but also government's role in providing funds (and influencing through those funds) that ultimately lead to the provision of goods and services. He was among the first to argue that this fits with both America's federal constitutional structure and history of relying on local efforts, and with the close relationship between private institutions and government.

Salamon's argument for why the state shifted to rely on the nonprofit sector focuses on the transaction costs (Williamson 1981) associated with government response, and the high cost and low level of flexibility that this entails, he writes: "For government to act, substantial segments of the public must be aroused, public officials must be informed, laws must be written, majorities must be assembled, and programs must be put into operation. By contrast, to generate a voluntary-sector response, a handful of individuals acting on their own or with outside contributed support can suffice" (Salamon 1995: 44). By shifting the focus to transaction costs, Salamon overcomes the problem of attributing government failure as the reason for the rise of the nonprofit sector, but he also treats the nonprofit sector as arising out of a desire to minimize transaction costs.

I think that Salamon could have argued more successfully that nonprofit organizations emerged out of a desire by political elites to reduce transaction costs for themselves by insulating politics from programs that lacked popular appeal. Institutional theorists have shown that transaction costs can be reduced through many other, less expensive means, including familiarity and trust, but that the network linkages that are cultivated through exchange can also be exploited by powerful interests (Granovetter 1985, Uzzi 1996, Fligstein 2002, Portz 1991). By moving nonprofit organizations outside of the immediate purview of government, the transaction costs for nonprofits actually increased—nonprofits moved from working directly with a handful of government agencies to having to manage a much broader range of donors.

Economic theories for nonprofit organizations dominated the field for over two decades; hence they are recounted briefly here. Economists tend to undervalue the social benefit of organizations, and the account above reflects this bias—the focus on efficiency and the underlying logic of markets dominated the discourse. Below I review the civil society theory of the nonprofit sector, which focuses more on the role of nonprofit organizations within society and less on why it emerged.

Civil Society

In as much as nonprofit organizations fulfill the role of voluntary associations, with which they are often equated, they are frequently touted as fulfilling three pluralist functions: (1) serving as a form of participatory democracy, giving ordinary citizens influence and control over social policy; (2) increasing citizen understanding of the social and political process; and (3) serving as mechanisms for social change (Eriksson-Joslyn 1973). In this view, nonprofits are locations where people volunteer, serve, fulfill a religious mission, or otherwise come together as concerned members of the community (Putnam 2000, Alexander, et al. 1999, Tocqueville [1835] 2000). Nonprofit organizations represent a participatory ethos, creating a protected space for cultivating social change (Hall 2006, Kluver 2004, Clemens 2006). In this sense, nonprofit organizations produce a collective good that is different than what economists consider the collective good of nonprofit organizations. Rather than focus on the output of an organizations (i.e. a shelter), this perspective views nonprofit organizations as creating a collective good that is called several names: civic engagement, civil society, social capital, and social justice (Salamon and Anheier 1996, Alexander, et al. 1999, Putnam 2000). Salamon and Anheier (1996) show that nonprofit organizations promote civil society because they serve as value guardians. People are attracted to working in nonprofit social service agencies out of a desire to "do good" and to "be helpful," but as Zelizer (2005) argues, we lack sophisticated ways of considering how caring relationships that are highly meaningful create solidarity and produce security in society.

When a group of people coalesce around an issue and define it as a problem, they create an arena where a collective response is possible. Defining the problem means translating for others a view of the issue as a problem, or "prognostic framing" to use the terminology of Snow et al. (1986). This is the way a group makes sense of what they are doing. Groups create civil society through their interactions. Fine and Harrington (2002) argue that this form of social interaction generates social capital (i.e. Putnam 2000) because it creates a relationship to the state and other civic venues in the capacity of civic society that Habermas (1991) promotes. Habermas argues that the public sphere offers an alternative to the dissociative tendencies of late-stage capitalism, and that by coming together and participating in the construction of society, people can have enormous effects on how our society is governed and structured.

However, studies of small groups reveal how challenging it is for civil society to be maintained, and how much work members and volunteers devote to creating a sense of hope in a space that may be defined by a lack of political power. Nina Eliasoph (1997) studies several voluntary associations, illustrating how problems are framed as important at the local level, and how difficult it is for members to maintain political engagement in what is usually a disempowered position. Groups as diverse as the PTA, anti-drugs organizations, and environmental groups focus on how they can effect change locally. The close-to-home discourse dominated discussions of why particular issues were problematized by groups, but even at the local level, much energy was expended maintaining hope as groups were continuously confronted by their lack of power.

Other researchers take the existence of civil society for granted, focusing on contemporary threats to its role in promoting democracy. Many argue that the nonprofit sector's increasing adoption of market values threatens its role in promoting civil society (Eikenberry and Kluver 2004, Frumkin 2002, Skocpol 2002, Skocpol and Firoina 1999, Alexander et al. 1999, Putnam 2007). They point to strategies that nonprofits are adopting, including generating income through contracting, increasing donor control, and emphasizing entrepreneurship (meaning in part partnering with for-profit companies), as ways that nonprofits are adopting market logics that threaten their position as a cultivator of civil society. Eikenberry and Kluver (2004) argues that this is part of a broader challenge to civil society that is coming from an increased reliance on both large philanthropists (e.g. the Gates Foundation, Warren Buffet) and smaller foundations that are able to implement rules and direct spending in ways that define social policy. Similarly, the sociologist Dana Fisher (2006) studied progressive advocacy groups and found that they efficiently outsourced grassroots (and entry level) jobs, which demoralized young people who wanted to participate and build their capacity for effecting positive social change.

The political pluralism that places power at the level of the community and affords control over the political process to a wide-body of actors is in contrast to C. Wright Mills' (1956) conception of power, where the citizen is relatively powerless and is subject to control by military, corporate, and political elites. In this view, civil society is a shield that elites use to deflect claims by challengers—a means of maintaining power. Nonprofit organizations insulate political elites by buffering the state's responsibility and placing control at the local level. This argument seems obvious, but is seldom made. In fact the only place I found it articulated was in a 1973 article by Kerstin Eriksson-Joslyn, published in the *Berkeley Journal of Sociology*. One reason might be that participation in civil society does generate the kind of hope that Eliasoph describes above in her study of community associations. Another reason might be that there has not been a theoretical model that accounts for the role of elites in the creation of the nonprofit sector that also accounts for how nonprofit organizations strategically utilize their location as suppliers of civil society to engage volunteers, attract donors, and to (potentially) influence policy.

Proposed Model

Both the economic conception for the origin of nonprofit organizations and the civil society explanation for its role within society fail to situate the nonprofit sector within the broader political culture. To understand how the rise of the nonprofit sector has been driven by a mix of elite interests and a changing political landscape, I site historical evidence from other researchers who show how a series of policy mechanisms, including regulatory requirements, tax strategies, income and benefit transfers, intergovernmental grants, and provision of direct services, have been used to create a mixed public and private system of welfare in America (Zunz 2012, Burt and Nightingale 2009, Hall 2006). Once established, nonprofit organizations brought new actors into the broader field of government and social welfare. In the following I show how pre-existing institutions and organizations constrain actors to cooperate (March and Olsen 1989), but also how elites are able to reproduce power and privilege by controlling assets and processes (Fligstein 2002). The entrance of new actors transformed these interests, forcing others to adjust in how they use their power to shape institutions and social relations (Padgett and Ansell 1993). Rao writes that "organizational forms arise when actors with sufficient resources see in them an opportunity to realize interests that they value hugely" (1998: 912-13). I argue that actors created the nonprofit sector because they benefited directly from its creation.

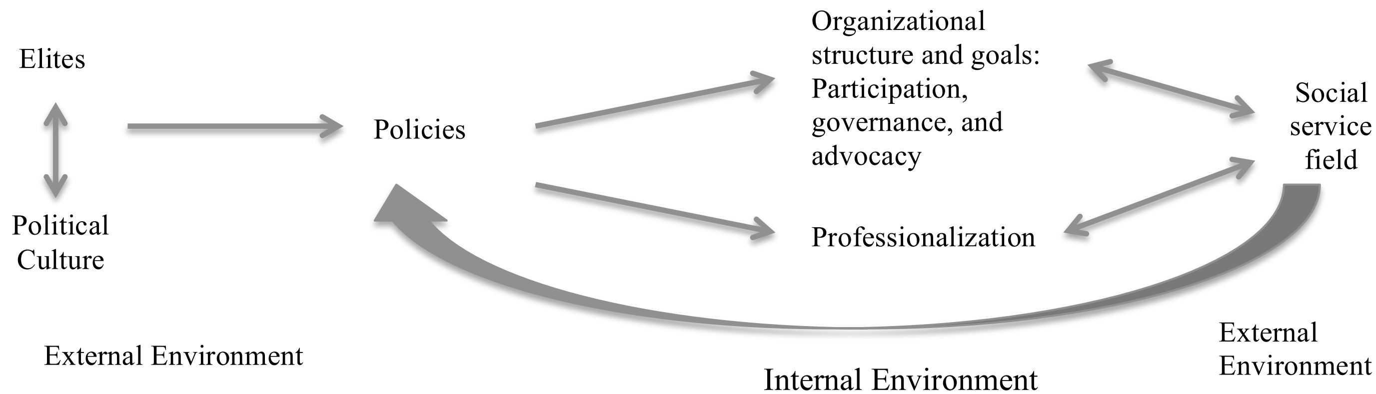
Figure 1.1 is a model that reflects the relationship between three interacting areas—the external environment, the internal environment (of individual agencies), and the field of social services. Existing scholarship shows that within the external environment, elites and political culture interact, generating policies that, when enacted have transformed the nonprofit sector in terms of both professionalization of staff, and the organizational structure and goals of agencies. The internal environment refers to the organizational structure and goals of nonprofit social service agencies and the professionalization of nonprofit actors. The organizational field consists of all the organizations, which taken together, represent a recognized area of institutional life (DiMaggio and Powell 1991: 64-65). Organizational fields are defined by the extent of interaction among organizations, the interorganizational structures of domination and patters of coalition, patterns of information exchange within the field, and mutual awareness among organizational actors that they are in a common enterprise (DiMaggio and Powell: 65). In this case, the social service field is theorized to include donors, community members, government agencies, foundations, corporations, independent consultants, financial accountants, and organizations that provide training to nonprofit actors, among others. In similar ways that the external environment affects the organizational structure, goals, and professionalization within agencies, the social service field also influences processes (e.g., participation, governance and advocacy as I discuss in chapters three, four and five) within agencies. This in turn creates a feedback loop, where practices within agencies influence the field and the practices at the field level influence the policies.

The composition of organizational fields differs based on location. For instance, in her comparison of charitable organizational fields in Chicago and San Francisco, Barman (2007) shows how differences in participation, culture, and expectations led to differences in how donors asserted influence and control over charitable gifts. The organizational field in Bloomington, Indiana differs from other cities, but I suggest that there are similarities between Bloomington and other medium-sized cities and that this research project contributes to our understanding of how communities of this size have organized their response to social problems.

I apply resource dependency theory to identify processes of control and compromise within the organizational field—and then directly within organizations— to understand how they adapt policies and practices to meet external demands. The key assertion of resource dependency theory is that organizations struggle to survive, and to survive they acquire resources from the environment, which is composed of other organizations (Pfeffer and Salancik [1978]). In this context, an organization's effectiveness is equated with its ability to manage and satisfy external constituents in ways that ensure its survival. Outside groups vary in their ability to control how an organization uses a given resource, and this is partly dependent on the amount of the resource, the number and type of other organizations that are competing for the resource, and the importance of the resource for the organization. Pfeffer and Salancik ([1978] 2003) point to a series of mechanisms that organizations employ to create a negotiated environment that reduces uncertainty. These mechanisms include coordination, developing networks (or linkages), and shared social norms, which together increase trust and create predictability.

In this dissertation I apply Weber's ([1922] (1968)) conception of "economically oriented action" to the case of nonprofit agencies, to show how exchange between nonprofit organizations and field-level actors produce a set of normative expectations that structure the internal governing structure of nonprofit organizations. Economically oriented action refers to actions that take economic considerations into account but factor in other considerations as well (i.e. political). Such action provides a theoretical basis for actions that take into consideration self- or organizational-interest, but that are also guided by other considerations.

Figure 0.1: Proposed Model of Elite and Field Level Policy Influence



The External Environment: Elites and Political Culture

Elite involvement in structuring the welfare state takes several different forms. During the expansion of federal spending under President Johnson, a small group of private philanthropic foundations, national welfare advocacy organizations, and corporate executives were invited to make up the Filer Commission, and provide recommendations on how welfare should be reformed. The Filer Commission defined the role of the nonprofit sector as providing services where the government could not, encouraging voluntarism, and assisting in the delivery of services, primarily in response to declining donations amidst a faltering economy (Zunz 2012). Among the recommendations that the Filer Commission made were revisions to the tax code to provide larger incentives for giving, especially by encouraging giving by low- and middle-income families (*Giving in America* 1975). Clemens and Guthrie (2010) argue that this collaboration between government and charitable organizations was intended to avoid controversial expansion in spending by the federal government by defining the roles for each sector clearly, and ensuring that benefits were awarded to elite stakeholders. The strategy of social assistance that emerged in the 1970s was one that focused on decreasing the dependency of the poor on social assistance, and shifting responsibility for meeting the needs of the poor first to states, then to private parties (Berry 2003, Pierson 1994).

Evidence of elite attitudes can be found in policy changes. In the late 1970s and early 1980's, federal spending, after a decade of increasing and outpacing states in spending on social programs, was significantly diminished. The election of President Ronald Reagan in 1980 represented a major shift in American politics, with conservatives gaining control of both the Presidency and the Senate. The "Reagan Revolution" brought retrenchment (spending cuts), devolution (shift to local control), and privatization (shift away from public control) to the center of U.S. policy, transforming the role of nonprofit social service providers and increasing the managerial skills agencies needed to meet their emerging role as government partners in providing services (Kramer and Grossman 1987, Austin 2003). The Economic Recovery Tax Act, passed in 1981, increased reliance on private institutions, but also lowered taxes and the incentive to donate to charities (Salomon 1995). Nearly a third of government spending in social service fields was cut, in addition to cuts in spending on education and income assistance for the poor, while what remained was shifted toward covering the escalating costs of health care (Salomon 2012).

During this time, nonprofit agencies competed for government contracts, which became their primary source of funding, and when these agencies lacked the capacity to meet the demands of government contracts, local government agencies stepped in to build that capacity (Kramer and Grossman 1987). The privatization trend encompassed employment services, child welfare, and child support enforcement, often subcontracting these services with nonprofit organizations (e.g., the Salvation Army), and when potentially profitable, for-profit companies (Winston et al. 2002). Small community-centered agencies were initially unable to contract with federal agencies because they lacked the necessary scale to receive federal attention, so instead they partnered with for-profit agencies, or formed collaborative relationships with other nonprofits to successfully bid on contracts (Winston et al. 2002). Larger nonprofit agencies had the capacity and diversity of funding steams to contract with federal and state agencies (Lipsky and Smith 1989, Sanger 2001). Wolch (1990) characterized this changing position of nonprofits as a “shadow state,” which reflected their role as receivers of public funds and, being under state control, lacking control and influence in determining programs.

Empirical studies that considered how this emerging model of service provision impacted service delivery found that the bureaucratic structures, typified by long wait times and low quality services, discouraged use by the low-income populations they claimed to serve, while also creating a system whereby potential clients have little recourse—they must abide by the rules dictated to them by providers (Lipsky [1980] 2010, Hasenfield, et al. 1987). Nonprofit agencies quickly became dependent on clients to justify their existence and demonstrate their effectiveness (Hasenfield, et. al 1987). Lipsky and Smith (1989) argue that as the process for securing funding became more politicized and as dependence on government funding grew during the 1980s, agencies selected clients who would reflect favorably on the agency, a process referred to as "creaming."

Not surprisingly, the programs that were shifted to local control were those that served disempowered groups, while programs that had well represented interests (i.e. Social Security recipients are represented by the American Association of Retired People [AARP]) remained at the federal level (Pierson 1994). This was an era of experimentation in the provision of social services, and devolution and privatization supported this—President Ronald Reagan, followed by President George H. W. Bush, allowed states to experiment with Aid to Families with Dependent Children, a cash-transfer program, by implementing requirements for eligibility, while other states instituted work requirements, and still others received waivers and were able to cut programing for some populations.

Salamon (1995) argues that Reagan, who came to office at the turning point of conservative attitudes toward nonprofits, failed to sufficiently understand the extent to which nonprofits relied on government funding. Reagan enacted policies (tax cuts, reduced social services expenditures) that undermined the ability of nonprofits to recover from these cuts through donations (because tax code changes de-incentivized giving) leaving agencies unable to meet the growing needs the poor. Under threat, agencies responded by diversifying funding streams, although these new sources of funding came with new requirements in terms of reporting and services (Ostrander 1985). Devolution and privatization shifted responsibility for social services to the states and localities, removing public support for many of the anti-poverty initiatives that were established in the Sixties and reducing the number of nonprofit social service agencies (Clemens and Guthrie 2010). This contraction in response to policy provides additional evidence of the relationship between external structural and institutional arrangements and the size and scope of the nonprofit sector (see Figure 1.1).

Cultural changes in American politics also decreased regulations regarding which organizations could partner with or receive federal funds for programs. Prior to the 1960s conservatives resisted government involvement with nonprofit charities, but President Reagan's call for Americans to take responsibility for each other by volunteering helped to change this. Throughout the Eighties churches on both the left and right mobilized members, pushing for changes in rules that would allow them to tap into federal dollars to provide social services (and religion) to people who needed help, an effort that culminated in the 1988 Supreme Court decision that allowed for "charitable choice" [faith-based] legislation (Zunz 2012). Additional reforms under President Clinton in 1996 promoted formal governmental partnerships with community-based and faith-based organizations as service providers, helping to define the role of nonprofit organizations and emphasize their social function in building community cohesion (Nightengale and Pindus 1997). George W. Bush created the Office of Faith-Based and Community Initiatives in 2001, which continues to operate today.

Charitable Choice built on existing contractual relationships between government and faith-based agencies (e.g. Catholic Charities, Lutheran Family Services, Salvation Army), allowing for a more explicit role for faith in the delivery of services and expanding the types of providers involved in service delivery (Greenberg 2000). Nevertheless, there are wide differences in how to define faith-based organizations that supply social service programs. Definitions vary in the extent to which an agency or its programs is coupled with religiosity, and how that religiosity is used in program delivery (Jeavon 1998, Smith and Sosin 2001, Monsma 2004, Sider and Unruh 2004). Clerkin and Gronbjerg (2007) surveyed Indiana religious groups, finding that congregations (as opposed to faith-based nonprofit organizations) have the management capacity to capture funding through the expanded Charitable Choice legislation, and have a history of providing a narrow range of human services, but that few congregations were interested or knowledgeable about tapping into this source of funding. Sider and Unruh (2004) situate programs, rather than organizations, as being faith-based, claiming that different programs within an organization can have differing amounts of religious content.

In what started as a campaign promise during his election campaign in 1991, President Bill Clinton declared in 1996 while signing the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) that he had fulfilled his promise to "end welfare as we know it" (*New York Times* 1994). PRWORA replaced Aid to Families with Dependent Children with Temporary Aid (AFDC) to Needy Families (TANF), and represented more than just a change in name—TANF transformed the way the federal government managed cash benefits. What emerged was an era of contracts, with nonprofit agencies emerging as the primary mechanism through which the state delivered welfare services to people (Smith and Lipsky 1993). Austin (2003), in his study of welfare reform in Wisconsin notes that this arrangement had many benefits for both government agencies (e.g. increased flexibility in programing, efficiency, and service quality) and nonprofit social service providers (e.g. increased legitimacy, greater financial resources), as well as several disadvantages for government (e.g. a lack of competition among providers, difficulty assessing performance and accountability, and increased transaction costs) and nonprofit organizations (e.g. too little funding to cover costs associated with reporting requirements, pressure to hire professional staff, and a mismatch between funding and community needs).

The decline in welfare recipients was taken as evidence to support the liberal economic principles that were promoted by conservatives, although later analysis showed that the declines were driven by strong economic growth (Ziliak et al. 2000). Liberal economic policy, or neoliberalism as it is also referred to, promotes decreased state involvement in the economy and views public welfare efforts as encouraging dependency by providing incentives for single parenthood and unemployment (Bane and Ellwood 1994, Danziger, et al. 1981, Licher et al. 1997, Moffitt 2000).

The nonprofit sector underwent a series of transformations beginning in the early Eighties, first contracting with government (Woch 1990, Smith and Lipsky 1993), and then serving as partners to government (Salamon 1995, Austin 2003). This changing political culture, along with input from elites, created a set of policies that rapidly undid many of the expansions in federal welfare that took place during the 1960s and 1970s. I argue that the result has been to create what I call a "hybridized welfare state" that embodies the government's effort to craft a sector that was responsive, flexible, and efficient (its perceived opposite) and an emerging private sector that until recently was based on individual efforts, but more recently has become formalized, complex, and sophisticated.

The nonprofit sector that took hold, rapidly growing through the Nineties and into the first part of this century has a complex relationship with the federal government, and an increasingly complex relationship with private foundations. For instance, sociologists Elisabeth Clemens and Doug Guthrie (2010) use the term "intermediaries" to describe the position that nonprofits have between the state and market. The modern nonprofit organization works with corporate stakeholders and government agencies to transform resources into usable forms for nonprofit social service agencies. For example, the "operating loss" that characterizes low-income housing has become financialized and converted into government-allocated tax credits that are distributed to nonprofits, and which for-profit companies compete for. Large corporations that can benefit from claiming a loss on an investment purchase these credits, lowering their taxable income considerably for 15 to 25 years (the length of the tax credit). The agency that receives the revenue uses it to build low-income housing units, which initially are paid for by the up-front tax credits. However, after the credits expire, the mortgage that the for-profit company "owned" reverts back to the nonprofit agency, and they then have to manage to make payments on it. The structure of the funding has several consequences for the agency, beyond the aspects of professionalization that are discussed below. Agencies must achieve a size and internal capacity to qualify for this kind of funding, however in the process of building the internal organizational structure and capacity, the agency makes decisions not to pursue other funding opportunities.

This tax credit funding mechanism is one example of how funding streams can influence policies and practices within an agency. The following chapter and the empirical chapters that follow contain several more examples of how government, and political culture more generally, assert influence and control over how a nonprofit social service agency is structured and what kinds of decisions it makes. But here I want to further examine this proposed model by situating the role of professionalization, which this research does not directly study, within the model and show how participation, governance, and advocacy are key outcomes of the political culture (discussed above) and field-level activities (discussed below).

Professionalization

Managing these complex funding mechanisms requires a high degree of expertise. One response by the nonprofit sector has been increased professionalization. This has also been driven by the demands of accountability and efficiency (Anheier 2005, Hwang and Powell 2009). Grant-reporting requirements demand that agencies maintain clear metrics for success, and file regular reports that illustrate efficient usage of resources. Demand for professionalization has been driven by external political culture, specifically in the form of rules and expectations attached to federal funding (but increasingly attached to private giving as well). Field-level responses have supported this professionalization process. Organizations like the United Way have emerged as regional leaders that provide training to nonprofit boards and staffs, helping develop the skills agencies need to compete for grants. Other field-level organizations have emerged to support this by providing consultants. Professional lobbying provides sector-wide representation in state capitals and in Washington D.C.

Field-Level Influences

Field-level processes are difficult to study empirically (Fligstein and McAdam 2012). The most illustrative study, Fligstein's *The Transformation of Corporate Control* (1990), shows how managerial groups within corporations were able to articulate a set of rules and induce other corporate actors to cooperate. What made this possible was their ability to control internal resources and accurately read the field, allowing them to develop policies and create a position that left them better off. In this study, I consider the organizational field to consist of formal rules and laws at the federal and state level, grantmakers (corporations, government, foundations), nonprofit social service agencies, donors, volunteers, professional consultants, and the broader community, including those who consider their involvement to be an expression of civil society. Field analysis focuses on individual actors and their ability to use their varying resource endowments to gain an advantage (Fligstein and McAdam 2012). Ganz (2005) examines why some actors are able to take advantage of opportunities that emerge in their environment, and suggests that several factors, including timing, whether there is buy-in by organizational actors, whether the leaders have a diverse range of knowledge and input, and the age of the organization (younger organizations are more nimble and capable of making changes).

What attracts me to this approach is that it highlights individual agency, orients action toward strategic ends, and proposes that there is a defined space where people who are involved in, care about, or otherwise are paying attention to social services occupy and assert influence. While I do not consider how field actors in this research are able to use their position to gain control of resources (I think in the end, some might see this as part of the strategy of the executive director at Shalom Community Center), I instead suggest here that the process through which the nonprofit social service field has emerged in the form it has—in the form I describe in this research—was the result of strategic actors who have managed to assert their preferences within this sector. Implicit in this research is the question of who is this nonprofit system designed for? On one hand I have provided evidence that the political culture, informed by elite interests, asserts control over nonprofit social service policies (and soon I will argue this is achieved through funding streams), and here I am suggesting that a second source of influence is asserted through field-level actors, who might not directly control funding streams but do control other key resources.

In each of the three empirical chapters I consider how each key outcome—participation, governance, and advocacy—is affected by field-level activities and political culture. I highlight the role of political culture by comparing two funding streams—government funding and private funding. I consider government funding to be far closer to political culture and to have embedded within it the interests of elite actors. In contrast, private funding, particularly in the form that it takes in Bloomington, Indiana, reflects a strongly middle-class, middle-America set of ideas. I also discover that agencies have very different cultures, and that this too has an influence in how agencies are governed and how they advocate for their clients. In the following chapter I outline how social services are funded through the federal, state, county, municipal, and township, before turning to the nonprofit sector in Bloomington, Indiana. My goal in describing each governmental funding stream is to (1) provide an overview of the size and the scope of social service spending (and the current U.S. welfare state), and (2) demonstrate the shortcomings of this funding and the role that nonprofit social service agencies hold in providing for the welfare of people in need.

CHAPTER TWO: THE HYBRIDIZED STATE IN PRACTICE

When I first met Lou Smalley I was deeply impressed by his willingness to work, In fact he found sanctity in going to work, and after I got to know the his wife and children, I understood better why he so valued work. He worked maintenance at one of the many chain businesses, fixing whatever broke. He struggled to read, but was a quick learner and easy to laugh. His wife, Linda, was sweet, although she could be fierce, especially when it came to protecting (and also disciplining) her children, and she was suffering from a mental illness that made her moods erratic. They had several kids, the youngest were ten-year old twins who were in their lives the most while I knew them. One twin had a sweet, relaxed demeanor, but constantly had to protect herself from her brother who struggled with everything, and had a mental illness that manifested in violent episodes. This clinical description fails to capture what was so incredible about this family – for one, they were intact, together, and committed to staying that way; two, they suffered, continuously, in a way that was horrible to witness; and three, their children were perhaps irrevocably broken from their family's fight against poverty. Watching school officials, mental health professionals, social workers, relatives, and well-meaning volunteers try to help was like watching a revolving wheel, with hope rising each turn, only to become completely smothered.

Lou and his family were homeless, but they had a van and he had a job, so they were better off than a lot of people. He worked his shifts, jumping at the chance to work overtime, sometimes sleeping for a couple of hours between shifts in a hotel room. His boss regularly broke his shifts down and recoded them for payroll purposes, denying him overtime. Sometimes they would just not pay him for the hours he worked. This practice, which at the time I did not know the name of, is called "wage theft," and states are under pressure to pass laws to increase protection against it for workers (Svoboda 2011), But enforcement is difficult, especially in right-to-work states like Indiana. The family became homeless when their trailer burned down, and it was after this that I met them. This event destabilized their children and sent Linda into a deep depression. It seemed to me that a community like Bloomington—noted for its relatively progressive politics—should be able to help them.

I spent time with them, watching how resources that they needed to survive continued to elude them. Some moments would be worth savoring, a successful visit to a dental clinic, where hurting teeth could be removed for free. A request that Lou work around the clock when the smoke alarm system went down in the hotel. Because his wife was in the hospital, the hotel let his son stay in a guest room while he worked (a luxurious treat). The shining moment was when Lou could reciprocate with his brother, who had repaired his aging van, by sharing his employee discount at the hotel so his brother could afford to stay near the children's hospital while his son underwent an operation. But even with these small triumphs, so many other things just never worked out. They could not find a place to rent because of a poor rental history (the son could also be destructive). Linda's hope of qualifying for disability insurance was repeatedly dashed by case workers who would see her on a good day and tell her to get a job. And the wellbeing of the son spiraled down until he was in a mental health hospital. His sister suffered on silently. Poverty up close is desperate in America.

Bloomington is not Camden, New Jersey—the reputed poorest city in the nation in 2010 (US Census 2010). It is not even the Appalachian hollows that presidential candidate John Kennedy made so famous when he visited them in 1960. Instead, Bloomington is a lot like other parts of America. It is a special place, in that way that most people like their hometown. It has a vibrant downtown, with locally owned shops, cafes, parks, and entertainment fueled by an active art scene. People move to Bloomington from across the state to enjoy the quality of life that it offers, and it is often touted as a liberal enclave in an otherwise conservative state. Civic pride is on display during the many festivals and community events, during the Farmers' Market held each Saturday right outside of City Hall (and inside a school during the winter months), and this is in addition to the strong school spirit that Indiana University, a member of the Big Ten, inspires. There is a lot to love about Bloomington. But Bloomington also has a poverty rate of

38.5 percent (U.S. Census 2010) – a sign that things do not work out for everyone who calls this home.

In a community as active as Bloomington, there is a lot of discussion as to what this means. Every fall, after the poverty estimates are reported, there is a series of news articles and editorials in the local paper that try to explain the numbers by attributing them to the large number of undergraduate students living off campus (and thereby counted as a household for the U.S. Census) (i.e. Boyd and Thickstun 2007, Denny 2008, Strother 2011a). Earlier reports cited a lack of affordable housing as driving the number, and argued that it reflected real increases in the number of people experiencing poverty, citing high demands for food from the local food bank (Welsh-Huggins 1993). Since the mid-2000s, the discourse in the newspaper has become more varied and contentious with some taking a more defensive tone, arguing that the high poverty rate reflects students living in off-campus housing (and hence counted as poor), and blaming other outsiders for moving to Bloomington to take advantage of the generous social services that are offered.

Comparisons to other college towns are a useful way of gaining some understanding of how students contribute to overall poverty rates. When compared to eleven peer communities, Bloomington is right in the middle in terms of educational attainment, per capita income, and household income (*A Look Inside the Bloomington Economy* 2011). A comparison between College Station, Texas (where Texas A&M is located) and Bloomington (Table 2.1) illustrates the similarities in poverty rates, relatively low median incomes, and lower homeownership rates typical of large college towns.

The poverty rate in Bloomington is partly attributable to the large number of college students inhabiting off-campus rentals. However, the number of people experiencing poverty in Bloomington remains substantial and throughout this time period, from the late nineties through 2010, there was a growth in demand for, and supply of, social services, including food dispersed from food pantries, meals served at community kitchens, increases in the number of students qualifying for free and reduced lunches, longer lines for voucher applications, and more demand for shelter beds. This demand heightened during the Great Recession and the subsequent year as

Table 2.1: Bloomington, IN, College Station, TX, and U.S. Select Demographics, 2010

	Bloomington, IN	College Station, TX	United States
University	Indiana University	Texas A&M	--
Population	80,405	94,063	313, 873,685
White	83.0%	77.2%	63.0%
High School Graduation	93.1%	93.1%	--
Bachelor's Degree or higher	56.3%	56.3%	28.5%
Housing units	33,239	37,226	132,452,405
Homeownership rates	33.9%	35.1%	65.5%
Median value of owner-occupied housing (2008-2012)	173,000	177,300	$181,400
Per Capita Income (2012)	$18,909	$20,208	$28,051
Median Household Income 2008-2012	$27, 116	$30,806	$53,046
Persons below the poverty level, 2008-2012	38.5%	37.5%	14.9%

From US Census; http://quickfacts.census.gov

the local economy sputtered. Data from the Census Bureau's Small Area Income and Poverty Estimates (SAIPE), one of the more accurate measures of communities, combining the Current Population Survey data with administrative reports from other agencies (U.S. Census Bureau 2009), shows the poverty rates in the U.S., Indiana, and Monroe County between 1990-2010 (Table 2.2). Looking at the county level reduces the effect of Indiana University students. Poverty has increased in the county from a low of 11 percent in 2000, to as high as 24 percent in 2010, with close to one in five children living below the poverty level. The rates for child poverty are similar to the state and national percentages.

Table 2.2: Poverty Rates—All Ages and Under 18—U.S., Indiana, and Monroe County, 2000-2010

	2000		2005		2010	
	All Ages	Under 18	All Ages	Under 18	All Ages	Under 18
U.S.	11.3	16.2	13.3	18.5	15.3	21.6
Indiana	8.8	12.1	12.2	16.6	15.3	21.6
Monroe County	11.1	11.6	22.2	15.9	24.3	18.1

From: US Census Bureau, Small Area Income and Poverty Estimates (SAIPE) Program

The most pressing form of poverty is homelessness. Since the early 1980s, the number of people experiencing homelessness has increased nationally, and their composition has become more diverse. In 1984, Newsweek Magazine featured a picture of a woman with two children on its cover with the headline "Homeless in America," touching off a national discussion of homelessness. President Reagan passed the McKinney-Vento Homeless Assistance Act in 1987, which recognized the growing number of individuals and families experiencing homelessness, and provided funding for programs. Data collection on the number of people experiencing homelessness did not become systematic until 2007, when the Department of Housing and Urban Development began to work with communities to implement "point-in-time" counts that soon became required in order to receive funding for shelters. Point-in-time counts depend on sheltering agencies, volunteers, and state-level organizations to work together to physically count people who are unsheltered during a single night of the year. HUD defines people as unsheltered if they are staying in emergency shelters or transitional housing, or are sleeping in places not meant for human habitation (i.e. the street; U.S. Department of Housing and Urban Development 2008b). In 2010, close to 650,000 people nationally were counted as homeless (U.S. Department of Housing and Urban Development 2010b), a number that declined to 610,000 in 2013 (U.S. Department of Housing and Urban Development 2013). This decline reflects aggressive funding efforts by HUD to house the chronically homeless (those who have been continuously homeless for one year, or have had multiple episodes of homelessness in the past three years). While HUD has achieved a 16 percent decline in chronic homelessness over the three-year period, their efforts at addressing family homelessness have been less effective. Family homelessness looks different, as families often "double-up," leave children with relatives while adults stay on the street, or stay in hotels, camp sites, or sleep in cars. In this way it is less visible, in part because parents fear losing custody of their children to child protective services when they are not able to provide their children with a home. During the same three-year period there was only an 8 percent decline in family homelessness. In 2013, 140,000 children experienced homelessness. Monroe County is not isolated from this problem. Point-in-time counts from 2003 show that 172 people were homeless, while 255 people were homeless in 2010 (Indiana Housing and Community Development Authority 2010). The largest change, however, was in the number of people who were sleeping outside—the numbers almost doubled from 34 to 86 over the period, and the point-in-time count in Monroe County is conducted in January, when nights get very cold.

Point-in-time counts do not include people who are precariously housed, which refers to people who are on the edge of becoming homeless, either doubled up with friends or relatives or paying an extremely high proportion of their resources for rent (U.S. Department of Housing and Urban Development 2008b). In a study of sheltered homeless persons in Indiana, 36 percent of people currently staying in a shelter were last staying "doubled up" with friends or family (U.S. Department of Housing and Urban Development 2008). During one month in 2006, a social service agency in Bloomington reported that two-thirds of families accessing services said that they were living "doubled up" and needed help finding a permanent housing situation. During fieldwork I learned quickly that many families kept their lack of housing a secret out of fear of losing their children to the Department of Child Services, while others left their children with relatives while they slept outside, suggesting that these figures understate the number of families homeless or precariously housed. Explanations for the growing rate of homelessness, and by extension the large number of people experiencing poverty center around the high cost of housing and the low wages that prevail in Bloomington, Below I consider the factors that contribute to this, arguing that these are the issues that need to be addressed if Bloomington is going to reduce its high poverty rate.

Affordable Housing

Through the nineties, enrollment at IU Bloomington remained fairly constant, ranging from 34,700 to 36,201 students (Indiana University Office of the Registrar 2003). Enrollment grew through the 2000s, with record enrollment in 2010 of 42,464 students (Leonard 2010). As more students have enrolled, smaller percentages have been accommodated in on-campus housing. The University offered 11,774 beds for students (housing 29 percent of students), at costs ranging from $5,112 to $13,050 per bed, for the 2010 academic year (Indiana University Residential Programs and Services 2010). This figure represents a dramatic shift from historical trends. In 1980, over 55 percent of students started the academic year living in on-campus housing, and until the late eighties, more students lived on campus than off (Indiana University Office of the Register 2003:111). Current five-year plans include expansion of dorms to increase beds to accommodate 32.5 percent of students (Indiana University Residential Programs and Services 2010). The growth in enrollment has been accompanied by a shift in enrollment of nonresident students, which has increased from 26 percent of the undergraduate student population in 1981 to 37 percent of the undergraduate population in 2009 (Indiana University Office of the Registrar 2009). The increase in students who can afford to pay out-of-state tuition has been associated as contributing to an escalating luxury apartment boom in the neighborhoods surrounding campus. During my fieldwork, the largest example of this boom, Smallwood Plaza, was repeatedly pointed (literally) to as an example of how local people have been pushed out of the rental market by developers catering to wealthy students (at Smallwood, rents range from $1250 for a two-bedroom, to $2,600 for a four-bedroom unit). A City-prepared report for HUD sites evidence that since 2005, nearly 2000 additional rental units have been built in Bloomington, but an overwhelming majority have been marketed towards and rented to students (U.S. Department of Housing and Urban Development 2010). The *Herald-Times* reported that between 2006 and 2010, over 1,150 units with over 2,500 bedrooms were built in the downtown district, with average monthly rents reaching a high of $813 in 2010 and occupancy not dropping below 92 percent (Strother 2011b).

The Bloomington rental market is affected in part by outright competition among (and from) students to rent housing, pushing the price of housing up and driving developers to build housing that is out of reach of low-income residents. Student rentals also drive up HUD's calculation of fair market rents, because students' rent is used in calculating the average rent in the area. This has repercussions on low-income households, since the definition of a fair rent for the area is based in part on the cost of rentals right next to the university. A 2010 City-conducted survey of landlords shows that the average rent for a studio is $562, and $823 for a two-bedroom, compared to fair market rates of $479 for an efficiency (or studio) and $677 for a two-bedroom (U.S. Department of Housing and Urban Development 2010)

As of 2010, there were 21,394 rental units in the City of Bloomington (U.S. Department of Housing and Urban Development 2010). Of these, 882 units are included in the Low Income Housing Tax Credit Program (described below), and have income restrictions, meaning that there are mechanisms that reserve them for rental by low-income renters (which does not necessarily mean students, particularly graduate students, cannot rent them). In addition, there are 167 units that have been funded through the HOME funding program (described below), and are managed by nonprofit organizations to house clients. There are also 310 units of conventional public housing in Bloomington, serving elderly (12%), disabled (31%), and low-income families (57%) (U.S. Department of Housing and Urban Development 2010). There is a waiting list to move into public housing, with 25 people on the list in 2010.

There are also 1,284 Section 8 vouchers (described below) active in Bloomington. Section 8 vouchers help low-income households pay their rent by paying up to the fair market rate (i.e. the fair market rate for a two-bedroom is $677, so a household with $1000 in income would pay $300 and the Section 8 voucher would pay the remaining $377). This program is in very high demand, with a long waiting list that only opens once a year, for a few hours. Each winter the application for housing vouchers opens briefly, and hundreds of people spend the night waiting outdoors in line to try to reserve a spot (see, e.g. Denny 2011).

Housing in Bloomington is expensive, especially relative to wages. As early as 1989, more than half of all renters in Monroe County paid more than 30 percent of their household income in rent, with the exception of those living in mobile homes (U.S. Census 2000). Households paying more than 30 percent of their income for housing are considered cost burdened by HUD. Median rents in Bloomington have increased from $400 ($658 in 2010 dollars) in 1990, through $560 in 2000 ($701 in 2010 dollars), to $693 in 2010 (U.S. Census 2000).

Bloomington has had a fairly stable proportion of renters to owners since the 1970s. Census data and historical data (*Apartment Market Analysis for Bloomington*, Indiana, n.d.) show that for the past forty years approximately 60 percent of people in Bloomington live in owner-occupied housing, and 40 percent live in rental units. The median price for an owner-occupied house in 2008 was $144,700 in Monroe County and $159,600 in Bloomington (American Community Survey 2008). The median mortgages in Monroe County have increased from $610 in 1990, to $921 in 2000, and $1,104 in 2010 (mortgages are not adjusted) (U.S. Census 2010).

Table 2.3 shows the availability of housing units per the population in Bloomington and Monroe County from 1970-2010. Between 1990 and 200 the housing inventory in Bloomington and the surrounding counties grew by an average of 1.8 percent annually (U.S Department of Housing and Urban Development 2006). After 2000, the rate of new units slowed and the number of persons per unit began to increase. Throughout the 2000s the number of building permits for single-family housing in Monroe County steadily declined to a low of 158 permits in 2011 (Spaw 2012). This reduction in new units, combined with an aging housing stock (75 percent of housing units were built prior to 1990), has exacerbated the high cost of housing in Bloomington. Community groups, the Mayor of Bloomington, and City agencies worked to promote different affordable housing initiatives. Bloomington Mayor, Mark Kruzan, promoted inclusionary zoning as part of his 2009 State of the City address. Inclusionary Zoning is promoted as a way of increasing home ownership amidst stagnating incomes (American Planning Association presentation 2009). The American Planning Association argues that as more families are spending more than 30 percent of their income on housing, their security suffers, and proposes that communities respond by implementing inclusionary zoning as a policy solution. Inclusionary zoning places the burden of developing affordable housing on developers, and can be either a mandatory or voluntary program that often exchanges a benefit (i.e. leniency in codes addressing building size) to developers for a set-aside of affordable units. Little came of this campaign promise, undoubtedly because it would have put constraints on developments during a time when even high-priced apartments and housing is in high demand.

The City has made other efforts to address the lack of affordable housing, including issuing forty-year economic development bonds to help fund a 150-unit low-income housing unit (City of Bloomington 2008), encouraging high density housing (City of Bloomington 2002), and providing some fee and code waivers for things like the number of parking spaces, setbacks, and utility hook-ups, and the possibility that the City will pay for sidewalk construction when a developer includes affordable housing units as part of a proposal (City of Bloomington 2009). The City also serves as the recipient of some HUD grants (e.g. CDGB), the administrators of other grants (e.g. HOME), and annually provides small grants to social service agencies (i.e. Jack Hopkins Grants) that work to meet defined needs, including housing. These efforts are discussed in more detail below.

Labor Market and Income

Macro-economic shifts in the labor market have contributed to a poor labor market in Bloomington. Table 2.4 shows the top six employment categories in Monroe County in 2010, and the shift in job numbers from 1990-2010, along with wages paid for full time employment in the different sectors in 2010 (Stats Indiana 2010). While the overall population of Monroe County increased by 20 percent, the number of jobs in the private sector has not increased quite as much (only 16 percent in the private sector, 19 percent when the public sector is included). High-paying jobs in manufacturing that did not require a college education have been replaced by low-paying jobs in the service sector and middle-class jobs that require a professional degree. An analysis of the three-county area by HUD (U.S. Department of Housing and Urban Development 2006) confirms this trend. HUD reports nonfarm job growth between 1990 and 2000 at 2.3 percent

Table 2.3: Housing Units in Monroe County and Bloomington, Indiana 1970-2010

	1970	Persons/ Unit	1980	Persons/ Unit	1990	Persons/Unit	2000	Persons/ Unit	2010	Persons/ Unit
Bloomington										
Population	43,262		52,663		60,633		69,291		80,405	
Units	12,799	3.4	18,082	2.9	22,025	2.75	28,400	2.44	32,682	2.5
Monroe County										
Population	85,221		98,783		108,978		120,563		137,974	
Units	26,738	3.1	98,783	2.7	108,978	2.5	120,563	2.37	56,891	2.4

From: U.S. Department of Commerce. 1990. Census of Population and Housing *Population and Housing Unit Counts, Indiana*; 2000 and 2010 U.S. Census.

annually, and between 2000 and 2005, growth slowed to 0.2 percent annually. The Great Recession further slowed this growth (there were 45,862 total private jobs at the start of the recession, and 1,174 fewer when it ended, (U.S. Bureau of Labor Statistics 2008, 2010).

There has also been an increase in low-earning sectors such as retail trade, accommodation and food services, and administrative support—jobs that pay poverty-level wages and largely rely on part-time employees. Part of this is driven by a growing student population that is centered more and more in off-campus housing, placing demand on local restaurants and other service providers. Some students are also employed in the service sector, increasing the pool of available labor for already low-paying jobs. The Bureau of Labor Statistics (2010) reports that workers in the Bloomington metropolitan area earned an average of $18.23 an hour, with full-time workers averaging $19.95 an hour and part-time workers earning only $8.69. Food preparation and serving jobs had a mean hourly wage rate of $7.72. The average annual wage per job in Monroe County was approximately $11,500 below the US average in 2009, with manufacturing wages $13,000 below the U.S. average.

The New York Times provided an interactive graph, using data from the University of Minnesota Population Center (Table 2.5) that allows users to enter an income for a location. The graphs then indicate which percentile that income falls within (White et al. 2012). This was published during a period when the Occupy Movement was gaining a lot of media attention, and it showed that the cutoff for the top one percent of incomes in Bloomington is over $320,000. This same graph shows that the median income in Bloomington is $36,764, which is significantly lower than the U.S. median income--$50,742. The bottom quarter of the population in Bloomington earn less than $17,000. Bloomington had a Gini index (a measure of income inequality) of .587 in 2011, placing it at the top of the list of unequal cities in the U.S. (Frazee 2011b). A search of the Salary Database, provided online by the *Herald-Times*, reveals that over 700 people working at government agencies, including Indiana University, fall into this

Table 2.4 Employment in Monroe County's Top Occupational Employment Categories, 1990-2010

	Health Care	Retail Trade	Accommodation and Food Service	Manufacturing	Administrative Support	Educational Services	Total Private Sector	Total Jobs (with Public Sector)
1990	4,444	6,139	5,266	9,168	1,436	109	37,427	49,379
2000	6,608	7,557	6,051	8,259	2,214	2,260	44,453	59,260
2010	8,370	6,815	6,814	6,680	3,035	2,541	44,688	61,263
Average Wage (2010)	$38,510	$20,741	$12,861	$43,026	$23,418	$31,189	$32,37 8	$34,564

Bureau of Labor Statistics, STATS Indiana 2010, 2000, 1990 income bracket. Many hold jobs preparing school lunches, driving school buses, and working as classroom aides.

Table 2.5: Income Spectrum for Bloomington, IN and U.S., 2010

	Top 1%	Top 5%	Top 10%	Top 25%	Median Income	Bottom 25%	Bottom 10%
Bloomington	320,000	158,000	117,990	71,452	36,764	17,000	5,570
U.S.	383,001	188,001	140,001	89,125	50,742	25,411	12,154

The New York Times, January 4, 2012 "What Percent Are You?" Data from University of Minnesota Population Center

The Salary Database does not indicate the gender of employees, but women are more likely to work in the service sector, and more likely to hold low-paying, part-time work. Demand for uncompensated household labor helps account for some of this, but broad wage disparities and occupational sex segregation reflect national trends that devalue women's labor and ongoing sex segregation in the labor market (Acker 1989, Reskin 1993, England, et al. 1994). Table 2.6 compares median wages for men and women in the top earning occupations, respectively (American Community Survey 2008). Full-time employed women earn less than half in their top earning occupational field (wholesale trade) compared to men in their top-earning field (working in rock quarries in the case of Bloomington).

Table 2.6: Occupational Sex Segregation and Median Earnings, by Industry in Monroe County, 2008

Top 5 Occupations for Men, by earnings	Men	Women	**Top 5 Occupations for Women, by earnings**	Men	Women
Mining, quarrying, and oil and gas extraction	$100,000+	--	Wholesale Trade	$34,857	$47,363
Professional, scientific and technical services	$72,143	$45,556	Public Administration	$65,971	$46,324
Public Administration	$65,971	$46,324	Professional, scientific, and technical services	$72,143	$45,556
Real estate and rental	$65,110	$12,376	Information	$39,929	$35,721
Transportation and warehousing	$63,750	$24,745	Educational Services	$45,407	$34,523

American Community Survey, 2008 using 1-year estimates.

In January 2006, the City of Bloomington enacted a Living Wage Ordinance (LWO), initially set at $10 per hour, but set to increase annually in step with the Consumer Price Index (Schroeder 2005). In 2014, the living wage in Bloomington was set at $12.06. Like LWO's passed in other cities (i.e. Baltimore was the first to pass one in 1994), Bloomington's ordinance applies only to city and city-contracted workers. But does it provide enough income? Amy Glasmeier and Eric Schultheis (www.livingwage.mit.edu) aggregated data for a range of goods and services, along with regional differences in prices, and developed a calculator to estimate living wages (how much an individual must earn to support their family if they are the sole provider and working full-time) for different geographical regions in the United States. In Bloomington the living wage for one adult is $8.24, however if that adult has a child it raises the living wage to $17.24, and from here it increases substantially as more children are included in the calculation. Bloomington's LWO provides for a single person, but falls far short of helping a family avoid poverty.

The City of Bloomington partners with two nonprofit organizations that work to address low wages by attracting employers to the area. The Bloomington Urban Enterprise Zone works to revitalize the urban core by offering businesses within the zone tax deductions when they improve upon properties or employ people (Bloomington Urban Enterprise Association n.d.). The Bloomington Economic Development Corporation is more broadly oriented to attracting large employers to the region by helping to manage state tax credits for investing in businesses and jobs in the region. It is not clear how effective either of these partnerships are in terms of improving the employment prospects for people experiencing poverty. The Bloomington Economic Development Corporation tends to focus on attracting high-wage jobs in the life sciences and technology sector, while the Bloomington Urban Enterprise Zone has partnered with art organizations to promote artist events in downtown Bloomington. This would tend to increase tourism, but not generate the kind of jobs that will replace the declining manufacturing sector.

The City of Bloomington has struggled to respond in an effective way to reduce the level of poverty. Part of this is because municipalities lack the ability or the will to force developers to build affordable housing, and cannot usually legislate to raise wages across the board. But part of it is also due to deep misgivings about poor people among the Bloomington population, who respond with vapid comments in online newspaper articles about how the community should address poverty, and write critical editorials that blame poor "immigrants" and lazy "outsiders" who come to Bloomington to take advantage of the rich social services that are offered. A typical example:

> "What this, and any other area, cannot afford and should not tolerate is the influx of homeless from outside our area. There is only a limited amount of resources…I plead with all you good-hearted promoters of the homeless to erect high-barrier services and limit intake to the needy who have become that way through no fault of their own" (Sam Frushour, editorial, *Herald-Times,* May 22, 2010).

Bloomington is like a lot of places in America. Poverty in Bloomington and the surrounding area is rooted in structural factors, such as high costs for housing, a lack of affordable housing, shifts in the labor market that have produced more low paying jobs, and sex segregation that contributes to lower incomes for women. The local government has experimented with some innovations—establishing a living wage and establishing an economic improvement zone—but has not taken the lead in implementing the kind of policies that result in increased wages for a larger number of people, or affordable housing on a scale that would begin to meet the demand. Instead of effective policies, Bloomington has high poverty rates and a large private social service sector that works to mitigate the problems people experience while living in poverty.

In the following section, I provide a brief description of the social services that a person experiencing poverty in Bloomington could potentially access. I consider programs at each level of government—federal, state, county, city and township, and then describe the field of social services in Bloomington, including agencies and institutional actors such as Indiana University, civic organizations, and large foundations. I use evidence from government reports, agency documents, and community surveys, as well as a database I created, based on Federal Tax Form 990, that includes revenue and expenditures for all social service agencies in Bloomington to document the scope of poverty, how the community problematizes poverty, and the extent to which the available resources are used to address this problem.

FEDERAL EFFORTS

In 2009, total government spending (federal, state, and local) on social welfare services in the U.S. was just over three trillion dollars—a figure that includes spending on a host of benefits including social security payments, health care, education, and unemployment insurance (which also benefit the middle class), in addition to welfare aid for the poor, nutrition assistance, and housing, among other benefits directed to those experiencing poverty (Salamon 2012). Approximately a third of spending is for social insurance, a third for health, a quarter for education, and a much smaller amount for means-tested programs, nonprofit partnerships, and grants that assist people who are experiencing poverty (Salamon 2012).

Nationally there are over 106,000 nonprofit organizations in the social service sector, and of these 12 percent provide emergency food and housing – the others provide a range of services that include residential care, child care, and other services (Salamon 2012). Many of these fields have entered into competition with for-profit private providers, which focus on marketing to middle-class consumers, leaving nonprofits to serve those who are least able to pay. Examples of this are found in childcare, health care, and residential service providers. Private providers have stayed away from supplying emergency provisions (Salamon 2012). The nonprofit sector is a major employer with an estimated 2.1 million employees, and over one million full-time equivalent volunteers (Salamon 2012).

This section describes social assistance programs at the federal level that are directed toward people experiencing poverty. This illustrates how policies that are discussed in Chapter 1 have been put into place to create a system where our contemporary approach to poverty is outsourced at the federal level through a series of partnerships with states, quasi-state actors, private investors, and nonprofit social service providers. I outline the mechanisms—block grants, contracts, fianancialization of programs, and tax incentives—that are used at the federal level and argue that these policy mechanisms have created a private/public approach that creates wide variation in program availability, have placed enormous burdens on local actors to address complex problems, and as these mechanisms become increasingly complicated, will further reduce the ability of communities to rally the expertise to implement them. This leaves the future of communities and social welfare in the hands of small class of savvy capitalists who are able to harness the financial benefits from federally subsidized investments that meet some of the growing needs of the poor.

Direct Assistance

Social Security

The largest form of social welfare in America is Social Security, and while this dissertation does not include Social Security as an assistance program designed to help people experiencing poverty, Social Security and Medicare have had enormous impacts on poverty among the aged. Social Security represents 19 percent of the 2010 federal budget, the largest entitlement program that the United States maintains (Office of Management and Budget 2009). However, two subsections of Social Security: Social Security Insurance (SSI) and Social Security Disability Insurance (SSDI), are designed to provide incomes to people who are experiencing poverty, and of whom there is little expectation that their economic situation will improve. In this sense, and for this relatively limited group of people, these programs guarantee a monthly income.

Supplemental Security Income (SSI), established in 1935, provides cash assistance to help the aged, blind, and disabled by providing cash assistance to pay for basic needs. SSI is the "assistance of last resort" meaning that recipients have to have less than \$2000 (\$3000 for couples) in countable resources (cash, property). Unlike other forms of Social Security, however, recipients are not required to have earned credits to qualify--in fact children with disabilities receive payments. SSI differs from other Social Security programs in another important way as well—it was originally intended to provide funding to states to support their existing insurance programs for those who could not work due to a state-defined disability. In the 1960s, this model was criticized because it provided different levels of benefits to people depending on which state they lived in, with some states offering no benefits. In response to this, the program was redesigned in 1972, reversing the federal and state role and providing uniform benefits as a floor, on which states could elect to supplement (U.S. Social Security Administration 2010).

The number of people receiving SSI, as a percentage of people receiving any social security benefit, has hovered at just about two percent, but there has been a shift in who receives benefits. There has been a steady decline in the percentage of aged people receiving benefits. Also, aside from a brief leveling off in the mid-1990s, there have been steady increases in people under 18 and in disabled people receiving benefits (U.S. Social Security Administration 2010). In 1975, SSI paid $16.5 billion (in 2010 adjusted dollars) to 4 million recipients, and in 2010 paid just under $47 billion to 7.7 million recipients (U.S. Social Security Administration 2010). In Indiana, 104,000 people received a total of $557 million in 2007 (U.S. Social Security Administration 2009). Almost universally, people who qualify for SSI also qualify for Medicaid.

Established in the 1950s, expanded in 1972, and retooled throughout the 1980s and 1990s, the Social Security Disability Insurance (SSDI) provides cash benefits and medical insurance to disabled workers and their dependents. The number of recipients has grown from less than 4.3 million in 1975, to about 10.9 million in 2012 (U.S. Social Security Administration 2013). SSDI paid $137 billion in benefits in 2012, which represents 21 percent of all Social Security benefit payments (U.S. Social Security Administration 2013). Recipients also receive health care benefits through Medicare. Assuming that recipients of SSDI used medical care at the same rate as other Medicare recipients, this would suggest that a minimum of $112 billion in Medicare spending supports SSDI recipients.

Amidst cuts in other cash transfers and an overall reduction in benefits to people experiencing poverty, SSDI presents an opportunity for a stable income. An investigative report on the PBS radio show *This American Life* (2013) explores how social security disability insurance has become an important strategy for people living in poverty to survive. They argue that the regionalism of disability claims reflects the prevalence of physically demanding jobs in these areas, the absence of other safety net programs, and perhaps most importantly, how savvy lawyers and doctors in these communities work with clients to navigate the application process, overcoming the bureaucratic hurdles to help them qualify for disability insurance.

After-Tax Transfers

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) had strong bipartisan support by Congress when it was passed in 1975, in large part because it provided a "palatable alternative" to welfare expansion in assisting the working poor (Steensland 2006). The EITC provides a tax credit to households, almost always households with children, where one or both parents are employed. It can increase a family income by 30 to 40 percent—for instance, a single parent earning $14,000, raising two or more children, could receive a maximum credit of $4,536 in 2006 (Downing et al. 2008). In 2009, the income limit for a 2–parent family with 2 qualifying children was $45,295, with a maximum benefit of $5,028.

Initially an anti-poverty program directed at women, the EITC increased incentives to work (foreshadowing TANF) and to place children under the care of professional childcare providers. Research on the effect of the EITC on married couples finds that the EITC de-incentivizes work for secondary earners, with post-tax transfers providing income replacement for mothers who can choose to stay home with their children (Elissa and Hoynes 2004). A report by the Brookings Institute (Berube 2006) compared the amount of federal dollars that urban areas received through traditional urban economic development funds (i.e. Community Development Block Grants, HOME programs), to the amount directed to municipal residents through the EITC and found that approximately $3.1 billion was distributed through these economic development funds directed to nearly 1,000 municipal governments, compared to $20 billion distributed to residents of those same cities and towns. The same report sites evidence that in San Antonio, each additional $1 in EITC generates about $1.58 in local economic activity.

Because the EITC has an income cap, households that exceed this cap loose the credit. Between 15 and 25 percent of all EITC dollars go unclaimed each year and in Indiana, approximately 68,000 filers, who would have been eligible, did not claim the EITC in 2007, at an estimated value of $126 million (Downing et al. 2008). It is believed that some low-income taxpayers are unaware of the EITC, or that they opt out of claiming it because it would make them ineligible for other programs (Downing et al. 2008, Berube 2006). In response to this potential economic loss for municipalities and states, campaigns have been developed to increase awareness and encourage low-income workers to participate in the EITC. In Indiana in 2008, over 493,000 households benefitted from the EITC, receiving an average credit of $1,991 (Indiana Institute for Working Families 2010). This was after a 2003 campaign by the Indiana Family Social Services Administration to increase the number of Indiana households who applied for the credit, after an analysis suggested that as many as 117,000 Indiana taxpayers were eligible for the credit, but failed to claim it (Indiana Family and Social Services Administration, 2010).

Food Programs

Unlike programs that provide direct aid or medical care to people experiencing poverty, programs that deliver nutrition assistance are two-pronged in their explicit beneficiaries. Food programs—including the Supplemental Nutrition Assistance Program, the Women, Infants, and Children program, and the National School Lunch Program—are designed, firstly, to increase demand for agricultural commodities by providing households with resources to purchase food and thereby increase overall economic activity, and secondarily, to provide food for people who are otherwise hungry (Ralston et al. 2008). For instance, a $1 billion dollar increase in Supplemental Nutrition Assistance spending is conservatively estimated to directly and indirectly result in $260 million in retail expenditures and a $740 million increase in spending on nonfood goods and services as households shift cash income from food to nonfood. In the agricultural sector, this translates to $68 million in cash receipts from the sale of agricultural commodities, $23.5 million of value added to agricultural products, and roughly 765 full-time agricultural jobs (Hanson 2010).

Government programs no longer refer to hunger, instead using gradations of food security—very low food security, low food security, and food insecure, marginally food secure, high food security— to assess the effectiveness of programs. The food security status of a household is assessed based on the number of food-insecure conditions reported, which includes items such as being unable to afford balanced meals and being hungry because there was not enough money to purchase food. Food insecurity is estimated to have affected between 10 and 12 percent of the population up until the Great Recession, when this number rose to nearly 15 percent in 2008 (Government Accountability Office 2010). Federal programs that provide either near-cash or vouchers to clients are fairly easy to track expenses, providing insight into who uses programs. Other programs that depend on nonprofit agencies to distribute food to people who need it are more difficult to measure in terms of effectiveness. A report prepared by Feeding Indiana's Hungry (2010) indicates that households with seniors or with children are more likely to report low or very low food security in Indiana. In 2008, the federal government spent more than $62.5 billion on 18 domestic food and nutrition assistance programs (Government Accountability Office 2010). Below I review the larger programs that I encountered during my research.

Supplemental Nutrition Assistance Program

Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps, the name changed in 2008) provides low-income individuals and households with a near-cash benefit that can be used to purchase food. This is the largest food assistance program in the U.S., with approximately 28.4 million participants per month in 2009 (Government Accountability

Office 2010). While the federal government oversees the SNAP program and sets eligibility criteria and benefit levels, states can raise income cutoffs and extend additional benefits. State agencies also oversee and administer the program. In 2011, SNAP benefits accounted for $78 billion (0.5% of GDP) in federal spending (Falk 2012). Generally, eligibility guidelines require that households have less than $2000 in countable resources (non-retirement savings), have a net income below the poverty threshold (i.e. $1838/month for a family of four in 2010), and own a car that is worth less than $4650. Meeting these requirements provides a maximum allotment of $668 a month in benefits, although this amount is reduced by a percentage for earned income. For example, for a family of four earning $1838, the allotment would be approximately $116 a month in SNAP benefits.

After declining in the nineties, spending on SNAP began to increase in 2001 from $17.7 billion to $78 billion in 2011 (U.S. Department of Agriculture 2014). Nationally, in 2000, approximately six percent of the U.S. population received benefits from SNAP, an average of $73 a month, and by 2010, the percentage of the population receiving benefits increased to 13 percent, with an average monthly benefit of $134 (U.S. Department of Agriculture 2014). In Indiana, these numbers are very similar to the national averages (Feeding Indiana's Hungry 2010). Total receipts in Monroe County for SNAP benefits in 2009 were $12.5 million dollars (Indiana Division of Family Resources 2009).

However, a study of Indiana residents using a food pantry illustrates how SNAP does not reach many people who are experiencing food insecurity—only 27 percent of clients reported that they currently received SNAP benefits, and 40 percent reported that they did not apply for SNAP because they did not think that they met the eligibility requirements (Feeding Indiana's Hungry 2010). This tendency to not apply for SNAP benefits is driven primarily by a lack of accurate knowledge about the program. And is exacerbated by food pantries, 62 percent of which are faith-based organizations (nationally), which often do not provide SNAP counseling (Feeding Indiana's Hungry 2010).

Special Supplemental Nutrition Program for Women, Infants and Children

Another grant-to-states program is Women, Infants and Children (WIC), a food voucher program that helps meet the nutritional needs of low-income women, infants and children. In exchange for participating in nutritional counseling, participants receive vouchers that can be used to obtain foods that meet specific nutritional goals. In 2010, WIC dispersed nearly $7.1 billion in grants to states in the United States, serving 9.1 million recipients (Women, Infant and Children 2010). In Indiana, 174,119 women, about 2.6 percent of Indiana residents, participated in WIC in 2010, with each recipient receiving approximately $36 worth of food each month.

The WIC Farmers' Market Nutrition Program provides coupons for WIC eligible households to use at farmers' markets, expanding access to fresh fruits and vegetables. This program serves approximately 2.2 million individuals nationally (Government Accountability Office 2010).

National School Lunch Program

President Harry Truman passed the Richard B. Russell National School Lunch Act in 1946, creating a program that provides low-cost or free school lunch meals to students. The program provides free lunch (and in low-income school districts, breakfast) to children from families with incomes at or below 130 percent of the poverty level, and reduced-price lunches for children from households with incomes between 130 percent and 185 percent of the poverty level. Reduced-price lunches cost 40 cents.

At the national level, 41 percent of students received free or reduced lunches in schools in 2010, a slight increase from 40 percent in 2000. In Indiana, 62 percent of households with children younger than 18 participated in the National School Lunch Program in 2010 (Feeding Indiana's Hungry 2010). In Monroe County, the number of children qualifying for free or reduced lunches has increased from 25.8 percent of enrolled students in 2000 to 35.7 percent of students in 2010.

Related programs, including the School Breakfast Program, which provide breakfast at school to eligible children, and the Summer Food Service Program, which provides breakfast or lunch to eligible children by setting up a distribution site in low-income neighborhoods, help provide food security to children year-round.

The Emergency Food Assistance Program

The Emergency Food Assistance Program (TEFAP) began in 1988 as a way for the USDA to purchase excess agricultural products and to make those products available to agencies (and thereby to low-income individuals). Each state receives a quantity of food based on its unemployment rate and the number of people living below the poverty level. In 2008, this program delivered approximately $226 million in food to states, which was then distributed to food pantries or directly provided to households (Government Accountability Office 2010). In addition, TEFAP receives surplus USDA food, which in 2012 was worth approximately $304.2 million. The Hoosier Hills Food Bank is the regional agency that works with TEFAP in Bloomington. It is an important resource for the food bank, accounting for 35 percent of the total food received by the agency in 2010.

State Partnerships

Medicaid

The largest means-tested program funded by the federal government is Medicaid, accounting for over $290 billion in federal spending in 2010 (Office of Management and Budget 2009). Medicaid provides medical assistance to families with dependent children, those who qualify for SSI, and most recently, to low-income able-bodied adults who work (Falk 2012).

Medicaid has dominated spending increases throughout this period, averaging an increase in spending of 13.3 percent per year (inflation adjusted) while non-health programs increased an average of 6.5 percent a year (inflation adjusted between 1962 and 2011; Falk 2012). Spending increases are due to several factors, including a faster than average rate of inflation for health care costs, growth in Medicaid enrollment (due to expansion), and expansion of programs that primarily provides direct benefits to the working poor.

The federal government makes money available to states for enrolling children of families who make too much to qualify for Medicaid, to receive benefits under the State Children's Health Insurance Program (SCHIP). States are given a great deal of flexibility in whom they insure, with the option to direct some of SCHIP funds to cover parents of children receiving benefits, pregnant women, and other adults. In the 2008 budget, Indiana allocated $2.5 billion for Health and Human Services, $77.3 million of which was allocated to pay for the state's share of Medicaid (Indiana State Budget Agency 2009).

In Indiana, the Healthy Indiana Plan (HIP) extended benefits to uninsured adults earning up to 200 percent of the Federal Poverty Level, who pay between two and five percent of their gross family income to receive health insurance. To be eligible, adults must have been uninsured for at least six months. In 2008, an estimated 13,140 adults in Monroe County lacked health insurance (American Community Survey 2008). According to the Service Community Assessment of Needs (United Way 2012), a periodic assessment of the Bloomington and surrounding area spearheaded by the United Way, 38 percent of households earning less than $15,000 and 24 percent of households earning between $15,000 and $25,000 had members that lacked health insurance in 2010. This suggests that HIP was not successfully meeting the needs of uninsured adults.

State-Administered Grants

Block grants serve as a way for federal agencies to allocate resources, but transfer responsibility for managing and overseeing programs to the state or another third party. In this sense block grants help leaders in Washington share control and interest in programs with states, satisfying the demands of localities for more control (Dymski 2009). Block grants also create an incentive to pursue cost-savings in service delivery.

Temporary Assistance to Needy Families

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed in 1996 under President Clinton, had fairly strong support in Congress. PRWORA ended Aid to Families with Dependent Children (AFDC) and replaced it with Temporary Assistance for Needy Families (TANF). TANF represents a shift in U.S. policy both in terms of the expectations it places on people receiving aid and in how federal antipoverty programs are administered.

For recipients, unlike the AFDC program it replaced which was largely a cash transfer program that replaced employment income, TANF has a five-year lifetime maximum on receiving benefits, an ongoing work requirement, and incentives to reduce non-marital births. Single women were no longer able to depend on cash transfers to care for dependents, and instead had strong incentives to work. To assist women in returning to the labor market, PRWORA restructured the childcare assistance programs, replacing them with a Child Development Block Grant that provided states with funds for childcare and expanding the Child Care Tax Credit. A gender analysis of TANF reveals that marriage is viewed as a critical component for addressing poverty, and that this legislation penalizes single women with children by devaluing child rearing and forcing women to pay other women to do this work, while they enter the paid labor market (Chappell 2010).

In terms of program administration, TANF is a block grant, providing a level of separation between the federal government and the states, and in a controversial move, TANF gave states a great deal of latitude in how they managed TANF. TANF removed the entitlement aspect of welfare by allowing states to determine how to distribute funds to people based on their own set of criteria (Blank 2001). As a result, there is a great deal of variation across states in who receives aid and how much they receive (Caminada and Martin 2011). For instance, a family of three in Alaska could receive $923 a month in TANF benefits, while a family of three in Mississippi would receive $170 a month (Falk 2013). Total federal expenditures for TANF, Child

Development Block Grant, and a small program that helps enforce child support totaled $28.4 billion (0.2% of GDP) in 2011 (Falk 2012).

TANF's work requirements and incentives mandated increased individual responsibility. In the context of the mid-1990s, when the economy was growing, unemployment was low, and increases in the minimum wage were fairly easy to push through Congress, PRWORA matched the individualist sentiment that is popular in America. However, as we see below, TANF has largely failed to reduce poverty in America.

Indiana spent $285 million in TANF in 2007 (U.S. Administration for Children and Families), allocated to 39,000 families (U.S. Department of Health and Human Services). In 2009, Monroe County residents received approximately $700,000 in TANF benefits (Indiana Division of Family Resources).

Community Development Block Grants

The Community Development Block Grants (CDBG) are awarded by HUD to communities of at least 50,000 people. Begun in 1974, CDBG have a long history of providing funding to help communities meet the needs of low-income persons. HUD determines the amount of each grant by using several measures of community need, and Bloomington, with its high poverty rate, low levels of home ownership, and aging homes, receives significant funding through this program, some even argue it receives more than it would if there were not a large student population (Frazee 2011a).

The size of CBBG has declined over the past decade. The *Herald-Times* reports that in 2000, Bloomington received $1.1 million in funding (Malik 2010). In 2010, Bloomington was awarded approximately $869,000, of which $462,000 was directed to sub-recipients (i.e. nonprofit social service agencies) (City of Bloomington 2010). Bloomington relies on a Citizen Advisory Council, composed of two City Council members, two Redevelopment Commission Members, four Community and Family Resources Commission members, and up to 18 members appointed by the Mayor. The council reviews applications from nonprofit organizations and then makes recommendations for spending allocations to the Redevelopment Commission, the Mayor and to the City Council. In 2010 grants were made to several social service agencies to meet shelter needs, improve housing, provide meals and food, and provide services for children (U.S. Department of Housing and Urban Development 2010c).

HOME Investment Partnerships

The HOME Investment Partnership is a HUD program that provides affordable housing block grants available to states and local government. The program was designed to increase the amount of affordable housing available by awarding states an automatic minimum of $3 million dollars and local governments a minimum of $500,000, which states and local governments have to match by providing 25 cents for each HOME dollar used. Community groups have the option of establishing a Community Housing Development Organization, which gives access to a special line of HOME dollars, which can then be used to develop affordable housing. Bloomington was awarded approximately $700,000 in 2010 (City of Bloomington 2010). In 2010, this money was used to repair owner-occupied housing (two houses), provide down payment assistance to new homebuyers (three households), and provide rental assistance (15 households). In a partnership with Habitat for Humanity, the funds were used to build seven homes for low-income households, and in partnership with Bloomington Restorations, Inc., to develop two affordable housing units, as well as to engage in multiple outreach efforts to educate community members about financial issues and to encourage home ownership (U.S. Department of Housing and Urban Development 2010d).

The Homeless Emergency Assistance and Rapid Transition to Housing Act

Passed in 2009, the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) consolidated separate homeless assistance programs that were administered by HUD: the McKinney-Vento Homeless Assistance Act and the Emergency Shelter Grant (renamed the Emergency Solutions Grant or ESG), and codified the Continuum of Care planning process. The McKinney-Vento Assistance Act, mentioned earlier, provided the first coordinated federal effort to develop programs to help people experiencing homelessness, but it is especially important because it guaranteed transportation to their original school if a family was experiencing homelessness. The Continuum of Care process was established to provide better coordination in the delivery of services to people experiencing homelessness, and the ESG grants provide funds, through a state intermediary, to service providers to pay for the costs of shelter and support. The goal of the HEARTH Act was to transform the system of providing assistance away from sheltering and toward a more aggressive program to help people quickly regain stability in permanent housing after experiencing a housing crisis (Federal Register 2011).

The Department of Housing and Urban Development makes grants to states and large cities to provide basic shelter and support to people experiencing homelessness through the Emergency Shelter Grants (ESG) Program. In Indiana, this money is managed by the Indiana Housing and Community Development Authority (IHCDA), which distributes it to nonprofit social service agencies that provide shelter. IHCDA oversees that agencies receiving funds meet the requirements of HUD, in terms of restricting services to those who meet HUD's definition of homeless, requiring agencies to register people accessing services in a database that tracks use and outcomes, and ensuring that the programs meet HUD-defined rules (i.e. helping people access health benefits is acceptable, but funds cannot be used to train staff; Indiana Housing and Community Development Authority 2009). Indiana received $3 million in ESG grant funding in 2009.

Private–Government Partnership

Low Income Housing Tax Credit, New Markets, and Community Development Financial Institutions

Block grants commenced a long process of devolvement of the federal government to states, and ultimately to the private sector. The way that this has been accomplished is through a two-step de facto financialization of antipoverty programs. The fist step transfers responsibility for programs to the state, or an independent non-governmental agency, and the state or agency then partners with nonprofit agencies or private parties to implement the program. Examples of these include the Low Income Housing Tax Credit (LIHTC), New Markets Tax Credit, and Community Development Financial Institutions (CDFI). Dymski (2009) characterizes the New Markets and the CDFI as examples of the Clinton Administration's "third way" approach to social policy. This reflects Clinton's aspiration to mobilize private sector capital and entrepreneurial activity to address problems, particularly in underserved areas. The CDFI is relatively small, but its aim is to promote community development, particularly in terms of increasing financial activities in target areas. The New Markets program provides tax credits for private parties who invest in community banks and other financial services, including venture capital investments, in target areas.

Clinton set the precedent of the LIHTC when he established other tax credits to motivate investors to expand into new areas. Designed as an alternative to what was largely believed to be a failing public housing project, the LIHTC was established in 1986. States receive tax credits in proportion to their population, and these credits are used as a subsidy to cover between 30 and 91 percent of the construction costs for private developers. In exchange for credits, developers are required to set specific terms, including ensuring that renters meet income restrictions and maintaining rents at 30 percent of either 50 or 60 percent of the areas' median income, adjusted for family size.

LIHTCs have increased the amount of rental housing available, and often this housing has been located in middle-class neighborhoods, which has helped reduce the concentration of low-income housing that of develops with public housing (Eriksen and Rosenthal 2010). But LIHTCs are very complicated and because they often require a corporate partner who can benefit from the large tax break, have the potential to push control of housing policy away from elected representatives and into the hands of corporate elites. A typical arrangement often involves creating a partnership between the agency that wants to manage housing (i.e. a community-based nonprofit) and a large corporation that can benefit from the sizable tax breaks. By creating a limited liability, the community organization, which holds a .1 percent interest, can control the day-to-day operations of the housing units, while the investor receives 99.9 percent of all tax benefits and taxable losses. After a set time period, typically 15 years, the tax credits expire and with this, the limited liability company dissolves. Ownership and responsibility for the mortgage on the property reverts to the community organization. While the state, through its housing credit agency, maintains some oversight responsibility, the LIHTC program largely operates and provides services outside of the purview of a government agency. In approximately half of the states, the housing credit agency is not a direct agency of the state.

Tax credit-based federal programs encourage the investor class to participate in antipoverty programs by rewarding their investment through discounts. On one hand, this represents an increase in efficiency where the market, through state manipulation, is addressing the housing needs (and capital needs in the case of the New Markets programs) of those experiencing poverty. On the other hand, it also shifts responsibility for producing housing to non-state actors, and places at least some of the risk for managing the production and maintenance of rental housing stock on community groups or other non-profit organizations. One of the nonprofit social service agencies that I studied for this project, Middle Way House, participated in a LITC partnership and was left, after the 15 years, with a large mortgage that threatened the agency's existence. It is not clear from the little research that has been done on LIHTC that they offer communities the kinds of housing stock investments that they need to be sustainable.

This overview of funding mechanisms shows the vast number of programs (this is not complete, I only include programs that I regularly encountered during fieldwork) that address poverty, but it also demonstrates how this public effort does not have, as its core goal, a reduction in poverty, but rather has become a complex system of incentives that are designed to spread benefits across classes, often aimed at benefiting elite investors who are most able to both navigate this system and gain from it. Even seemingly beneficial programs like tax refunds and near cash transfers for food bring much larger benefits through multiplier effects to middle- and upper-class households.

In the following section I turn to the state and local level briefly (there are comparatively few programs at these levels), and then to the nonprofit efforts to provide social welfare, which also rely on a system of tax breaks to encourage donations.

STATE AND LOCAL EFFORTS

Indiana's efforts at providing social services are fairly modest. In fiscal year 2009, the Family and Social Services Administration (FSSA) received approximately $2.33 billion from the state's General Funds, an amount that increases between 3-3.5 percent per year. Like other states, an increasing share of expenditures for health and human services has been directed to rising costs for Medicaid, which historically have exceeded 5 percent growth rates (Indiana State Budget Agency 2009). Spending on other aspects of human services have increased by one percent annually (Indiana State Budget Agency 2009).

The State of Indiana also uses a tax credit incentive program to encourage private giving to charities. Each year approximately $2.5 million in tax credits are distributed to nonprofit social service agencies (State of Indiana 2014). Donors then can request that their donation be included in this program, allowing them to take a credit for half of the donated amount. Agencies in Bloomington have seen the amount they receive through the state of Indiana tax credit system, the Neighborhood Assistance Program, decline, and credits are often accounted for within weeks of being allocated.

Indiana is one of four states where low earners are required to pay a state income tax—a family of four earning poverty-level wages will pay $239 in state income taxes (Downing et al. 2008). And like several states, Indiana has an Earned Income Tax credit, which is equal to nine percent of the federal EITC.

Governor Mitch Daniels (Governor from 2005 to 2013) took steps to privatize social services at the state level. Under the guise of increasing efficiency, he reduced the number of professional caseworkers employed by the state and placed more responsibility on people needing services to navigate the state's bureaucracy by automating the processes for accessing state- and federal-funded social services.

In 1978, Indiana created a public agency called the Indiana Housing and Community Development Authority (IHCDA). In 2005, Governor Daniels appointed new leadership, with the goal of consolidating other agencies into the IHCDA, and increasing its separation from the state. The IHCDA is self-sustaining—funds from the state do not support its operation, yet it continues to work closely with the state, and the governor appoints its executive director and board members. The agency is charged with financing residential housing for low and moderate-income individuals and families. Primarily, it serves as an administrator for federal programs, including US Department of Housing and Development Section 8 contracts, Community Development Block Grants, HOME Investment Partnerships and grants made through programs now covered by the HEARTH Act, which in 2009 totaled over $357 million in revenue. In addition to receiving money for administering these programs at the state level, IHCDA is able to issue bonds that fund mortgages for single-family home mortgages. In turn, they receive income from these mortgage loans. In 2009, IHCDA had total assets worth just under $2 billion (Indiana State Board of Accounts 2010).

The establishment of an independent state agency, or "component" as Indiana refers to the IHCDA, is one way social services have been privatized. In my interviews, social service directors were ambivalent when asked about IHCDA. Consolidation has made some aspects of working with the state easier, and the IHCDA seems to have emerged from a decade of transitions into a stable organization, which means that the cuts in program and the accompanying elimination of positions at the state level has slowed. This allows agencies to build relationships with IHCDA employees. But the IHCDA also has a reputation for defining the agenda, without stakeholder participation. This was evident at the Community Charrette (a Charrette is a fairly new technique for consulting with stakeholders during a planning process) in 2013, where the topics that were of concern to the community were pre-defined, and the solutions that were proposed after two days of community participation had little to do with what was actually discussed. Because the IHCDA is the state manager for federal programs, part of the ambivalence that is directed toward the agency is really a frustration with federal requirements. For instance, the Charrette was designed to develop a ten-year plan to end homelessness, which Federal grants were beginning to require for agencies that wanted to receive HUD funding.

Local Government

The county is the primary organizational unit within the state, but there is a mixed governance system that is attributable to the settlement of Indiana by a 2 to 1 majority of Southerners to New Englanders during the mid-1800s (Lapp 1913). The Southerners supported the county system, while New Englanders preferred keeping power more local, and developed a system of townships that checked the power of the county. The township system is charged with providing emergency assistance to residents (Katz 1996). Initiated in the 19th century, and based on English Poor Law, this system is similar to general welfare funds found in other states, but antiquated in its structure (Rosenberg 1972). In his analysis of the township system, Rosenberg found it to be highly inefficient, inequitable, and often capricious in its execution. Contemporary analysis by the Bloomington's *Herald-Times* (Lane et al. 2011) and the Evansville *Courier Press* (Bradner 2009) support this finding.

There are eleven townships in Monroe County, and three townships that serve Bloomington, the county seat—Perry, Van Buren and Bloomington. Each township levies a tax to residents, and in turn uses that money to provide a range of services (i.e. Bloomington township supports a fire department). An elected trustee who makes decisions on how to allocate funding manages each township. The trustee is someone in whom property is entrusted with the expectation that they will appropriate it to its intended beneficiary. As Table 2.7 shows, there is a great deal of variation in how townships provide assistance, even within a single county. For instance, Bloomington Township supports several agencies in town, and in return does a great deal of referral. Bloomington Township is heavily populated by students living in off-campus housing, which pushes the poverty rate up considerably, as I discussed above. Perry Township is managed by Dan Combs, who has served as the Perry Township trustee since 1987, and has a long earned reputation for being highly involved in community discussions about poverty and homelessness and is fairly aggressive in providing assistance.

Table 2.7: Perry, Van Buren and Bloomington Township Social Assistance, 2009

	Population	Median Household Income	Percent below Poverty Line	Average Price of Detached House	Township Assistance Dispersed
Bloomington	41,032	$22,299	35.3%	$143,734	$630,103
Perry	40,508	$35,726	18.9%	$168,556	$470,025
Van Buren	11434	$42,256	8.7%	$127,797	$136,543

Indiana State Accounts, Township Reports 2009

Perry Township has a population of 40,508, and includes the area south of the University, an area where the average cost of a detached house in 2009 was just over $168,000. In a college town, the number of housing units occupied by an owner is a good indication of the saturation of students into a housing area and in Perry Township 55 percent of the houses were owner occupied in 2009. However, the median household income was close to $36,000, significantly lower than the state median $45,000. This area is a mix of students, professionals, and people experiencing poverty. Nearly one in every five households in Perry Township had an income below the poverty line in 2009.

Dan Combs, as the Perry Township Trustee, has led his own effort to address poverty over the years. There has never been a tremendous amount of oversight for township trustees and it was only recently that the state began requiring trustees to file annual reports in 2009. Close examination of Perry Township's report shows that it distributed over $260,000 in township funds for non-welfare related activities, and $470,000 for welfare in 2009 (State Board of Accounts 2009). However only $171,507 was in direct relief to 1,954 individuals and households experiencing poverty. Another $257,000 was paid for personnel costs, $38,000 was paid for "other services" and the remaining $3,500 was for supplies.

Perry Township captures the essence of the problems that people experiencing poverty in this region confront: relatively high rents, low wages for work, and a community that is well meaning and generous to a point but hesitant to help people too much lest they become dependent on that help. On the one hand, the township long supported an innovative food pantry that strives to apply the ideals of the local food movement to expanding choice and increasing access to healthy food for low-income households. The pantry makes no requirements of clients, instead empowering them by giving them a broad selection of food to choose from. On the other hand, Martha's House, a project that Dan Combs had a key role in establishing, places sobriety constraints, time limits, and geographical origin requirements on homeless individuals who apply for emergency shelter. The township office provides assistance to individuals by providing vouchers for rent, utilities, or other critical services as a one-time cushion for households. But the lengthy requirements for accessing this assistance are outlined in a 21-page Township Assistance Guidelines (2006).

Monroe County as a whole takes a more focused approach to addressing poverty, primarily centered on child wellbeing and family planning. With a budget close to $30 million, Monroe County spent over $1.4 million dollars in 2009 to fund a Youth Service Bureau (including a shelter, a youth prison diversion program, and the Safe Places program) (State Board of Accounts 2009b), and about $244,000 for family planning clinic (Monroe County Health Department 2009). The County also makes community grants available to social service agencies. In 2008, $95,000 was awarded to 14 social service agencies.

City of Bloomington

The City of Bloomington serves several key roles in the delivery of social services. As mentioned above, the City maintains budgetary oversight of two federally funded programs, HOME and CDGB funding (both funded through the Department of Housing and Urban Development). Through the Office of Community and Family Resources, it manages a website advertising volunteer opportunities and a list of items needed by social service agencies. The City manages and provides funding for a public transit system. The program that receives the most attention, and which the City refers to when questioned about its role in addressing poverty, is the Jack Hopkins Service Funding.

The Jack Hopkins Social Service Grant is an annual program to which nonprofit social service providers submit applications to for consideration, and if selected by a committee to be included in the first round, representatives from the agency are expected to make a presentation to the City Council, outlining their proposal and answering questions. After this, a committee reviews the recommendations of Council members, and allocates funds.

Applicants are highly encouraged to develop proposals that address the community problems that are highlighted in the Service Community Assessment of Needs report, or that have been identified in other City documents as being critical to low-income populations in Bloomington. My own analysis of successful applications in 2009 indicates that agencies made strong cases for why their program or service meets the needs outlined in this report, although there is also some indication that the committee allocates funding ("bridge" funding) to agencies that are experiencing a decline in other funding, and that there is a bias toward youth development that is not a reflection of the SCAN report identifying youths as being critically underserved. Table 2.8 shows the percentages of funding that were allocated to agencies or programs that fell under four broad categories— health, shelter, youth and food between 2000 and 2010. Other areas include disability services, general anti-poverty programs, and some art programs.

Another important service that the City provides is through the Office of Community and Family Resources. This office maintains an active recruitment website to encourage volunteering at area nonprofit agencies, and holds outreach events throughout the year to publicize and encourage volunteering among different populations. As I discuss in the next chapter, Bloomington has a high rate of volunteerism, and this office helps organize and promote this.

Table 2.8: Percentage of Jack Hopkins Funding by Agency Sector, 2000-2010

	Health	Shelter	Youth	Food	Total
2000	17	21	16	15	$64,995
2001	11	30	42	14	$110,125
2002	37	2	26	9	$110,000
2003	12	5	58	13	$110,000
2004	13	28	51	7	$110,000
2005	10	32	42	3	$125,000
2006	22	21	35	17	$135,411
2007	27	15	23	21	$145,000
2008	10	20	18	33	$176,000
2009	0	52	17	16	$180,000
2010	21	25	34	4	$200,000

City of Bloomington 2010. Jack Hopkins Social Services Funding Program History of Funds.

The City also manages a transportation system. Among the most coveted resources that Shalom distributes are bus tickets. With means of transportation always in short supply, people experiencing poverty rely on public transportation to look for work, go to appointments, and access community resources. Bloomington Transit provides nine fixed route bus routes, connecting surrounding areas to downtown Bloomington and Indiana University. A Transit Development Program report (2009) shows that overwhelmingly the buses serve students, followed closely by IU professionals, and that a major reason for this is that the network of buses is centered on bringing people to and from the Indiana University campus and the adjacent downtown area. The report indicates, and conversations with low-income people who rely on public transportation also reflect this, that there is demand for service to expand to include more service on weekends, particularly Sunday when buses do not operate, to provide routes that cross town from east-west to serve people who may be traveling to jobs that are not in the downtown/university area, and to expand service to rural areas (Bloomington Public Transportation Corporation 2009). Funding for the Bloomington Transit operation is divided between riders (30%), state (45%), and Federal (25%) funding, although students do not directly pay for service. The University partnered with Bloomington Transit, essentially merging the campus bus system with the city system, and providing free access to city buses for Indiana University students.

These are the public efforts at providing for the social welfare needs of people experiencing poverty. I think it is clear that the efforts that were started under President Johnson's Administration have become unraveled, replaced by a diverse and uncoordinated set of funding streams that serve the dual purpose of providing resources and services, but also of stimulating the economy in ways that probably benefit middle- and upper-class citizens more so than the poor. As federal funding streams have become more complex, this has placed enormous responsibilities on local governments and state agencies to manage the requirements of the grants. Government agencies seem primed to shift this responsibility to nonprofit agencies. Below I outline the private social welfare efforts, focusing on Bloomington, and show how social service nonprofits, along with other community groups, work to meet the many needs that are unfunded by public grants, and to administer increasingly complex grants with few resources.

NONPROFIT SOCIAL SERVICE PROVIDERS

This dissertation uses a data set of 35 social service agencies that serve people experiencing poverty in Bloomington. Determination of which agencies to include was made based on whether an agency fit several criteria, the most important being whether it served residents of Monroe County, was located in Monroe County, and had 50 percent or more of its clients who could be classified as "low-income" which I approximated by whether their income was less than 150 percent of the federal poverty line. While these criteria did exclude one agency that serves some Monroe County residents, but is located in another county, it includes ten agencies that also served clients outside of Monroe County. Eight agencies served other Indiana counties or regions, one agency served two states, and one agency was national. For each of these ten agencies I used annual reports, budgetary information from websites, and email correspondence with executive directors to approximate the proportion of clients that were from Monroe County, and used this to weight all numbers to reflect this proportion. For instance, the Hoosier Hills Food Bank distributes approximately 55 percent of its food in Monroe County while serving a six-county area. I weight all variables, including the executive director's salary, by .55 to more accurately reflect the resources being used in Monroe County to address poverty. My sense is that this underestimates the proportion of financial support for the poor that comes from Monroe County, as the Bloomington community provides an energetic volunteer base and generous donor base.

Agencies are restricted to those that were operational in 2010.[1] For details on each agency, I rely largely on financial data that each agency is required to report to the Internal Revenue Service (Form 990), and for each agency I collected two years of these data, and along with annual reports, created a data set that includes revenue streams, programing, mission statements, and participation for each agency. Three agencies were operational, but were not registered directly with the IRS. These three agencies provided overnight, low barrier shelter. For these agencies I relied on annual reports and communication with members to gain a sense of their size and scope. All three of these shelter efforts were part of a religiously based effort to provide services to people experiencing poverty, and organization and funding were largely under the umbrella of these organizations.

This data set has a couple of shortcomings. First, religious organizations in Bloomington regularly provide cash assistance, and several operate food pantries. Religious organizations are not required to file the same financial data that nonprofits are, nor do they make annual reports publically available. Estimating the size and scope of these operations however, was outside of the capacity of this research project. It also leaves out approximately $3.5 million spent on charity care by Bloomington Hospital, including over $2 million that helped provide clothing and housewares to low-income households through charity resale shops and the Goodwill, and over $863 thousand that was distributed through the St. Vincent de Paul Society and the Salvation Army. For each of these agencies the financial reporting was either at a state level, or was so

[1] During the time I worked in the field, one new agency opened, two agencies merged, and one ceased operations.
[2] I asked executive directors to suggest board members to interview, and they typically arranged the meetings, or at least made introductions and requested that the board member take the time to meet with me. In the case of Martha's House, I contacted the board member who was "most involved" and then from

complicated and opaque that I could not reliably approximate values at the local level. In the case of Bloomington Hospital, the numbers were so large that even small errors in approximation would have made the analysis unreliable.

The 35 social service nonprofit organizations included in this analysis provided services to an estimated 160,000 people experiencing poverty in 2010. These agencies had a total revenue of $52.8 million (Table 2.9). Eleven health care agencies spent over $25.5 million delivering mental, reproductive and general health care to primarily low-income patients in Monroe County. Ten sheltering agencies provided shelter, as well as meals and access to case management, with a total revenue of $17 million. Six agencies, with combined revenue of over $1.7 million, met the needs of low-income youth in Monroe County through mentorship programs and youth

Table 2.9: Agency Revenue Sources, by Service Sector, 2010

Service Sector	Private Funding	Government Funding	Fee for Service	Total Revenue
Health care (11 agencies)	1,792,075 7%	2,736,800 11%	17,489,511[1] 69%	25,518,551
Shelter (10 agencies)	3,349,390 20%	10,939,616 64%	1,456,733[3] 9%	17,126,067
Youth Services (6 agencies)	1,347,299 48%	875,318 31%	361,106 13%	2,793,841
Food and Hunger (4 agencies)	1,172,998 77%	347,218 23%	-	1,532,045[2]
Legal, workforce, and general assistance (6 agencies)	304,478 5%	5,231,160 90%	71,388 1%	5,795,694
Total	7,966,240 15%	20,130,112 38%	19,378,738 37%	52,766,198

Data collected from agency-filed Form 990 data and annual reports. [1] Health care agencies differed in how they reported Medicaid spending. Some reported it as a fee collected, while others counted it as a fee for service. [2]This amount does not include an estimated $1.8 million in in-kind food donations from private sources, and $550 thousand worth of in-kind food gifts from federal sources that the regional food bank receives. [3] Fees are collected from Habitat for Humanity homes and in rental fees for Section 8 and Public Housing.

development. Four agencies provided hunger relief services to Monroe County residents, with a combined revenue of $1.5 million (not including in-kind food donations to the food bank worth an estimated $2.4 million). And six agencies provided broader “anti-poverty” assistance through legal counseling, general assistance, workforce development, and child and family support. The total revenue of this group of agencies was nearly $5.8 million.

Agency Funding

Agencies in Bloomington receive funding from three primary sources: private giving, government grants and contracts, and fees for services. Below I examine each funding stream and present a typology of agencies based on funding source.

In 2007 in the U.S., private contributions from corporations, foundations, individuals, and bequests exceeded $306 billion (*Giving USA* 2008). Approximately five percent of this total came from corporations, 13 percent from foundations, 75 percent from individuals, and 8 percent from bequests. Overwhelmingly, it is individual donations that account for the majority of private giving in the United States. Religious groups regularly receive the largest percentage of contributions, approximately a third of all donations. Just under 10 percent of all donations are directed to human services, which include many of the social service agencies considered in this research, and another eight percent are given to health care agencies which are also included (*Giving USA* 2008). In Indiana in 2006, 738,000 Indiana residents made $2.9 million in charitable donations, an average donation of $3,994 (Internal Revenue Service 2006). This was below the U.S. average of $4,403.

The 35 agencies that are included in this study received approximately $7,966,240 in private contributions in 2010. This accounted for 14.6 percent of total revenue to social service agencies (see Table 2.9). While no agency made reports available that showed the percentage of this that came from individuals, many indicated that an average individual contribution was $150. Field experience supports this. While most agencies can identify a handful of individuals and families that make large contributions, and often court these donors through ongoing communications and invitations to inner-circle fundraising events, the more typical scenario is to receive many small donations. President Obama's campaign strategy of harnessing small donations appeared to be influencing social service providers who strategized how to encourage "young professionals" to donate small amounts to their organizations. Nonprofit agencies began placing "Donate Now" links onto their website, and workshops were held that encouraged fundraising efforts to be directed toward reaching younger, more technologically inclined donors who would not respond to a traditional mailing, but might "text" a donation to a charity.

Other sources of private funding in Bloomington come from foundations and corporations. The largest of these is the Community Foundation, which serves large donors by providing financial oversight and management to donations. With over $20 million dollars in assets, the Community Foundation regularly makes over $600,000 in grants to local nonprofit organizations. A large part of this total is pre-allocated by donors to be dispersed on an annual basis to specific organizations (including many that are not providing services to people experiencing poverty). There also is an annual open grant cycle that distributes about $40,000 to agencies. Corporations, including the Ball Brothers (Ball jars), Wylie Foundation, and Cook Pharma provide support to local agencies, although accessing this was viewed as challenging by agency directors I interviewed.

The 35 agencies in this study received over $20 million dollars in funding from government in 2010 (see Table 2.9). This accounted for 38 percent of all agency revenue. Four agencies—Bloomington Housing Authority, South Central Community Action Program, Area 10 Council on Aging, and Centerpoint (a mental health provider)—accounted for 75 percent of total government funding in Bloomington. The Bloomington Housing Authority, South Central Community Action Program and the Area 10 Council on Aging were established by government departments in the Sixties and Seventies as a way of encouraging local organizations to address problems associated with poverty, and have a long-standing relationship with government agencies that continue to provide direct support for their activities. Yet in my informal discussions with staff at Area 10, and interviews with board members and the executive director of the Housing Authority, I found that these agencies were beginning to apply for private grants (their total private funding amounted to $6,124) to make up for cuts in government funding.

Centerpoint is a two-state, multi-county mental health provider that, in addition to providing counseling, provides housing. Established in 2003, Centerpoint receives government grants through Medicaid as well as through grants for providing housing services to people with mental health issues. The remaining 31 agencies received an average of $190,621 from government sources, although seven agencies (primarily agencies that have a religious foundation) received no government funding.

Fewer than half (46%) of agencies receive any fee-for services. Of those that did, they received a total of nearly $20 million in fees for services. This represents 37 percent of total revenue received by social service agencies in 2010. Often these fees were used to pay for things such housing for people with disabilities or health care services (91%), low income housing (8%), or to provide childcare or membership to a youth organization (2%). For instance Stone Belt provides live-in residential care (as well as a range of other services) to people with disabilities, and received $1.7 million dollars in fees from people accessing and using its services. Other agencies provide housing for low-income households. For example, Habitat for Humanity collects “fees” from clients in the form of down payments and (no-interest) mortgage payments, and agencies that manage Section 8 vouchers and public housing receive rent from clients. A third group of fee-funded agencies receives “membership” payments from clients—for instance, the Boys and Girls Club require members to pay a small fee to belong to their club.

These three streams of funding account for almost 90 percent of the total revenue for the 35 nonprofit social service agencies considered in this research. The remaining funding came from a variety of sources. Middle Way House, one of the agencies focused on as a case study, engaged in income-generating social enterprise activities. One religiously affiliated shelter operated a second-hand shop, transforming community donations into organizational revenue. Others received interest payments from investments, or sold property. While there are reports that nonprofits organizations are beginning to engage in entrepreneurial activities to help close their funding gaps, agencies in Bloomington that tried this (Middle Way House operated two social enterprises, one, a paper shredding company and the other, a catering company) found that the costs exceeded the carrying capacity of the organization. Middle Way was often referred to when I asked agency directors and board members whether they considered developing new income streams, and Middle Way's difficulties were held up as evidence that this would not work for them.

Things quickly become more complex when different proportions of funding streams are considered. While a majority of agencies relied on a single source for more than 70 percent of their revenue—12 agencies relied on private funding, six on government, and two on fees—the remainder relied on a combination of funding. Some agencies have relatively balanced funding between the three streams. Habitat for Humanity has a 39-26-34 (private-government-fee) funding stream, the Boys and Girls Club has a 42-22-18, and Girls Inc. has a 59-14-27. But this balance is the exception rather than the rule. More often agencies rely overwhelmingly on one or two sources of funding—in addition to those agencies above that rely primarily on one source of funding, six agencies rely on a mix of private and government funding, three rely on a mix of government funding and fees (all health care providers), and two rely on a mix of fee and private support (both religious based providers).

I conceptualize funding streams as a continuum ranging from a corporatist model that relies heavily on client fees for revenue to a community model that relies on private giving for revenue. Corporatist nonprofits were primarily in the health sector where charging fees for services (i.e. for mental health counseling, addiction treatment) was more common than in hunger or shelter sectors. These agencies seldom incorporated volunteers, and varied from having a strong business model to a weak business model, but even agencies with weak business models had a more hierarchical structure compared to other social service sectors. Government funding falls in the middle of this continuum, carrying many of the requirements that contribute to a more corporate structure, with high reporting requirements and organizational stability rooted in a reliable source of funding.

Informed by this continuum, and restricting myself to agencies that deal with shelter (Table 2.10), I selected four cases that represent this continuum: (1) the Bloomington Housing Authority which relies on government funding for 87 percent of its total revenue, with the remaining five percent coming from client fees; (2) Martha's House, which received 74 percent of its funding from government grants, and relied on private giving for 26 percent of its revenue; (3) Middle Way House which has an almost equal proportion of funding from private giving—37 percent—and government grants—38 percent (the remainder of their funding comes from social enterprise activities and investment income); and (4) Shalom Community Center, which received

Table 2.10: Funding Stream Percentages Among Shelter Agencies, 2010

	Private Funding	Government Funding	Fee For Service
Bloomington Housing Authority	0	87	5
Martha's House	26	74	-
Middle Way House	37	38	-
Catholic Worker	58	42	-
Genesis Shelter	70	30	-
Stepping Stones	44	55	-
Backstreet Missions	88	-	-
Shalom Community Center	99	1	-
Habitat For Humanity	39	26	34
Interfaith Winter Shelter	77	23	-

Data collected from agency-filed Form 990 data and annual reports.

99 percent of its revenue from private giving and only one percent from government sources. Fee-based funding streams are rare among shelter agencies, for obvious reasons.

Because I am interested in how changes in funding streams, specifically the shift from federal funding to private, affect participation, governance, and advocacy, I selected agencies that I viewed as being in the middle of shifting funding streams and as developing new strategies to tap into different funding opportunities. These agencies had to respond recently, or were in the process of responding, to new revenue sources (i.e. a large federal grant), declining revenue sources (i.e. loss of a federal grant, or cut backs due to the economic downturn), or were working to increase flows of revenue from a new source (i.e. increase private giving). I also selected cases based on my sense, from fieldwork, of the type of leadership at the top of the agency. In Chapter

5 I develop a typology of nonprofit management based on the role of executive directors and board members within the organization. These four agencies serve as case studies for investigating how funding instability is managed by nonprofit managers and affects decision making within organizations. My fieldwork alerted me to the importance of funding, and the centrality that securing grants, meeting grant requirements, and developing private funding played in the role of every agency I came into contact with. As I discussed in the previous chapter, funding of social service agencies has been undergoing a shift away from reliable federal funding to a model where the federal government might fund an initiative for a few years, but then expect the agency to develop private funding streams for ongoing support. While nonprofit agencies such as museums, hospitals, and universities have a broad range of alternatives that they can develop—they can raise fees, develop alumni as donors, or merge with regional organizations—social service providers are limited in the range of innovations that they can make. Within these constraints, I am interested in how nonprofit social service providers respond to changes in their funding environment.

Funding was precarious across all social service agencies, and this was becoming more critical while I was in the field, and the effects of the Great Recession were made more acute. On one hand, the economic recession created an opportunity to study, in real time, how agencies responded to a major cut in federal funding. In the midst of the Great Recession, sequestration reduced budgets, and this particularly hit agencies serving the poor. Agency executives and board members described how the uncertainty about federal grants drove them to diversify their funding streams by increasing the amount of money coming from private donations. The ability of the local community to make up for these cuts through donations was tested. For many agencies, additional efforts were directed toward fundraising, and as I show below, this placed enormous strain on boards. Agencies with a historically strong and stable funding base, such as the Bloomington Housing Authority, were exploring new funding sources, while agencies as tied to their community donors as Shalom Community Center were working with the Indiana Housing and Community Development Association to apply for large federal grants. The directors at both of these agencies were innovative, strategic and clearly moving their organizations in new directions. Similarly, Middle Way House, an established national leader in providing assistance to domestic violence victims, was undergoing large changes in its capacity to provide services. During my fieldwork the agency moved from a large residential house to a renovated factory with "loft-type" apartments, and this transition brought many financial challenges. With increased debt taken on at the start of the economic recession, subsequent funding instability put Middle Way House in a precarious financial position. Martha's House was also undergoing changes. Unable to afford to replace the executive director and losing a major federal grant, the board was working to expand its donor base and increase private funding. This proved difficult to do in part because Martha's House addresses some of the most challenging cases of poverty and homelessness—by focusing on adults who have a range of associated problems including criminal histories, addiction and mental illness, the agency had to overcome donor's biases when soliciting donations.

At the same time that government spending for some programs was being cut, federal priorities to end homelessness made large grants available. Toward the end of my fieldwork one agency, Shalom Community Center, secured a multi-million dollar grant to help their clients enter into permanent supportive housing. This radically changed the funding stream at Shalom, shifting it from being almost entirely reliant on community support (they received only a total of $7000 in government grants in 2010), to being largely reliant on government funding. This happened while I was in the field, and caused the board and the executive director to reflect on the mission, goals, and direction of the agency. Much of this was captured in my interviews, and I discuss this in depth in Chapter Five, as it revealed much about how agencies are governed and how shifts in funding affect decisions and threaten the mission of organizations.

The strength of qualitative work is that it is exploratory and provides the opportunity to identify a process or to develop a theory that helps makes sense of social phenomena. During my fieldwork I discovered for myself what many before me had already learned, I learned, for example, that organizations model themselves on other organizations in the field, that legitimation is signaled through association with other organizations, and that, for the most part (but certainly not entirely), boards of directors heavily represent the more affluent and well-connected members of a community. I used these moments to mark my time in the field—as the pace of discovery slowed, I realized that my time in the field was coming to an end. But during my fieldwork I kept noting that there seemed to be two kinds of organizations. I struggled to identify first, what they were, and second, whether the two types were not just a side effect of something I was already paying attention to. I noticed that some agencies were welcoming, while others, although not unwelcoming, did not exude a feeling of inclusiveness. At first I was concerned that I was biased, that it was my own apprehension to see agencies that have religious overtones, or that are heavily bureaucratic as being as helpful as agencies that have a self-proclaimed "socialist-feminist" agenda. But after leaving the field and reading through interviews, coding them for themes and writing memos, it finally struck me that some agencies engage in what I call "supervision" of clients while others promote "empowerment." The former, based on a supervisory model, places volunteers and staff in roles where clients are overseen and ensured to be complying with agency requirements. In this model, board members and executive directors are more concerned with rule enforcement, and justify the use of rules through funding requirements and donor expectations. The latter model, based on empowerment, views the relationship with clients through a lens of transferring power and control over their lives to them, in an effort o allow people who are accessing services to become capable of making their own decisions.

Rooted in cultural categories of worthiness, these differences are on one hand tied to funding (agencies that are more supervisory are less reliant on private giving and more reliant on government funding), but the differences are also rooted in the mission and perspective of the organizational actors. I contrast Middle Way House—which was described by its board president as a “socialist-feminist organization” and which has a strong ethos of inclusion, working to employ former clients, including client feedback in their annual review process, and having a lateral reporting structure between staff members and the executive director to Martha’s House which maintains strict oversight of clients, regularly monitors them for drug and alcohol use, and requires them to spend the day outside of the shelter, looking for work or working.

In the following chapters, I hypothesize that these different funding streams result in different roles for volunteers, clients, board members, staff, and executive directors. Considered broadly, participation by various community members, whether paid or unpaid, binds the organization to the community, creating a system of checks and balances that hold the agency accountable but also serves as a pathway for the community to influence the programs an agency offers and whom is served. I hypothesize that one outcome of agencies depending on private funding is that this increases the salience of the community values within the organization, and through examples from my fieldwork and interviews with board members and executive directors I show how these values are translated into cultures of “empowerment” at some agencies and cultures of “supervision” at other agencies--two cultural categories that affect the *quality* of participation, the *intent* of governance, and the *goals* of advocacy.

CHAPTER THREE: PARTICIPATION

Over the course of a year I had weekly meetings in Bloomington with an AmeriCorps service member, discussing her ongoing projects, assisting with grant writing, and listening closely to how she made sense of her experience working with homeless families and working to guide them to healthier lifestyle choices. She was well trained, empathetic, and motivated. During our first meeting, we shared our interest in making access to "local and organic" possible, not just for the elite, but for people experiencing poverty. This is not a new idea among social service providers in Bloomington—Mother Hubbard's Cupboard, as mentioned previously, has built gardens across the city to develop a local organic food supply chain for their food pantry. The AmeriCorps member recruited volunteers and enthusiastically planted a garden at the New Hope Family Shelter. She enlisted shelter families to participate in weekly meals where she introduced them to cooking with healthy and low-cost ingredients, and hoped they would choose to adopt some of these choices in their own menu planning. She stocked the cupboards and refrigerator with the healthiest food she could find at the local food bank, and eventually developed a partnership with a farmer who delivered a weekly farm-share to the shelter. She secured a grant to start a bike-program at the shelter and gave children bicycles, helmets, and riding lessons, with the hope that they would begin to ride on the bicycle path that went right by the shelter house. In other words, this AmeriCorps service member worked diligently over the course of a year to do the very things that the program was designed to do—it harnessed her "ingenuity and can-do spirit," and in partnership with a community organization, "tackled some of the most pressing challenges facing our nation" (Cramer et al. 2010). But did she actually make a dent in the problems of childhood obesity or poor nutrition among households experiencing poverty? Did she instill values that will encourage healthier choices among the families she worked with?

I spoke with some families and these conversations suggest that they liked the AmeriCorps service member and wanted to follow her suggestions to select healthier foods, and that the children also enjoyed the attention and access to physical activities. But they also confided that their husbands were not interested in changing their diets, and that they doubted they could afford to make these changes without the support and encouragement that the shelter provided. Changing eating habits, in other words, is difficult to do among any group of people, but the effort did seem to introduce healthier ideas to a group of people who are marginalized in the current discussion of local and organic foods.

These successes deserve to be applauded, but the dependence of agencies on volunteer (and unpaid) labor raises important questions. While in the field I wondered what it means to rely on unpaid, volunteer labor to address a critical social problem like poverty. It was clear that most volunteers lack the professional skills and technical knowledge to provide assistance to people experiencing poverty. Well-meaning help does not necessarily translate into effective services, especially when one realizes the high level of stress and occasional trauma that people who are experiencing poverty are confronting. Women trying to leave a domestic violence situation, families who have tapped out their own networks, and men and women battling debilitating issues of addiction have profound problems and require competent help. I noticed that agencies differed in the way volunteers were trained, and how they were used inside the agency. Some agencies (e.g. Mother Hubbard's Cupboard) spent little time training volunteers, while other agencies (e.g. Middle Way House) required an eight-hour training. Why did some agencies invest more in training volunteers, while others were willing to "train on the job?" Inside agencies there were differences in how volunteers were deployed. Agencies with well-developed volunteer programs matched volunteers with interests and skills—some were placed in the back room filling in spreadsheets, while others helped prepare food. I noticed that agencies that lacked a well-formulated volunteer program struggled to keep volunteers engaged. A final difference I noticed was that some agencies strived to build volunteer's skills, and encouraged them to become more engaged in the agency, while others took a more passive view of volunteers. I developed a working hypothesis while in the field, predicting that agencies that were interested in engaging volunteers were ultimately interested in transforming volunteers into donors, and that this was directly related to the agencies' reliance on private giving for a substantial amount of their funding. While this partially is supported among the 35 agencies I study—there is a significant relationship between dependence on private funding and volunteer utilization and, the four case studies help to refine this hypothesis by showing that volunteer recruitment is distinct from donor recruitment.

Volunteering is just one way that people participate in social service agencies. Some people participate by serving on boards of directors—an intensive form of volunteering—while others become donors, an important form of community support for small nonprofits. And others participate in nonprofit agencies as clients. In this chapter, I first consider how board members participate and how funding sources do not affect the amount of time board members report working on agency-related matters, but do appear to influence the kind of activities that board members engage in. Second, I consider the role of clients in agencies. Clients are seldom considered "participants" in the sense that they have no choice but to use social service agencies when they need help, but I include them in this analysis, first, to test the relationship between funding streams and the number of clients served (there does not seem to be one), and second, to identify how organizational culture affects their participation. I rely on the 35 agencies, the population of agencies in Bloomington that provide services for people experiencing poverty, to test these relationships and four case studies, selected in part because they were undergoing changes in their funding stream, but also because they had different management compositions, to investigate how differences in participation point to organizational cultural differences.

Some agencies expanded roles for clients and encouraged clients to have a formal role within the organization, while others perceived of clients as requiring supervision. Using interview data, I develop a theory for how these differences reflect a critical difference in agencies that have consequences for how agencies are governed and the kind of advocacy agencies engage in. I then reflect on how the empowerment culture translates into how agencies treat other participants, including volunteers and board members. I conclude by showing that one positive outcome of the shift to private funding among social service providers is that agencies with private funding are more likely to have an empowerment culture.

Volunteers

Facilitating volunteer involvement is costly for small organizations. It requires staff resources for recruitment and oversight, and program quality can be compromised when it relies on an unsteady, unpredictable pool of volunteers (Lelieveldt et al. 2009, Eliasoph 2011). Efforts have been made by the federal and local government to ameliorate this cost by supporting volunteer efforts. The AmeriCorps program was established in 1994, and is often considered a domestic counterpart to the Peace Corps. It provides a small stipend during a year of service, along with an educational scholarship of about $5,500. The AmeriCorps program is an example of the many programs at both the national and local level that have been developed to encourage people to “become involved” with their communities as a means of addressing social problems. President George H. W. Bush called for a “thousand points of light,” in his 1988 Republican National Convention acceptance speech. Under President Bill Clinton, the 1996 Welfare Reform Bill established “Charitable Choice,” allowing federal government agencies to partner with religious organizations to provide services. Later, George W. Bush established the Office of Faith Based and Community Initiatives in 2001, cementing the position of religious and community groups in the provision of social services.

In Bloomington, efforts to encourage volunteerism and to otherwise support nonprofit organizations are centralized in the City’s Office of Family and Community Resources. With ten employees and a budget of nearly $700,000 (City of Bloomington 2010), the Office of Family and Community Resources leads several initiatives. In January, events start with “A Day On! Not a Day Off of Service” on Martin Luther King, Jr. Day, part of a national effort to encourage volunteering as a way of commemorating the Civil Rights leader. Community members are encouraged to spend the day at any of the local social service agencies—many of which have organized group-volunteer projects to accommodate the large numbers that come out to lend a hand. The first week of April, the City hosts the “Be More Awards,” which recognize volunteers in the community. This is followed in mid-April by the annual Homeward Bound Walk, a statewide event with local chapters that invites community groups to raise funds by being sponsored for walking. The event is designed in part to raise awareness of homelessness, and features a speaker who shares a personal account of homelessness. Bloomington’s Homeward Bound raises over $60,000 for local organizations every year (Denny 2009). And in late-April, the City works with local corporations and charities to coordinate the Day of Action. Community members, volunteering through their employers, set out in teams to tackle projects at different nonprofit organizations in Bloomington. Often engaging in hands-on maintenance work, like painting, cleaning, landscaping, and building, the employees are used to working together, attack the project, and quickly accomplish the tasks. The City of Bloomington also manages an online volunteer recruitment website (http://www.bloomingtonvolunteernetwork.org) that helps link potential volunteers to different agencies where they might become involved.

What does this effort accomplish? The City of Bloomington recorded an average of 433 volunteer inquiries through its volunteer website, and registered 85 new users each month (Online Recruitment Statistics 2009). Compared to the state average (28%), more people volunteer in Bloomington (34%; Cramer et al. 2010). And the many social service agencies in Bloomington appreciate the outpouring of support every year, as it replenishes volunteer pools and helps build awareness about organizations and the issues that they address. But volunteers also cost agencies a great deal of time, are an unsteady supply of labor, and many volunteers lack training and skills to accomplish many of the tasks nonprofit organizations require. So why do organizations recruit volunteers? I initially theorized that agencies that utilize volunteers do so as a strategy to develop stronger bonds with the community that serves as the site for most of their financial support and that volunteers help cement this bond, transferring information about the agency to other people in their network. I reasoned that, by cultivating volunteers and their networks, nonprofit agencies also hope to convert volunteers into donors.

Using data collected from 35 social service agencies, I test whether funding streams affect the number of volunteer participants at an agency. I hypothesize that agencies that rely on private funding are more likely to rely on volunteers. I then turn to the four case studies to show how agencies recruit and train volunteers, the role they have within agencies, and how agencies that partner with religious organizations participate in a system of exchange that benefits both organizations. I conclude by considering whether volunteers are convertible to donors, showing that—contrary to my expectation—this is not an intention of organizational actors.

The 35 agencies in this study reported that 8,091 people volunteered in 2010 (Table 3.1). Eight agencies reported no volunteers, 12 agencies reported between five and 99 volunteers, and 13 agencies reported over 100 volunteers. Habitat for Humanity reported the largest number of volunteers (1,862). They regularly recruit large numbers of volunteers to building sites for "build-days" and while many return, this is also a popular way for groups to spend a day volunteering together. Shalom Community Center had the next largest number of volunteers (1,578). Unlike

Table 3.1: Participation by Volunteers, Board Members (hours) and Clients, by Service Sector, 2010

	Volunteers		Board Member Hours		Clients[1]	
	Total	Average	Total	Average	Total	Average
Health care	306	28	122	11	19,288	1,753
Shelter	5,481	548	177	18	27,845	2,785
Youth Services	1,619	324	794	159	2380	476
Food and Hunger	465	116	34	9	106,907	26,727
Legal, Employment, and General assistance	220	44	112	22	3612	722
Total:	8,091	231	1239	35.4	160,032	4,849

Data is from agency annual reports, factsheets, and Form 990, for 2010.
[1] Only 33 agencies reported the number of clients served.

Habitat for Humanity, volunteers at Shalom undergo a training session and are asked to commit to a weekly shift over the course of at least three months. This provides an opportunity for volunteers to gain a deeper understanding of Shalom, but more importantly to Shalom, allows them to benefit from slightly trained volunteers who are able to take on some staff-level responsibilities.

The number of volunteers at an agency is moderately correlated (.78) with private funding. Regression analysis shows that this relationship is statistically significant (β=.0013, $p<.01$), indicating that increases in private funding are positively associated with volunteer participation within an agency. However the other values for the coefficients for government funding and fee-based funding are zero, or nearly zero, suggesting that the number of cases and the lack of correlation between other funding streams and volunteering produce a poor model. My fieldwork and case studies with executive directors and board members show how recruitment and training of volunteers can differ, and how partnerships with other organizations can become important sources for volunteers.

Student Volunteers

Volunteer recruitment is couched by scholars as an effort to expand civic capacity—to engage with and learn more about society (Putnam 2000). While the typical volunteer in America is middle-aged, educated, employed, living in a small town, otherwise involved in the community, and female (Hodgkinson and Weitzman 1984: 27, Ostrower 1995, Putnam 2000), shifts toward civic engagement have made volunteering and service a pedagogical tool used on college campuses, thus drawing in a younger set of volunteers. This is especially relevant in Bloomington where students fill the volunteer roles at many social service agencies, challenging this image of volunteers as middle-aged (one explanation for this difference in volunteer demographic could be that volunteering in schools is popular among middle-aged parents). The University represents the single largest source of volunteer labor in Bloomington. There are two centralized offices that actively encourage students to engage in area agencies: the Office of Service Learning provides support to instructors who would like to have their students serve at a local social service agency as part of their course requirements, and the Office of Student Life and Learning serves as a central location for student groups to organize and become involved in the community. Additionally, the business school has an active student leadership group that encourages community-based volunteers and attracts students who are interested in "sociallyconscious" businesses. The School of Public and Environmental Administration also provides many skilled volunteers to agencies, and through the AmeriCorps program is able to place students at social service agencies in a partially paid capacity. There is another stream of undergraduate AmeriCorps service members that are recruited from IU health sciences (i.e. nutrition) students, and approximately 12 students complete a year of part-time service at one of several nonprofit organizations. Both formal and informal mechanisms connect university students to volunteering opportunities in the community. Ivy Tech, the local community college, also encourages volunteering through its Center for Civic Engagement. Established in 2004, the Center links students to volunteer opportunities in the community, provides support for instructors who are interested in developing service-learning experiences for their students, and serves as an institutional site for leveraging the College's resources for broader civic society goals.

Edwards et al. (2001) investigated what roles college students served when involved in programs that promote student engagement with social service nonprofit agencies through Community Based Leadership (CBL) programs and found that students were more likely to work with children—particularly preschoolers—when compared to community volunteer groups and staff, and less likely to do office work, train or recruit other volunteers, or disseminate information. These authors found that organizational form matters—local affiliates of national nonprofits (i.e. American Red Cross) were more likely to recruit college student volunteers compared to nonaffiliated organizations. They attribute this to it being easier for these organizations to plug students into defined volunteer roles, and there are well-developed training materials for volunteers, something that nonaffiliated organizations might lack or have not fully developed.

Sixteen (45%) of the agencies in Bloomington are affiliated with a national organization that provides some degree of oversight. In fieldwork, I spent several months attending monthly committee meetings with board members from (Bloomington's) Girls, Inc., an affiliate of a national agency that provides girls with youth development opportunities. The relationship between the local branch and the national organization was loosely defined, with the national organization providing some organizational structure, including definitions for the scope of work the executive director is responsible for, whom programs target, and recommendations for fundraising appeals. However, there was also broad latitude for the agency to adjust these recommendations to the local context. Testing this with data from local agencies, a correlation analysis shows that whether an agency is an affiliate is not associated with the number of volunteers involved with the agency. I suspect that this is partially due to the kind of agencies that are included in this dataset—I include many local agencies such as the South Central Community Action Program, Area 10 Agency on Aging, and the Bloomington Housing Authority as affiliates, as they have a national organization that offers support and oversight. I suspect that if I limited my analysis to youth empowerment agencies (e.g. Girls Inc., Boys and Girls Club) that these agencies would have more developed volunteer programs compared to small, community developed organizations.

While there is research examining how participation in nonprofits serves students (Astin, et al. 1998), I could find no research on how their participation affects the organization itself. Experience in the field suggests that nonprofit social service providers are an important resource to the university and community college, serving as a site where students gain hands-on skills and begin to develop a professional identity, but that the value of the service that nonprofit agencies bring to this exchange is systematically ignored or undervalued.

Student volunteers (as well as community volunteers) are promoted as bringing value to agencies without incurring costs. Yet board members expressed mixed feelings about the large influx of university students as volunteers, occasionally even expressing negative comments, explaining that students taxed agency resources because of the level of supervision that they require:

> "There could be some professor with an undergrad class who needs something to keep them busy, and maybe it is a legitimate service learning class, but sometimes they just export their students onto a nonprofit." (Board member #2, Middle Way House)

The same board member expressed frustration with the attitude that some students took: that they were "experts" after conducting a study of some aspect of a nonprofit agency, and would offer advice to practitioners—people who had been involved in providing services for years:

> "And these kids come back and say that you need to collaborate more. You have no idea how many times I have heard that. And no idea—they would not even know the answer. How dare you, is my response." (Board member #2, Middle Way House)

A board member of another agency expressed similar concerns:

> "I think we've done different programs with marketing classes and those kinds of things. I've participated with those and then I found the students to generally lack experience or their ideas are really not viable to implement in terms of this particular clientele or this particular community." (Board member #1, Martha's House)

Students gain hands-on experience when they work with agencies, and the concerns that the board members were expressing reflect the times when this experience was poorly conceived and carried out. Both Indiana University and Ivy Tech have developed in-house programs that help facilitate student volunteering and inform professors and students of how their participation creates work for agencies, and look for ways to minimize that work. For instance, at Indiana University, the Office of Service Learning has a community liaison who works with partner agencies to develop relationships and define a shared agenda. Recently, the University has invested in this partnership by placing students at sites for four years, giving the agencies much-needed volunteer management help, and by having the same student in a position for multiple years, building the overall capacity of the nonprofit. This is similar to AmeriCorps, which places students with professional skills in an agency for year, paying their stipend and bringing a real value to the agency. These are not the kind of arrangements that board members were expressing frustration with.

One board member from Middle Way House explained that there was a great deal of reliance on student volunteers, but that the agency was strategizing to expand the volunteer base to churches and other "local" groups:

> "As you probably know by now, Middle Way House relies very heavily on volunteering. IU feeds lots of very strong, young energetic volunteers from SPEA and other places and other programs that encourage volunteering, and our hope is that the churches may turn out to be another source of volunteer energy." (Board member #1, Middle Way House)

And another noted the diversity of students that come through agencies:

> "We do get a lot of help from IU. IU has an office, as you know, where for professors they are going to make it part of the course. So the other day I went through the kitchen and there were two Chinese students chopping peppers. Red, yellow and green peppers and they are just jabbering away. It was a young man and a young woman, it was for the School of Business, and *how did they get here*?" (This had a tone of disbelief—as in, how did two students from China end up in a kitchen in Bloomington, cooking food at a day shelter? and was not intended to be critical) (Board member #1, Shalom Community Center)

The ambivalence that board members expressed toward college students was perhaps muted by my own status as an Indiana University student, but it captures a sentiment that was pervasive in the field. Agencies appreciate students on one hand—their energy and effort is valued, and in cases when the university supports the students through formal channels, the partnership can be an important way that agencies increase their capacity. But students are also an unsteady pool of labor—the population of Bloomington is in a cyclical flux timed to the academic calendar, and students are generally inexperienced, requiring training and socialization to help them develop basic professional skills such as showing up as scheduled, following through on commitments, and communicating with supervisors. For some agencies this requires too much staff resources, so these agencies (i.e., the Community Kitchen) do not recruit volunteers from the student population.

Church Volunteers

Churches also serve as an important site for identifying and cultivating volunteers. In 2008, there were 104 congregations in Monroe County with approximately 40,169 adherents (Association of Religion Data Archives 2010). Several churches are active in social service provision in a variety of ways. Some (the exact mix of participating churches changes each year) serve as a site for the Interfaith Winter Shelter, a low-barrier shelter that operates during the winter to provide protection against the weather for people who are experiencing homelessness. The Interfaith Winter Shelter rotates between sites each night. Congregations provide either the space, the volunteers to manage the shelter, or both. Other church-based efforts include operating a soup kitchen one day a week, operating a food pantry, or offering emergency assistance by paying overdue bills or helping with rent. Some churches partner with agencies more directly, as is the case with Shalom Community Center, which is closely coupled with First United Methodist Church. Another shelter agency, Backstreet Mission, works closely with Evangelical Christian churches and is reliant on private giving to support its mission. Genesis Shelter, a summer time counterpart to the Interfaith Winter Shelter that closed after two years, was largely the effort of a single Evangelical church, the Genesis Church, although volunteers and donations came from the broader community. While churches and their efforts to provide social services are outside of the scope of this research, I did examine how churches partner with agencies, especially as I came to understand the importance of the relationship between Shalom Community Center and the First United Methodist Church.

Church partnerships take two forms among the social service agencies in Bloomington. Some are explicit and are tied closely to the gospel mission of the church. These agencies—and Backstreet Mission is an example—require clients to participate in religious practices as a condition of receiving services. Other agencies are more quasi-religious, where the motivation for providing the service is based in religious beliefs, but there is little to no sharing of religious beliefs with clients, and clients are not required to participate in religious practices to receive assistance. I coded agencies as an ordinal variable ranging from gospel-mission, religious-mission, and secular and tested whether religious affiliation affected participation. I hypothesize that fewer volunteers would be involved in a secular agency, with more volunteers involved with religious-mission agency and the most involved with gospel-mission agencies. Testing this relationship using OLS regression shows that the relationship is significant (β=-187.6, $p<.10$), in the direction predicted (Table 3.2). During my fieldwork, board members helped me understand the role of churches in nonprofit agencies in Bloomington, revealing an exchange relationship between the church congregations and nonprofit agencies that I explain below.

Table 3.2: Agency Religious Affiliation and Volunteer Participation

	Volunteers
Religiosity	-187.6*
	(97.4)
Constant	718.9
	(262.9)
R-squared	.10

N=35; * p<.10

In addition to serving the needs of people who are experiencing poverty, Shalom is also an important ministry of the First United Methodist Church (FUMC). Established in the basement of the church, in partnership with a now defunct sheltering agency, Shalom relied heavily on church members to provide employment counseling, meals, and other day-shelter services to people experiencing poverty. Board members explained to me that during this time, in the early 2000s, people were joining or becoming more active at FUMC because they were inspired by Shalom Community Center and wanted to become more active in its ministry:

> "It was part of why I joined the church. The social mission of the church was attractive to me." (Board member #3, Shalom Community Center)

and:

> "I got involved through FUMC. But I was not a member. I was a Methodist, but my husband and I were members at St. Mark's United Church." (Board member #2, Shalom Community Center)

Shalom is not the only example of how providing a social service brings benefits to the religious community. Forrest Gilmore, who served as an assistant director of the Interfaith Winter Shelter prior to being the executive director at Shalom Community Center, explained that the Interfaith Winter Shelter serves an important role for the churches that participate:

> "I personally think that the Interfaith Winter Shelter is the best model for our community right now. It is cheap, it is effective, it keeps the participants close to the clients, the volunteers, and it serves as a ministry for the churches so that they [the volunteers] can

feel proud about it." (Forrest Gilmore, Shalom Community Center)

His focus on how members' participation in the Interfaith Winter Shelter may benefit them spiritually is an acknowledgement of the two-way street that exists between the institutions that provide volunteers and the organizations that they volunteer with.

These examples illustrate how nonprofit social service providers benefit from volunteers, especially when the volunteers have the support of an external institution—e.g., the church—that helps structure their experience. For board members, the differences between the university students who volunteer with the formal support of the university and those who are "set loose" on agencies is palpable. Agencies cannot afford to divert staff resources to managing students. This support appears to be more critical than whether an agency is an affiliate of a national organization—and is driving the strategy for volunteer recruitment as agencies turn to churches to identify pools of available help.

An externality to volunteerism, and what I theorize makes churches a more coveted source of volunteers than college students, is the potential to transform volunteers into donors. College students, while bringing energy and occasional fundraising capacity to organizations, do not offer nonprofit agencies the network connections and deep pockets that are found among churchgoers. Nor do most students have the tradition of tithing that characterizes many religious traditions, and I theorize that agencies respond to this by strategically seeking partnerships with churches. This theory is based on the "engagement pyramid," (Montgomery and Kalfus 2011) which is a popular model that has been used to explain the use of social media in nonprofits. It conceptualizes participation very broadly—following an organization on Twitter or Facebook or "liking," commenting on, or "re-tweeting" a post are all considered as basic ways that individuals may "engage" with an organization. The engagement pyramid presents nonprofit organizations with a set of suggested strategies for developing relationships with these participants, to deepen their engagement and to transform them from passive roles to active roles, including having them take on leadership roles within the organization. This conceptual model resonated with me during fieldwork, as I saw the recruitment of board members, who I consider the to be the consummate volunteer-donors, as following a similar sequence, albeit one that was based on the kinds of communication techniques and cultural signaling that is more common among older community members (i.e. paper-based newsletters, posted letters asking for donations, and face-to-face conversations, often over lunch). The engagement pyramid, generalized to include both the "old-school" strategies that are still common among agencies and the new, technology-adapted methods that many agencies were experimenting with, served as a basis for examining the relationship between volunteers and donors and the strategies that agencies used, if any, to transform their volunteers into donors.

My initial hypothesis was that there was a direct connection between volunteers and donors and that agencies actively pushed expectations of donations once they had recruited someone as a volunteer, especially among agencies that are privately funded. This led me to attend volunteer training sessions at Shalom Community Center and Middle Way House, and to volunteer for several hours at Shalom Community Center. As I show below, interviews with executive directors and board members reveal that turning volunteers into donors was not an overt strategy, and that instead agency leaders consider volunteers and donors to typically represent two distinct groups of supporters, and use a different set of strategies to recruit and develop each independently.

Middle Way's volunteer training was extensive—we spent eight hours learning about the agency, its mission, its clients, and programs. There was an informative session on domestic violence that featured presentations by survivors, caseworkers, lawyers, and first responders. In contrast, Shalom Community Center's training was just over an hour, and included information about the founding of Shalom, its mission, clients, and a description of what it means to provide "hospitality" to clients. While the training at Middle Way House was far more elaborate, in both cases it focused on imparting volunteers with a strong sense of each agency's organizational mission and an understanding of the attitudes that each agency had toward clients. In neither case was the financing of the organization mentioned, nor were attendees asked to contribute to the organization in any capacity beyond their time. Emphasis was placed on ensuring that volunteers recognized that their service was a commitment and that they were expected to be reliable and to let it be known when they were unable to make a scheduled shift.

Toby Stout, the executive director at Middle Way House, explained that the agency's extensive training was required by federal grants and was to ensure that all volunteers came to the organization with a sound understanding of domestic violence:

> "It has to be 8 hours and it has to teach certain things. It is not just the time, but it is the subject, the headings. If we could teach you that in four hours, it would not be okay. We have to teach it to you in 8 hours." (Toby Stout, Executive Director, Middle Way House)

Board members and the executive director at Shalom Community Center explained that they did not consider their volunteers to overlap with their donor base in a systematic way, although there were certainly cases where volunteers made donations. Instead, they maintained that the training of volunteers was very much directed toward meeting the needs of the organization. Even when pressed, directors at both agencies denied that the trainings were even designed to increase knowledge about poverty or sexual violence, although both directors agreed that the trainings did do this.

Recruiting donors is a much more elaborate project that occupied a great deal of time for agencies which relied on private giving. From the selection of board members to strategically activating networks in an attempt to gain access to elite members of the community, agency boards and executives with successful community fundraising did not shy away from bold "asks." But donors, if they wished to participate most fully in the agency, became board members. Otherwise their contribution was thanked, they were mailed regular newsletters, and follow-up asks were made, either in person or through mailings. I discuss the role of donors more in the following chapter, in part to answer the question of whether donors are able to exercise any influence or control over agency activities through their contribution. Below, I discuss the role of board members in agencies, as these are closely related to volunteers in that they provide an important source of unpaid labor.

While funding streams do not predict differences in the number of volunteers who participated within agencies some agencies were clearly more effective at managing their volunteers and developing a more skilled volunteer pool, either by training volunteers, recruiting through professionalization programs like AmeriCorps, or recruiting through churches where members would likely have more skills to fall back upon. Partnerships with churches emerged as an important resource for agencies to develop, fulfilling needs at both agencies and churches. Yet my initial hypothesis, that volunteers are convertible to donors, is not supported by my case studies.

Board Service

Boards of directors in social service agencies are sometimes considered in the same category as boards of directors at for-profit corporations (Domhoff 1967), but this misses what makes board members such a unique part of the way social services are delivered in the United States. In terms of gender, board members in Bloomington are almost equally represented, with 52 percent of all board members listed in Form 990 females. Women were more represented in leadership positions on boards, with 62 percent of agencies that listed board presidents or vice presidents having women in one of these two top positions. Women were much more represented among executive directors, however, with 79 percent of all named executive directors female.

The literature on board service in nonprofit organizations has recently focused on issues related to governance (Fredette and Bradshaw 2012, Van Puyvelde et al. 2011, Nobbie and Brudney 2003, Ostrower and Stone 2010), their role in organizational effectiveness (Nobbie and Brudney 2003), and the function of boards in buffering staff from the public (Van Puyvelde et al. 2011). Miller-Millensen (2003) developed a theoretical model that applies resource dependency and institutional theory to argue that boards are responsive to external policy arenas and to funding streams. Board members are involved in the management of nonprofit organizations, in ways that I describe below. All board members have a formal obligation to oversee the nonprofit organization, and some organizations encourage board members to take on a much more direct role in managing the day-to-day aspects of the agency. In the next chapter I specifically focus on roles that I consider "governance." These include some aspects of the board member roles that are discussed here—there is some overlap—but the intention of the discussion here is to show the range of roles that board members serve in as participates in nonprofit agencies. In the following chapter, the intention is to show how board members, in their capacity as part of the management team of a nonprofit organization, are influenced by external and internal actors.

While statistically, funding streams do not determine differences in board participation, measured in the number of hours worked, interview data with board members and executive directors point to key differences in the roles that board members have within agencies and the kinds of activities that board members engage in. I show how board recruitment can be a strategy to expand funding bases, but that it is also used to bring needed expertise and access to resources that help achieve the organizational mission. I present evidence that suggests that agencies differ in expectations of board involvement and that these differences are in part, related to funding.

The 35 agencies had boards with an average of ten board members, and together members of the board at each agency worked an average of 35 hours a week on agency-related matters. This varied a great deal across sectors (see Table 3.1), with board members in youth services reporting extraordinary high numbers for hours worked. This number was influenced heavily by one agency, the Boys and Girls Club. Board members from the four case study agencies reported very different kinds of work that they did in their role as board members. For instance, at Shalom Community Center, board members reported that they worked on agency-related matters for upwards of 70 hours a week, and this included hours spent in a range of activities as diverse as building maintenance and construction, organizing fundraisers, managing the budget and payroll, and updating the computer system. In contrast, board members at the Housing Authority did little board-related work outside of their monthly meeting, averaging two hours a week. These board members viewed their responsibilities much more narrowly, largely restricting their involvement to monthly meetings, which all members attended, and then coordinating for one or two members to attend the occasional community meeting on housing and seasonal Housing Authority public events.

Two key differences between the Housing Authority and the other three agencies considered as case studies is that membership of the Housing Authority board is a political party-based appointment made by the Mayor, and the members of the board did not express a personal reason for service, but instead framed their participation in the context of their profession. This balance in political party representation is a HUD requirement:

> "It is more political. If you are a Republican and Democrat, and there have to be a certain number of each on the board, so it is even….that is for the Mayor to make sure that it is not a political bias, so they make sure that there is an equal number of Republicans and Democrats on the board. So even though he does the appointments, he is not trying to appoint his party. That is mandated by HUD in the way that the board is set up." (Board member #1, Bloomington Housing Authority)

In describing the criteria that are used to select new board members, one Housing Authority board member described the importance of professional skills:

> "I think I understand it better than most on the board, but only because I have a financial background and a financial education and stuff. Some of these people who just, you know, who work at Work One [a regional employment training agency] he is not as much of a numbers guy like I am and he may not understand it quite as well, but we all rely on each other for expertise. If it comes up to be an employment issue of somebody's being fired and it needs to be handled properly, they are going to ask him, not me. So we all have pretty, I think, important backgrounds in all we do to provide good oversight for such an organization as this one. It is a very good and diverse board." (Board member #1, Bloomington Housing Authority)

Unlike other social service board members, the Housing Authority recruits from the professional ranks, specifically people who have the capacity to oversee the complex budget reporting that HUD requires, and who have backgrounds working with state agencies and are familiar with the technical language and structures that are typical of government bureaucracies.

While it was a common practice to recruit board members with professional skills, rich networks, and financial resources, Shalom Community Center was unique among the four agencies I studied in that several of its board members began as volunteers:

> “I had a chance to serve on the board. I really think that the ideal background for someone serving on the board is to have worked as a volunteer first and then move from there. It does not always work out that way, but for me it gave me a very meaningful perspective.” (Board member #3, Shalom Community Center)

Volunteering was viewed as a way to give board members key insights into the agency, however as the agency grew and became reliant on paid staff and large volumes of volunteers, board members described how this practice was ending and their volunteering was confined to behind the scene activities. After Shalom moved from the church basement to its own building, operational costs increased substantially, increasing the pressure on board members to fundraise. As part of a broader strategy to diversify their fundraising stream, Shalom’s board was also in the process of expanding its board base outside of the First United Methodist Church by recruiting board members from other churches:

> “I think that Forest [Gilmore] took the charge on this—that we need to be intentional in terms of diversifying our board in terms of faith communities and other groups within the great Bloomington community. So I chaired the nominations committee this year. So we have a new board member coming on from the St. Paul Catholic Center, we have a new board member coming on from the Unitarian church, we have added a homeless representative, and First United Church, so we are moving away. I mean, there was a time when the entire board was United Methodist, then it was probably 75 percent and now we are moving, and it is good because they are going to go back to their faith communities and they are going to say, it is good. It is hard for me. I still want that Methodist connection to Shalom—it is hard to say goodbye to that, but that is what you have to do for the institution to survive and for it to become a true community treasure.” (Board member #2, Shalom Community Center)

Shalom board members emphasized that they did not rely solely on financially rich board members, but instead strove to have a more economically diverse board that valued the in-kind contributions that board members brought to the agency. This was emphasized at Shalom more than at other agencies, and I attribute this to the high level of reliance that Shalom traditionally has had on community donors. Resources that members bring in the form of skills and time have an unmeasured impact on the operating costs, and board members emphasized that without this input the agency would not have been able to survive its transition from the church basement to its own building. One member explained:

> "Because we are asking for a time commitment from people more than a financial commitment for the most part, and in a lot of cases the time commitment is totally invaluable. There is no way to place a value on somebody is going to manage a big development project, or oversee new accounting software installation." (Board member #3, Shalom Community Center)

The networks of board members were deployed to bring several key resources into Shalom. For instance, one board member described how connections with a printing company allowed Shalom to produce low-cost, high-quality fundraising appeals, while another board member tapped into her professional network to build and maintain a sophisticated IT network at the agency, and a third board member described how he used his position in the community to gain access to kitchen equipment after Shalom established itself at an independent site away from the First United Methodist Church:

> "The reality is that I was just in the right place at the right time. That I knew things, I knew people, that I could simply get things done, that I realize that this will sound immodest, but there was no one else who could have pulled this off. I will give you a quick example… We bought a great deal of the fixed equipment for the kitchen at the school systems auction, but because I had access or could get access, I could lay out the plans for the architect and contractor and say build the kitchen this way so that this shelving where the dishwasher, the stainless steel shelving – have you ever seen it, it costs a fortune because it is all custom and welding stainless steel is so expensive - so we laid out the kitchen, all of that kitchen equipment with the exception of the icemaker and the dishwasher came from the MCCS auction." (Board member #1, Shalom Community Center)

By bringing resources, including professional skills, network connections, and financial resources to Shalom, the board represents a case of a "working board" which, as I describe more completely in the following chapter, is not bounded by resource supply but extends to making decisions and setting policy. Board members provide resources that enable Shalom to manage with a smaller staff, which also decreases the amount of fundraising the agency has to do.

At other agencies, it was more common for board members to be targeted for recruitment because of their professional position, interest in the agency (signified by their financial contribution), or network position. Middle Way House recruited board members based on a strategy of securing access to wealth and prestige (e.g., recruiting the wife of the President of Indiana University), or people who inhabited structural holes (e.g., recruiting a well-connected church representative), in addition to tapping into professional skillsets (e.g., accounting and law). For instance, Middle Way House, partly in response to budget shortfalls, was actively working to expand its donor base to include churchgoers, a group that it had been unsuccessful in the past in courting. One board member described his role in this effort:

> "I think it is fair to say that I am probably the faith-based person on the board. I am president of my congregation currently at First United Church, which is a liberal, mainline Protestant church. And the board is, I think I could characterize Middle Way House as studiedly secular and I think they wanted to have someone who was a member of the liberal or progressive faith community on the board." (Board Member #1, Middle Way House)

Middle Way House, with its balanced dependence on federal funding and private giving relied on board members both to oversee the budget and to develop long-term strategy.

> "But what the board is deeply involved in is sort of the other side of it: the budget. And that obviously has pretty dramatic programmatic impacts. We are not going to say "cut that program," but—and this is the great part about it—we get along really well. There is no conflict. There are different opinions, but we will make some pretty hard budgetary decisions." (Board member #2, Middle Way House)

However, recent budget shortfalls resulting from an expansion in programing that was ill timed because it coincided with the economic downturn, and the transfer of a mortgage back to Middle Way after tax credits had expired were shifting board activities away from oversight and increasing pressure on board members to fundraise successfully. One board member describes how the funding strategy for the expansion in programing was derailed when the economy took a downturn:

> "The whole original plan on the New Wings [an expanded housing program in a rehabilitated factory] was that we had all these pledges, we had met our goal, and we had a construction loan. And when the pledges came in they would pay off that loan, and we wouldn't end up with a huge mortgage, but then the project came in at $750,000 over and Toby was able to cut it some, but not nearly enough, and then the economy went to hell and a lot of people did not honor their pledges, and we lost grants, so basically what happened, when people paid their pledges we did not use them to pay down the mortgage, we used them to pay our operating expenses." (Board member #3, Middle Way House)

I got the sense that the board of Middle Way was transitioning from a more passive-oversight role to one that required a great deal of active participation, and that this was directly related to threats to their federal funding, along with the challenges caused from their expansion during the economic downturn. Board members described these challenges in great detail, which I discuss in the following chapter, but it was their struggle to scale up their fundraising that illustrates how board activities are connected to funding streams. HUD had recently notified Middle Way that their funding was in jeopardy as the agency shifted to permanent housing (the source of the grant at Shalom Community Center):

> "Or if we lose our HUD funding – I don't know if Toby talked to you about that? The whole thing [agency] would fall apart with HUD support. And they are moving into permanent housing – I don't know if you just read that the Shalom Center got that huge grant where HUD is paying rent and utilities for homeless people? But because we are such a great program, and we are so successful, HUD said they would keep us going for at least another year. But it is still unclear what is going to happen. If we lose the HUD funding, the women cannot afford the Rise [Middle Way's housing program] without the subsidy." (Board member #3, Middle Way House)

This threat in cuts in government funding, combined with the shortfalls in private funding, lead to a multi-pronged strategic response from the board centered on increasing the board's advanced financial management skills and fundraising capacity.

The lack of institutional knowledge of the implications of having relied on the Low Income Housing Tax Credit as a mechanism for funding a previous expansion was one source of economic challenge. The accountant who had orchestrated the arrangement between mortgage banks and Lehman Brothers had stopped her practice suddenly after having a medical issue, and existing board members and the executive director did not anticipate that the mortgage would be transferred back to Middle Way once the tax credits expired. In part to guard against this in the future, and because addressing the funding challenges required advanced financial management skills, the board had recruited a board President who was a legal expert and could assist with managing contracts with banks. The board also increased the number of accountants on the board.

Middle Way also attempted to expand its donor base, first by recruiting a church representative onto the board, as described above, and second by innovating to create "giving circles" that would provide ongoing fundraising help:

> "I think it started with Laurie Burns McRobbie. I don't know if it was her idea, but she started hosting them. We hope to have giving circles. So we had a bunch of lawyers, female lawyers who were going to form a giving circle called "Le Gals" – yeah, cute. And we had another one that was interested in education, and they were all supposed to be non-board fundraising groups, coalesced around an idea that interested them. So we would have a legal advocacy group, and the legal circle was supposed to raise money for that. And for giving away child care and education and, you know, a lot of women want to come and talk, drink wine, and maybe organize an event, and maybe give us some ideas. But when it comes to actual hardcore fundraising, it did not happen." (Board member #3, Middle Way House)

Neither of these strategies was proving successful, and board members expressed mixed feelings about the pressure they felt to fundraise, and apprehension at tapping into their networks for donations. In fact none of the board members I interviewed acknowledged being "good" at fundraising. But it was clear that actual direct appeals to networks was a small part of what board members were expected to do, even as the distaste for it occupied a disproportionate part of their reflections. Instead, I found that board members used their social location to reinforce the status and legitimacy of donating, and that they were expected to deploy their social skills at events to make donors feel like they had become part of an elite circle. This was best illustrated by a case that was described when the executive director, consumed with the challenges and demands of the day-to-day operations of the agency, failed to reinforce these things to a woman making a large donation, thereby putting her donation in jeopardy. Board members were then deployed to minimize the damage and to signal to the donor that the agency was worthy of the donation.

Board members at Middle Way House were recruited largely with respect to their class background and network position, and secondarily to fill professional niches on the board, although political background and attitudes mattered (members were expected to hold progressive political attitudes, especially with respect to women's rights). However, as the agency underwent a major challenge to the stability of its funding stream, the strategy for board recruitment also underwent changes, and the activities that board members were expected to engage in also shifted. Emphasis was still placed on tapping into underutilized networks, but new strategies were also attempted in an effort to generate a broader fundraising base and board members with more explicitly defined skills. The activities that board members expanded to included a greater emphasis on developing a larger pool of community donors, and the board also expanded its ability to manage complex legal contracts with banks and oversee more complex financial budgets.

Martha's House, like Middle Way House relied on a combination of government funding and private donations, but their donor base was much less developed, After their federal grant expired and was not renewed, they were struggling to overcome financial challenges. Unlike Middle Way, where the board and executive director developed a multi-pronged strategy to overcome their financial challenges, Martha's House was mired in ongoing difficulties, struggling to maintain services and lacking a plan to move forward. The agency lacked an executive director, which stretched the capacity of the board members, one of whom was overseeing shelter operations (as well as bankrolling payroll from his own personal funds).

Board members were selected in part based on their professional roles, with one member appointed by the City after the City provided critical funding to help the agency recover from a previous funding challenge. He was the Director of the City's Department of Family and Community Resources. Another board member was recruited to represent the neighborhood association where the shelter house was located. Another active board member was a compassionate community member who had emerged as the primary force that was keeping the shelter operational. Other board members had become uninvolved in the agency, partly after an attempted merger with newer shelter house had failed after lengthy talks.

Unlike other agencies where board members expressed confidence in the range of activities that they were responsible for, the board members at Martha's House defined their roles narrowly. They viewed management of the shelter house and staff, along with responsibility for all fundraising and the development of a strategic plan, as falling on the executive director:

> "We need someone who would take over the strategic running of the shelter, who would report to the board, who would work with the board, who would also take care of our funding. And take care of our needs in the future, how we can expand, do more, and bring the money in. And a great portion of the job as we see it now is as a fundraiser. And we would consider on the order of 50% or more of that person's time would be fundraising." (Board member #2, Martha's House)

However, after the executive director quit, board members had to try to raise funds to make up for ongoing cuts in federal grants, reductions of support at the local level, and declining levels of donations from community members. Martha's House historically had benefited from being closely aligned with the local township Trustee, who provided space for the shelter rent-free, and had helped during its first several years by providing a reliable source of funding. As the agency faltered in transitioning to replacing this funding with other sources, the Trustee reduced funding, and during my fieldwork, Martha's House was undergoing significant economic challenges. It should be noted however that Martha's House also addresses some of the most challenging cases of homelessness and poverty. Positioned as a "home of last resort" for people being released from prison, Martha's House serves a difficult population and has to then "sell" the value of their services to a community that has many agencies to select from when making donations.

However, it was clear from interviews with board members revealed that they lacked strong leadership and were struggling with fundraising. The agency held few fundraisers, and when they did hold one, the donations failed to meet their funding needs. Board members also expressed frustration with gaining community support through mail solicitations:

> "I did a mailing to one of our board members at the Chamber of Commerce members. So, one of the other board members funded the postage, the envelopes the stationary to send out 350 pieces of mail. And the only receipts that I got were people that I personally knew and I wrote notes to them. A cold general mailing to a purchased mailing list just doesn't work." (Board member #1, Martha's House)

The expansive list of responsibilities that the board felt were under the domain of the executive director was partly responsible for why the former executive director had quit. She explained that without the support of the board in fundraising, her work week seemed endless:

> "I did fundraising, I did grant writing, I, you know, I administered the program. I did all the buying; I did the bookkeeping… And it's long hours, you know, really crazy long

hours a week." (Bobbie Summers, former Executive Director, Martha's House)

Martha's House serves as an example of how board involvement in developing private funding is critical for organizational stability. Without their participation, the executive director felt overwhelmed, and funding streams that needed to be developed did not receive the attention that they required to grow.

The four case studies illustrate the important role that board member participation has, especially in developing a private funding base. For successful agencies, board recruitment needs to be part of a broader strategy to reach fundraising targets and to expand into areas that are underdeveloped. When funding streams become unsteady, due to either macro or micro economic forces, organizations that are willing to innovate and deploy existing resources strategically to expand fundraising will have a better probability of surviving, while agencies that struggle to develop board membership and minimize board member roles struggle and are threatened.

Clients

The 35 social service agencies in this study served an estimated 160,032 persons in 2010. Among agencies that I have estimates for (n=33), this suggests that on average an agency served 4,849 persons in 2010, although there was a high level of variation in the number of clients served—small agencies served as few as six people, and large agencies served as many as 102,000. There are large differences in the number of clients served across social service sectors (see Table 3.1). Agencies that provide hunger relief served the largest number of clients, while agencies providing legal, workforce and general assistance served, on average, the fewest. I hypothesize that funding stream matters a great deal in determining how many clients will be served. The data from the 35 agencies do not support this hypothesis, showing no statistically significant difference between funding streams and the number of clients served. Part of this might be a result of inaccuracies in how the data regarding clients served are collected.

Agencies differ a great deal in how they report the number of clients served, with some estimating the number of meals that have been served and others counting how many people called their agency requesting help, and still others making much more conservative estimates of how many people actually received assistance. In every case I examined multiple sources of data and attempted to estimate the number of unique people directly served by an agency over the course of a year. I made several assumptions, for instance when the soup kitchen estimates that they served several hundred meals in a year, I calculated how many days they were open, how many meals they served each day, and used this number assuming that people who use the soup kitchen continue to use it for one meal a day for a year. Likewise, agencies that provide shelter estimate the number of individuals they have housed per night for a year. I divide this by the number of nights that they were opened, and pretend that each person used the same service for a year. In this way I am presenting very conservative estimates of the number of people helped, but I am also standardizing these numbers across agencies to reflect the actual resources that the agency had to deploy to feed, house, or counsel someone. Even with these estimation techniques, some agencies have no public reports that indicate the number of clients served.

For agencies that rely on government funding, a historically reliable (although increasingly less so) form of funding, this stability generates an organizational foundation that helps the agency withstand economic downturns and uncertainty. Government funding is accompanied by increased costs, which capture some of the benefit of this stability—for instance, government funding has higher reporting demands compared to private funding. In contrast, agencies that rely on private funding have less capacity to serve clients, as they are in constant states of having to court donors and manage an organization with often insufficient resources. While this hypothesis does not hold up when looking at the number of clients served, comparing how clients were served by the four case studies included in this study reveals important distinctions in the quality of the services that clients received.

Shalom Community Center began, as several board members conveyed to me, as a ministry project at First United Methodist Church. Joel Rekas, who was the founding director, helped establish Shalom Community Center as a place where people who were experiencing poverty could receive assistance—in the form of emergency assistance (food or cash), learning about services or working with a case worker to access help. Shalom arranged to have a representative from the Social Security Administration come to Shalom to meet with clients, followed by a representative from the Veteran's Administration, followed by other representatives from a variety of service providers. By eliminating the transportation and other barriers to receiving services, Shalom helped people access providers on their own ground, in a space where they felt comfortable. A board member from Shalom explains:

> "We didn't want people to have to run all over Bloomington to meet with the Veterans Administration, or Social Security, so we persuaded them to come to us. And maybe they only come once a month, or maybe they come once a week. We partnered with the Area 10 Agency on Aging, and developed a job links program. They already had an employment program up and running, they had never really applied it to the homeless population, but they agreed to do that through Shalom." (Board member #2, Shalom Community Center)

Shalom began as an agency that essentially streamlined social work, allowing one person (Joel) to serve as a caseworker to clients who would come to the agency. By bringing government agencies into the same room as the people who needed to apply for services, Shalom by-passed many of the barriers that kept people from accessing help. Indiana, like all states, has steadily defunded state-sponsored casework, leaving people who need to access state and federal assistance in the lurch. State employees that worked with applicants for Medicaid, for instance, were replaced by call centers staffed with workers who were untrained and unable to help people who needed assistance in filing for health insurance benefits. Cases are repeatedly denied if exact information requirements are not met, leaving applicants who are struggling with issues associated with poverty in a difficult position. Shalom helped to rectify this by providing assistance, and by bringing representatives into the office who are trained to help applicants, successfully pushing back against the trend to leave clients without a point of contact and assistance in filing for benefits.

Shalom serves a large number of clients—10,217 people accessed their services in 2010. Shalom Community Center is client-focused to the extent that clients are referred to as "guests," and the services are called "hospitality." Rooted in deep respect for the client's dignity, staff at Shalom work to cultivate a feeling of ownership and belonging among guests. One way the agency does this is to transfer some control and choice over services to clients. As the former director of Shalom explained:

> "Our program understands that many people that need a Shalom center are going through a great deal. They need time to heal. Often times are very alienated from traditional institutions. They are not trusting. I often would use an anecdote, which is true, of having someone walk down the stairs, because you had to come down the stairs to come into Shalom, and I would say, "Hi, welcome to Shalom Center and I'm Joel," and that person be very reluctant to share their name. Now, in many places you might not get in, Shalom Center that's fine. What we understood is, within a very short time, not only would we know your name, we would know your entire life history and far more than we ever want to know. What happened was we allowed that person time to center, to rest, to heal. People don't understand how beat up physically, mentally, emotionally, and spiritually they are when they're experiencing homelessness." (Joel Rekas, Former Executive Director, Shalom Community Center)

Clients are given space and respect, and in turn, can choose to access services. Shalom's client focus extends to developing formal roles for clients to inform and affect agency policies and practices. They had recently reestablished a Client Council as a site where clients can share concerns and make recommendations about policies that affect them:

> "We wanted to have a client council forever, and we have had them on and off for years, but it is just an opportunity for clients to share about the center and offer feedback and leadership, and you know, it is always important to make sure we are on the mark, and to get real feedback from people[....]We get client feedback pretty quickly on the ground, so some things like staff concerns, and things like that, we hear that right away, but it is a relatively new group, I think it has been in operation for eight months." (Forrest Gilmore, Executive Director, Shalom Community Center)

There was also an effort to incorporate a client on the board of directors, which presented a challenge to the board, and the way the board responded reflects the high level of reflexivity that I found to be common among board members, staff, and volunteers at Shalom. One challenge was that the selected client-board member was transient, which is a common characteristic of people experiencing poverty and homelessness, and had moved, so another client had to be selected. The other challenge was helping the client-board member feel comfortable in a context that highlighted the economic and social class differences between themselves and other board members. Board members expressed concern that the client-member might be intimidated, and discussions were underway to adjust the board by-laws to expand client board representation to two members. One board member expressed this directly, while also explaining that the client council might be a more useful forum for developing a client voice in the agency:

> "We have a client council now, I don't know if you heard about that, I think it is wonderful, I don't work with it, but the chair of operations co-convened that. They have had nine meetings; they just open it to anyone who wants to come. The folks there talk about their concerns, they make suggestions, they give feedback to the board. It's really, really good. It probably is more important than having the homeless representatives. I always worry when you've got 15 "proper citizens" and the one homeless person – it takes a lot of courage to show up, you know, but it is required by one of the grants." (Board member #2, Shalom Community Center)

Clients at Shalom have roles that provide them with "a seat at the table" and along with this, some influence and control over the agency's policies and programs. Shalom's programs are designed to give clients the choice to access services on their own timeline, without making support conditional on behaviors (beyond the expectation that they treat other clients, staff, and volunteers with respect).

LeRoux (2009) examined how clients were involved in social service agencies. Agencies seldom include clients in decision-making or policy-setting roles, but instead use feedback from exit surveys to identify areas within an agency that need improvement. Exit surveys are a way grantmakers can encourage accountability from agencies, but do not put clients in positions of having direct influence over agency policies. My interviews with agency directors and board members revealed two underlying cultural orientations among agencies—those that seek ways to empower clients and those that perceive clients as being in a position where they require supervision. Shalom, discussed above, in its embrace of client participation both on the board and as part of the advisory council reflects an empowerment culture that perceives clients as active participants in the development of the agency that is providing them with support. As I discuss below, Middle Way also embraced client participation and worked to expand the role of clients within the agency, while Martha's House had a strong culture of promoting client supervision.

Bloomington Housing Authority, on the other hand, had instances where client empowerment was clearly part of the culture, but this was largely overshadowed by the perceived need to supervise clients. I discuss these cases below.

Middle Way House is similar to Shalom Community Center in that it also promoted an empowerment culture, particularly for the victims of domestic violence. Based on ideals of equality rooted in feminist philosophy, the agency strives to provide wrap-around services, helping women repair their lives after being victims of violence. These services include providing both emergency housing (short term) and transitional housing (18-24 months), legal assistance, crisis intervention services, youth services (day care and counseling), and prevention programs. In total, Middle Way House served over 14,882 clients in 2010, which includes students who attended sexual violence prevention workshops and other outreach work Middle Way does in the community.

Like Shalom, Middle Way House is client centered, especially after its current director joined the agency, first (briefly) as a board member, and then, after the executive director abruptly quit, she took over in this capacity. Here she describes how during her first week on the job she shifted the direction of the agency, establishing clients at the center of the organization and their needs as the rationale for agency policies:

> "I was asked to be on television, I was not on the job for a day, and I had to do this on a Sunday morning, and I just started to grab things to read, and I was reading things that were fairly discouraging.. Like 55-75 % of victims return to an abusive relationship after a shelter stay. And I brought it to the staff and asked them why is that? And they said, where are they going to go? And I said what do you mean. And they said, section 8 housing lists have been closed for a year. It has 1500 families on it. So I said what can we do? And then we ran into this thing about the state defining the period of emergency shelter as 30 days, so I said we are putting people out at the end of 30 days, they said yes, and so I went to look at the budget and I came back and said, look this is what is happening with the money. Why should we do it that way? And they said we shouldn't. So we changed it." (Toby Stout, Executive Director, Middle Way House)

Toby Stout, the longstanding executive director, established herself early on in her tenure as a fierce leader who was willing to challenge anyone who stood in her way, especially when her goal was to meet the needs of clients. Toby Stout also implemented changes at the agency that created a horizontal reporting structure, and this increased the voice of clients by giving staff the power and ability to implement programing changes without the direct buy-in of the executive director, which translates into staff not feeling responsible for overly managing clients:

> "We don't, in the same way we don't have a top-down organizational structure at the agency, we don't come into relationships with our clients in a top-down way. We don't manage them. We don't say that we are going to take away your stuff—your blanket and your room—if you don't go to your meeting on time." (Board member #2, Middle Way House)

Middle Way House was the most evidence-driven agency I studied. During volunteer training, pre- and post-tests were used to identify how well volunteers retained key concepts, and in speaking with board members and the agency director, all described the use of outcome reports (especially statistics that measured the return rate to violent partners) as a driver of decisions and policies. The agency utilized both exit interviews and an anonymous suggestion box to gain insight into areas where clients felt programs or staff resources could better be invested:

> "And then they would sit and talk with the residents, and I would say, what are the residents saying, what do they need. The whole legal advocacy program came from one resident. On her exit interview she wrote this thing about how we were great, wonderful, she would not have survived but you really need a program to help us with the courts. She signed her name, so I ran after her. And I said, come talk to me, and I sat her down and she talked about that experience and I said, well we have no money. She said, well you have to find some. And she was going off to school at IU. And I asked her if she could qualify for work study. And that is the way we worked that. She started the program." (Executive Director, Middle Way House)

Cumulatively, the horizontal reporting structure of the agency, combined with a value system that encourages staff and client feedback created a culture of empowerment:

> "But in general, you get empowerment. An empowerment model, just as our staff members know that they have a say in the creation of our policy and our programs, the women are getting the idea, hopefully, that they can regain their power, that they can come there and reenter the community in a way that they have guided. They make the choices. We provide resources and support to make those choices." (Board member #2, Middle Way House)

For clients, their empowerment included transitioning to paid staff. Middle Way repeatedly hires from within the client pool, although it tries to ensure that a few months have passed between when someone was a client and when they transition back as an employee. And Middle Way

House was the only agency in Bloomington to engage in social enterprise activities, starting first a document shredding company and then a food catering company, both run by clients, although both eventually were sold to outside concerns due to a lack of economic viability. The later organization continues to share space with the shelter and to hire clients.

Shalom Community Center and Middle Way House both encourage clients to become active participants in the organization, and this signals to clients that the agency values them, their knowledge and experience, and helps put clients on equal footing with paid staff. In these ways, these agencies serve as "pure" cases of empowerment models. They share important characteristics, including providing a role for clients that amplifies their voices in the decision making at the agency, developing programs that are client centered, and forging paths forward that are driven by feedback from clients, even when the grant or other funding stream does not support a particular policy. Next I turn to the remaining two agencies to examine the extent, if at all, they embody the empowerment model.

Martha's House helped a total of 139 clients in 2010. The agency occupies a cement, one-story building in a residential neighborhood. In 2010, it shared a building with Community Kitchen, a soup kitchen, but that moved to a new space in 2012. Martha's House expanded into the adjacent space, increasing the number of beds from 24 to 40 and increasing the number of bathrooms. Surveying the shelter, it is striking at how crowded it is, even in its new expanded space. Each client is given either a top or bottom bunk and a small footlocker, and the space between beds is no more than three feet. There is little privacy. The bathrooms have open toilet stalls and showers, although like the beds, they are segregated by gender. There is a small kitchen and eating area, and an exterior picnic table that is behind a fence—in fact this is the most private area in the entire shelter, besides staff offices. A new wood fence shielded the neighbors from what I presumed was the heavily occupied seating area where clients could smoke cigarettes. Clients are allowed on site only from 6pm until 7am, and are allowed to stay in the shelter only for ten days if they are from outside of the three-county region surrounding Bloomington, and a maximum of 120 days if they are from within this region. Residents are given a 30-day contract, which can be extended at the discretion of the case manager. In addition to the shelter, in 2010 Martha's House was also managing a federal grant to manage supportive housing for people who have a diagnosed mental illness and have experienced homelessness. The grant paid for case management, covering approximately 75 percent of their payroll, as well as for rent and utilities for the clients who qualified for the programs. Martha's House also serves as an important placement for people released from prison, but requiring supervision. People released from prison who require an "address" as a condition of their patrol are dropped off at Martha's House. Martha's House does not receive any funding from the Department of Corrections for providing this service, a source of irritation among board members.

Martha's House typically operated its shelter below capacity. On cold nights beds would stay empty because people either could not or would not meet the sobriety requirement that Martha's House enforced. Martha's House occupies a difficult position in Bloomington—with hardline policies that require sobriety, they struggle to gain community support. But because they serve people who have recently been released from prison, and to a lesser extent, have historically housed sex offenders, the sobriety requirement is important for maintaining the conditions of supervised prison release that some people require. There was discussion of capturing some funding from the Department of Justice, allowing Martha's House to develop post-prison services in a more intentional way, but the board seemed very wary of becoming known as the place where former prisoners are housed, and had recently revoked the policy that allowed sex offenders to stay at the shelter, partly because they felt that it could attract negative public opinion.

Clients at Martha's House are subject to daily drug and alcohol testing, and clients that test positive are not allowed to stay in the shelter. Clients are also restricted in how frequently they can use the shelter, are required to check in at the shelter in the evening, must complete assigned chores, and can be removed by case workers if they appear to be uncooperative. While the agency did not have a current executive director, interviewing the former executive director revealed that these policies were difficult to abide by when working to help a population who often struggle with drug addiction, live unstable lives, and who, if they are employed, tend to work irregular hours. The former director conveyed the challenges of trying to convince the board that allowing clients who work swing shifts to sleep at the shelter during the day would offer clients a much-needed service.

The Martha's House board members that I interviewed were warm, generous, and seemingly compassionate. But in no way did the conversations with board members reflect that client concerns and needs played a role in developing policies, and instead conversation returned to the necessity of maintaining supervision over clients. I had difficulty making sense of this, and when I suggested to them that these policy decisions must have originated with Martha's house initial support from the township trustee, they denied this and would not, on the record, comment. Additional questions that suggested that these attitudes originated from their relationship with the city, or the Department of Justice were also denied. They felt that these policies were essential and reflected dominant community values, however, their difficulty with fundraising, especially building a strong circle of supporters within the community suggested that this was not the case. Fieldwork had convinced me that people who were knowledgeable about shelter agencies held Martha's House at arms length, not deriding it, but not enthusiastically supportive either. It was only when I asked interviewees to describe the other board members, people who were not made available to me to interview[2], that I began make sense of how the tight bond of Martha's House with local government agencies contributed to its lackluster financial position.

My initial assumption was that connections with people in power would have a legitimatizing effect and contribute to community support. But in Bloomington there are different

[2] I asked executive directors to suggest board members to interview, and they typically arranged the meetings, or at least made introductions and requested that the board member take the time to meet with me. In the case of Martha's House, I contacted the board member who was "most involved" and then from there met with othere members he felt would be willing to speak with me.

types of elites—there are those who, like the University President's wife, bring prestige and interest to Middle Way House. Her presence at a fundraiser could make it far more successful. There were also descendants of local and regional corporate leaders that had a similar effect. For instance, the Cook family (Cook Pharma) is well regarded for providing funding to several agencies, and the Lilly family (Eli Lilly and Company) also has a presence in Bloomington. Martha's House represented a different group of elites. The board members consisted of a City government director, retired IU staff, IU faculty, and judges and local prosecutors. Interviewees explained that it was very easy for them to get the attention of and time with City Council members, but it seemed that they were not successful at transforming these connections into the kind of community support that other agencies used to provide a financial foundation.

I attribute the tight bonds between board members and existing government agencies as driving the agency's strong ethos toward supervision. The president of the board, Robert Miller, is the Chief Prosecuting attorney for Monroe County, and was selected as president by the out-going president, who stepped down after becoming elected as a criminal court judge. Here, one board member explains:

> "And Steve [former board President] was in the prosecutor's office or something. But when he became judge, he could no longer serve, he had to separate himself. So we had a couple of interim Presidents, and then Bob. I should think Steve fingered Bob. Bob is our board President. So, we have this direct connection to the criminal justice system." (Board member #1, Martha's House)

Board members attributed difficulties with fundraising to a tightening of funding and to existing grants being too expensive to manage:

> "You know, I don't know, maybe 35 or 40% of staff time is spent satisfying grant requirements. And so we don't have time to spend on building a program that will work for the people you're trying to help. Grants are a rat race and very competitive." (Board member #1, Martha's House)

This board member further explained that grant conditions, especially when requiring that an agency develop a new program, are a poor use of the agency's time:

> "Well they're usually looking at, you know, all these organizations they're always trying to create a new program. And most agencies don't need to be creating new programs;

they just want to support what they've already got going, because that's who they are. That's the people they serve. That's their bread and butter and I'm not going to spend, you know, 30, 40 hours creating new program that's competitive that in two years won't be funded anymore." (Board member #1, Martha's House)

This perception of grants that encourage innovative and new programing as being a way of forcing agencies to shift direction every couple of years is a common refrain that I heard again and again when working with agency directors and fundraising staff. Another interpretation is that it gives agencies an opportunity to try new programs and if they work, they can apply for the next tier of funding, which is admittedly more competitive, but which is often for multiple years. My brief conversations with staff and board members at agencies with a gospel mission suggested that they were unwilling to apply for federal grants out of a sense of not wanting to comply with government limitations on religious practices. Most other agencies, however, welcomed partnering with government from an ideological perspective; it was the instability of funding that made them hesitate.

These attitudes of board members of Martha's House were antithetical to the approach to providing services that the former executive director promoted during her interview. Driven by a desire to create innovative programs, the former executive director, Bobbie Summers, explained that this had become more difficult to do since the early 1980s as funding became tighter:

> "Now, it's changing because the money—the grants that allow you that room to financially to really move a program forward—those grants are getting really hard to get and now I would say that they vast majority of our energy is just spent keeping money coming in to sustain existing programs—the whole creative process is you know, much harder to do right now." (Bobbie Summers, former Executive Director, Martha's House)

However, lack of interest in fundraising and grant writing on the part of board members was cited by the former executive director as the primary source of the agency's challenges and her reason for leaving the board. She explained that she had received a grant to develop the board's fundraising capacity, but the board did not follow through with the consultant's programing, and instead reverted to their role of expecting her to be fully responsible for fundraising:

> "What they saw is they supervise the director. They didn't see that they played an integral part in how the agency operated. And I don't think they ever, I mean the under, they get

> that they have to do it, but I don't think they get how to do it." (Bobbie Summers, former Executive Director, Martha's House)

Without the board working with her to develop funding streams, Martha's House continues to this day to operate on a shoestring, providing basic sheltering services, but lacking an executive director, and relying for leadership on a board that is largely untrained in social service provision.

In contrast to Middle Way House and Shalom Community Center, Martha's House represents a supervisory model of agencies. Clients were held at arms length and given very few roles within the agency beyond being reliant on Martha's House for shelter and having to abide by a lengthy list of rules to remain eligible for services. As the above quote illustrates, even the board viewed its role as supervising the executive director. Martha's House is not unusual among Bloomington social service agencies, and reflects a dichotomy that was present during community-wide discussions about poverty and homelessness, and in newspaper opinion pieces. People experiencing poverty were often portrayed as "taking advantage" of services and trying to get more than their "fair share." It was then necessary to watch them, with some community members promoting a system to register people to monitor how many resources they used from different agencies. Others recognized that people experiencing poverty relied on a range of services as part of their broader strategy of survival, often sharing what resources they could access with others, and that no one was getting rich by taking advantage of the services that were available to people experiencing poverty. Rather than monitor individuals, people more aligned with this latter view worked to tailor programs and services to meet the disparate needs that they viewed as going largely unmet.

The Bloomington Housing Authority operates three public housing sites with a total of 310 units, and supplies 1,300 housing vouchers each year. In 2010 the Housing Authority served over 1740 clients. The Housing Authority had undergone a major change in leadership in 2006, when a new executive director took over an agency that was described by board members as largely failing. The new director, Jennifer Osterholt, infused the agency with competence and moved programing forward. She was able to rehabilitate much of the existing public housing, transforming the housing developments into clean, efficient, well-managed units. I did not expect to find that this can-do attitude transferred to her approach to clients, and was surprised to discover her emphasis on developing the capacity of clients, especially families. While the majority of the clients living in public housing and receiving rental assistance are elderly, the director developed programs that would help families and young residents move on to live independently. To accomplish this, she had to be deft in her execution of HUD requirements. With resources strictly controlled, she innovated within these constraints to increase the energy efficiency of units, for example, and then was able to redirect spending that would have gone to energy companies to develop several programs that met the needs of housing authority clients, and in this way was client-centered. She explains:

> "I focus a lot on our use. Helping finance the Boys and Girls Club, our Community Center, an adult education program [Adult Equivalency Diploma or AED], our Head Start program—all of the peripheral programs that we do every year. The Bridges program [a mentoring program the matches low-income families to local mentors who help them develop life skills], getting our children's math and reading up to certain level—those are all huge focuses for me." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

For clients who cannot take advantage of these programs, the Housing Authority works to make their lives easier by meeting them where they are and developing services around them. Again, Jennifer Osterholt explains:

> "Most of our elderly are here until, well, our goal with them is to keep them in place as long as possible, not force them out until it is medically necessary. So how can we keep them in place comfortably and wrap the services around them to make it possible for them to have a clean home, to get their medication, to be okay with their food, all of those things. And sometimes that means we have to get the groceries for them. That is the fact. And some of them know that and they take advantage of it. But that is okay, because they don't really have someone. So for elderly, how do you age well in place." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

Board members expressed the role of the Housing Authority in similar terms, explaining that its role was to provide housing for people while they repair their lives and eventually move on:

> "See, we all see it as a place of transition, you come here, you are down on your luck, you've had a stroke, you've lost your job, your child died and you got depressed and

could not work – whatever reason that makes you vulnerable without money and a place to live, you can come there and we can help, that is kind of the sole purpose, but while you are there we don't say that now that you've got a place to live you are going to stay here for the rest of your life. ..It is just a way to try to prepare people to get back in the mainstream." (Board member #1, Bloomington Housing Authority)

There are two examples of how the Housing Authority translated their client-centered approach into client empowerment. The first is a program that provides intensive case management and rewards clients for following through by placing any increases that they would have to pay in rent due to increased earnings into an escrow account that they receive when they exit the program after five years. Here, Jennifer Osterholt explains the success of the program:

> "We have a family self-sufficiency program and let's say you came, and said I want to be on that program and you started and you were a nonworking mother with two children and you were going to go back to school and your rent and utilities were $100/month. The next year let's say you have developed some skills and you have upped your hours at work and let's say your 30% of your income is $200 per month. And so you will have to pay that, but the difference between where you started and what you are making now I am going to take and put into an escrow account for you. Now the next year, let's say you are making $500, well I am going to put $400 a month in. I am just going to keep that $100. I have had folks go all the way through. I think that the largest check we have written is $35,000. But they are graduating with a degree. They are going to leave here, they are not going to look back, and they are not going to be on the tax roll again in this way. They are going to be paying taxes, so we have about 85 families and we work hard to promote that program." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

This program provides clients with a path out of poverty, and the support to make a real impact on their lives. Its existence depends on the ability of the agency to impress HUD by managing resources efficiently, as only highly rated agencies are awarded grants to support this kind of initiative.

The second program that encourages client empowerment involves the board members in a more direct way. One board member is an officer at a local bank, and each year he uses his position and professional connections to help Housing Authority clients become "bankable." This is a response to a growing problem of "unbanking" among low income households—banks view this population as at risk for overdrawing on accounts, and has collected their names in a database that banks check when someone is opening an account. If a name appears on this list, banks will often not allow that person to open an account, or if they do, charge them usage fees. This has enormous consequences for people who are already economically marginalized. Instead of being able to cash or deposit their paycheck, for example, these policies are believed to drive them to payday lenders, who take a percentage of any check they cash, and to not establish checking accounts that can be used to pay bills. Local banks have worked with social service providers to help low-wage workers open accounts even if their name has been blacklisted. This particular board member helped organize a bus that has two bank representatives on it, and it travels to the neighborhoods to provide banking assistance and credit counseling services. By helping people overcome the policies that deny them bank accounts, clients are able to regain access to key financial services.

The sense of wanting to provide programs and services while people "get back in the mainstream" is empowering, but the Bloomington Housing Authority is also tinged with elements of a supervisory culture; a version of the institutional logic that HUD imposes on the management of the Housing Authority. As explained by the Executive Director, this is:

> "We have a lease, and an annual inspection, and if you have a problem, then you are going to be inspected much more frequently, and you will be required to go to a housekeeping workshop, and then if you don't make it you are leaving. This is driven by the fact that you live in a building and you're not clean, roaches are a cleanliness issue and that affects more than just you. You can ask folks to leave for all kinds of reasons." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

and:

> "I've been in public housing for a long time, and a lot of housing authorities were built back in the forties and fifties, and they have always paid utilities, so most of us who have worked for a housing authority, you get really savvy about how to save energy, because that can kill you with your budget on an annual basis. It is one of those items you have no control over. And we fine heavily. If I drive by and it is the dead of winter and your windows or doors are open, you are going to get a fine. And we are serious about it. First year it was $10, second year it was $25, now it is $50." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

These supervisory attitudes were echoed by board members who suggested that clients needed supervision because otherwise they would make poor choices:

> "Well should people be able to have gas grills at their housing units, at their places of residence? Yeah, maybe so. But should there be rules that go with them? Yeah. Don't

> ever take them inside. You know, use them only in this location. So the original thought was nobody should ever have a grill." (Board member #2, Bloomington Housing Authority)

The Bloomington Housing Authority is not a pure version of either a supervisory culture or an empowerment culture. Board members and the executive director support and develop programs that can empower clients in important ways. However in the day-to-day operation of the agency, clients are suspected of needing supervision, and policies within the agency are in place to provide for this supervision, and more importantly, control of clients through fines and eviction.

Discussion

The empowerment-supervisory organizational culture distinction emerged as a key difference between social service agencies. Middle Way House and Shalom Community Center worked to develop their client's capacity by providing clients with defined roles within the organization where their voice could be heard, but beyond providing this role, created a culture that promoted listening to clients and using their experiences to inform practices. Toby Stout, the long-serving director of Middle Way House attributes to this the success of the agency in developing programs that have placed Middle Way as a model program at the national level. Shalom Community Center has earned a regional reputation for transforming the experience of poverty by providing clients with the tools that they need to help themselves. While both agencies take a different approach, there are similarities in the culture that is promoted within each organization. There are hints of this culture at Bloomington Housing Authority, but it has not displaced the more dominant supervisory culture.

Volunteers at Middle Way House and Shalom Community Center share an important characteristic—they are empowered as well. Within the normal scope of volunteer activities, this means that they are trained, and then matched with tasks that reflect their interest level and ability, with the goal of developing their ability so that they can take on more challenging tasks. Volunteers at these agencies are expected to make a commitment in terms of time, but in exchange are given the attention of a volunteer coordinator who works to ensure that the experience is beneficial to the volunteer and helps the volunteer achieve his/her own goals. For instance, one important aspect of volunteering that was shared with me by volunteers was whether, when it came time for a volunteer to need a letter of recommendation for a job, the agency would be able to provide it. Both agencies had paid coordinators and computer programs that recorded a volunteer's time, which are important when it comes to securing these letters. Volunteer coordinators worked to get volunteers on the same page, in terms of understanding the clients and their needs, and how the agency approached helping them, but once volunteering, the volunteer coordinators did not conceive of their roles as supervising volunteer performance, but instead expected volunteers to apply the training they received and combine this with their own unique skill sets to help the agency.

There are also important differences in the role of board members at each agency. Board members at Shalom Community Center and Middle Way House were actively involved and represent "working boards." Board members were encouraged to bring new ideas to the table, to activate their networks, and to engage actively in policy discussions—in this important sense, they were empowered themselves. In contrast, board members at the Housing Authority supervised the executive director's performance and monitored the budget. And while some members of the board at Martha's House were actively engaged in the agency, the board's resistance to take on responsibility for fundraising and their persistence in defining their responsibility to be limited to overseeing the executive director, indicates that board members conceived of their role as supervisory. This suggests that the cultural orientation at agencies pervades all roles—that board members, volunteers, and clients share either a culture of empowerment or supervision, and that the production of this culture through individual exchange reflects built-in organizational structures that are engrained within each organization. For instance, the director of Middle Way House made an active decision to incorporate client recommendations from early in her tenure, setting the tone for her leadership, and this is an approach she extended by implementing a horizontal organizational reporting structure. Informed by a socialist-feminist ethos that promotes equality, Middle Way House has created an atmosphere where traditional views of poverty as a result of personal failure and insobriety can be challenged and an alternative explanation can be made possible. In contrast, Martha's House, with board members who are recruited from the criminal justice system and where some of the client pool includes recently released prisoners; supervision is deeply embedded within the organization. Sobriety check points and requirements that clients engage in case management that can mean that clients have to comply with the advice of case workers, traditional views of people experiencing poverty as having individual failings are reinforced.

Conclusions

Funding streams do not determine how many people participate in an agency, but qualitative analysis of the four case studies suggests that the way people participated is tied to funding streams. Agencies that are funded at the local level, either in whole or part, through private giving, give clients more voice and control, which I argue reflects an empowerment culture. In contrast, agencies that rely on government funding are more inclined to supervise clients, either overtly, like at Martha's House and through policies dictating how people manage their household at the Housing Authority, or more covertly by making services available only to those who agree to abide by rules and follow a case worker's recommendations. Shalom Community Center and Middle Way House actively recruit and support a large volunteer base, and also define roles and create space for clients' involvement within their organizational structures. In contrast, Martha's House maintains strict supervision over clients, while Bloomington Housing Authority empowers clients through programs that maintain fairly strict control over earnings and savings, and by connecting clients to opportunities that they probably would not have access to without the institutional support of the Housing Authority (i.e. banking).

In terms of volunteers, agencies that utilize volunteers can decrease labor costs, reducing the need for some funding, but the quality of volunteers matters a great deal when it comes to actually relying on them for operational support. Agencies that are connected to a religious organization have a great advantage in this sense, demonstrating the power of the private sector to deliver social services. For agencies without these connections, developing relationships with religious groups is challenging, however framing the relationship in terms of an exchange might help some agencies cultivate church-based support.

Board members bring a high level of resources to agencies, often by tapping into their informal networks. Through these networks, board members are able to provide key resources to agencies in a flexible way—often bringing expensive resources to the organization for little or no cost exactly when they need them. When this works, it makes it possible for the agency to thrive. And when it is combined with partnerships it can make up for funding shortfalls and instability in federal funding, allowing agencies to manage declines in federal or government funding.

To what extent does participation relate to the broader argument made in this dissertation regarding the shift to private funding for social service provision? The case studies in this project suggest that this shift to private funding has been accompanied by a shift toward empowering, rather than supervising clients. Optimistically, this suggests that private giving supports a more structural understanding of the causes of poverty, and that programs that promote empowerment appeal to the generosity of individual donors and private foundations. This might, in part, reflect the willingness of creative, dedicated people who are drawn to the social services field and are willing to forego financial earnings in exchange for developing programs that resonate with progressive values. These programs tended to have more developed opportunities for volunteers, presenting a positive future as these volunteers are exposed to progressive ideals and are trained in implementing them. But it could also mean that the U.S. welfare state is becoming increasingly privatized and the people who are going to chose to divert their resources to support it are progressives, and this private spending comes at the cost of developing a strong challenge to the neo-liberal regimes that are pushing for the defunding in the first place.

CHAPTER FOUR: GOVERNANCE

Joel Rekas was a social worker in Maine, who had made a name for himself as a powerful advocate for the poor and was helping write legislative bills to increase protections for people experiencing poverty, when he moved to Bloomington because his wife had been offered a position at Indiana University. When he arrived, he began to volunteer with an organization called Shelter Inc., an agency that provided emergency food and shelter to people experiencing homelessness and provided transitional and affordable housing. Shelter, Inc. began in the early Nineties, and by 2000, had total revenue of over $537 thousand. About half of this came from local donors, and half from federal grants. Approached by the director of Shelter, Inc., Joel agreed to manage a day shelter program in the basement of the First United Methodist Church. In partnership with the church's members, food and coffee would be served, and people could come and get help accessing public services. When Shelter, Inc. closed in 2003, it sold off its affordable housing units, closed its emergency shelters, and transferred responsibility for the day shelter to the First United Methodist Church.

When I first entered the field, I asked people why there was such a lack of shelters when the need was so well documented in community reports. I was told in hushed tones that this was largely because Shelter, Inc., which had aspired to address the problem of a lack of affordable housing and a high rate of people without stable housing by supplying both, had been "mismanaged." The requires a level of cultural fluency that I sorely lack, but eventually I was able to untangled what happened to Shelter, Inc. by asking people (again and again) and reading newspaper stories from the Nineties and early Two-thousands. Learning how to ask questions in the Midwest took time, partly because I was honing my interview skills, but also because people would often deflect direct questions. In some parts of the country it might be appropriate to ask "What happened to Shelter, Inc?" as a means of encouraging someone to discuss the different challenges the agency encountered, in Bloomington it was more appropriate to ask "How was homelessness addressed before Shalom opened?" As I learned how to pose questions, I began to gain much richer and detailed descriptions of how Bloomington has struggled to address this major social problem.

Shelter, Inc. began as a small organization that provided emergency shelter and case management to people who were homeless, moved to providing transitional shelter operating at multiple sites, and relying on federal funding. This expanded scope of operations stretched staffing resources. Simultaneously, because Shelter Inc., provided a service that was unmatched in the local region, it became a magnet for people from outside Monroe County who needed help to afford housing, and this reduced the willingness of local governments to continue to provide partial funding and support. In this sense, mismanagement referred to the expansion of the agency's mission to provide a broader range of assistance and the failure to manage the public perception of the agency as serving a largely local clientele. There are few ways to know whether Shelter, Inc. actually attracted people from outside of the region in a significant way, but newspaper reports suggest it did. For instance, in this report on Shelter, Inc. in the local *Herald Times* newspaper it is clear that the reporter is focused on confirming this trend of providing services to people from "outside":

> "Before coming to the emergency facility, Alsman and her family stayed in a motel until the money ran out. She has applied for public housing and her name is on the waiting list. Alsman, who is from Greene County (an adjacent county), says she wants to stay in Bloomington because of the city's diversity. Her children are bi-racial; her husband is from Yemen." (Morin 2003).

With Shelter, Inc. closed, there was a critical shortage of shelter options for people in Monroe County. Shalom was maintained as a day shelter, supported by community donations, particularly from the First United Methodist Church members. Shalom stayed in the basement of the church until 2010, when it moved to a separate building and was able to expand its services.

After the shelter moved, Joel retired, and was replaced by Forrest Gilmore, who actively worked to expand the services and diversify Shalom's funding streams. Working with the regional group, Housing Solutions, Forrest took a leadership role helping to craft a regional plan to end homelessness, and developed relationships with state agency representatives, which helped him secure a large federal grant. In 2012, Shalom Community Center, in partnership with an agency that provides mental health services, received a grant from the Department of Housing and Urban Development for over $1 million dollars to provide permanent supportive housing to chronically (long-term) homeless individuals and couples. Until this point, Shalom had relied extensively on private giving from community members. This grant provided an excellent opportunity to examine how a major shift in funding streams affected an organization's mission and decision making.

I had not intended to expose a point of contention among board members and the executive director when I set out to interview people involved with Shalom Community Center. After asking how they became involved with Shalom, I typically shifted to asking questions about board responsibilities, how the board and the executive director divided these responsibilities, and then asked a series of questions about funding and how that affected policies and programs. During my first interview with a Shalom board member, however, I noticed a hesitation in answering questions about funding and programming. After probing, I learned that at a recent board meeting there was a disagreement over how Shalom should proceed, and the extent to which the agency would maintain its commitment to its broad mission of "aiding and empowering people experiencing homelessness and poverty."

Concerned with the danger of spreading the organization too thin by becoming a housing provider, board members were cautiously moving forward, working to maintain what they viewed as their core services—providing a day shelter and resources for people experiencing poverty. In contrast, Forrest Gilmore, empowered by the size of the grant and confident that it was the beginning of a consistent stream of federal dollars, proposed restricting Shalom's mission—to stop providing broad services to low-income people, and instead deliver services to people experiencing homelessness.

How the board and the executive director framed their differences, and proposed moving forward during my interviews amplified the discourse over organizational strategy that was explored during other interviews. Each case study in this project underwent a funding shift or reduction that lead the agency to redefine its strategy, reconsider its commitment to its mission, and adjust the roles of board members. Some, like Shalom and Middle Way, were especially deliberative. A new grant at Shalom challenged support for existing programs. The complexity of past funding streams, combined with a reduction in existing (and anticipated) funding, resulted in a crisis at Middle Way House. The Housing Authority treated changes in funding as par for the course—years of working with the Department of Housing and Urban Development had lead them to accept such shifts as routine. And Martha's House had been under financial distress for years, never quite attaining financial security, and the board responded with a persistent hope that things would improve but few ideas for what would actually change their circumstances. Throughout this chapter I use these case studies to develop a theory of nonprofit governance that combines external control asserted through funding by outside actors with several themes that were developed in previous chapter, including the role of participants, particularly in agencies with empowering organizational cultures, in influencing agency policies and programs.

In Chapter 2 I discussed the problem with nonprofit governance, arguing that nonprofit organizations occupy a space where as private organizations they are given millions of dollars based on the public's trust that they will utilize it in the way that the donors and government agencies intend for it to be used, and will be more efficient than the government would be in managing the resources they have at their command. Nonprofit organizations cultivate public trust—they rely on the public to view them without suspicion. However, as I show, there is a lack of consensus on how nonprofits are governed and what a governance model should include. One reason for this is that most scholars limit their inquiry to internal processes. I propose that governance is a field-level phenomenon where norms and expectations are defined between discrete actors, and enforcement takes place primarily through funding, but also through partnerships and relationships with other organizations.

Enjolras (2009), working from a rational choice theoretical perspective, identified mechanisms within organizations to explain why nonprofits are able to maintain trustworthiness and minimize the free rider problem. Focusing on internal characteristics and practices, he identified democracy, checks and balances, and control as three mechanisms that structure governance in nonprofit organizations, and along with intrinsic and reputational incentives, help to ensure compliance with the principles of efficiency and accountability that generate trust. Enjolras operationalizes democracy as board elections by members, and argues that the election process serves as a check on members to maintain accountability. Checks and balances refer to the division of power between board members who manage strategic planning, and other board members and between board members and executive directors. Control is based on both prior mechanisms and refers to the boards control over the organization, which he views as reducing the inefficiency of the organization because, in this view, the board is aware of all aspects of the organization and can make informed decisions about how to allocate an organization's resources.

Evidence of these three mechanisms in this research project were uneven. Democracy (specifically, the democratic election of board members) was not a mechanism that was employed by any of the four agencies in this study. Board elections were not "democratic" in the sense that voting is open to the public. Unlike for-profit companies that have shareholders, stakeholders were not invited to vote for board members. Instead it was typical for a subcommittee of board members to identify a potential candidate, feel him or her out through informal channels and then recommend to the board that the person be elected (by the board) to join the board. Some organizations have effective term limits. For instance board members rotate on and off the board at Shalom Community Center, taking a year off between every two consecutive 2-year terms. But other agencies, like Middle Way House, keep board members as long as possible, in part because this contributes to organizational stability.

Checks and balances were used in a minor way to maintain oversight of the organization's budget in all four agencies, and all boards also evaluated the executive director on a regular basis, but these are very routinized board responsibilities. Instead I found that checks and balances were used in relationships between different organizations (i.e., private foundations and the use of program evaluation, or grant requirements that include a professional, outside audit).

Boards were not "in control" of agencies in most cases, and when they were it was a sign of organizational difficulty (i.e., Martha's House), not success. Instead control emerged as a way that external agencies influenced the policies and decisions within agencies through requirements tied to grants.

Another recent definition of governance was proposed by Mosley et al. (2012), who define governance as the adoption of strategic management decisions within an organization. I find this definition much more in line with the goals that boards and executive directors have when working in their capacity as directors and board members—they want to develop a response to a problem or propose a bold new direction that is feasible. Developing a strategic plan to achieve organizational goals was a common theme that emerged from conversations with nonprofit managers and board members during fieldwork and when interviewing them. However, I saw the adoption of such plans as the outcome of governance, not the actual process of governance that I am interested in here. I propose instead that governance should be treated as a process, with the goal of identifying the mechanisms and influences that affect decision-making and strategy within an organization. At the most banal, this includes the IRS requirements that structure the nonprofit organization and define what kind of activities it is legally allowed to engage in. Within organizations, missions provide some institutional grounding for the scope of programs, but board members and executive directors provide a management team that decides whether to adopt policies, implement programs, and develop long-term strategies for the agency.

This does not happen in isolation, but instead these decisions are influenced by external organizations in meaningful ways. External actors are able to tie policy requirements to funding streams, and influence the kinds of programing and services provided. Indirectly they do this by calling for grant applications for programs that are designed to serve a specific population or need—for instance when the Community Foundation develops a grant program to improve early education. But they also can impose rules and encourage programing that might be outside of what the organizations would adopt without this outside influence.

Below, I first describe how field-level actors contribute to organizational structure, and influence decision-making within agencies. Then I define the board-executive relationship, building on the influence of organizational culture—empowering vs. supervisory—that I developed in the last chapter. I outline how the magnitude and diversity of funding can affect organizational mission, leading in some cases to mission drift, as well as putting strains on executive directors and staff as they comply with grant requirements. I then consider how different funding streams—private funding and government funding—have different implications for governance. I conclude by showing how the shifts in funding to private forms, and a lack of stability in funding, can lead to organizational instability.

Field-Level Governance

Nonprofit organizations are governed in Indiana by both the Secretary of State and the Attorney General, and federally by the Internal Revenue Service. At the state level, nonprofit organizations are treated much the same way as for-profit corporations, with some minor reporting differences for organizations that hire professional fundraisers. The Indiana Attorney General has the power to take legal action on behalf of the general public, and to enforce governance issues among board members, although I have not been able to find a case where this has happened. The IRS provides the bulk of the oversight and has several requirements that organizations applying for nonprofit status must meet, including providing details about the organization's structure, activities, by-laws, beneficiaries, and financial data. This process is periodically called into public view when, for instance, an organization feels it is being inspected too closely. Most recently this happened when the IRS requested additional documentation of activities from Friends of Abe, a conservative organization in Hollywood (Cieply and Confessore, *New York Times*, January 22, 2014). Once established, nonprofits must conform with financial reporting requirements, specifically by submitting an annual Form 990 (Return of Organization Exempt From Income Tax), which contains information about income and expenditures, and for large organizations detailed information about the organization, including programing, governing policies, and changes to by-laws and mission statements. The IRS collects this information and makes it publicly available.

Nonprofit organizations obtain legal status through the IRS, and the Attorney General's office addresses egregious mismanagement. Voluntary board members, often donors and people who have demonstrated an interest in the issue that the nonprofit organization addresses, manage normal operations. Ownership in a nonprofit organization is not privately held, as it is in a for-profit firm, nor is it public in the sense that many members are elected and accountable to constituents, instead it is collective and is based on trust (Salamon 2002). In contrast to for-profit firms, there are no owners who are responsible for the risks, choices, or allocation of profit or benefits that arise from decisions. Legally, in most states, board members are required to perform three duties: (1) the duty of care, which means showing the "care than an ordinarily prudent person would exercise in a like position and under similar circumstances; (2) the duty of loyalty, which means having "an undivided allegiance when making decisions affecting the organization;" and (3) the duty of obedience, which means "not acting in a way that inconsistent with the central goals of the organization" (Board Responsibilities FAQ, Boardsource 2013). Formal oversight by a state's Attorney General and the IRS provides one dimension of how nonprofit organizations are governed, but these are at arm's length and it is rare for a state government to become involved with the nonprofit sector.

At the field level, local organizations like the United Way, national nonprofit organizations such as Guidestar, and research-based organizations such as the Urban Institute, provide an additional source of governance under the guise of holding nonprofit agencies accountable and guiding programs.

For instance, in Bloomington the United Way has expanded its role from primarily organizing an annual workplace fund drive to providing guidance on board development, fundraising best practices, and accounting. Benjamin (2010) showed how the United Ways in Chicago and San Francisco influenced accounting practices within nonprofit agencies that receive funds. In Bloomington this occurs in two ways. First, the United Way funds and oversees the Nonprofit Alliance, which holds seminars and workshops for nonprofit organizations on best accounting practices. Agencies that utilize the best practices that they promote and are able to maintain low administrative costs are then certified as United Way agencies, which is a signal to donors that the agency is well managed. Certification is not automatic, and agencies have to demonstrate strict compliance with several practices, the most important of which is having a professionally conducted annual audit of accounts. This is an expensive requirement, costing an agency with gross receipts of $150,000 between $6-8,000 (4-5% of their budget), according to one Certified Public Accountant I spoke with at a United Way sponsored seminar on accounting practices in 2011. Of the 35 agencies represented in this study, only just under half (17 or 49%) are certified by the United Way of Monroe County.

Guidestar functions in a similar way to the United Way, providing "certification" of agencies based on their compliance with best practices, but at a national level. Designed initially to provide donors with financial information about agencies, Guidestar makes tax reports available to users and provides agencies with space to describe their programs and missions.

The third set of field-level agencies that provide some oversight and control to nonprofit organizations are research-based organizations, like the Urban Institute. By providing research that includes nonprofit organizations and their efficacy in addressing problems, these research organizations have emerged as critical players in deciding where grant dollars are allocated. The Urban Institute is the largest and best known, overlapping with academic scholarship and competing with academics for research grants. The scale of projects is too small in Bloomington to attract its attention, but I did encounter a researcher from the Urban Institute when I was investigating an innovative public housing project in Portland, Oregon. The Urban Institute was measuring the effectiveness of mixed-income residential housing in a public housing development and comparing model sites—one in Portland, Oregon, and the other in Chicago, Illinois. This research was funded by HUD and would be used to determine whether it was cost-effective to fund similar programs. At the regional level, and within the housing and shelter sector, the Community Supportive Housing or CSH works with nonprofit organizations and state agencies to develop plans to meet shelter needs. In Bloomington they held a *Charrette.* CSH explained that *Charrette* is French for a "small cart" that is found in French markets, and that this was meant to symbolize how people come together to discuss ideas around a common theme.

During this meeting CSH communicated their vision of a housing plan to Bloomington's social service providers. As discussed in the Introduction, this meeting was largely dismissed by community members and agency management as lacking any consensus or defining realistic goals. Instead, the document that it produced met HUD requirements for continued funding for several grants, including the Community Development Block Grant, which is an important source of funding for shelter agencies. During the *Charrette* I noted that one source of tension between the CSH staff and the local social service providers was that the CSH staff appeared to be out of touch with the range of challenges that service providers encountered. They strove to develop local agencies into a linked-together bureaucracy that would, for instance, work together to track clients and which services that they accessed, not realizing that agencies lacked the financial resources to invest in the computer software and personnel training that this kind of system would require or that "tracking clients" was something that agency directors were unwilling to do out of concern for the privacy of their clients. However HUD intends to tie this tracking system to funding in the future.

These examples serve to illustrate how a professional class of nonprofit consultants have emerged at the field level that provide oversight and control to nonprofit social service providers. These consultants are paid through grants, building a field of professional organizations that compete for government and private grants to evaluate the work that smaller, direct service nonprofit providers are doing. While I am unable to provide estimates of the value of this field, conversations around City Hall during the Charrette suggested that these professionals are able to command substantial fees for their work from the City and other private foundations.

These field-level actors are different, however, from sector specific organizations that provide national level best practices and suggestions to nonprofit social service providers. In the following chapter I identify the role that such organizations serve in identifying advocacy objectives at a national level.

Nonprofit Management

Sociologists have identified several roles that board members hold, including controlling external resources, acting as guardians, serving as political advocates, facilitating grant applications, managing relationships with government agencies, and serving as a buffer between external interests and the internal organization (Zald 1969, Kramer 1981, Harlan and Saidel 1994). Within a nonprofit organization, board members work with executive directors in all of these ways. Early studies have shown a relationship between organizational size, prestige of industry, historical period, culture, funding environments, and the roles, composition, and function of boards of directors on board composition (Abzug et al. 1992, DiMaggio and Useem 1982). Like many studies of nonprofit organizations, this previous research focused on elite institutions—art museums, nonprofit hospitals, and local United Ways in large metropolitan areas, and shows that there are strong regional and industrial sector effects on board composition. In Bloomington, elites might very well sit on the boards of the University, the local arts center, and the hospital. But for social service agencies, elite membership was not a defining characteristic in board member recruitment. My fieldwork indicated that board members consider themselves to be well to do, and often had relatively prestigious occupations—former and current academic faculty and staff, church representatives, bank officials, lawyers, accountants, and city and government officials were common on boards. Often they were retired. Board members were generally encouraged to bring with them valuable skills, time, and networks which were substitutes for wealth and traditional membership among the elite.

Not every agency had a paid executive director—seven (20%) of the agencies in this study did not have a named executive director. Having a paid executive director is a developmental state that some agencies do not reach, and other agencies fail to maintain. Young agencies may take months or years to hire an executive director, and in the interim rely on more active boards. By looking at the first two to five years of Form 990s I could observe how early on many organizations did not have a paid executive director. Some organizations never "graduate" to the stage of having the resources for paid leadership. For instance, an agency that provides medical equipment never gained the financial footing to pay an executive director, and instead relied on the efforts of its board president to manage the agency. Others, like Martha's House, lost their funding stability and did not replace the director that stepped down. Financial instability can drive agencies to not replace staff roles as well, as was the case at Middle Way House, where staff that left were not replaced and their jobs were reassigned to others, or the programs that they were running became unsupported.

Taken together, the board members (and executive director) serve as a management team that defines policies, develops programs, and sets the strategic goals for the organization. Early fieldwork revealed that individual agencies differed in how board members and executive directors worked together—observations ranged from board members having a large role in managing the day-to-day operations of an agency, to their having a more narrowly defined role in terms of being responsible for fundraising, or in some cases only providing oversight in the most general sense. Four characterizations of the roles of board members and executive directors were developed during fieldwork, and these, along with changing funding streams, guided case selection: (1) oversight board-powerful executive director; (2) fundraising board-powerful executive director; (3) involved board-partnership with executive director; (4) involved board-no executive director.

Bloomington Housing Authority represents the first type of board-executive director relationship. The board of directors at the Housing Authority attends a monthly meeting, provides budgetary oversight, and is charged with hiring and evaluating the executive director. Middle Way House represents the second type, with a board that provides budgetary oversight and evaluates the executive director, but is primarily involved with fundraising while a powerful executive director manages the day-to-day operations. Shalom Community Center represents the third type of agency. Here, the board is very involved in the day-to-day operations and policies at the agency, and the executive director is a partner with the board. Finally, the lack of the executive director at Martha's House suggests that they belong to the fourth type. As I discuss below, however, the minimal involvement of the board suggests that they might not be a pure case of an active board combined with no executive director. This reflects the difficulty in characterizing this final type of board-executive relationships. Some agencies, like Workforce 8, do not have an executive director because the board's role is primarily to oversee the allocation of money to other organizations, and can accomplish this without a paid staff member. Other agencies, like New Leaf New Life, have active boards who fundraise, develop programs and policies, and are moving toward a goal of hiring staff, and an executive director. Not having an executive director can be a result of organizational age, structure, or a reflection of how well the organization is doing.

Of these four management types, only the boards with fundraising responsibility combined with a powerful executive director (i.e., Middle Way House) and organizations with an involved board working in partnership with the executive director (i.e., Shalom Community

Center) have to negotiate internally to make decisions. In these cases, negotiations take place both between the board members and between the board and the executive director. The executive director does not have an official vote when it comes to making a formal decision, but serves as an *ex officio* member of the board. Board members do not take disagreeing with the executive director lightly in either of these management types. Shalom's board was under duress in part because their vision of the agency differed from that of the executive director, forcing them to vote against his preference during board meetings.

As discussed in the previous chapter, both of these organizations have an empowerment organizational culture, and within these organizations and to differing extents, clients, staff, and volunteers also influence decision-making. Agencies that have an empowerment culture also insulated the executive director from the distracting effects that external actors can have on an agency. Board members at both Shalom and Middle Way took a leadership role in working with donors, reaching out to large donors, and managing the fundraising campaigns. Client input still reached the management team, especially because representative clients were given direct access to the board at Shalom, and at Middle Way House the lateral reporting structure within the organization presented staff and clients with formal means of directing the board toward specific areas that they felt required attention.

Organizational Mission and Agency Maximization

What drives management decisions within nonprofit agencies? Unlike a for-profit organization, where there is a clear line between board and executive responsibilities, in nonprofit organizations, the roles overlap, and there is no external metric guiding the goals and defining the success for the organization. In a for-profit organization, profit helps drive decision-making. But in nonprofit organizations, especially social service agencies where the cultural association of "charities" is strong, it is difficult to define what criteria agencies use for success and what guides their decision making. I recall a conversation I had with a board member when, after I suggested that financial stability should guide the assessment of an executive director, he looked askance and replied that this was a nonprofit organization, that it was a charity, and financial management was not an important criteria for evaluating the executive director. As a corporate leader, he understood how to manage an organization to maximize a profit, but he felt it was an inappropriate logic to apply to a nonprofit organization.

One approach to considering what an organization will maximize is to look at its mission—agencies define their mission and are legally required to direct resources toward meeting this mission. If the mission changes, they are required to file such changes with the IRS. Froelich (1999) predicts that nonprofit agencies will experience goal displacement as nonprofit agencies diversity their funding streams to include a broader range of participants—individual donors, corporations, foundations, government grants—arguing that larger numbers of funders are accompanied by a corresponding increase in funding criteria that agencies need to satisfy, and that these criteria can be potentially contradictory. He shows that managing multiple funders generates increased administrative work and that cumulatively this threatens the clarity and allegiance to the organizational mission. Others have referred to this shift in mission in response to funding requirements as “mission drift” (Benjamin 2007, Minkoff and Powell 2006).

Below I outline what each of the four case study agencies maximized, informed by their mission and their spending on specific programs (Table 5.1). Program expenditures are difficult to use as a reflection of priorities, as some programs require a high costs (i.e. housing) while others required maintaining a 24-hour crisis line. I then test two hypotheses suggested by prior research. First, I hypothesize that agencies with more diverse funding streams will have more complex, and more intensive reporting criteria. Second, agencies with a more diverse funding stream will also experience mission drift.

Agencies differed in what they maximized—some focused more on meeting grant requirements and were driven by accountability measures (which I discuss in greater detail below); others maintained their client-focus. I argue that these differences reflect organizational cultures, and the perceived stability of a funding stream. Organizational missions broadly defined an agency’s goals, but the availability of funding played an even greater role. The cases below illustrate that funding magnitude matters in terms of how much reporting a grant requires, and that agencies with multiple funding streams have to comply with heavy reporting requirements. In one case, a new large funding stream affected the mission of the agency, leading board members and executive directors to reconsider their commitment to the broader goals of the agency.

Table 5.1: Organizational Missions and Highest Program Costs for Case Study Agencies

	Mission	Program 1	Program 2
Bloomington Housing Authority	To administer public funds using available resources in a manner which will allow the Housing Authority to offer a variety of affordable housing opportunities and supportive services that foster stability and self sufficiency through creative partnerships while servicing our customers with the highest level of professionalism and respect.	Housing Assistance Payments ($7.3 million)	Electricity ($206, 363)
Martha's House	To provide safe shelter while working with the community to end homelessness.	Bridges[1] ($153,370)	Shelter Utilities ($8,000)
Middle Way House	To end violence, both structural and interpersonal, in the lives of women and children.	Telephone ($17,100)	Utilities ($46,741)
Shalom Community Center	Dedicated to aiding and empowering people experiencing homelessness and poverty in South Central Indiana.	Hunger relief ($191,325)	Guest Services and Supplies ($69,310)

Data collected from the 2012 Bloomington Housing Authority Annual Report, the 2011 Shalom Community Center Annual Report, the 2013 Projected Budget for Middle Way House, and the 2010 Martha's House Budget submitted to Jack Hopkins, City of Bloomington.
[1] Bridges was a HUD funded program for housing and providing support services to people experiencing mental illness. [2] Compensation ratios were calculated using total payroll costs over total expenses from Form 990.

The most obvious case of funding defining what an agency maximized was at the Bloomington Housing Authority, where decision-making was geared toward maximizing compliance with HUD rules. The previous director had lacked the management skills to lead the agency forward and her incompetence had triggered HUD restrictions on funding and increased their oversight, severally crippling the capacity of the agency. Jennifer Osterholt, the director who took over and spent her first nine years developing her staff and implementing the highly technical reporting structure that HUD requires, eventually was able to transform the agency from a low-performing agency (with funding restrictions and additional HUD oversight) to a high-performing agency (with more funding and less HUD oversight). As she gained the confidence of HUD, she applied for new grants within HUD to rebuild the decaying public housing stock in Bloomington.

Bloomington Housing Authority receives almost all of its funding through HUD, and while HUD's requirements are consistent, they are extensive. Jennifer Osterholt explains:

> "What happened is that as HUD has made their changes through the years, they have become more reliant on technology and this has changed the way housing authorities function. For every client that we serve we have to fill out and submit a Form 7508, which is 17 pages of information about each client, and every time that we touch a case we have to resubmit that form… If they start on the program, we submit a form. If their income changes, we have to submit a 7508, every month we must submit another form for any new changes, and it is imperative that you do this correctly to receive your funding. Now it has taken a lot of years for this system to become totally functional. It has been sort of a threat that HUD throw the trigger each year, and well, this year and last year they meant it." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

The Office of Housing and Urban Development has very high reporting requirements for the agency, and I propose that this is partly a result of the magnitude of funding that they provide to housing authority, but that it is also a reflection of funding that comes from a government agency. Maximizing compliance with these strict requirements is a strategic decision by the director because it ultimately provides her with more latitude to control how money is spent within the organization, and reduces the amount of money and staff time that the agency must spend on auditing and on-site inspections with HUD officials.

Middle Way House maximized client success and more broadly, a decline in domestic violence. The agency directed considerable resources toward outreach and education—sending staff members to schools to offer seminars to youth about dating violence and offering them suggestions on healthy relationships. But their core programing was to provide housing and support to women as they recovered from domestic violence. This came at considerable expense, especially after purchasing and rehabilitating an apartment building, developing a day care center, and continuing their existing legal assistance and support services. These program expansions threatened the viability of the organization, although there was a consensus among board members and the executive director that the agency would survive. While it might seem unfair to suggest that the Housing Authority was focused on grant compliance, while Middle Way House was focused more on their client success, I continued to note key differences between agencies that had an empowerment culture compared to agencies with a supervisory culture. While Bloomington Housing Authority clearly had the interests of clients in mind when they underwent a long-term capital campaign to rehabilitate the public housing units, this was part of the normal course of events for a housing authority. Middle Way House had to innovate and develop new funding streams to accomplish their expansion, and throughout this they had to endure the knowledge that they could fail to recover the financial stability that they had achieved prior to their expansion. In other words, their reputations were very much on the line.

As I discussed in the previous chapter, Middle Way House coped with economic uncertainty by increasing fundraising, and specifically by focusing the board's attention on fundraising. The executive director continued to apply for and manage government grants and grants from private foundations, but the board led the way in raising money from the community:

> "Our programs have good outcomes, so board members don't even involve themselves with that as much. The board is really focused on long-range planning, budget, and fundraising. Donor development, events, and communications. We actually have three board committees that are considered fundraising – donor development, events, and communication." (Toby Stout, Executive Director, Middle Way House)

Board members seldom challenged Toby Stout on how she directed funding within the agency, or what programs and policies she implemented, unless she brought the issue to the board. These issues tended to be philosophical in their nature, and ignited a great deal of discussion among some board members. An example of the kind of issue that was brought to the board was whether transgender or transsexual women should be allowed to stay in the shelter house. Another example was whether a student-led fundraiser that asked fraternity men to "walk a mile in her shoes" inappropriately promoted a narrow view of gender because the fraternity men typically parade down a main avenue in high heels.

Middle Way House maximized client programs and services, despite cuts in funding, and continued to expand fundraising as a strategy to sustain their client focus. This diversity in funding did require that the executive director devote considerable to managing grants, and additional staff also were responsible for ensuring that grant requirements were met. Part of this complex reporting was a reflection of the amount of money that was coming into the agency, and some was the population being served:

> "And I should tell you that domestic violence are monitored up the wazoo. Homeless programs are not, but domestic violence programs are… In every aspect of the organization: how you dispose of toxics, how you dispose of confidential material, how do you maintain your personnel records. How much insurance do you carry. How do you train your volunteers. If we don't pass we won't get the money. And there is nothing really onerous about it. The issue is that I could demonstrate that I am doing it and not be doing it at all. I could make up a book and show them, here it is." (Toby Stout, Executive Director, Middle Way House)

However, even with the intense need to "chase" funding, Middle Way was far from compromising its mission. As I showed in the previous chapter and re-visit here, Middle Way maintained a strong client focus, building programs that met their needs.

Shalom Community Center was similar to Middle Way House in that the agency maximizes client's success and works more generally to address policies that generate poverty, however success in this context was less defined. Both agencies aspire to empower clients and to have them lead the way to their recovery from crisis: Shalom Community Center provides emergency services to clients who are in crisis, and unlike women who are victimized by domestic violence, and who can be removed from that crisis, supported, and provided with the tools to move forward, poverty is a far more pervasive crisis. Oftentimes by the time someone walks through the doors of Shalom, they have already reached out to everyone in their own network who could help them. Shalom offers its clients a wide range of services—they provide a mailing address for people without homes, storage area for plastic totes for those who are living on the street and need a secure place to store their few valuable possessions, showers and toilets, meals, and case management. Shalom, until very recently, lacked the resources to make "game changing” impacts on their clients’ lives. Providing them with housing gives Shalom the opportunity to deliver a service that will put them in a similar class as Middle Way House, and suggests that Shalom will be able to better define what success looks like.

A step toward measuring success has recently been taken at Shalom. Until recently, records were not kept to monitor how often clients accessed their services. Shalom could count the number of meals served, but beyond this there were no records kept. Part of this was intentional. As I explained earlier, the founding director, Joel Rekas, wanted to create a welcoming place for people and not require anything in exchange. Hospitality to him meant that “guests” could come in, have a cup of coffee, no questions asked. But, as Forrest Gilmore (the current executive director) explains, the agency was moving toward collecting information about clients in part to fulfill grant requirements but also to help refine programing and to inform local donors of how their contribution is helping clients at Shalom:

> “So, but this is a time when we are actually trying to move forward and we are asking [for names], and before we did not even ask. There are some advantages to that, it gives us data that before we never had. It is getting us into a position where we can analyze our client base a lot better, and use that for community support, as well as help us follow clients better. So we can say that this person has been here for six months and they still don’t have food stamps, so there are some real advantages to helping us follow it, and I think that Shalom, since I first started, Shalom’s board has been pressing us to be more data driven, so grants are kind of making it happen. And which, at this point I feel kind of like the positives outweigh some of the negatives.” (Forrest Gilmore, Executive Director, Shalom Community Center)

Although I did not find evidence among board members with whom I spoke that they were demanding data as evidence of Shalom’s utility, board members did accept that the tracking system brought advantages to the agency, and downplayed how clients would interpret the change in policies. Whether this will signal a departure away from Shalom being an empowerment agency, or is just a growing pain, is unknown. However interviews revealed that board members and the executive director were well aware of what was at stake.

A dynamic that I noted during interviews was that board members and the executive director were in a tussle over what it meant to promote the interests of clients within the agency, and whether the large federal grant (that instigated the use of the tracking system) was shifting the organization away from its mission. Providing housing to the homeless is arguably within the scope of Shalom's mission—this was not disputed, but because it required a great deal of staff time to manage both the grant and the program, the other programs at Shalom were receiving less attention, and it was believed, over time they might disappear as no one would continue to write the grants that supported them.

The most enthusiastic about these changes was Forrest Gilmore, the executive director:

> "I am not sure if the mission has evolved. The things we are doing is evolving. The mission, the wording of our mission hasn't changed, it has always been about aiding people in poverty. We have done something we have never done, and that is moving into housing. That is a radical shift for us. A lot more, I don't know what the word is, higher-order service and solutions-oriented. We have been very emergency services-oriented, and this is a whole new thing for us, and pretty cool, and pretty exciting. We have real interaction with federal grants and so all that combined has led us to where we are." (Forrest Gilmore, Executive Director, Shalom Community Center)

He viewed the change in funding as a continuation of the ongoing evolution of the shelter, placing it within the existing framework of grants providing opportunities for the agency to accomplish key programing needs for the population. He underplayed, until pressed, how the magnitude of the grant might very well be a game-changer for the organization. Here he admitted that he sees the agency becoming more narrowly focused on a subset of people experiencing poverty as a way to align funding streams with the population:

> "We are a very, very busy center, and so I have been proposing to the board to target services to people who are homeless for the purpose of focusing and refining our mission and so we do our work at a higher level, and you know, I feel like we would do better, and we could put more energy into that. And also from a branding issue, this is what we are known as homelessness, but we don't 100 percent put our energy in solving a very significant community problem. So I have a feeling that we should just do it, this is what we are known for, let's just go do it. And some of it is to reduce the numbers at the center, which is overwhelming." (Forrest Gilmore, Executive Director, Shalom Community Center)

I had the sense from Forrest Gilmore that he found the possibility of continuing to manage multi-million dollar grants appealing, and that this was the direction that he wanted to move toward. Here he explains how securing this grant has placed him in a position to secure ongoing grants for housing:

> "I built relationships. Crawford set us in motion to create a lot of relationships. Rodney Stockton who works fro IHCED asked me to be on it. So I am the "balance of state" [all except one county and Indianapolis] for the Continuum of Care [a federal grant program] board member. I represent a lot of area. That is a requirement of the board I think there are seven subpopulations, and each subpopulation is required to have a representative on the board… It brought over a million dollars over three years plus the amount of money that went to the Crawford apartments, which was about five million dollars. So it brought a lot of money to Bloomington, and with the rapid rehousing and with the two grants we are looking at $700,000 a year. So that will be money that is coming to Bloomington that was not coming to Bloomington before. Big changes." (Forrest Gilmore, Executive Director, Shalom Community Center)

Board members were more ambivalent about the big changes that were occurring, maintaining a strong commitment to the existing clientele, programs, and services that Shalom has offered the community. Here one board member reflects on the positive aspects of the changes:

> "I think we end up still being the first in the community where people come when they're about to lose their home or have lost their home. And that is always what I have seen Shalom as. But what we may be able to do, and how we may be able to help may just have gotten much, much bigger." (Board Member #2, Shalom Community Center)

Another board member explained that she understood some of what was driving the executive director to propose narrowing Shalom's focus:

> "I think some of it [the proposed changes in the organization] is grant related, I think some of it, you know, there is this basic concept that organizations have to change, that they can't stay the same, they can't just keep doing the same thing. They have to change; they have to do something new and engaging. I think that some of it was his [Forrest Gilmore's] quest for how can we create a better Shalom, well, here is what he said—this is one thing I could really relate to: he said that he wanted, if someone came up to him and said, is Shalom doing everything they can possibly do, that can be done, to deal with the problem of homelessness, to what extent are you doing it? And he wants to be able to say to the fullest extent possible." (Board Member #3, Shalom Community Center)

This board member went on to express reservations about the proposed changes, explaining that she understood that the grant distinguishes between people who *are* homeless and people who are on the precipice of homelessness, but that she did not think that this distinction was needed at Shalom:

> "We [board members] wanted to make sure that, right now if you are a very poor person and you are living in poverty and you are trying to figure out how I am going to make ends meet, you can come to Shalom everyday with no questions asked, and have breakfast and lunch and that increases your food security and it is one of your survival

strategies. Then if you get in a position where they are about to shut off your electricity, you can come to Shalom and meet with a caseworker and we have a program, it used to be called the homelessness prevention fund, and we will help you, and the caseworker will also call other agencies that will match the money, and it will help you pay that bill and keep you in your home. It really is homelessness prevention." (Board Member #3, Shalom Community Center)

The outcome of how much the grant would influence Shalom's mission had not been determined, and it clearly was part of an ongoing discussion. However, one board member felt comfortable expressing strong reservations about stopping specific programs at Shalom, and instead suggested that the path forward might be to develop and maintain both the large grants for housing and the funding that supported programs for people experiencing poverty:

> "I think that the money that is coming at the state level, that is coming from HUD and through the states and the state organizations, and Forrest has become a player in that organization, prioritize that the money is for *homeless*, it is not for the *poor*. Forrest put forward a paper this summer, his vision of where we were going, and in it Shalom would be come a center for the homeless. To the board—and the discussion is not finished—but he got a very strong message from the board that no, we are not going to reduce the food program, and no we are not going to drop the GED [General Equivalency Diploma] program. These are things that we want done. But we don't think it is one or the other. And that was the difference. We understand and we are not opposed to pursuing your rapid rehousing grant, we are not opposed to getting a better ESG [Emergency Solutions Grant], we are not opposed to getting a grant to getting a street contact person, we are not opposed to this focus on homeless, but we don't see that one costs us the other." (Board member #1, Shalom Community Center)

This example illustrates the pressure that external funding can put on an organization's commitment to existing programs and populations. However, the strong board has helped to prevent mission drift from taking place, or at least from taking place in an unacknowledged way.

The above discussion was largely removed from the day-to-day practices within Shalom. Forrest Gilmore and other board members acknowledged that the grant was having enormous consequences on what staff did every day, how they were paid, and what kind of things the executive director focused on. By looking at these, it is clear that managing the large grant is dramatically altering the roles of staff members and could, in a less conscious way, shift the agency's mission. Here, Forrest Gilmore explains how the grant is altering his role and that of his assistant director:

> "It is a lot busier, I have fortunately been able to delegate some of it. I remember when I started versus now and it is a lot harder job. I don't know what I started? It is just a lot more, just managing the center is a lot easier than managing the center plus these grants, and programs and the staff that comes with it, and the administration that comes with that, and we are still in transition, and I am very hopeful about that transition, and positive about that transition, but my skills are visionary and client based. I am very good with the clients, and I am good at seeing the future and helping to direct toward that future, and leading toward that future. I would not call myself a stellar administrator… I have to figure out how we can adjust as an organization, hire people where that is their gift. That is one thing we have done with our assistant manager. She is really talented with grant management, and she is filling that niche in ways I would never want to, so that is good. And there are still places where we have a few holes and we need to continue to do that. And fortunately the grants provide for that financially, and allow us to do that." (Forrest Gilmore, Executive Director, Shalom Community Center)

The funding attached to the grants provides some resources for hiring and paying staff, and Shalom responded by combining existing staff into positions that meet the grant requirements, but as a board member explained, there are limits to this strategy, as the grant requirements include stipulations that people be certified:

> "[A caseworker], part of her salary comes from the ESG grant but the other part of it comes as a caseworker at Crawford, but it is part-time because there is a full-time case worker there, but then we ran across, [a second case worker] and she is a certified addictions counselor, so when we took the caseworker job and split it, [a caseworker] got the half and so she was full time, and [a second case worker], wanted 20 hours a week. We were looking for someone but all these people need to be certified." (Board member #Jim, Shalom Community Center)

This is an example of how external actors can influence decisions within agencies, but it also illustrates how mission drift can occur inadvertently. As an agency complies with grant requirements this affects the personnel and organizational structure of the agency. Over time, regardless of board attitudes, these changes become much more difficult to shift again, in the absence of a large funding stream. This example also illustrates how Shalom had to build up its capacity to meet the grant-reporting requirements. As an agency that long depended on the relatively unencumbered donations of private donors, it lacked fluency with the reporting structures that large government grants required.

I briefly will mention Martha's House. Martha's House largely lacked funding, and did not have an executive director, leaving the board responsible for managing the agency. This largely fell to one board member who cobbled together money, often from his own funds, to pay the shelter supervisor, keeping the shelter opened. The government grant that made up the bulk of its funding stream was expiring. During interviews, board members explained that they were having serious difficulties maintaining operations:

> "Our issue is trying to make changes in the organization so that we can survive. Survival is at the top of our list. Trying to get enough money. All we do is talk about money – we have programs and we talk about money to keep them going. Trying to make payroll so we can stay viable. This is the top issue." (Board Member #2, Martha's House)

The board was largely unwilling to apply for any substantial grants, instead relying on small, local and state grants that required no ongoing management and minimal record keeping.

The case studies provide evidence that some funding is associated with high levels of complex reporting requirements and that these place stress on agencies. The executive director of Middle Way House, along with staff members, developed an organizational structure that was partially motivated by the need to track and manage grant-reporting requirements. Middle Way's reliance on multiple grants from different government agencies supports the hypothesis that diverse funding streams require that more organizational processes be in place to manage the grants. Middle Way House did not seem susceptible to mission drift. I attribute this to the organizational culture—when an organization is responsive to client input as the driving force behind program and policy development—the key feature of the empowerment culture— and this philosophy permeates and defines the structure of relationships between management and staff and clients, this provides a "check" on agency management following grant money that might not reflect the interests of the population being served.

Bloomington Housing Authority also developed organizational practices that were largely designed to manage and comply with funding requirements. Because their funding came from a single government agency, the Bloomington Housing Authority did not seem likely to have its mission drift in response to a changing funding environment, at least as long as its traditional relationship with HUD is maintained. The case of Bloomington Housing Authority suggests that it is the magnitude of funding, not just the diversity of its sources, that drives reporting structures that agencies develop within agencies. Large grants require more sophisticated and detailed reporting.

This interpretation is corroborated by Shalom Community Center's effort to implement the kind of reporting structures that would allow it to manage a large HUD grant. Their past reliance on private donations from community members, and the absence of existing reporting structures at Shalom suggest that there are differences in the requirements that accompany large grants.

Next I consider how grantmakers utilize grants to influence agencies and the differences in controls found in government funding streams compared to private funding streams.

External Control

Researchers have theorized that external grantmakers affect how resources are allocated within an organization, but systematic study of these mechanisms have been slow to materialize (Ostrower and Stone 2010). The economist Edward Glaeser (2002) proposed that influence over decision-making comes from management (the executive director and the board), as well as customers, workers, and donors. He limits his analysis to academia, hospitals, art museums, and the Catholic Church—four sites where elite interests are much more developed than in social service agencies. His analysis suggests that those in elite positions (professors, curators, doctors, and priests) are able to maintain control over the organizations and drive decisions, although not to the same effect across institutional type. He identifies funding as a key variable that determines the extent to which managers are able to assert control. In his example, organizations that sell to the public are more subject to customer control, although this control is tempered by the class position of those in elite positions—the professors, doctors, and church officials—who are able to use their position to influence customer demand. This control is overwhelmingly asserted through two mechanisms—program evaluation and grant competition—that external actors use to encourage nonprofit organizations to be efficient and accountable (Glaeser 2002). Glaeser argues that through competition to appeal to grantmakers, agencies implement practices that encourage efficiency.

Benjamin (2012) found that granting agencies lack consensus for how agencies should measure outcomes to demonstrate efficiency and accountability. Nonprofit organization managers are aware that programs can be manipulated to produce positive outcomes, and without across-the-board measurements, agencies do seem to be encouraged to inflate numbers. For instance, in the last chapter I reported the number of clients each agency served, a measure that grantmakers use to see how much leverage they get from each dollar spent. In conversations with one granting agency we discussed the difference between superficially helping one hundred people or helping ten people in life-changing ways. She explained that the board that made grant funding decisions tried to weigh this, but it was often easier to justify programs that helped more people. This could help explain why some agencies report such large client numbers—they are penalized for distinguishing between people they come into contact with briefly and those they invest organizational resources in helping. For instance, Shalom's hunger relief program produces excellent quality food. If a volunteer eats a meal, that meal is counted.

In addition to taking up staff time with report writing (instead of providing services) as discussed above, evaluation reports also encourage agencies to "cherry pick" clients. Agencies are rewarded according to the number of clients they assist and the outcome that programing has on clients. While agency directors and board members in this research did not acknowledge that they cherry picked clients, other agencies in Bloomington indicated that this happened, but that it was more likely to be the outcome of a set of policies rather than a conscious decision by an intake director to select easier cases. For instance, at Martha's House the requirement that clients submit to a breathalyzer each night is a policy that creates a selection bias in their client population—only those who think that they can meet this requirement are likely to apply for services. On the other hand, the executive director at Shalom Community Center felt that grantmakers and individual donors understood that they took the most difficult cases, and that this could be used strategically to help fundraising efforts.

Christensen and Ebrahim (2006) distinguish between three types of accountability: downward, or client-centered which includes assessments of programs and client surveys; lateral, coming from the staff and volunteers and relatively informal; and upward, coming from donors. In the previous chapter I developed the concept of organizational culture as empowering or supervisory. Christensen and Ebrahim's conception of accountability mirror, to some extent this distinction. Empowerment organizational cultures were laterally and downwardly accountable to their volunteers, clients, and to a lesser extent, to board members in ways that agencies with supervisory organizational cultures were not. Agencies with a supervisory culture lacked the check on power that downward and lateral accountability creates, and instead relied more heavily on upward accountability. Grantmakers and donors, both from federal and private sources represent upward accountability. Interviews with executive directors illustrate the differences in the extent of accountability between grants that were provided from federal and state sources compared to those that came from private foundations.

Government funding

Previous research has shown that organizations that rely on government contracts encounter increased accountability requirements, which results in a shifting of resources away from service delivery and increasing administrative costs (Kramer and Grossman 1987). Government agencies are also able to shape programs and performance measures through contract rules (Bennett and Savani 2011, Salamon 2002). Government funding can cause changes in the board of directors, increase complexity, formalization, professionalization, and bureaucratization—acquiring technical expertise and administrative infrastructure to satisfy funding, and reducing political activity because they are more focused on activities necessary for maintaining government grants (Gronbjerg 1993, Kramer 1981, Smith and Lispsky 1993, Stone 1996, Froelich 1999, Alexander, Nank and Stivers 1999). Smith and Lipsky (1993) examined funding of social services in Massachusetts during the Seventies, and show how there was a (justified) fear among agencies that accepting funding from federal sources (as opposed to private contributions) would compromise their missions. Federal funding, while providing large grants, requires an organizational structure that is expensive to maintain, and as historical funding patterns make clear, reliance on federal funding can put an organization in a precarious position.

This chapter focuses on how agencies responded to the reporting requirements that accompany federal grants, and how this affected decision-making within agencies. The previous chapter examined how federal funding affected participation, and the following chapter examines whether different funding streams affect advocacy activities within social service agencies. The case studies in this project illustrate some of the findings from prior research: government funding does require more complex reporting and this affects organizational structure and requires high levels of technical knowledge, leading to increased bureaucratization. Shalom's development of a new organizational structure to accommodate reporting requirements associated with a HUD grant clearly illustrate this. However, as I show below, funding requirements pose a set of challenges for nonprofit agencies that are difficult to overcome. Some agencies, like the Bloomington Housing Authority, have responded to these challenges by finding an executive director that posses the technical skills to implement highly detailed and complex reporting requirements. Middle Way House's crisis was driven in part by a lack of knowledge among board members and the executive director about a funding mechanism tied to a grant that was federal in origin, but private in execution, and their crisis seems to have been averted by the organization becoming more sophisticated in its understanding by recruiting more financially competent board members and by increasing fundraising from private donors. Below I discuss how each agency has responded to reporting requirements tied to government funding.

At Bloomington Housing Authority, the case is the most straightforward. The agency has a unique relationship with HUD. HUD provides the agency with ongoing funding and through this funding, is able to implement federal housing policy. The challenge for the executive director was to comply with HUD's rules as closely as possible, as this greatly decreased her reporting requirements and provided her with some flexibility to adapt HUD policies to the local environment. I provided an example of the complexity and detailed nature of these reporting requirements above, so here I focus on how government funding can be unstable, in addition to requiring creative strategies to manage when it falls short. In the quotation below, the executive director describes how HUD funding routinely falls short in providing the level of funding needed to operate the agency:

> "They [HUD] want that high level of performance, but they don't want to fund the staff to do that. It makes it really tough. The way we earn money for Section 8 is, let's just say that the average HAP [Section 8] payment is $450 that we pay on behalf of every client $460 a month. So if the average HAP is $450 a month and I have 1344 clients, well, maybe that is $7.5 million, but this year they are only going to give us six million. But the way I earn administrative fees, which they are only funding at 69 percent this year also, is by leasing 100 percent, but I can't lease up 100 percent if I don't have enough money. So I not only get 69 percent but I can't lease all the units because I don't have the HAP money to do that. Which further reduces my administrative capacity. So it is a really difficult thing to do. And I think a lot of housing authorities have gotten into a lot of trouble just not understanding the way that the formulas work. And what they need to do." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

To further complicate matters, Jennifer Osterholt explained how each year a funding formula predicts how much money an agency will receive, and that the agency then uses that to produce a budget. However, the money for that fiscal year is not allocated until the following October, meaning that Congress may decide to cut funding severely and agencies have to adjust late into their fiscal year in order to maintain a good standing with HUD (running a deficit triggers further budget cuts and increased oversight).

> "The way that housing authorities are funded, even though HUD has a formula and they say, under the formula this is what you should receive, Congress does not appropriate that much. So for instance, under the Section 8 program this year, even though our administrative fee, which is what we pay our staff and office operations with, should be a little over $800,000, we are getting $600,000 so all of a sudden you are going along, and you have staff and this operation and they say you are only going to get $600,000. What are you going to do to survive that?" (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

And:

> "We are what is called an October 1st housing authority, so my official start for my fiscal year is October 1st. I will find out what I am getting for that October 1, *2012*, in August of

> 2013. Well, I have already spent the money by then." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

Jennifer Osterholt described several strategies to reduce spending—from micromanaging dumpster usage to keeping close tabs on energy usage—to keep the agency's budget far below the projected budget, and then investing any excess funds quickly to avoid having HUD recapture them and decrease allocations in future years. Her most successful strategy was to gain control over the amount of money being spent on energy, one of the largest budget expenses and one she refused to hand over to clients by metering individual units (which is a strategy many housing authorities implement):

> "We pay all of the utilities for 310 units, that is a tremendous amount of expense. It was well over $450,000 a year and the first year after the $900,000 in energy upgrades we cut that down to about half. Since then I have negotiated a contract from Pro-Alliance to purchase gas directly from the supplier, which is the difference between paying $4 and $12 per unit. So that has saved us a tremendous amount of money…We own all of our gas lines, and all our electric lines. We have to have all of our people certified correctly. We have to have safety protocols. We have replaced all of the regulators at one site, this last year. We will do another site this next year. We are working on this all the time." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

This investment, combined with complex financial instruments, allowed the Housing Authority to invest in capital improvements to the units, rehabilitating housing stock that had depreciated after decades of use and poor management:

> "What we did when I decided that we needed to figure out how to do some major renovations, we sat down and did a ten-year plan and I looked at it and said what are the resources I can get my hands on and so we were able to put together? I don't know, maybe 3 or 4 million dollars, outside of what we receive as a housing authority? We did not do tax credits. We did a CFFP grant, Capital Fund Financing Program, which was a bond issue, we did an energy performance contract, which is a loan. And the way we pay that back is through the energy savings." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

Jennifer Osterholt was able to manage these complex financial instruments, and was comfortable overseeing a long-term plan that included capital improvements to the housing stock.

The threat of oversight and inspection from HUD was an impetus enough for Jennifer Osterholt to achieve an efficient organization, and ongoing reports held the organization accountable. Under her management, the Bloomington Housing Authority managed to overcome many of the challenges associated with government funding. The reporting requirements were exceedingly complex, but her professional experience and skills provided the agency with leadership that was able to meet HUD's requirements and even act strategically to leverage existing funding to build a stronger organization. When cuts in government spending occurred, Jennifer Osterholt was able to manage these cuts by shifting resources internally, and managing programs efficiently.

Middle Way House has the most diverse funding streams of agencies considered in this study. They receive money through two federal agencies, HUD and the Department of Justice, and had recently received a grant from the Department of Agriculture to build a roof-top garden. They also receive funding through state sources, including the Neighborhood Assistance Program (NAP). Toby Stout, the executive director, offered a very frank discussion of how difficult government funding had become, for a variety of reasons ranging from a sense that the grant-making agencies were attempting to catch you making a mistake, and deny your grant request, to more systematic issues with grants requiring the agency to step through multiple hoops, including hiring the right advisor. Here, Toby Stout describes the annual challenge of qualifying and reporting for NAP credits:

> "When we first started applying for NAP credits it was the most difficult application we did. Now we got $50,000 every year, which meant we've got to raise $100,000, so we said "oh well, we will do it, we will do the application." But it was not so much that it was an intellectually challenging application, or that was hugely heavy with data requirements, it was one where they tried to catch you making a mistake kind-of-application." (Toby Stout, Executive Director, Middle Way House)

And the challenges were ongoing because the agency that oversees NAP credit would barrage the agency with emails, requiring staff to sort through and respond to the emails that indicated a legitimate issue:

> "And then once you get your grant – this e-system thing that they are doing, whatever it is, we get a daily notice that we did not do something, or we did something wrong, and then they say, never mind, we have it. Or yeah, you did it right, it is just endless barrage of communication, most of it meaningless." (Toby Stout, Executive Director, Middle Way House).

Toby Stout also offered an example of how the agency was required to hire the "right" consultant in order to push an application for Low Income Tax Credits through the bureaucracy, something I heard again and again when speaking to grant writers:

> "Yeah, I mean early on in that process of applying for Low Income Tax Credits—I'm trying to remember how many time we submitted the application? Three times? I think. We got the same score all three times and we did not get the money. It was after the second time, we were talking to someone who was more or less friendly, and we asked, "What the problem was? What is it that we are not doing?" And this guy said "You might want to hire men." And I said, "What?" And he said nothing. And I said, "Do you have a recommendation for a consultant we can use?" And he said, "Yes I do." And he gave us the name of a consultant. We went to this person, showed him our application, and he said it was perfect. And I said, "Would you sign it?" And he said, "Yes." And we got the grant. Okay. Maybe there is another explanation, but…" (Toby Stout, Executive Director, Middle Way House)

Toby Stout continued to explain that this was a frustrating experience, because she took it to be a reflection on the agency's feminist position and its role in helping women—she felt that the management charged with overseeing Low Income Tax Credits was discriminating against Middle Way House and its primarily female leadership. Whether this was the intention, it illustrates the increasing reliance on consultants to legitimize the grant-writing process, inserting a potentially expensive third party (this consultant did not ask for or receive any money) to an already cumbersome process.

When asked to expand on her understanding of why federal and state grants had become difficult to access and complex to manage, Toby Stout went on to explain that part of the problem stems from cuts in state and federal funding for social services, making the state and federal agencies too lean to effectively manage their roles, placing more responsibility on the actual social service providers. For instance she explained that state cuts had reduced staff at the state level from four and a half full-time positions to a half-time position:

> "State government has been cut back an amazing amount. When I started working in this area I think we had four and a half project officers? Four and a half people we could call at the state and talk to about domestic violence, and we have had so many programs to develop. When we [domestic violence] left FSSA [Family and Social Services Administration] I think that there was half a person. What do you want from these people? Really? I felt sorry for her. Yeah, she would make me angry, but on the other hand, I would say, I don't know how she does it at all. So, if she does it badly, well okay.

> I mean it is ridiculous to think that one person, even full-time, can handle all the requirements, and to think that half of one person because half of her was someplace else." (Toby Stout, Executive Director, Middle Way House)

Another challenge of managing multiple grant-funding lines is that agencies can attach conflicting rules and requirements to grants. Here Toby Stout recounts how HUD had a different set of rules attached to funding than the U.S. Department of Justice. In this case it resolved between the agencies.

> "And then we got money from the U.S. Department of Justice Office of Violence Against Women for the Youth Empowerment Services Program. And then we ran into a perfect storm. Justice decided that transitional housing was 18 months. Basically it seemed that Justice and HUD were having a pissing match. And every time you would try to take it up with one or the other, they would tell you to take it up with the other one. And I was like, "No, we have no power in this. We are not players at your level. You have to work it out." And eventually the 18-month thing went away and so I guess Justice conceded on that one." (Toby Stout, Executive Director, Middle Way House)

Other requirements that are attached to grants influence programing, sometimes resulting in agencies having to navigate conflicting requirements:

> "HUD in particular requires you to have a certain level of outcome and Justice insists on voluntary programing—you may not require anything from the people you serve. It is difficult – I like the voluntary services model [an approach to domestic violence where victims are invited to be helped, but it is always their choice whether they access the help], and we have had it long before it became a buzz term, but it is very difficult to do both. So you know, HUD wants all of your people to have developed a budget. There are very few things more depressing developing a budget when you have no money – it is just an exercise in proving that you don't have any money… So you turn yourself inside out, and you turn it into a game, a contest, there are prizes, but do you know how much time it takes? So now we are in the business of basically selling our services because we can't require them. In a way it is not very dignified to require grownups to make use of your services and it is not terribly dignified to trick them into playing a game. And yet do I think we should have to report outcomes? Yes! I don't think we can use the taxpayers money and not be held accountable. It is a difficult world." (Toby Stout, Executive Director, Middle Way House)

Middle Way House and other domestic violence shelters have developed a system of self monitoring that initially was implemented to maintain their independence and allow agencies to comply with their feminist values, but today translates into more work for agency directors, who have to allocate time to both complying with the rules of an association of agencies, while also serving on committees and evaluating the performance of other shelters:

> "Many years ago, many, many, the membership organization decided that it was hugely important that we self monitor, so they don't send the men in the three-piece suits with their attaché cases to do it for us because that would be terrible. I never really actually agreed with that. For the first several years of our monitoring I would have taken the man in the three-piece suit with the attaché case any day. We were monitoring each other, because there was no money to do it." (Toby Stout, Executive Director, Middle Way House)

This self-monitoring serves as a form of third-party certification of domestic violence shelters where the annual audits are performed by uncompensated directors of partner agencies. By participating in the monitoring program, agencies can signal to grant-makers that they meet the basic requirements of procedures and practices, making them eligible to apply for domestic violence funding from state and federal agencies. This is in addition to an annual external audit done by paid professionals, which is required of agencies that receive this funding. Here Toby Stout describes this audit:

> "And what is even more brutal is the auditors. We have enough money that we have to have an independent auditor. They read the applications we wrote to independent foundations, and then they follow the money." (Toby Stout, Executive Director, Middle Way House)

Middle Way House manages many requirements that are associated with their federal and state funding streams, and like Bloomington Housing Authority, have built an organizational structure that allows them to maintain compliance.

Up until this point, I have described what I consider to be the normal operations for Middle Way House—they have a series of programs and they juggle staff, grant funding lines, and client's humor as they maintain compliance with a long list of requirements. But Middle Way House was also juggling a crisis—the Low Income Tax Credits that were so challenging to receive had brought with them a fiscal challenge, and this coincided with an economic downturn that undermined the financial security that the agency had achieved.

The origin of the crisis goes back fifteen years to a time when the external accountant at the time negotiated Low Income Housing Credits (LITC) on behalf of Middle Way House to finance a mortgage, and then became suddenly sick and abruptly stopped responding to phone calls. Other board members and the executive director did not understand the implications of the arrangement she had made, only that it allowed them to maintain operations with less costs. Nor did the audits and accounting that I mentioned above act as safeguards to alert anyone within the organization of this pending mortgage, held in suspension by LITC for fifteen years. The accountants who sat on the board and managed the finances did not anticipate what would happen when the mortgage came due, until it came due right after the agency had taken on an enormous rehabilitation project. Here one board member describes the convergence:

> "The federal government, gives out x number of dollars in for income tax credits. Typically, when they go to not-for-profits, you don't pay income tax, so those credits are sold as any other commodity would be. Back when I was more deeply involved with that, a not-for-profit could either sell them outright to a single corporation or syndicate them to a broker who distributes them. And you would get maybe 60-64 cents on the dollar. That is about what Middle Way got. But part of the arrangement placed constraints on who you can serve. It is a 15-year period where whoever buys them pays you back on what they saved. The money does not come all in one chunk, and it also calls for the creation for a wholly owned for-profit subsidiary. So up until just a few weeks ago, Middle Way had Middle Way Development, which owned 1/10 of 1% of the Rise and 5/3rd bank owned 99.9 percent. And at the end of the 15-year compliance period we dissolved the partnership and Middle Way Inc. acquired the other percentage. So we own The Rise (an apartment building) now. But of course there was a mortgage on it. So what we are doing now is trying to find a way to re-negotiate the mortgage with 5/3rd bank. It is tricky. We got a rate at, let's call it unfavorable rate, this was with Old National [bank], they had the tax credits." (Board member #2, Middle Way House)

And here, another board member explains how no one on the board suspected that the LIHTC would end and cause a problem:

> "The whole thing [The Rise] was designed to operate at a loss. So we were given this huge reserve because it was designed to operate at a loss. I was not on the board when this whole thing was set up, but that was all great. And at the end of the 15 years, which ended this year, the partnership could end and we got The Rise for a dollar because we were the general partner, and we had a .1% interest. And the limited partner, which was Lehman Brothers, and is not 5/3rd, they got 99.9% and every year we got a loss, and they got 99.9 of the loss and we got 1% and their equity dropped to below zero, so at the end of the partnership they have no equity so we bought them out for a dollar, which is all good. But no one stopped to ask, we have an operation that looses money and it is on Middle Way's books." (Board member #3, Middle Way House)

On one hand it seems egregious that Middle Way House did not know about their impending responsibility for a major loan, reflecting what one board member took to be a semi-pervasive attitude at Middle Way, and one that was associated with the executive director:

> "I tell Toby, "You are faith based." She just has a faith that it will work out. And I am, because I am a CPA and I am on the financial side, I voted against a lot of the things we have done. Because I am risk adverse, and I see all the potential risk, and how overleveraged we are, and the finance committee has often voted against things that the board has voted for. When I first started on the board, Toby told me that it does not work on paper—well you know, CPA's don't like things that don't work on paper. So every day we are open it is a good day." (Board member #3, Middle Way House)

Alone, the impending mortgage was a significant, but manageable challenge. But before the mortgage would be transferred to Middle Way, the board decided to expand its operations by rehabilitating an old bottling plant and transforming it into a shelter, with staff offices and a day care center for the children of domestic violence victims. The money for the expansion was raised locally, through a major fundraising effort, and here the same board member describes how the initial ease of raising the funds was followed by an inability to raise the remaining money once the costs went over:

> "We had a plan and we had a goal, and we made the goal. But then it turned out that the estimate for the building was too low, and the cost of the building was going to come in about $750,000 more than we raised. And the finance committee wanted to cut back. We wanted to cut it back to the original, and Toby's position and [another board member's] and most everyone else on the board was like this is our one shot. And because it was so easy to raise the first chunk of money they thought they could do it. They did not think about how we were taking the low-hanging fruit. People would do $10,000 once, but the second time around it is like there are all these worthy causes...We have a ton of debt and we have a building. And you know, we are stuck." (Board member #3, Middle Way House)

The cost overruns caused a lot of difficulties. The board did not scale back the plan, and once built, Middle Way could not pay the builders on time, and they filed a lien on Middle Way, which was reported in the newspaper. Middle Way then had a public relations challenge, as donors began to question the viability of the agency. I discuss this again below, but share it here since it was a contributing factor to the crisis. What really drove the crises home was the downturn in the economy. People who had promised Middle Way a donation rescinded their offers as the economic conditions continued to deteriorate, and Middle Way was unable to pay the construction bills. At the same time, federal funding through HUD was scaled back, particularly for emergency services (by 23% according to Toby Stout), meaning that the agency had to struggle to make up for spending on operations and staff salaries. And more recently, HUD has announced that it is reducing and eliminating funding for the transitional housing program that Middle Way designed its apartment complex to accommodate and is shifting that funding to the kind of "rapid rehousing" program that Shalom Community Center recently received a grant to manage.

The point that I find most compelling here is that yes, Middle Way mismanaged its resources and overextended itself, perhaps mixing naiveté with too much optimism. But Middle Way also ran into trouble because it lacked the expertise to know what the consequences were of using an LIHTC mechanism to fund a previous expansion, and it was deeply affected by bad timing, expanding during on the eve of an economic downturn. Rather than increase funding during this downturn, in part to compensate for the decline in individual giving, federal funding f also reduced. This instability in federal funding deepened the crisis at Middle Way House.

Throughout my discussion with board members and the executive director at Middle Way House I was struck by the high level of passion and competence each member brought to the agency. It impressed upon me that if people who are paying such close attention and take their roles as board members as seriously as these people do, cannot anticipate the consequence of am LIHTC, then perhaps this financial instrument, which brings a great deal of benefit to its corporate partner but is not comprehensible to the nonprofit organization, might not be a valuable tool. Direct payments to agencies with the assorted rules and requirements have a created a disciplined organizational structure that manages its resources effectively, but the illusion of a mortgage without payments, based in part on it being a "money losing endeavor" does not translate into the logic of nonprofit organizations where money and profit are not the primary foci for decision making.

Shalom Community Center received, until recently, over 80 percent of its annual funding from private donations. As this changed, so did the organization, as I described above. While many of these changes are outlined above, here I focus on the specific rules and requirements that

Shalom reported as associated with their new government funding:

> "Yes, it is certainly changing us. I think that at this point it is for the better, but it does ask more of us in terms of administrative and financial management, it asks more of us in terms of grant administration, which is cumbersome. And it asks more of our clients because there is more documentation, so that it turns more of our staff because we then have to spend energy on that documentation. So that is different from the individual donor who does not care if we don't absolutely prove 100% that this person is 130% federal poverty line. So just as an example, we have been told by Crawford Apartment [the name of the apartment and its management team] they need to get birth certificates for every client. Originally it was just IDs which we helped them procure. So now we have to get birth certificates, and that is time, and energy and money, and something we would not have to do with an individual donor." (Forrest Gilmore, Executive Director, Shalom Community Center)

Beyond having to tighten their requirements for who is considered "poor," the new funding was viewed as allowing the agency to do something that they felt was critical for the people they served. Both Shalom and Middle Way were driven in part by what funding was available—Toby Stout explained that when Middle Way developed their transitional housing program, part of the driving force was that there was grant money available to fund the program. Here, a board member explains that Shalom also builds programs based on funding availability:

> "My sense has always been that most of our operating costs are locally funded, if we start a new project, that is usually because we have got new funding for it, we have gotten a grant. We don't do a building project without a grant, we don't, we can't do the legal clinic anymore because we can't get a grant for it, but we are going to do a rapid rehousing thing and it is coming from a grant." (Board Member #2, Shalom Community Center)

However, a key difference is that Shalom has been able to maintain a great deal of flexibility because the magnitude of its funding, up until this point, has been relatively modest and not capital intensive. After building Crawford Apartments, and investing in building the staff and organizational capacity to manage this, Shalom will be in a similar position to Middle Way House—dependent on federal funding for programs as well as for organizational costs. This binds an organization to a funding stream, making it vulnerable to changes in the external funding environment.

Martha's House had just lost federal funding, and is an example of how instability in federal (and in this case, local government) funding can undermine an agency's financial position. Martha's House had received a sizable grant to manage a rehousing program, and from this had paid operational costs for some staffing. For several years it had also received financial assistance from the Perry Township Trustee, and as it struggled financially and lost its executive director, the Township funding was reduced. Without the organizational capacity that an executive director provides, Martha's House was unlikely to secure another large federal grant, particularly under the leadership of the board, which was committed to the cause but unwilling to engage in the kind of fundraising and leadership Martha's House needed to regain financial stability. One board member explained that after a year when sequestration had reduced its budget further than expected, he had begun (and continued) to bankroll the payroll from his own savings:

> "You know, I have my wife and I have some savings, and when I can't meet payroll, I write a check. So, I don't get an ulcer. It's easy for me to write a check than to get an ulcer." (Board member #1, Martha's House)

This level of financial commitment to an organization, while extreme, was not unique. Several board members and executive directors regularly took pay cuts, capped their salaries, forewent a salary, or otherwise redirected significant personal resources to maintain the financial viability of the agency they were involved with. Below I discuss less dramatic forms of private giving and how this generates some, albeit fewer, rules and requirements from donors.

Private Giving

Trends in private giving, especially from individual donors, suggest that this group is moving toward asserting more control over how donations are used. Ostrander (2007) argues that trends in philanthropy have moved toward a model where the donor actively determines what he/she is most interested in supporting and then creating a project or influencing an existing project toward meeting this goal. This echoes Rolefs (1987), who argues that the work of attracting funding, especially from foundations, has come to define the agenda of nonprofit organizations, and has shifted nonprofits from serving clients needs to serving the interests of elites. Eikenberry (2012), in her research on giving circles, shows that donors are becoming more strategic by pooling their resources and are then able to have a greater impact, while also increasing their influence in how their donations are used.

Donors are able to restrict which program within a charity they support when making a donation (Gronbjerg, et al. 2000), which can shift organizational goals within a nonprofit, giving easy-to-fund programs priority. Changes in how donors give have compounded the issue of donor control. Old models, like workplace charity, have been replaced in part by donor-choice (Barman 2007), owner-directed foundations (Frumkin 1997; Salamon 2002), giving circles (Eikenberry 2012), philanthropic advisors (e.g. Rockefeller Philanthropy Advisors), and owner-advised funds (e.g. Fidelity investments Charitable Gift Fund; Ostrander 2007). These innovations in giving encourage donors to think of themselves as "partners" and to become more involved with defining how agencies use funding to achieve a goal. Ostrander (2007) suggests that the process might be driven in part by agencies themselves; that in an effort to appeal to donors amidst tightening funding sources, agencies have created room for donor involvement within organizations.

In Bloomington, donors are recruited by multiple agencies and choose which to support. This is not always easy, with some board members explaining that among their friends, they agree to "take turns" with one another's causes. Giving in Bloomington has not achieved the kind of sophisticated forms it is taken on elsewhere, and philanthropic advisors are absent, as are owner-advised funds. In its stead is the Bloomington Community Foundation, which will set up and maintain long-term funding for specific agencies in accordance with a donor's wishes. These funds are rare, but it is clear from the Community Foundations' tax report that they manage significant resources that benefit some organizations. There are few private foundations either. Middle Way received one major private grant, and other agencies had few, if any. Donors in Bloomington also did not place restrictions on grants, nor did they demand a great deal in return for their contribution. Shalom and Middle Way both "rewarded" large donors by inviting them to private parties, where they could associate with one another, and thanked them publically for their support. And of course donors often served as board members, giving them direct control over agency policies and programs. I don't think, however, that this was always an appealing prospect to donors who understood that this commitment would require a great deal of their time and considerable resources.

Private giving as I am using this in my research refers primarily to money received from individual donors, although some agencies had received grants from private foundations, and others had begun to tap into giving circles, which were beginning to be established. Strictly speaking, the Low Income Housing Tax Credits that contributed to Middle Way's financial crisis could also be considered a source of quasi-private funding. The Lehman Brothers Bank partnered with the agency to make the funding available, although the exchange was brokered by the federal government.

In recruiting donors, agencies often sent out mailings, but board members also cultivated donors in one-on-one meetings, informally through their networks and in incidental meetings. Executive directors (and some board members) made presentations to groups to expand knowledge of their organization and appeal to the group to make a donation. These presentations often occurred at fraternal organizations, but also at workplaces, and occasionally at churches. Here I share the strategies for recruiting donors used by Shalom Community Center and Middle Way House, and briefly Martha's House.

Middle Way House had strategized (unsuccessfully so far) to tap into churches as a way of expanding their donation base. One board member had been recruited as part of this strategy, however efforts to convince churches during outreach activities had fallen far short of expectations:

> "We get very little funding from churches, from the faith-based community, locally. My partner is really active in his church, the First [does not recall]…Caleb Wood is the pastor, and Jack somebody, it is the one on Third Street, it kind of has a red finish on it. So they are pretty progressive, they have a shit-ton of money. Like a lot of money, and we have gone there and made presentations, and they investigated us, and we have, made, you know, developed a relationship…[Did they donate?] No, not substantially. Not substantially, at all. And you know, there are things that are, some of the aspects of this

> are political. We have buildings and they are expensive, and they are nice looking and we are big, and we have a presence, and it makes people think that we don't need it." (Board member #2, Middle Way House)

Shalom Community Center had a real advantage in being closely aligned with a church that supported its mission financially and provided the agency with a large pool of potential donors.

Shalom Community Center and Middle Way House both actively encouraged board members to tap into their existing networks to encourage giving. This was most evident at Middle Way House where the board had developed the "bird in hand" fundraising campaign, encouraging donors to pay down their mortgage. However, not every board member felt comfortable fundraising, something I found when talking to board members at other agencies as well. At Middle Way the effort was led by two members, and others felt either ambivalent about asking for money from acquaintances or downright uncomfortable. For instance, one board member felt incapable of doing his part to raise money:

> "I talk, but I guess what I am not good at is cold calls, walking up to people, and saying in effect, you're my millionaire good friend, will you please fork over and support Middle Way house?" (Board member #1, Middle Way House)

Framing "the ask" took a high level of social skill, and for this reason agencies relied on the less effective letter campaigns. These offered board members a more comfortable distance from which to approach donors and were widely used by Shalom and Middle Way House. Martha's House, on the other hand, bemoaned the difficulty of securing a "decent mailing list," and had little success with mail campaigns (they struggled with every aspect of fundraising). During my fieldwork I read letters from several agencies and they all followed a similar structure. The letters stated the mission of the organization, identified a concrete way that the agency meets that mission, and then asked for support from individuals to help the agency continue. Letters varied in terms of how personalized they were, whether they contained an anecdote from a client, or if they contained "hard data" that showed how many people had been served. Fundraising letters balanced being emotive and informative.

A report prepared by the Center on Philanthropy at Indiana University (2007) estimates that 26 percent of households earning less that $100,000, donated an average of $365 to agencies that help to meet basic needs, and among households earning between $100,000 to $200,000, 46 percent of households made an average contribution of $657 to agencies that help to meet basic needs. Board members I interviewed were not comfortable talking about the specific outcomes of fundraising campaigns, yet publicly available reports from Bloomington agencies suggest that the average mailing campaign in Bloomington has approximately a 3-8 percent response rate with an average single return contribution of $135. Board members explained that people in Bloomington who donate tend to donate to several agencies, suggesting that this number might be inline with national levels of giving. Wealthy donors are encouraged to donate during face-to-face meetings with board members, an ongoing challenge for board members at agencies where this donor cultivation is expected. Professional organizations that specialize in fundraising mailings have a much higher success rate, using market data to predict which addresses are likely to respond. For instance, Backstreet Mission, a religious-based shelter, paid Grizzard Communications Group, Inc. $51,248 to conduct a mail solicitation, Backstreet Mission's netted $187,667 in contributions (Form 990 Backstreet Mission 2010).

On one hand, the three agencies that received private donations in this research reported that these donations were free of expectations and requirements, and viewed these donations as signals that the community trusted the agency.

> "I feel like the [private] donors are very supportive of our crazy ideas and are very invested in us serving and supporting people, and so, I felt other pressures. But I have not felt pressures from our donor base. You know there are always exceptions here and there, people who don't like that we do this or that and so they stop funding us. Every organization has that. But we have some amazing and incredibly supportive donors, and well I would love to see more, we have some great ones who are very supportive, give a lot and are all about what we do." (Forrest Gilmore, Executive Director, Shalom Community Center)

However, with the economic downturn, agencies were having a more difficult time maintaining their private funding, and as the executive director at Shalom shares, there was some concern that this was a result of recent negative press about homeless people in general, not specifically about Shalom:

> "Our individual donor base has not grown over the last few years, and it is hard to know if that is due to negative publicity or that is due to an economic challenge. They both happened at the same time, so it is hard to really know. But we should know in a year or two because the economy is turning around, whether our individual donor base will increase or not." (Forrest Gilmore, Executive Director, Shalom Community Center)

Concern over public opinion mattered a great deal at all three agencies. Board members from Middle Way House shared their concern that part of the current difficulty in developing new donors was related to the ongoing negative press about their funding shortfalls, specifically a report that appeared in the paper that the builder had filed a lien when Middle Way failed to pay their bill:

> "And when you know, people toss around words like you're in default, and we are depending on the trust of the community, a relatively finite pool of high-end donors, and modest donors, who rely on us to manage all of this, it is not enough that people know about this crap, but they do know that we need to be clean and upright, and when a bank even mentions that we are really in default, and they went to great pains to express the political downside of them calling us on a default—it would be like a giant bank picking on little Middle Way house—it takes a lot of capacity to control that if it ever gets out. You know, we are a one-paper town." (Board member #2, Middle Way House)

More specifically, a board member recounted how she was concerned that a "big donor" would withdraw her support:

> "We had one anonymous donor who gave us $100,000 who was very upset by that. To her it looked like we didn't have a budget, didn't have a plan. That we were caught flatfooted. And it. . .that is not something you want to do with someone. She had at one time been married to a [wealthy family], so she has access to money. So it is not the kind of person you want thinking that you are not managing your money well." (Board member #3, Middle Way House)

Middle Way House's concern over losing large donors was palpable. For some board members, the financial difficulties the agency was experiencing were exhausting them, and for all members it looked to be a difficult process to move the agency forward. Private funding was a key strategy for moving forward, however, and I got the sense that the board was working to minimize the existing problems and to expand its fundraising by focusing on the capital improvements that had been made, and Middle Way's overall benefit to the community. Rehabilitating an old factory that sat on the edge of the downtown district was a benefit that board members felt would make an excellent selling point to community members.

The community's attitude and how this factored into an agency's decision making was revisited during every interview. The donors to Shalom Community Center were presented as being unwavering—that once people became donors, and there was a large base, their donations continued. Middle Way House, however, admitted to having more difficulty building this base of support and maintaining it, although they clearly had a lot of success and had achieved a great deal. Shalom's advantage came from two points: one, their strong church support base, and two, the clients they served. Shalom's tight ties with the First United Methodist Church offered it a strong base of supporters, and this base, with a closely tied network, is self-reproducing. Shalom is part of the conversation among the churchgoers, and one imagines that it Shalom is also mentioned occasionally by the church leadership.

Another reason for the difference in reliable community support may be the kind of clients each agency serves. Shalom does help people who are experiencing poverty, as well as the chronically homeless—two groups who are often viewed as being lazy and undeserving. The homeless in Bloomington receive significant negative press, and are regularly featured in the local newspaper, where discussions of panhandling and homeless people sleeping in parks cause quite a debate. The City's leadership and the newspaper editor take an aggressively negative view, appearing unsympathetic. This might actually benefit Shalom as people think that they should "do something," and making a donation to Shalom is the easiest thing for them to do. Victims of domestic violence and sexual violence do not make compelling headline news, except in the most extreme cases, and when they are in the news it apparently lacks the compelling force that moves people to act. As one of the board members said, "But when you get to people who are beat up—particularly women who are beat up—it just gets dicey."

Conclusions

Governance of nonprofit organizations comes from several sources and has a different influence depending on internal organizational culture, management, mission, and other sources of funding that are available. Field-level actors affect decision making by providing a generalized organizational form, imposing some field-level constraints on what kind of activities an organization can engage in, influencing funding streams, and deploying consultants to communities to communicate and develop the kinds of organizational capacities that large-scale funders demand. Nonprofit organizations differ in what they seek to maximize—empowerment agencies tend to maximize focus on clients, while agencies that are supervisory focus on maintaining and developing strong reporting environments, which facilitate ongoing grant support. Funding however, was a key variable in determining organizational structure and missions. Organizational structure was a reflection of an agency's need to manage reporting requirements, and varied according to funding source. Agencies that received government funding had developed more elaborate reporting structures, compared to agencies that relied on private funding. The magnitude of funding was most relevant in this distinction, with larger grants requiring more sophisticated reporting systems. Private funding required finesse and donor courtship, and this demanded a different set of organizational skills.

The other finding from these case studies is that as federal funding becomes increasingly dependent on private mechanisms and as this funding becomes tied to complex financial instruments, agencies require increasingly sophisticated understandings of finance, which currently exceeds the capacity of one of the largest agencies in Bloomington. As I showed in the case of Middle Way House, reductions in federal support and increased need to rely on private giving to meet budget shortfalls left the agency in a vulnerable position. This case also illustrates the challenge of depending on federal funding—that cuts in funding occurred during an economic downturn, and private giving also was reduced due to the same macro economic cycle. It would be one thing if reductions in government spending corresponded to an increase in the pool of money available among private elites and a tax incentive was available to funnel those resources into private charities, but this does not seem to be the case. Instead cuts at the federal level corresponded to a decline in the available resources among private foundations and households, leaving nonprofit social service providers without the resources they needed to maintain the programs that they had developed.

CHAPTER 5: ADVOCACY EFFORTS IN SOCIAL SERVICE AGENCIES

The end of the Charette, a weeklong meeting in City Hall where service providers came together to develop a plan to end homelessness in Bloomington, coincided with the closing of the Interfaith Winter Shelter for the season and the non-start of a summer shelter that would protect homeless people from the frequent summer thunderstorms and occasional tornados that come through south-central Indiana, not to mention the heat, humidity and mosquitos. Genesis Summer Shelter had stopped providing its service the year before, attributing its closing to volunteer fatigue. A recent college graduate had spent months mobilizing support for a new summer shelter, but had yet to convince anyone to allow her group to lease the space the group needed. She spoke publicly at events and City Council meetings, appealing to the public to help her overcome this barrier. She had managed to gain a large number of supporters and had put together an organizational plan that addressed concerns like volunteer training and emergency procedures. This woman had close ties to Shalom, having volunteered there for months, and worked closely with homeless people in the community.

With her efforts failing, homeless people and their supporters (the extent of her involvement was unclear) began to engage in more aggressive tactics to call attention to the issue of homelessness. First they organized a tent to be put up on public property and camped out in it for several nights before the City forced them to remove it. Then they marched to City Hall, toward the end of the Charrett, to protest the lack of a shelter. Forrest Gilmore, the Executive Director of Shalom Community Center was at the Charrette, and it was an interesting moment where he had to make a decision to publicly side with the protestors or approach them with caution. To students of social movements, it was not surprising that he approached the group at arms' length, distancing himself both in his posture and in his words from their demands. But to those marching and demanding that their needs be taken seriously, that their voices be heard during this formal process to develop a plan that affected them, this must have seemed like a denial of their authenticity.

It occurred to me, as I observed this protest event and watched the faces of the protestors on the steps of City Hall as Forrest approached them in a hesitant way that the previous executive director at Shalom, Joel Rekas, might have approached this differently. He embraced contentious moments where lines were drawn and the public was reminded of the issues in front of them. For instance, he publicly objected when the board moved Shalom Community Center from its original place in the center of downtown to a much larger, and in many ways more useful, but marginal location. He bemoaned removing from public view, and in his mind from public discussion, the spectacle that long lines of people waiting for the doors to open that awaited downtown commuters weekday mornings.

Service providers who were old enough to have lived through and experienced the expansion in the social safety net during the 1970s became pointed when discussing its collapse in the 1980s. Joel Rekas explained that he "came out of college in 1972, armed with my bachelor's degree in Sociology, and ready to get out there and start making a difference." Having his start in the Model Cities program, part of the Johnson Administration's War on Poverty, Joel Rekas saw first-hand how large government programs were rife with administrative challenges, leading to inefficiencies, but simultaneously offering the ability to help front-line service providers. He recounted how easy it was to open a shelter with city support, bypassing the need to convince individual community members to donate and instead charging expenses to a city line of credit. Over his lifetime, Joel had been part of initiating several programs, including Shalom Community Center. Some were in partnership with local government offices, and even these he described as a "very organic" process that "didn't come from a directive from the Feds…it is just [something] people started doing, just realizing things need to be done, and the government came on board later." Early social service agencies had a lot in common with social movement organizations in that they represented a community-rooted attempt to address an issue that required them to leverage their resources and overcome significant challenges to success. However, unlike social movements, social service providers are quick to achieve legitimacy and are able to garner resources from multiple sources. The problem is that sometimes these resources can be used to maintain the agency even when its utility has declined, or the resources can contribute to reproducing the organizational structure and marginalize the needs of people who need assistance. A recent example of this are the convalescent homes for people infected with HIV. As anti-viral therapies have become effective, the need for these homes has declined markedly, yet the organizations are being maintained (although they are slowly closing down). On one hand, this is a magnificent success, but for those who have spent their lives building these organizations, the end is bittersweet. How do agencies overcome this internal conflict of interest and advocate for their clients, working to end their dependence on their assistance?

In this chapter I consider how previous research has identified processes whereby internal organizational characteristics and the external environment affect advocacy activities within organizations. I show how challenges in legal meanings attached to the conditions of nonprofit organizations drive some of the lack of overt advocacy that nonprofit agencies engage in. I then build upon prior definitions of advocacy and present a schema that reflects two dimensions of advocacy that agencies in this study engaged in: 1) “resource advocacy” or efforts that are directed toward increasing resources; and 2) “rights advocacy” or efforts that are directed toward increasing clients’ rights. Resource advocacy can range from a weak form, e.g., bringing additional resources into an agency for staff salaries. Or it can take a strong form and be more client-centered, e.g., securing a grant to establish a new program or expand existing services. But in its strongest, most radical form, this type of advocacy transfers the resources directly to its clients, giving them control over the resources. Likewise, rights advocacy ranges from a weak form, i.e. educating the public about an issue, to a strong form, i.e. working with policy makers to promote an expansion of the rights for agency clients. Using these conceptions of advocacy and interviews with executive directors and board members, I show how these agency leaders use their position to engage in strong forms of rights-advocacy and resource advocacy. Ties to national or state field-level organizations that promote advocacy efforts within service subsectors support these efforts, possibly pushing agencies to develop strong forms of rights advocacy. Using Facebook status updates for two years (2011 and 2012), I show how two agencies successfully use this medium as an advocacy platform to encourage a greater understanding of the issues that face their clients, and to encourage community members to donate money to the agency. I conclude by discussing the role of organizational culture—empowerment vs. supervision—in contributing to forms of advocacy, suggesting that agencies extend their client-focus through their advocacy activities.

Influences on Advocacy

In addition to imposing rules on the organizational structure of nonprofit agencies, discussed in the previous chapter, the IRS also imposes rules on what kind of activities nonprofit organizations can engage it. For instance, supporting or opposing candidates running for office is illegal. Lobbying is permitted as long as it is not a "substantial" part of organizations activities. Public education or voter registration can be done without limits. However, funding sources matter—when an agency receives government funding, then these funds may not be used to directly support lobbying. Additional rules are made by the Office of Management of Budget, from funding agencies, and from state and local officials, creating a legal environment that is uncertain and complex (Chaves et al. 2004).

Berry (2005) explains that part of the confusion around nonprofits and advocacy is rooted in the definition of a nonprofit itself. The Internal Revenue Service distinguishes between 27 types of nonprofit organizations, ranging from labor unions (501c5) to cemetery associations (501c13). All share tax-exempt status, but only public charities, or 501c3s (here referred to as nonprofits) can claim a tax deduction on private contributions that are made to the organization. It is this granting of a tax deduction to donors that allows the government to regulate how nonprofit agencies use their funding and is the basis for making "too much" lobbying illegal. Berry (2005) surveyed nonprofit agencies that represented politically marginalized populations and found that this lack of clarity over what constitutes "substantial" lobbying is compounded by misinformation among agency directors and board members, and that few of the agencies sampled that had a good reason to advocate on behalf of their clients did so in a measurable way.

Nationally the National Council of Nonprofits promotes nonprofit interests and sets an annual agenda. Claiming over 25,000 members, they act as a "coordinator and mobilizer" to push a collective agenda forward at the national and state levels (http://www.councilofnonprofits.org/). Gamson and Meyer (1996) argue that this kind of umbrella or federation provides a political space that increases attention and resources for an issue—by drawing members from diverse communities, the federation commands respect and power, giving them access to policy makers. And this seems to be confirmed by Balassiano and Chandler (2010), who used web-based surveys to identify how this kind of association influenced the role of advocacy in nonprofit organizations. They found that members of the National Council of Nonprofits engaged in a diverse array of activities that are policy related, ranging from tracking legislation and educating member organizations to actually lobbying on behalf of nonprofits. However, member agencies are organized at the state level, providing room for variation in how this umbrella organization actually helps to mobilize members. In Indiana this organization is represented by the Indiana Nonprofit Resource Network, which provides education and leadership training opportunities to nonprofit organizations and is broadly funded and managed through the United Way agencies in Indiana. The Indiana Nonprofit Resources Network focuses primarily on holding workshops that connect consultants and professionals with board members and nonprofit staff, teaching them skills ranging from volunteer recruitment and management to developing a board that is effective in fundraising. The workshops are advertised in a monthly newsletter. In the four years I have read it, I have never seen any information conveyed that relates to educating readers about ongoing political processes (even related to identifying changes in funding streams) or information about how an agency could promote the interests of their clients at the state or national level. However within social service sectors (homelessness and poverty generally, but also specific organizations for domestic violence) there are field-level actors that offer a more promising approach for expanding the possibility of advocacy, which I discuss in more below.

Given the confusion over whether nonprofit agencies are allowed to engage in advocacy, it is not surprising that research has been directed at identifying how government funding affects advocacy efforts within nonprofit social service agencies. Wolch (1990) predicted that as public funding became more essential for nonprofit survival, they were likely to be co-opted by government, decreasing their advocacy activities. Some thought that because government funding requires a great deal of time and energy to manage, it would reduce time for other activities. For instance, a study of nonprofit organizations in Ohio shows that when an agency began receiving federal funding, it reduced its attention and energy away from service delivery and advocacy (Alexander, Nank, and Stivers 1999). Another concern was that government funding restricted an agency's ability to help people by restricting activities. However, Chaves et al. (2004) used representative data on nonprofit organizations in Minnesota and found that receiving public funding does not suppress political advocacy (and might even increase it).

Little research has examined how private funding affects advocacy efforts among social service agencies. Mosley and Galaskiewicz (2010) examined how foundations changed their patterns of giving to social service agencies during and after welfare reform in 1996, finding that initial increases in giving were quickly followed by a return to pre-reform levels. They did not investigate how this funding affected practices within the social service agencies. Other researchers have examined how private foundation funding affects advocacy efforts amidst advocacy nonprofits, such as civil rights, feminist organizations, and voter education groups. Jenkins and Halci (1999) found that foundations tend to support organizations with narrow missions and more professionalized staff, a finding that subsequently was supported by Minkoff and Agnone (2010).

A related line of research has examined how internal characteristics affect advocacy efforts. This research is particularly concerned with whether agencies that start as social movement organizations decrease advocacy efforts after becoming nonprofits. Zald and McCarthy (1987) found that incorporating as nonprofits allowed social movement organizations to mobilize resources, but that eventually they lost alliances and evolved into more routine forms of advocacy. Cress (1997) examined homeless organizations, and found that becoming a nonprofit did not necessarily moderate the tactics an organization used, but rather what mattered was the pathway to becoming an NGO that an agency took. Agencies that voluntarily became nonprofit organizations and whose resources did not change as a result, did not moderate their tactics.

Analysis of Form 990 data of the 35 nonprofit social service agencies in Bloomington reveals that only three (9%) reported spending organizational resources on lobbying efforts. All three agencies that reported lobbying expenses were health care providers: two that provided services for people with developmental disabilities and one that provided reproductive health services. Interviews with executive directors and board members at the four case study agencies in my study revealed that most agency directors and board members were unsure whether their activities were considered advocacy, and some interviewees were uncomfortable with the question because they believed that they were being asked about participating in activities that they were technically not allowed to engage in. In fact, only one executive director was both comfortable and had accurate knowledge about the kind of advocacy activities that the organization was allowed to engage in, and was able to report a set of activities that she regularly participated in that would meet a traditional definition of advocacy. She reported regularly following legislative processes, appearing in front of the Indiana legislature to testify, and regularly meeting with elected officials as part of her responsibilities as the director, but pointed out that given the number of hours she worked a week, none of these were substantial activities. She also admitted that she refrained from using any agency resources when she engaged in political forms of advocacy, to avoid any potential penalties to the agency.

Lobbying is a narrow definition of advocacy, and does not capture the more common forms of advocacy that I observed in the field (discussed below), and that other researchers have begun to consider as alternate forms of advocacy. Andrews and Edwards (2004) explain further that tax data underestimate the extent to which nonprofit organizations engage in advocacy because agencies engage in activities that would still fit a broader definition of advocacy.

Defining Advocacy

Schmid et al. (2008), in their study of advocacy activities of Israeli nonprofit organizations define advocacy broadly as "activities aimed at influencing the social and civic agenda and at gaining access to the arena where decisions that affect the social and civil life are made." Jenkins (2006) provides a critique of nonprofit advocacy, outlining the variations in meanings and outcomes of advocacy efforts among nonprofit organizations and identifies a major problem in defining nonprofit advocacy: because nonprofit organizations can take a variety of forms, advocacy can take very different forms. Nonprofit organizations that are at root political advocacy organizations, or organizations that are directed by a common agenda (i.e. environmental nonprofits) engage in political advocacy and encourage members to participate in direct action. Political advocacy, as defined by Boris and Mosher-Williams (1998) includes "rights-based" advocacy, and refers to the use of the courts or the monitoring of government programs to promote an agenda. This advocacy is in contrast to "civic involvement," which includes grassroots lobbying and education efforts that are designed to encourage community participation in an issue, or to change public opinion (see, e.g., Andrews and Edwards 2004). A shared problem in the literature on advocacy is this tendency to treat all nonprofit organizations as the same, or to assume that political advocacy nonprofit organizations are representative of all nonprofit organizations, and this leads to confusion and unrealistic assumptions about the kinds of advocacy activities that are possible within a social service agency.

Nonprofit social service agencies do not have the same public mandate to advocate as nonprofit " political advocacy" agencies. They do not have members who are supporting them the way that an environmental group has members, and donors are not making a direct political statement by giving money. Yet nonprofit social service agencies do work on behalf of clients, they attract people who want to make positive changes in society, and they generate legitimacy that extends to their executive director as a form of political capital. For example, when the City of Bloomington wants to develop a policy that affects the poor, they need to bring key members of the social service community to the table if their policy is going to be considered legitimate. In my research, board members and executive directors described two kinds of advocacy efforts. Joel Rekas, the former executive director at Shalom Community Center explained that he felt advocacy could be distinguished at its organizational level:

> "I mean, in my view advocacy—there's two types. There's the individual advocacy where you're doing what you need to do either individually and or in collaboration with others to get the best possible results for people you're working with. Then there's institutional advocacy, how do you move social policy, how do you move the larger institutions to get the longer term desires." (Joel Rekas, former Executive Director, Shalom Community Center)

This captured a prevailing theme among respondents—that advocating for the individual client was a key part of their role as service providers (or indirectly as board members), and that this was a form of advocacy that was distinct from the advocacy efforts that were directed at changing policies by influencing policy makers and addressing the "big picture" goals that agencies frequently articulated in their mission statements (i.e. "to end homelessness" or "to end violence"). In this chapter I build on this distinction to develop the concept of what I label "resource advocacy," which refers to efforts by organizational actors to increase the amount of resources (donations, grants, in-kind gifts) that comes into an organization with the goal of expanding the resources that are directed to clients. The second kind of advocacy I label "rights advocacy," and refers to efforts by organizational actors to increase and improve clients' rights. This includes public awareness campaigns, community education, work at the local level to increase recognition of clients' rights as well as lobbying and legislative work at the city, state, and federal level.

The other distinction that emerged through my interviews related to the strength of the advocacy effort. Both resource and rights-advocacy can be a weak form (i.e. securing resources to pay for an agency's utility) or a strong form (securing an apartment for a formerly homeless client). Strong forms of advocacy extend beyond the core of services that an agency is expected to provide—for instance, when the Housing Authority provides subsidized housing it is within the normal scope of activities, however if Shalom is able to provide housing, this is a strong form of resource advocacy because it extends beyond the normal activities of the agency. The temporal quality of this was reflected in a conversation I had with the executive director at Middle Way House who explained that the first time she writes a new grant, she considers that to be an act of advocacy because she is extending the services and programs in a new direction. However. when she writes subsequent grants to maintain a program, this is part of standard operations—the program has become institutionalized. It is also notable that temporally, strong forms of resource advocacy can evolve into a "right," as access to a resource becomes institutionalized. For instance, as more homeless people are housed in a subsidized apartment, this can take hold and become an expectation, and if funding in the future is reduced, people will be able to claim that the state is "taking away" the right to shelter, which many homeless advocates promote as being a human right.

Resource Advocacy

Board members and executive directors explained to me that while their efforts were directed at increasing the amount of resources that were available to the agency to fund programs, agencies had to pay for operational expenses. Personnel costs in particular were a substantial cost for most agencies—ranging from as low as 15 percent to as high as 79 percent of total revenue, among the agencies reporting (i.e. one agency filed a simplified form without wage information, and some agencies did not file a Form 990 or did not report any labor costs). For some agencies personnel costs overlapped with resources that were provided to clients, as many agencies employed people who were an enormous help to clients. For instance, at agencies with high operational costs, these paid for hourly workers who assisted people with disabilities in day-to-day tasks, while at shelter agencies, this funded caseworker positions, providing clients help in accessing resources in the community that could help them achieve financial stability. For instance, a caseworker was hired at Shalom Community Center to conduct outreach to identify homeless people and then help them qualify for housing in the new apartment complex Shalom had secured a grant to operate. Here, a board member describes the benefits this employee brought to the people she worked with:

> "Her purpose was to come to where the really homeless people – because Shalom serves people who are poor, not necessarily homeless, and the goal of her presence was to interview, to connect with everybody, and get them registered in the HMIS [a state-wide tracking program] system. And maybe persuade them to come to Shalom the next day where they would find her, the same person, and that is really nice, and there might be a little more work. What they are trying to do with that system is to connect people with services that they rightly deserve that they are not getting. For example, a veteran who deserves veterans' benefits but has never gotten them, someone who is very ill, has never seen a doctor, can go to the Volunteers in Medicine program. Someone who is disabled, and should be receiving SSI benefits but is not. Someone who might qualify for housing and could get out of the sheltering system, which should be a last resort, might be able to qualify. So a lot of the work she did led to a lot of information about people, that ultimately allowed them to qualify for placement in the new Crawford apartments." (Board member #2, Shalom Community Center)

Reaching out to clients and helping them connect to resources, and ultimately providing them with an apartment is an example of resource advocacy. I consider this a strong form of resource advocacy because the housing that Shalom provides makes the clients less dependent on Shalom. This example also includes a weak form of rights advocacy. By working to ensure that clients have access to resources that they are entitled to, Shalom is helping to maintain clients' rights.

Resource advocacy was widely cited in interviews with board members and executive directors, although in the case of Martha's House it was a weak form of resource advocacy that bordered on being trivial. Martha's House struggled to secure enough resources to keep its doors open, but board members (there was no executive director) limited their grant applications to those that required the least effort and management and largely neglected their role as fundraisers. While I was sympathetic with those I interviewed, by not securing resources that they arguably could have secured, Martha's House was decreasing client's access to resources. In contrast, Bloomington Housing Authority secured grants from multiple federal agencies that extended programing beyond what was required of them, while also improving the quality of housing and strategizing on cost-saving measures so that they could continue to pay the energy bills for their clients:

> "We have applied to the federal home bank, we have got a couple of grants, we have done something called a capital fund financing campaign and I secured a $2.1 million bond, and we did an energy performance contract to update energy efficiency. We pay all of the utilities for 310 units—that is a tremendous amount of expense." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

Paying the electric bills is a weak form of resource advocacy because it maintains an existing program. An example of strong resource advocacy comes from the partnership between the Housing Authority and the local Boys and Girls Club. Together they are working to build a gym to serve Housing Authority children. Because this program expands beyond the defined mission and existing standard of services that the Housing Authority provides, this is another example of a strong form of resource advocacy:

> "Right now I am working with Jeff Baldwin at the Boys and Girls club. Hopefully we will be purchasing the Eye center and we own the property behind that. And hopefully we will be working with him there long term to build a gym there for this whole area and I just, but our young folks need a place to be that is bigger than what we have provided. Because that focuses really on younger kids. I think at the age of twelve they begin to funnel out of there. And we need more gym like location that is within walking distance for kids in this neighborhood. And this neighborhood is filled with kids that need that." (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

Bloomington Housing Authority leverages its position within the community and its funding streams to expand the resources available to its clients. This extends beyond what is expected of them as a Housing Authority.

Middle Way House stumbled in trying to expand the housing resources available to its clients, and this has been discussed in depth in Chapter Four. This effort, in all its challenges, is never the less a strong form of resource advocacy. Middle Way House expanded its program so it could provide transitional housing and childcare to clients. But in keeping with its innovative, client-focus, Middle Way House had a rich track record of expanding resources for clients. For instance Middle Way House identified employment as a significant barrier to client independence, as many women were re-entering the labor market after having children. Social enterprise is an economic development program that targets a population for training and employment development, and at Middle Way House two social enterprise programs have been attempted. The first program was a document destruction (i.e. paper shredding) business that was managed by Middle Way clients, helping them overcome an employment barrier and learn professional skills. The second program was a catering business that trained clients in food service. Both programs increased the resources available to clients—directly by paying them a wage and indirectly by developing their employment capacity, and represent a strong form of resource advocacy. While effective at expanding resources for clients, both programs were eventually determined to be costing the agency too much, and benefiting too few.

Resource advocacy examples from Shalom (access to case management, housing), the Housing Authority (paying client utilities, youth services), and Middle Way (housing, employment) illustrate the type of advocacy that I label "resource advocacy" in this research. Resource advocacy varies in its strength, with weak forms reflecting the securing of resources that maintain an agency in its standard mode, and strong forms extending new resources to clients.

Rights advocacy

Rights advocacy takes several forms in this research. Educating community members about the agency, the population it serves, and working to increase awareness about issues is a weak form of rights advocacy, as this can influence public opinion and lead to incremental changes in how an issue is considered and addressed. In its strong form, rights advocacy includes expanding clients' rights or attempting to influence and change the policies within governing bodies. Returning to Figure 1.1 in Chapter One, rights advocacy in its strong form works to influence the kinds of policies that external actors place on social service providers, often by changing the rules that accompany funding streams.

Of all the agencies in Bloomington, Middle Way House has an established history of engaging in rights advocacy at both levels. Toby Stout, the executive director, is credited with leading the agency in this direction and has earned a reputation for holding local government actors accountable. Having witnessed her several times at meetings, I was interested to hear more about how this translated to other arenas and to learn the extent to which Middle Way, under her leadership, has influenced policies at the local, state, and national level.

At the local level, Middle Way House conducts outreach to area schools to encourage students and youth to have healthy relationships and to help them understand and be able to identify sexual violence and know how to respond to it.

> "That is an interesting way we do advocate. I think when we do go out and talk to people, to get to your question about advocacy, the staff, and to a smaller degree us, and Toby in particular do an incredible job. Sort of exporting our philosophy to the larger community, and certainly to kids. How to have intelligent relationships from the very beginning, what does it look like, what can you do, whether someone is assaulting you, or as a kid, or you see it, so that you've got confidence about it. Confidence about your body, confidence over your, sort of your sovereignty over your body. Things like that." (Board member #2, Middle Way House)

Targeting youth helps to address relationship violence at its earliest point, and develops a young person's understanding of what form relationships can take, and how to have a healthy relationship. This effort represents a weak form of rights advocacy because it raises awareness but is not directed at changing clients' rights or directly influencing policy.

A board member at Middle Way House was recruited to the board with the hope that he could expand the visibility of Middle Way House among religious organizations in Bloomington. Part of this effort was to increase the potential donor base, as religious groups were viewed as being an untapped resource. But the other part of this effort was driven by the realization that religious leaders were often on the front line in terms of learning about domestic violence incidents within their congregations, and that they lacked the expertise to help women. Here, he explains:

> "I worked with a woman to get that meeting organized whose name is [a local woman]. She is Catholic, she is a lay Catholic member of [a local Catholic church], and her concern, and this is her concern and I think she is probably right, her concern was that ministers and faith organizations are less informed about domestic violence and abuse and what to do about it than they think they are in the sense that they bring to bear the principles that they bring to bear when people come to them for personal family counseling...and are not ready procedurally and sometimes make mistakes in regard to domestic abuse and violence crises' when those emerge from their congregation." (Board member #1, Middle Way House)

Middle Way was invited to discuss best practices with religious groups, building a relationship with religious organizations that Middle Way hoped would result in better results for women who were victims of domestic violence. Religious organizations, including more progressive ones, tend to encourage marriage counseling after a domestic violence event, and this has been shown to provide abusers with an additional opportunity to control the situation and facilitates a continuation of the abuse. Middle Way was working to increase awareness of domestic violence and encourage religious leaders to improve their response, a weak form of rights advocacy.

At the local level, Middle Way has worked with law enforcement agencies and the court system to transform how those agencies address domestic violence. During the eight-hour volunteer training I attended a police officer from Bloomington Police Department provided an overview of how the department responds to a domestic violence call, and elaborated on the criteria that they are legally required to identify in order for the response to be considered a domestic violence call. The officer explained how once a call is classified as domestic violence, it initiates several additional steps that have been developed in partnership with Middle Way House. This includes focusing on the safety of the woman, contacting Middle Way to provide counseling and assistance, and documenting the bruises and injuries that are typical of domestic violence disputes. I asked the officer to reflect on his experience over the years, and how the department's response to domestic violence calls had changed in the nearly twenty years he had served on the police force. He explained that the response had been completely transformed from an era where the woman was considered suspect (not victim), and the police response would be to respect the man's role in the household and not "disturb" his relationship with his wife, to today where the strategy is to arrest the perpetrator of violence (if at all possible) and to initiate an intervention for the victim through Middle Way. His stoic demeanor retreated as he explained this, giving everyone in attendance pause as they witnessed the gratitude he felt for the partnership with Middle Way and how it had transformed not just the department's response to domestic violence, but had changed how he, on a personal level, viewed gendered relations within families. Toby Stout, the executive director of Middle Way House was credited at this training, and by board members for having transformed the relationship between domestic violence victims, the police, and the prosecutor's office. Here one board member explains:

> "Toby is a heroic person to me. She is an amazing person. She has, over the course, and people know it in town, that she has built and continues to massage a relationship with the police department. That is not easy to do. And she has done it." (Board member #1, Middle Way House)

Toby Stout explains that this transformation in how the police and prosecutor's office responds to domestic violence was a challenge, situating her effort as part of the standard expectations for what a domestic violence agency should do:

> "When you are a victims advocate, you are going to run into it with the courts, the prosecutor, and the police. It is just going to happen. And it is part of our job to point out to them when we think that they have made a mess of things, to advocate for changes in processes and very often you can do that thing in closed doors, but you can't always, sometimes you have to be out front, so they understand that there is something at stake if they don't respond. It is very difficult thing to do. Because we also have to cooperate with them – when we call the police we want them to respond. And I don't think anyone complains about them as much as we do." (Toby Stout, Executive Director, Middle Way House)

It took persistence over a long time to achieve the changes in the local response, which Toby Stout attributes not to her effort at the local level but changes in laws that gave police power to arrest perpetrators of domestic violence.

> "When I first took this job, and I have been here for 26 years, I would say that nine out of ten [victims] would complain about police intervention. That the intervention was not good; and that maybe that it added up to collaboration with the abuser. When it comes to police intervention, no police intervention is better than a bad intervention. So with nine

> out of ten complaining – that does not happen any more. It is so rare to get a complaint about the police. And it is wonderful and I would love to take all the credit for it, but it was legislative changes really, and of course we were part of that, convincing the legislation that we needed some legislation for enabling arrests." (Toby Stout, Executive Director, Middle Way House)

Middle Way House represents an agency that has engaged in the strong form of rights advocacy, illustrated here, where the rights that are secured exist independently of the agency or organization that promoted them. All people in Indiana benefit from the work that Middle Way (and others) engaged in to expand the set of rights, through the legal system, to provide tools to ensure that those who are victims of domestic violence have access to a legal system that will prosecute the perpetrator. Not surprisingly, Toby Stout has developed working relationships with local representatives, working with them when necessary to promote Middle Way House's agenda:

> "We have great [state] representatives here. [State Senator Mark] Stoops is fine, I haven't really worked that much with him. I have worked with Matt [Pierce, State Representative], I have worked with Peggy [Welch, former State Representative], bless her heart, and with Vi [Simpson, former State Senator], and I got invited by my Representative to address study groups and then I could educate." (Toby Stout, Executive Director, Middle Way House)

The influence that Middle Way House achieves through its contact with legislators was not reached in similar ways by other agencies. My sense is that Shalom Community Center, if it continues on its path of managing large federal grants and developing its leadership capacity in terms of addressing homelessness and poverty, might eventually achieve a similar degree of contact with legislatures.

I found no evidence of any rights based advocacy among Martha's House board members, and little at Shalom Community Center and Bloomington Housing Authority. For instance, Shalom arguable engages in weak forms of rights advocacy through community education about issues of homelessness and poverty. One way they achieve this is with their volunteer training, and another is through their use of Facebook (discussed below).

Bloomington Housing Authority board members and the executive director hesitated and declined to explain that their programs were aimed at expanding the rights or securing existing rights. Instead, they often took advocacy to mean promoting the agency to the public. One board member explained:

> "A great example [of advocacy] was we wanted more positive visibility for the housing authority in the community. So that was what our overall goal was. And some of the ways that we came up with that could be done is speaking engagements, participating in community activities. So she and her staff came up with a whole list of things. And then they started providing us with the information about, "Here's what we did this month. Here are the contacts we made. Here are the newspaper contacts we made, the radio contacts. Here's what we did in community presentations, so on and so forth." Well, that was successful because we wanted a more positive visibility in the community… And who better to do that than the director and her staff." (Board member #1, Bloomington Housing Authority)

And here, the executive director explains how she uses key examples to dispel myths in the community that people living in public housing are lazy:

> "I want to get the message out that a lot of our folks work, that our Family Self-Sufficiency programs is one of the most successful programs since I've been here that we have could possibly do. I mean, I have, several people, I have one client who has graduated with her masters, is getting ready to start on her doctorate, she has left with a check for maybe $20,000" [which reflects the amount of money the client saved through this program where earned income that would trigger a rent increase are instead diverted not to rent (which remains constant) but to a matched savings account which clients receive access to upon program completion]. (Jennifer Osterholt, Executive Director, Bloomington Housing Authority)

Influencing public opinion and presenting the agency in a positive light, a weak form of rights advocacy, was an effort that was made at every agency. However it was only at Bloomington Housing Authority that board members did not consider advocating to be their responsibility—rather they felt that this was a responsibility of the executive director. One reason for this might be the Housing Authority's political position. Board members are appointed by the Mayor, based on their political party affiliation. Not surprisingly, the Executive Director sidestepped questions that touched on the lack of development of affordable housing in Bloomington, and the lack of industries that would employ low-skilled workers. Another board member emphasized this point directly and by explaining that he does not feel comfortable expressing his personal views in his role as a Housing Authority board member:

> "Not as a board member. I think as a board member we are carefully aware of things that are happening in the Bloomington community for Housing Authority residents, but we do not go out and promote the Bloomington Housing Authority. And I'm not sure that this is a good thing or a bad thing. But when you talk about the housing situation, especially when you are talking about people who are low income or in a poverty situation, you have to take a look at what our elected officials doing to improve the living conditions of its citizens at each level – the city, the county, and the state level. We are talking about the Mayor, the Common Council, the Governor of the State of Indiana. You know, they are the ones who are the elected officials and run on platforms and say they want to be elected because they want to improve the job situation in the city, county or state, you know. And poverty is economy-driven. So Mr. Mayor, City Council member, or Governor of the state of Indiana, what the hell are you guys doing to improve our housing situation for our citizens so that they are not becoming homeless or having to live in parking garages or bus stops, or city parks and that kind of thing?" (Board member #3, Bloomington Housing Authority)

This board member viewed access to federal programs as a right, and in his view, expanding those rights through additional government programs is an appropriate response by elected officials. However, this was clearly his private position and not one he felt comfortable sharing as a board member at the Housing Authority.

Rights advocacy ranged from weak forms of promoting the agency and its clients in a positive light, with the intention of swaying public opinion, to actively testifying in efforts to influence policy. Underlying the differences in whether an agency engaged in weak or strong forms of rights advocacy appear to be internal characteristics, such as organizational culture and the personality of the executive director. External factors, such as whether the agency relies on government funding or private funding, are not usually an issue, but the Housing Authority's political location and its relationship with the Mayor clearly affected how board members felt about advocating for clients. A similar process was evident at Martha's House, where close ties to local government officials severely limited any discussion of how Martha's House advocated for its clients.

Field-Level Organizations

No agency mentioned the efforts of the United Way, the Indiana Nonprofit Resource Network, or the National Council of Nonprofits as supporting their advocacy efforts, but two agencies did mention state and national organizations that supported their respective sectors as encouraging their advocacy activities.

At Middle Way House, the state-based organization for domestic violence providers offered information, helped build relationships between providers, and ensured that agencies had the information needed to advocate effectively:

> "So there is the Indiana Coalition Against Domestic Violence, and they are our lobbying organization. It is a membership organization and we pay into that. We pay dues, we attend meetings, we serve on committees, and we will go and testify if we are asked. So I testified a couple of times for study committees. I don't really allocate a particular time – the number of hours I work a week is so insane that I would never get to the point where I would get to the point where I put too many in. I can say yeah, I spent two hours on Tuesday speaking to my legislator, but I work for ten hours. So I don't really ever worry about it. I am able to say with a clear conscience whenever they ask if I am lobbying, no I am not, not lobbying on my paid hours. I am not using my office email." (Toby Stout, Executive Director, Middle Way House)

Toby Stout was educated about what kind of activities were allowed, and while she stayed on the safe side by being careful not to use agency resources for political advocacy, she benefited from the field-level organization. She mentioned that other, state and national coalitions also helped guide her efforts by providing information and encouraging directors to engage politically.

Shalom Community Center's executive director was less connected to the existing national organization, the National Coalition for the Homeless. He explained that he responded to legislative issues on occasion, but his real effort was at the local and regional levels, although he admitted that the membership had yet to reach a consensus on the regional effort, limiting the agency's possibilities for political advocacy that Shalom could leverage. Here, I asked him about how the South Central Indiana Housing Network was helpful in advocating:

> "We need some focus on poverty and the problem of housing and I think that housing network will be part of that. [Interviewer: But it is not part of that now?] No, not really, a little bit, and I don't think we feel we have the authority to do that. We don't have a collective position." (Forrest Gilmore, Executive Director, Shalom Community Center)

Without the authority that comes from consensus, the executive director did not feel that he could articulate a strong position that might expand the rights people experiencing poverty and homelessness have in Bloomington, Indiana, although it is clear that he felt that this organization offered the potential to help organizations like his become stronger advocates for their clients.

Social Media as an Advocacy Forum

Advocacy efforts are grounded in community relations—board members represent the agency to the public, volunteers learn about the population an agency helps while performing tasks on site, and agency executive directors share information about their agency formally as speakers at meetings (churches, fraternal organizations, chamber of commerce) and in newspaper reports, and informally when they answer a question from a community member. While some scholars, discussed above, considered how government funding affected advocacy efforts, field work and interviews suggested that maintaining a positive image locally and building support for an agency among the local community was of far greater concern to agencies than engaging in the kind of lobbying efforts that might be affected when funding is coming from the federal government. This was true even more so for agencies that depended on the community for financial support.

Middle Way House had a challenging time maintaining a positive public image during its financial crisis. It worked to manage this by controlling what information was made public regarding its difficulties and by keeping a positive spin in highlighting the success that the agency had in helping domestic violence victims. Shalom's challenge with maintaining a positive public image was the increased coverage of homeless people protesting the lack of a summer shelter, and as I showed above, Shalom's strategy was to distance themselves from this. Bloomington Housing Authority had a challenge when the Section 8 housing voucher waitlist was opened and hundreds of people lined up to get on the waitlist, ignoring a rule that limited them from forming a line prior to the morning the list opened. Rather than enforce the rule and allow people who followed it to sign up first, the Housing Authority registered people in the order they were in line, penalizing those who followed instructions. This brought a great deal of negative attention to the Housing Authority, and opened it to criticism that it was failing to provide enough housing vouchers. These critical moments represent one kind of challenge that an agency has to respond to that reflects community concerns. Another challenge was to dispel the common view that the people the agencies assisted were either lazy, morally inferior, or otherwise unworthy of helping.

Most recently, scholars have merged the "engagement pyramid" (from Chapter 3) with social media activities to develop an "advocacy pyramid" (Guo and Saxton 2014). This research proposes that nonprofit actors use social media to reach out to people, maintain a frame for the organization's activities, and to encourage people to act on behalf of the organization. Technology as a mobilization tool has been noted since protestors utilized their cell phones to organize the anti-globalization protests in Seattle in 1999, but more recently it has become possible to capture the content of this communication as Twitter and Facebook feeds have overcome person-to-person phone calls as the primary way people use technology to communicate. Nah and Saxton (2013) for instance, analyzed the Twitter and Facebook feeds for nonprofit organizations and showed that these were used to increase the flow of information about issues, promote the organization, and encourage dialog among followers. They found that organizations that relied on private donations used more social media.

Three of the four agencies that serve as case studies communicated with the community using Facebook. Bloomington Housing Authority did not use Facebook, and when I discussed the above account with the executive director, she expressed frustration because she felt that she lacked a way to change the community's perception, and found the newspaper editor to be unreliable in terms of conveying an accurate depiction of how the Housing Authority secured Section 8 vouchers (even after her outreach that was described above). Social media might have offered her a way of communicating that, for many organizations, has become an alternative (or at least a complement) to traditional news sources. Martha's House did not develop a robust

Facebook campaign, posting fewer than ten times a year and limited its posts to requests for funding. In contrast, Shalom Community Center and Middle Way House averaged nearly 90 posts a year in 2011 and 2012 (Table 5.2), the two years of posts that I analyzed.

Table 5.2: Facebook Posts for Shalom Community Center and Middle Way House 2011-2012

	Agency Promotion	Client Advocacy	Inspirational Quotation	Client Post	Fundraising Appeal	Total
Shalom 2011	27%	35%	18%	8%	1%	78
2012	13%	23%	37%	9%	11%	79
Middle Way 2011	49%	10%	-	6%	44%	81
2012	19%	23%	1%	8%	36%	80

Some posts were coded in two categories.

I coded posts into five categories, "Promote Agency," "Advocacy," "Inspirational Quotation," "Client Posts" and "Fundraising Appeal." While all posts presented the agency and its clients in a positive light, and thus accomplished things that Nah and Saxton (2013) identified in earlier research, I found that the two agencies that utilized Facebook were differed in a key way. Shalom Community Center repeated "spiritual words" like love, kindness, brotherhood, friendliness, generosity in over 90 percent of their posts, and regularly quoted from spiritual leaders, like Ghandi, Mother Theresa, and Dorothy Day. For instance, Shalom posts:

> "Shalom is dedicated to empowering and nurturing others through kindness. A trait we hope you also find rewarding." (August 29, 2012)

I coded this post, which was accompanied by a photo (and a quote from Plato that is difficult to read), as "promote agency," This effort was accomplished by relating to the reader through a shared value (kindness), while simultaneously suggesting that one way Shalom expresses this shared value is by helping clients (which the reader is invited to share with Shalom by giving them a "reward").

Other posts connected to followers by expressing gratitude for their support and challenged assumptions about people experiencing poverty as being complacent or greedy by expressing the gratitude in the voice of a client:

> "I just wanted to say thank you. Being homeless is horrible, but you make it bearable." – a guest of Shalom (July 13, 2012)

In this case the follower is being thanked by the client, and Shalom is simultaneously thanking its supporters by posting this to its Facebook page. Below, this gratitude is flipped and readers are asked to donate, something Shalom does infrequently on its Facebook page:

> "8 people slept in our respite room today…people who were ill, worked last night, or just were plain exhausted. One of our everyday, essential services made possible by those who make a difference by giving to Shalom." And below this is a link that takes the reader to the website to initiate a digital donation. (December 30, 2011)

In the above examples, clients are portrayed positively and the agency is portrayed as embodying spiritual qualities. Another strategy that Shalom employs on Facebook is to present clients as "everyday" people, sharing the same routines, concerns, and challenges as other people:

> "Stopping at the Pour House [a local faith-based café] and running into lots of clients. In 30 minutes, I talked to clients going to school, getting medical care for their disability, and finding work." (August 22, 2011)

Cumulatively, these posts reinforce an alternative view of people experiencing poverty and challenge social expectations of what it means to be poor or homeless. They also build connections with "followers" who might become more invested in the agency over time, as they begin to gain familiarity with the extent of Shalom's programing and with the issues it is concerned with. It is this mix of rights advocacy (raising awareness and presenting a view of people experiencing poverty that challenges stereotypes) and resource advocacy (requesting donations) that drives agencies to adopt social media. However there is not yet evidence that this effort is successful—that the advocacy effort actually influences public opinion. (In terms of donations, my experience in the field suggests that so far the contributions from Facebook are small, but steadily growing).

Middle Way House uses different tactics to achieve similar goals. Middle Way promotes the agency more directly, and the tenor of these posts is more direct, and less emotive. Instead of quoting inspirational leaders, Middle Way House refers to research papers and statistics, and presents information to readers, and implicitly or explicitly identifies how the shelter helps women. For instance, Middle Way clarifies public discussions about sexual violence using both scientific research and personal appeals to experience:

> "The likelihood of sexual violence is related to the extent to which beliefs in male superiority and male entitlement to sex are entrenched in a community, the general tolerance in the community of sexual assault and the strength of sanctions, if any, against perpetrators (Jewkes, Sen & Garcia-Moreno, 2002). Preventing Violence before it starts is the way to go!" (October 3, 2012)

and:

> "Domestic violence should not happen to anybody. Ever. Period. But it does - and when it does, there is help. Maybe you have lived with abuse, maybe it happened just once; maybe you work or live next to someone who is being abused right now. Whoever you are, Middle Way House can show you how and where to get help." (July 2, 2012)

In these posts Middle Way situates itself as a key part of the solution. Both of these posts raise awareness and are examples of rights advocacy.

The other common post on Middle Way's Facebook page featured fundraising. Rather than asking outright for a contribution, followers are asked to come to an event, often showcasing partnerships Middle Way has established with local groups and businesses, and seldom asking people to give money directly:

> "Already tired of the megastore and long lines? Shop locally and support Global Gifts and 10 percent of your purchase will go to Middle Way House." (November 30, 2011)

and:

> "NPR announces KNITTING to HEAL 2012!!! Middle Way House is teaming up with Yarn's Unlimited to raise funds to aid victims of domestic violence. Visit (www.knittingtoheal.org/) for more information on how to donate." (August 24, 2012)

These fundraising posts engage followers by bringing them into contact with other people who are concerned with domestic violence, providing an incentive to potential donors to not only give, but get more involved. This has recently emerged as strategy that Middle Way House has used to increase fundraising success. For instance, a board member explained that they held a "woman and wine" fundraiser to bring together women who were interested in supporting Middle Way. This form of resource advocacy brings potential donations to Middle Way House.

Social media is emerging as a key way nonprofit social service agencies engage in both rights advocacy and resource advocacy. With its low cost and potential for reaching a large number of followers, social media appears to be a valuable tool for influencing public opinion and for drawing supporters into an organization. However, it also has its limits. Agency directors explained that for fundraising purposes, it only reached a small percentage of the population, in part because people who they wanted to reach (older people with more resources) did not use Facebook. Similarly, with its high volume of content, it is unlikely that social media will be useful for influencing policy beyond the local level.

Conclusions

Advocacy efforts in social service agencies encompassed a variety of forms, from influencing legislation, educating and swaying public opinion, connecting clients to programs and services, to expanding the amount of resources that are available to people experiencing poverty. There were key differences that board members and executive directors called attention to when asked about their advocacy activities, and together this suggested that for social service providers, however confusing the rules are around advocacy, agencies consider it to be a core activity. However, the diversity of activities that are included under "advocacy" suggested that a need for a refinement of type. I identified two forms of advocacy—efforts directed at increasing resources and efforts directed at expanding rights. Because there were qualitative differences in the effect that an activity could have, I also distinguished between weak and strong forms of each type. This conceptualization of advocacy offers an alternative to existing conceptions of advocacy and reflects the activities of the agencies in Bloomington, Indiana.

It is worthwhile to note as well that the distinction between organizational cultures developed in Chapter 3 offer additional insight into the role of advocacy discussed in this chapter. Agencies with an empowerment culture engaged in stronger forms of both resource and rights advocacy compared to agencies that had a supervisory organizational culture. This is clear in the strength of the rights advocacy that Middle Way House engages in on behalf of clients, and in the securing of a major resource that allows clients to exit from day-to-day dependency on Shalom Community Center. Both agencies have a history of incorporating clients into their organization and centering program development squarely on the needs of clients. Alternatively, the Housing Authority does a remarkable job managing grants and is able to offer clients a rich array of resources, however the executive director and the board were unwilling to expand their advocacy activities to include clients' rights. Martha's House, with its focus on clients supervision, focused on maintaining funding to afford this supervision, with no effort directed at expanding fundraising to pay for programs that would appeal broadly to people experiencing homelessness.

A key finding from this chapter is that advocacy efforts can offer agencies a way to influence the political culture and policy formation in the external environment, thereby changing the constraints that accompany this influence. In the next chapter—the Conclusion, I contextualize this within the broader framework depicted in Figure 1.1 and suggest ways in which agencies can cultivate strong forms of rights-based advocacy, and argue that they should do this if they hope to improve the long-term prospects of people experiencing poverty.

CHAPTER 6: CONCLUSIONS

I was drawn to study how social service agencies fit within the broader goal of the U.S. welfare state after my initial involvement with a homeless shelter for families in Bloomington, Indiana. As a volunteer, I quickly went from being responsible for cleaning up an old neglected house to use as a shelter to working closely with City and County government officials to ensure that complex zoning and code requirements were met, and with board members to develop policies and strategies to achieve organizational goals. This experience left me wondering whether the nonprofit sector, which I quickly realized was the point of contact with the "U.S. welfare state" for people experiencing poverty, was largely ad hoc, and dependent on the enthusiasm and energy of a handful of dedicated volunteers. I did not understand how this could represent the best we could do as a society to respond to the problems associated with poverty.

After more than a year of fieldwork, I learned that this ad hoc nature was only one dimension of nonprofit social service agencies, and that for most agencies, it was present, if at all, mainly during the founding. Depending on volunteers and community members to initiate a nonprofit organization offered a level of flexibility to the kinds of service that a community could offer, but once established, agencies fell into typical patterns that are driven, as I argue throughout this dissertation, by its external environment. Returning to Figure 1.1, the external environment—in its broadest conception, is composed of the political culture that determines funding levels, but also the kinds of programs that will qualify for funding, who these programs will target and which agencies will receive funding. In a small community like Bloomington, this effect is apparent in government funding streams. I imagine that in larger cities where private foundational funding is more prominent, that these philanthropies are able to assert a similar influence, but in Bloomington private funding is largely individual driven. Private funding is thus less restrictive, but requires that an agency invest in community-building relations. The external environment also includes field-level organizations like the United Way and regional, state, and national umbrella organizations that determine aspects of an agency's organizational structure and its reporting practices.

Compliance with these requirements is a strategic choice agencies make, based on their calculation of whether this involves a departure from their mission, extends benefits to clients, or meets other organization objectives. I identified two types of organizational cultures that reflect common characterizations of the worthiness of people experiencing poverty. Organizations that incorporate clients as decision makers, solicit feedback from clients, or provide clients with formal roles on boards or advisory committees develop programs and policies that empower clients. Alternatively, agencies that do not do these things, or do them poorly, tend to promote a view of clients as in need of supervision, and develop policies and programs that promote client supervision. This distinction represents an important pathway for how agencies can ultimately push back against the external environment and ultimately influence the policies that affect them. It also corresponds to the kind of advocacy activities that an agency engages in. Agencies with empowerment cultures are strong advocates for their clients, securing new resources that provide clients with independence from the agency, and expanding their clients' rights. This was the only pathway that I found that allowed agencies to assert some influence on the external environment.

I suggest a typology based on different funding streams, and how they related to participation, governance, and advocacy efforts (Table 6.1). Agencies that relied heavily on individual donors (the form of private funding that was most common in Bloomington) had active board members who partnered with the executive director to develop policies and programs. Clients were more likely to influence policies and programs in these agencies and community members were also more likely to be involved directly as volunteers. In contrast, publicly funded agencies lacked the incentive to incorporate volunteers into the organization—they do not require the community connections and they do not benefit from a perceived cost savings (volunteers are seldom efficient). Nor are board members as involved in the organization, as their fundraising responsibilities are minimized and the organization is sufficiently complex that they lack the skills to oversee the budget in a meaningful way. Organizations that have a steady source of funding become more habitualized, in part because of the highly technical skills that managing the organization requires, and this contributes to less innovation. However the real decline in innovation is a result of a lack of contact with clients, board members, and volunteers—all sources of innovative ideas. These agencies tend to have a more bureaucratic organizational structure, reflecting the reporting requirements that management of large government grants require. A key finding of this research and an area that deserves further exploration was that agencies with significant private funding had empowerment cultures, partly as a result of having to cultivate strong ties to the community. While these agencies experienced more funding instability, the organizational culture was a greater benefit to clients.

Table 6.1: Funding Stream and Influence on Organizational Form

	Private	Public
Bureaucratic Structure	low	high
Organizational Innovation	high	low
Organizational Culture	empowerment	supervisory
Board Involvement	high	low
Volunteer Involvement	high	low
Client Involvement	high	low

There are other factors, not considered in this dissertation, that affect the internal organizational culture of an agency. Funding is a key component of this, however, because of its influence on participation and because this determines whether clients are involved in decision-making. Participation, governance, and advocacy are linked, creating a pathway that determines the type and strength of advocacy efforts within an agency. Table 6.2 shows the relationship between organizational culture and advocacy efforts. Agencies with an empowerment culture are more inclined to advocate for both resources and rights for their clients.

Table 6.2 Organizational Culture and Advocacy

	Resource Advocacy	Rights Advocacy
Empowerment Culture	weak to strong	strong
Supervisory Culture	none	weak to strong

Is rights advocacy a rare occurrence? Working closely with volunteers and nonprofit employees while in the field confirmed my sense that people who are drawn to this sector have larger aspirations to effect social change, much like their counterparts in social movement organizations. However, the protest activities that Hal Turner used in his effort to draw attention to the need for an overnight shelter, and the protest activities that homeless advocates used in the previous chapter are not legitimate activities for a nonprofit social service agency. Nonprofit social service agencies instead have to utilize other, more discrete strategies to implement changes and have to do this within the context of the constraints that are imposed upon them from the external environment. The most successful strategies—those that secure the most client-focused resources and that expand client rights (strong forms of both types of advocacy, in other words)—seem to depend on having a professional staff that can aggressively pursue funding and manage the requirements that accompany this funding, while still managing to innovate and circumnavigate some of these constraints. In other words, the agency has to maximize the benefits of a secure funding steam while minimizing the restrictions it potentially places on the organizational form. Evidence presented in this dissertation suggests that this is becoming an increasingly difficult task.

My research identified two challenges to the social service nonprofit sector that threaten its ability to advocate for clients: an instability in funding, from both federal and private sources, and a growing complexity in how the funding streams (especially at the federal level) are structured. The four agencies that are the case studies in this research project responded in different ways to this complexity and instability. The Housing Authority, which has the closest relationship to federal funding agencies, was the least reactive to changes, and had adapted to both the instability and complexity by creating a bureaucratic hierarchy that maximized the executive director's control over all aspects of the agency, taking advantage of her mastery over the complexity of the funding and generating efficiencies that provided a buffer against funding instability. Martha's House was nonreactive. With the ending of its major federal grant, board members appeared to be on the verge of giving up and did not pursue any new funding lines that would allow the agency to maintain itself. The cases of Middle Way and Shalom are the most illustrative. Middle Way was confronted by its own limitations—board members and the executive director failed to anticipate the impact of the end of a complex housing tax credit scheme, which compounded shortages in federal funding, cost overruns on capital improvements, and reductions in the size of private donations after the economic recession took hold. This threatened the agency and required a great deal of innovation by the board in fundraising, and by executive director in how she managed existing resources. Fortunately the agency had developed its capacity (in part by maintaining a flat organizational structure) to respond, and was flexible enough that this crisis did not close the agency's doors. Shalom, on the other hand, experienced a dramatic increase in funding, resulting in a different sort of organizational crisis. The board and the executive director had to determine the extent to which this new government funding stream would influence the direction of the agency and how the agency would maintain its commitment to its stated mission.

This recap illustrates the instability of funding streams and the effect that this, along with the growing complexity in funding streams, has on organizational structure. Within agencies, these challenges will continue to grow, as government funding becomes increasingly tied to financial instruments and health care continues to consume a larger share of overall social welfare spending (reducing the amount that is directed to social service agencies). Private foundations do not appear to be making up for these cuts, but rather individual donors are asked to contribute more.

Social service agencies are in a difficult position financially, responding to many challenges, managing scarce resources, and should be applauded when they manage to do this well enough that they are able to also advocate on behalf of their clients. Bloomington is a generous, progressive community and it should not be surprising that it is offering innovative programs to people experiencing poverty, or that it has the community wealth and interest in investing that wealth to help people who are experiencing poverty. Another measure of this system then is whether it is accomplishing its first goal—to help people who are experiencing poverty, ostensibly by moving people out of poverty?

Returning to a family I worked with and got to know while in the field and presented in Chapter 1, how do people like Lou Smalley and his family make out in Bloomington, and does this system work for them? For a family like Lou's, their ability to be helped by agencies that are receiving government funds is tied to whether he, his wife, and his children can meet the requirements that are attached to assistance by government agencies. Any record of violence or arrest for even a misdemeanor can disqualify a household from accessing Section 8 housing vouchers. Because they are a family and because they do not meet the requirements of being "chronically homeless," they would not qualify for the new apartment complex where Shalom is placing homeless individuals. Because Lou and his family are based on actual people I met (but are a composite of a couple of families to protect their identity) I have a very good idea of what happened to them, and their story illustrates a problem with the existing social welfare system. Lou Smalley and his family were barred from public housing because of past legal infractions. They instead had to patch together help from multiple agencies, and the help was never enough to actually take the family off the street for any length of time. They bounced from one social service agency to another. Sometimes they were passed off, as in an agency would determine that their case was too complex for their agency to handle, or that their "real problem" was a mental health issue so they needed to get that help first. When they received help, the agency would often wash their hands of them for a few months, as most agencies in Bloomington restrict how frequently an individual or family can access help.

Among the problems that Lou and his family could not overcome, even with this considerable help, were the high cost of housing in Bloomington and the low wage job Lou spent over fifty hours a week doing. Lou maintained his employment throughout this crises, and this is a testament to his character. He walked miles to work because he could not afford the four dollars in fuel for his aging truck. But his long hours were never enough to actually pull Lou out of poverty. As I mentioned before, his wages were retrained by his employer, his hours unrecorded, and this wage theft was something he was powerless to stop. None of the social service agencies in Bloomington address the twin problems of high housing costs and low wages, although several acknowledged that this was what drove poverty in Bloomington. With over $52 million in social service revenue in Bloomington, that this family (and many like this) were not stabilized is difficult to accept.

This research makes no attempt at determining what the "right" amount of money spent on social welfare should be, but given that there is still a significantly high number of people experiencing poverty in Bloomington despite the expenditure of over $50 million by social service agencies, this amount is not enough. But clearly we need to start paying attention to how much private funding is spent on social welfare, count it as part of the U.S. welfare state, and begin to make informed decisions about whether we want to continue to have a system that generates an enormous cost in terms of fundraising effort and still fails to lower the poverty rate, or we would be better off with an alternative.

Communities differ in the size and scope of their efforts to address poverty, and Bloomington, with its generous population and progressive attitudes offers a good opportunity to see how the U.S. welfare state works in the best of cases. However this is also a limitation of this research. This project studies one community and four agencies within one sector of the social services. I hope that this research has been able to bring a qualitative richness to the changes taking place as they affect agencies, directors, board members, and volunteers—and most importantly—the clients who rely on them.

APPENDIX: RESEARCH METHODOLOGY

This research project reflects over 18 months of fieldwork in the social service sector in Bloomington, Indiana. Like all qualitative research, my initial observations helped me develop an understanding of what was "going on" within the field of social service provision. I repeatedly checked my understanding of what was happening with practitioners. As I became more competent in conversing within the field, I gained a much richer understanding of how people defined their situation. Looking back, my initial fieldnotes and memos seem trivial to me, yet I still consider myself far from having achieved the expert status that many of the people I interviewed have attained. For instance, a key finding of this research is that funding streams differ in the kinds of rules and requirements that they impose, and that this influences agency organizational structure and culture. My novice understanding of how large federal agencies impose rules and requirements on agencies is so taken for granted among the executive directors I spoke to, I was afraid that they would think I was inept when I asked them to spell out for me how these rules affect their organizations. Fortunately they understood, better than me, that I was noting a change that had taken hold of their sector in the years since they started their careers and they couched their answers in history, showing that this is something that has changed, and that as leaders, they have had to develop responses to. It is these small victories during qualitative research where you capture a nuance that magnifies an important and worthy-of-study process that keeps the project afloat. Below I highlight the overall strategy that I employed during this research project, but am afraid that what is most important is still sometimes illusive—those key moments when understanding shines through and the processes that seemed so cloudy and unsharpened cuts through and becomes clear.

Field Entry

Entering the field of nonprofit organizations in any city is challenging, in part because the field attracts a lot of people a lot like me—people who would prefer a career where they contribute to positive social change. In the early spring of 2011, I started working on a house rehabilitation that a group had determined would make a nice shelter for homeless families. I have described this in the dissertation itself, but the point that I wish to make here is that by doing a lot of grunt work at a very small, very new nonprofit organization I was given access and exposure to the inside actors who have worked in the Bloomington social service sector for decades. As the rehabilitation of the shelter project wrapped up, I shifted from attending meetings with building inspections to meetings to identify and develop grant applications. I began taking the board meetings I had been attending more seriously, paying attention to the dynamic between board members and the criteria they used for evaluating the organization's success.

In addition to attending meetings I also attended volunteer trainings, learning more about how agencies use volunteers to meet their growing demand for service amidst budget cuts. I attended fundraising events organized by individual charities, as well as the annual Homeward Bound Walk that the City helps to organize. And I attended the annual City of Bloomington Jack Hopkins Fund presentations where area agencies present their best case for why the city should provide funding for their program. At every meeting, event, and training session I made notes, which I expanded upon when I returned home each evening.

Throughout 2012, I attended regular meetings with nonprofit providers, AmeriCorps service members, clients, and volunteers. In some cases a regular group meet twice a month to discuss how social service agencies in Bloomington were addressing poverty, and what gaps in services remained. But I also scheduled coffee dates with any staff members or other providers who were willing to meet with me. During this stage I was interested in developing a broad understanding of the range of agencies delivering services, as well as the different roles of government agencies and other local organizations like the United Way and Community Foundation. I took careful notes during meetings, and wrote regular memos that reflected my growing understanding of social service provision in Bloomington.

These early informal interviews and fieldwork provided the framework for my initial research proposal where I developed the themes of participation, governance and advocacy as three key organizational themes. As this took shape (and as I collected the quantitative data described below), I began to develop the contacts necessary to approach specific agencies to request that they be included as a case study in my research. While I had achieved a degree of "recognized status" I was unsure if it would be adequate for gaining the high level of access I needed.

In March of 2013 the City of Bloomington also hosted a Charrette. The Charrette offered an excellent opportunity to test my emerging understanding of how different members of the community viewed poverty and homelessness in Bloomington. Organized by a consulting firm—the Corporation for Supportive Housing (CSH)—and paid for by the City of Bloomington, the Community Foundation, the United Way, and the three Rotary clubs, the Charrette took place in Bloomington in spring of 2013. A month before the actual Charrette, there was a Community Meeting where CSH presented its plan for the Charrette, and asked for community input into the process. This was followed by a weeklong meeting at City Hall in April. The first two days of meetings were broken into two-hour blocks where 5-7 experts were placed in a "fishbowl," or circle, in the city council chambers, surrounded by 30-40 attendees who were allowed to watch the discussion but not participate until the final half hour when they were invited to ask questions. Experts discussed a specific topic, and were prompted by a professional facilitator from CSH. There were three sessions each day, with breaks in between. During the breaks the experts were taken into a private room where they synthesized their findings and reached conclusions. The following two days were reserved for the experts to continue to meet and discuss, finalizing their recommendations which were presented to the public during a two-hour presentation in City Hall on the final day.

I attended all public sessions of the Charrette, making extensive fieldnotes of my observations and conducting informal interviews with attendees. This experience represented a turning point in my fieldwork. I transitioned from being an outsider to being an insider. I was recognized by key members of the social service community as "one of them," even after introducing myself as a Sociology graduate student writing my dissertation on social services and poverty. I was greeted enthusiastically and was included in the small talk that was taking place among the executive directors and caseworkers. Between meetings I was invited to “insider” lunches that were closed to the general public, where I was able to further observe and learn how people felt about the Charrette process and the different topics being discussed. I was also introduced to people whom I would not have had an opportunity to speak with – for instance I was able to spend some time with the Director of the Indiana Housing and Community Development Authority (IHCDA), which is a state-sponsored nonprofit organization that works closely with communities across the state to create housing programs, as well as speaking with two members of city council.

It was at the end of the Charrette, however, where I established myself as an “in the know” researcher worthy of the time of executive directors and board members. During the final question and answer period, I used my extensive notes to document what many other attendees were saying—that the list of formal recommendations that the Charrette was making to the agencies that sponsored the process (e.g. the City, the United Way) were inconsistent with what experts and attendees had discussed during the first two days of the Charrette. There was a strong sense of discontent in the chamber during CSH’s presentation of findings, and by speaking to this in very specific ways I won something that made the remainder of my research possible. Many social service agencies, but especially the most successful, are weary of university students who tend to come into their agency, make recommendations, and often fail to follow through on any commitments. It was especially important, once I understood this, to demonstrate that I was capable of listening and that I signal my understanding of the situation. My ongoing presence was important, but I believe that it was this act—of speaking up—that made several members of the social services sector agree to sit down with me, and to encourage their board members to take the time to meet with me.

Throughout my time in the field, and during interviews, I incorporated feedback from community members to "member check" that my understanding was accurate (Lapan and Haden 2009). Member checking is accomplished by asking an informant to evaluate the theoretical developments by asking them to reflect on whether it represents their lived experience. A benefit of this approach is that it establishes cooperative behavior while contributing to the validity of the research. Using the guidelines that Emerson et al. (1995) recommend, I transformed my field jottings into fieldnotes, and then memos, where I developed a theoretical understanding of the field of social service providers. This theoretical work formed the foundation for the final part of my research, conducing in-depth interviews with the executive directors and several board members of the four case study agencies.

Defining the Population

I defined the population as agencies that were actively providing social services to low-income and poor people in Bloomington, Indiana in 2010. I used 2010 for two reasons: 1) there is a lag time in reporting financial and other information and 2) my fieldwork coincided with the Great Recession, and this was a time of financial crisis and stress for social service providers, as funding from all sources declined and the demand for services increased—2010 was in the early part of that crisis. By the time I exited the field in 2013, the impact of the Great Recession had unfolded and many agencies struggled to make up for spending shortfalls and future grants were reduced.

I first generated a detailed list of nonprofit agencies in Bloomington, Indiana using the National Center for Charitable Statistics (NCCS) database. The NCCS is a national repository for data on the nonprofit sector, collecting publicly available information from the IRS and other government agencies, and private foundations and makes it easily accessible. I generated a list of all nonprofit agencies in Bloomington from this database. I cross-referenced this list with all nonprofit agencies in Bloomington listed on the Foundation Directory Online, a second database that is "agency directed" in that agencies provide organizational information to the directory, and the Foundation Directory also compiles financial data from the IRS. This directory is more extensive, as it includes organizations that are established but not active. Working from this list of over four hundred organizations, I eliminated agencies that did not meet the primary criterion of providing services to low-income people living in Bloomington, Indiana. Calling agencies and speaking to directors, examining websites, and looking at annual reports and other agency publications I also eliminated nonprofits that were located in Bloomington, but that only served people living outside of Bloomington, as well as agencies that were not, nor had been, operational (i.e., had zero revenue and had not filed a Form 990 with the IRS). For instance, there were six nonprofit agencies that provided low-income housing, but upon discussion with directors and managers, none of these housing developments were located in Bloomington. I also eliminated agencies that served a broad spectrum of people, including low-income individuals, but who had no special intent in providing services to this population or programs designed specifically for their benefit.

On the other hand, some agencies were not included in this initial sweep for agencies, but belonged in this research because they are part of the arsenal of programs and services that the community supports to help people experiencing poverty. The Catholic Worker House, a small organization that provides shelter to people experiencing homelessness but is not registered with the IRS, is an important community resource. The Interfaith Winter Shelter and the Genesis Shelter are also "unregistered" nonprofits that provide a key community resource, but are not legally defined as nonprofits. The Bloomington Housing Authority inhabits a quasi-nonprofit status—legally it is not a nonprofit, but it operates in many ways like one, and is the most important resource for people experiencing poverty and in need of housing. And the local affiliate of Catholic Charities provides mental health counseling to low-income people and is very involved in defining the local discussion about poverty.

Organizations that take a resource, such as clothing or household items, and either transfer those items to people experiencing poverty or sell the items to the public and redirect the money to people in need are not included in this population. Even when the service requires direct contact with the person in need, I determined that these agencies were not directly relevant to this research for several reasons: 1) they depend on third-party verification that a person is in need before they will provide the service—so at the Salvation Army, in order to receive furniture, a caseworker from another agency needs to refer the person in need to the Salvation Army (a similar process holds for agencies that provide clothing); 2) many of these agencies do not directly provide services to people experiencing poverty—for instance a thrift shop in Bloomington sells clothing and household goods, using the funds to support scholarships and it is unclear whether these exclusively benefit people experiencing poverty; and finally, there is a lack of financial transparency in some of these agencies, especially the Salvation Army. The Salvation Army is organized at the state level, and my requests to the Salvation Army to break down a statewide financial report were met with apprehension.

Another agency that many might expect to be included but is not is the Monroe County YMCA. The YMCA has a rich history of supporting people experiencing poverty, however today the YMCA is more of a "brand" than a shared philosophy. The YMCA in Bloomington operates largely for the benefit of middle and upper middle class families as a gym, with youth activities and camps. Scholarships were available, but this funding was severely curtailed when the YMCA underwent an expansion. I called the headquarters for the YMCA and spoke with a representative who explained that there is no requirement that an individual YMCA serve any specific population, that it is at the discretion of the local board whether they subsidize membership for low-income households.

The final decision I had to make regarding case selection had to do with how to treat agencies that operate at a regional level. Because the adjacent counties lack many social services, some agencies (i.e. Middle Way, Area 10 Agency on Aging) have established satellite offices in other counties. Evidence suggests that these agencies are not self-supporting, except in cases where the agency contracts with the government for providing services (i.e. the mental health provider Centerstone). In other cases, Bloomington serves as a regional satellite for larger operations in Indianapolis (i.e. Planned Parenthood). For each of agency that operates on a statewide or regional level, I used additional information from websites and annual reports to approximate the percentage of resources and services that are directed to Monroe County. I then used this to scale the variables, reducing the board members, revenue, expenditures, staff, etc. to reflect the approximate proportion of usage that takes place by people residing in and around Bloomington. One effect of this estimate is that it most likely understates the support that the Bloomington provides in terms of cash donations to agencies. The surrounding counties, with one exception, are rural and have fewer resources than Bloomington. Because of Bloomington's size, it also qualifies for more federal resources through the Community Development Block Grant and these added resources are distributed to other counties.

I generated a database with data from each of these agencies, relying heavily on Form 990 data, but also using annual reports when Form 990 data were unavailable. Because some agencies did not always file their Form 990 on time, I collected 2-3 years of Form 990 data and selected a year based on the completeness of the data, with 2010 forms being the default. For each agency I entered information about financial data, including income and where it came from, expenditures, assets; participation data, including how many board members, staff, and volunteers the agency had, how many hours board members and executive directors worked, and how much paid staff was compensated; whether the board practiced a set of narrowly defined "good governance" indictors (having a conflict of interest policy and a whistleblower policy); and finally when the organization was founded, and what its mission was.

Using the quantitative statistical software, Stata (version 9), I computed descriptive statistics for each case, examined correlations and variances of variables, and ran Ordinary Least Squares regression analysis for the following dependent variables: board hours, number of volunteers, and number of clients. I specified a model that included measures for the amount of funding received from government sources and from private sources. The small number of cases (n=35) precluded including an elaborate set of control variables. I used these data to test hypotheses about participation and its relationship to funding.

Form 990

The more I developed relationships with others in the nonprofit social service sector, the more I recognized how much effort and time people spend looking for financial resources. Applying for grants, fundraising, and asking for donations was the focus of most of my conversations with staff and board members. I began collecting this information from Form 990, the Internal Revenue Service financial form that every agency must file annually. Small agencies with less than $50,000 in revenue file a Form 990-N "postcard" which contains very little information, and agencies with less than $200,000 in revenue can opt to file the Form 990EZ which contains general information, but is not broken down to the level needed in this research (although one agency, Meals on Wheels, filed this form and with data from their website I was able provide a general level of analysis and include this agency). Most social service agencies file the full Form 990 even if they do not meet the required revenue.

Agencies are encouraged to make their Form 990 available on their websites, but even when they do not do this, they are legally obligated to give it to anyone who asks for it.

I collected data from Form 990 in four areas: (1) financial flows; (2) participation; (3) governance; and (4) advocacy. For financial flows I collected information about the total revenue, and how much of the income came from government grant sources, private funding, or fee-based income. In terms of participation in agencies, I collected data (or its equivalence from annual reports) on the number of staff, volunteers, clients, board members, and the number of board hours worked. For governance, I collected mission statements, whether an agency complied with two sets of "good governance" practices (having an established conflict of interest policy and a whistleblower policy), and whether an agency was a member of the United Way. In terms of advocacy, I collected data from Form 990 for a question regarding whether an agency engaged in political advocacy. For this question and the questions regarding good governance, there was very little (to no) variation in responses.

Case Selection

From this population of 35 agencies I selected four agencies that addressed shelter. I decided to focus on shelter as a sub-sector because each sector of social service provision entails a relatively specialized store of knowledge about funding streams and requirements—for instance, hunger programs require knowledge of the federal food commodity program. My initial fieldwork in a shelter agency gave me background and knowledge about funding streams, and I felt that it was useful to compare agencies that shared funding structures and were subject to similar macro-processes. For example, as this research shows, changing requirements at the Department of Housing and Urban Development affected each shelter agency in specific ways. This allowed for cross-case comparisons that might not have been easy if cases were selected from different sectors.

The second variable that I used for case selection was funding stream—fieldwork had alerted me to differences in whether an agency was funded through private funding or government funding and I selected cases based on their funding. Bloomington Housing Authority was exclusively funded through federal grants in 2010. Martha's House was funded by a government grant, but had a small stream of private funding. Middle Way House had a balance between government and private funding. And Shalom Community Center depended on private donations for almost its entire budget in 2010.

The third variable that I used for case selection was based on my subjective understanding of whether the agency was undergoing significant changes in its funding stream. I admit to being particularly fortunate in this regard. I initially anticipated that Bloomington Housing Authority would represent a case of financial stability and thought it would provide a contrast for the cases I knew (Martha's House) and suspected (Middle Way House) were undergoing financial instability. Before interviewing began, I also thought that Shalom Community Center would represent a case that had fairly stable funding, although I expected it to differ from the Housing Authority because it was based on a potentially unsteady stream of individual donations. Instead, what I found was that every agency was experiencing some form of funding instability, with Martha's House representing the least changed (they did not increase or decrease in funding at the time of the interview).

By the time I began doing interviews, I had already collected information about each agency. I read newspaper stories where the agency was mentioned, thoroughly read their webpage, conducted site visits, sought opportunities to see the executive director speak while doing fieldwork, and found opportunities to otherwise become familiar with the organization's operations, such as attending volunteer training, volunteering at the agency, meeting with agency staff informally to learn more about their experience working at the agency, and when possible, sitting in on board meetings. This information served as background for the in-depth interviews I conducted with executive directors, former directors, and board members at each of the four agencies.

For three of the agencies I also collected their Facebook posts, averaging about 80 posts a year for Shalom Community Center and Middle Way House (for 2010 and 2011), and nine posts per year for Martha's House.

Interviews

Over the course of two months I conducted 17 in-depth interviews with executive directors, former executive directors (when possible), and three board members from each of the four agencies that served as case study agencies. These interviews were conducted in person, often in coffee shops, but occasionally in their office. Interviews lasted as little as ninety minutes and as long as three hours.

For each interview I prepared a set of questions based on my expectations for what area the interviewee would be most informed. For instance, board presidents often had a great deal of historical knowledge about the organization and could offer in-depth understanding of an organization's mission, its relationship with other organizations and the management relationship with the executive director. I usually interviewed one person whose responsibility on the board was the "budget" and who was trained as an accountant. I focused questions in these instances on funding streams, grant management, and fundraising. There was often another person on the board who led social fundraising activities, or engaged in donor cultivation, and I took advantage of their knowledge base to ask about these things. Occasionally, a board member would surprise me, occupying a role on the board I did not expect (for instance, one board member at Middle Way House perceived his role as serving as a link to the faith community). Executive directors typically were interviewed for the longest, as their expertise spanned several areas and they were very helpful in clarifying details that had emerged in interviews with board members. I interviewed executive directors last, specifically for these reasons. I had an extensive list of questions that had been approved through the Institutional Review Board, and I selected questions and probes based on the area of expertise. If an interviewee suggested a topic, I would explore it, but work to redirect the discussion back to the topics I was focused on.

I recorded the interviews, although offered to go "off record" during interviews when requested. Usually this happened when interviewees were naming names, something that is seldom done in Bloomington. Instead, interviewees would make a casual reference to someone by their job description and if I could follow along, as I usually could, they would continue. It was clear that I was not allowed to ask for clarification during these moments. This is due in part to the sensitive character of many of the people who work in the social service community, and the necessity everyone has in making sure that people continue to get along. Most people involved in the social services are in it for the long haul, they will have to work with people they don't agree with, and I was invited to engage with them with the understanding that I adhere to this and not "name names" either. I have worked to insure that what is said is not insensitive to the broader community. Prior to being made public, this dissertation has been shared with those who participated in the study and I removed their names or quotes as requested. In other cases I made references vague, or removed references that could be used to identify individuals.

Interviews were transcribed, and then analyzed in AtlasTi, a qualitative data analysis software package. I adopted both inductive and deductive approaches to data analysis. Coding was driven in part by existing theory, for instance, coding for different dichotomies, such as whether the board pushed for a decision or the executive director. But the nature of in-depth interviews also allowed for new codes to emerge and this provided the impetus for the development of the theoretical contributions that this research makes. For instance, noting that agencies have an empowerment or supervisory organizational culture emerged through repeated comments by board members and the executive directors and as I wrote memos that were directed toward identifying patterns, this distinction emerged.

Secondary Data

Chapter two, particularly, relies on secondary data collected from federal, state, county, city, township and university records. All of these data are publicly available and the citations list identifies where particular reports were found. A majority of data from 2000 onward was found on websites for different agencies, especially at the federal, state, county, city and university level. Data that are older were found in the Indiana University library. Some township data were found on the trustee website, but other material was shared by social service providers, and reflected reports that had been public.

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Zunz, Olivier. 2012. *Philanthropy in America. Princeton,* New Jersey: Princeton University Press.

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EMPLOYMENT

2014	Instructor I, Professor of Teaching Stream—Department of Sociology, University of British Columbia, Vancouver, British Columbia, Canada

EDUCATION

2014	PhD., Sociology, Indiana University—Bloomington, Indiana Minor: Research Methods Dissertation: *Social Service Agencies: Participation, Governance, and Advocacy in Bloomington, Indiana* Committee: Robert V. Robinson (chair), Laurel Cornell, Donna Eder, Andrew Libby, and Fabio Rojas Qualifying Exam: Organizations and Collective Action Committee: Robert Robinson (chair), Arthur S. Alderson, and Stephen Benard
2008	Certification, Preparing Future Faculty, Indiana University—Bloomington, Indiana
2006	M.S., Sociology, Portland State University—Portland, Oregon Thesis: *Expanding Responsibilities and Shifting Demands: An Analysis of the Effects of Migration and Employment on Immigrant Women's Negotiating Power in the Household* Committee: Veronica Dujon (chair), Melanie Arthur, Johanna Brenner
1997	B.A., Philosophy, University of Portland—Portland, Oregon

AREAS OF RESEARCH INTEREST

Poverty and Social Inequality	Immigration, Race, and Identity	Organizations
Scholarship of Teaching and Learning	Family, Work, and Gender	Nonprofits

AREAS OF TEACHING INTEREST

Introduction to Sociology*	Social Research Methods*	Social Theory
Globalization*	Statistics (laboratory) *	Family
Work and Gender	Sociology of Food*	Poverty and Welfare

HONORS AND AWARDS

2013-2014	Herman B. Wells Graduate Fellowship, Indiana University
2012-2013	John H. Edwards Fellowship for Commitment to Service and Teaching, Indiana University
2012-2013	Service-Learning Fellowship, Office of Service Learning, Indiana University
2011	Baden-Würtemburg Landesstiftung Scholarship, Mannheim University, Germany (declined)
2010	Social Action Award, Department of Sociology, Indiana University
2009	SAGE/Pine Forge Teaching Innovations and Professional Development Award, American Sociological Association, Section on Teaching and Learning
2009	Faculty Travel Grant, DePauw University, Greencastle, Indiana
2008	Preparing Future Faculty Shadowing Fellowship, DePauw University, Greencastle, Indiana
2008	1st Place Graduate Paper Award, Midwest Sociologists for Women in Society
2008	Preparing Future Faculty Research Fellowship, Indiana University
2008 & 2009	Summer Research Fellowship, Department of Sociology, Indiana University
2008	Graduate and Professional Student Organization Travel Grant, Indiana University
2006-2011	Graduate Tuition Scholarship, College of Arts and Sciences, Indiana University
2003-2005	Graduate Tuition Scholarship, Portland State University
1995-1997	Undergraduate Tuition Scholarship, University of Portland

PUBLICATIONS

Carlson Matthew J., Greer Kerry, Naderi Pooya. 2005 "OCHIN Member Clinic Satisfaction Survey Results 2005." Prepared for the Oregon Community Health Information Network.

UNDER REVIEW

Greer, Kerry and Timothy L. O'Brien. "Downward Dreams: Graduate Training and Shifting Career Expectations."

Greer, Kerry. "Immigration and Work: Pathways to Empowerment and Strategies for Survival."

WORK-IN-PROGRESS

Greer, Kerry. "Participatory Practices in Small Nonprofits: How Community Counts."

Greer, Kerry. "Elusive Efficiencies: Funding Streams and Program Development"

TEACHING EXPERIENCE (as the instructor of record)

2013, 2010 *Social Research Methods* (service learning)
1 semester, 35 students
1 summer session, 15 students
In addition to classroom instruction which emphasized key concepts in research design, and an overview of research methods, this course is notable in that I incorporated a service learning project where students conducted either (1) a multi-method evaluation of services delivered by a local nonprofit agency (semester), or (2) designed and implemented a survey to measure resident attitudes about city and community services in a public housing complex (summer). Students gained hands-on knowledge, professional skills, and experience applying a range of social research methods.

2013 *Social Problems and Policy: Poverty and Welfare* (service learning)
1 summer session, 10 students
Using several texts and in-class discussions, students learned about poverty and welfare in America, and the state's declining willingness to address this problem. Students engaged in service learning at one of two sites that helped either children experiencing poverty, or adults experiencing homelessness. Students were evaluated based on their written responses to assigned readings, their reflections of their service learning experiences, and a final paper. Writing assignments were designed to provide a basis for the final paper, providing ongoing feedback to students.

2009-2013 *Internship in Sociology*
6 semesters, 2 summer sessions, 12 students total
Formally mentored undergraduate students interested in pursuing graduate training. Worked to refine their interests, understand the expectations of graduate school, and develop strategies for reaching goals. Students were exposed to classroom responsibilities as teaching assistants, while engaging in discussions about their research (often while working on an honors thesis).

2005-2012 *Introduction to Sociology*
5 full semesters, 4 intensive (8-week), 50-60 students
1 summer as a service learning, 20 students
Examine a variety of key sociological topics, emphasizing agency within the context of structural constraints. Helped students develop their awareness of key social phenomenon, and how to talk about issues of race, inequality, and social justice in a culturally competent way. Emphasized discussion, activity, and engagement, most recently having students serve at a homeless shelter where many discovered the wide variation in who is experiencing poverty in their community.

2006-2011 *Globalization / Global Society*
5 summer sessions, 15-25 students
2 quarters, 80 students
Taking a historical approach, students are guided toward understanding the basis for current global relations as rooted in 18th century colonialism, which has been reproduced in the current global division of labor. Through several texts, including a continuously edited and updated set of readings, videos, and in-class discussions, students are encouraged to apply a critical lens to these relationships and to the proposed solutions (i.e. global labor standards, protest, boycott, WTO, IMF, etc). In addition to exams that test the basic course knowledge, students write intensively, producing several persuasive or expository essays.

TEACHING EXPERIENCE, Continued

2008-2009 *Sociology of Food* (service learning)
2 summer sessions, 15 students
Developed a course that engaged questions about local food system sustainability and global food commodity chains. We consider social responses to this unequal system (i.e. Fair Trade, Organic, locavore, etc.) and investigate whether these responses address the underlying problems. Worked closely with advanced undergraduate students to help them develop their food-based research interests, allowing them to select a single "local response" to study in-depth, by engaging in service learning with that producer/distributor/consumer.

2007 *Statistics for Sociology Lab*
1 semester, 60 students
Worked with students who were co-registered in a social statistics course to help them master the fundamentals of SPSS as it applies to descriptive and basic inferential statistics.

2004-2005 *Social Research Methods Lab*
2 semesters, 60 students
Helped students develop SPSS skills in conjunction with their own applied research project.

PRESENTATIONS

2013 "Graduate Training and the Reproduction of Gender Inequality in Scientific Careers." American Sociological Association Annual Meeting, New York, NY (with Timothy O'Brien).

2012 "Participatory Practices in Small Nonprofits: How the Community Counts." Community and Grassroots Association Section Colloquium at the Association for Research on Nonprofit and Voluntary Associations, Indianapolis, IN.

2012 "US Housing Policy's Impact at the Local Level." Politics, Economy, and Culture Workshop, Bloomington, IN.

2009 "Graduate Training and the Reproduction of Gender Inequality in Scientific Careers." International Scholarship of Teaching and Learning Meeting, Bloomington, IN (with Timothy O'Brien).

2009 "Applying Ethnographic Methods to Understand Social Organization." Pacific Sociological Association, San Diego, CA.

2009 "Resources, Race, and Gender: Getting the Most of Grad School." Pacific Sociological Association, San Diego, CA.

2008 "Immigration and Empowerment: Case Studies from Ethiopian and Eritrean Immigrant Women." Midwest Sociological Society, St. Louis, MO.

RESEARCH TRAINING

2010	Evaluation Report, People and Animal Learning Services Guided a team of undergraduate students to conduct an evaluation of service delivery using multiple methods.
2006-2007	Research Assistant, Indiana University Designed a study of attitudes towards immigrant in gateway cities in the Midwest; under the supervision of Leah VanWey.
2007	Interviewer, Institute for Social Research, Indiana University Conducted computer assisted telephone survey interviews focusing on public opinion, using framing experiments; under the supervision of Clem Brooks.
2004-2005	Research Assistant, Portland State University Collected historical documents regarding contested watershed in southern Oregon and northern California; under the supervision of Veronica Dujon.
2005	Research Assistant, Portland State University Conducted telephone interviews and completed the qualitative analysis of open-ended survey questions for a program evaluation of regional health clinics that serve low-income populations; under the supervision of Matthew Carlson.
2004-2005	Research Assistant, Portland State University On-site data retrieval of medical histories from obstetrician offices that serve low-income populations; under the supervision of Melanie Arthur.
2004-2005	Research Assistant, Portland State University Conducted interviews with residents in a gentrifying neighborhood about racial, economic, and social attitudes; under the supervision of Daniel
2002-2003	Student Intern, National Agricultural Statistics Service Forecasted crop production for Oregon based on prior year production levels, farm interviews, and commodity prices. Assisted in compiling the Census of Agriculture for Oregon.

SERVICE

2012	Panelist "Conducting Community-Based Research," Indiana University Public Sociology
2012	Moderator, Preparing Future Faculty Conference, Indiana University
2007-2013	Member, Faculty and Graduate Student Mentor Award Committee, Indiana University
2008-2012	Mentor, Arriving Graduate Student Mentor, Indiana University
2008-2011	Mentor, Undergraduate Honors Student, Indiana University
2010-2011	Grant reviewer for the Graduate and Professional Student Organization, Indiana University

2007-2010	Graduate Student Representative, Graduate Employee Organization, Indiana University
2009	Moderator for Hutton Honors College Undergraduate Conference, Indiana University
2009	Committee Member, International Scholarship of Teaching and Learning Conference, Indiana University

PROFESSIONAL MEMBERSHIPS

2005-Present American Sociological Association

Sections: Teaching and Learning of Sociology
Economic Sociology
Inequality, Poverty, and Mobility
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