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FAITH-BASED ORGANIZATIONS VERSUS THEIR SECULAR COUNTERPARTS: A PRIMER FOR LOCAL OFFICIALS

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Introduction

In January 2001, President George W. Bush established the White House Office of Faith-Based and Community Initiatives and issued several other executive orders designed to help faith-based organizations (FBOs) access public funds for social service activities.[*] Since that time, a substantial debate has raged over the benefits of faith-based organizations compared to their secular counterparts. The issue of whether faith-infused services are as effective as or surpass secular services is filled with weighty first amendment questions and polarized political views, at least at the national level. This issue, when considered at the local level, however, is more pragmatic, particularly when viewed with this question in mind: how should local officials faced with almost overwhelming social welfare problems design systems that best deliver social services to people in need?

During the 1990s, mayors across the nation began forming partnerships with FBOs to address a wide variety of public concerns, including crime, affordable housing, child care, elderly care, employment and youth programs.[1] Indianapolis Mayor Stephen Goldsmith formed the Front Porch Alliance to engage faith-based and secular nonprofit organizations in order to strengthen neighborhoods and improve communications with city hall. Nashville Mayor Bill Purcell convened a citywide housing summit to enlist FBOs and other nonprofits in the construction of affordable housing. Miami Mayor Manny Diaz and Charlotte Mayor Pat McCrory worked with FBOs to improve relations between communities and police departments, and to help fight drug-related crime. Finally, Washington, D.C. Mayor Anthony Williams and Baltimore Mayor Martin O'Malley engaged FBOs around programs for city youth.

This primer was developed for local officials who wish to follow in the example of these mayors and engage their city's faith-based organizations in order to address community problems. Specifically, this primer sets out to help local officials learn more about how faith-based organizations compare with secular social service organizations. Various questions are presented about how FBOs compare with each other as well as their secular counterparts followed by useful answers. It is our hope that this primer helps foster better understanding among local officials about two essential aspects of faith-based organizations: (1) that FBOs vary widely from one another, and (2) that FBOs have key similarities, as well as differences, with their secular counterparts.

1. What is a faith-based organization?
This most fundamental question does not yet have a clear answer. In fact, there does not seem to be a generally accepted description used by government, academia, the media or even the faith-based sector.[2] The definitional ambiguity associated with the term "faith-based organization" is due in large part to the broad array of organizations that call themselves "faith-based"—organizations that can vary widely in size, mission, services provided, degree of religiosity, and ties to religious institutions.[3] While several scholars have developed interesting typologies to distinguish faith-based organizations from their secular counterparts, generally, and for the purposes of this primer, *an FBO can be characterized as an organization, with or without nonprofit status, that provides social services and is either religiously-motivated or religiously-affiliated*.

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[*] For the purposes of this paper, "social services" and "human services" are used interchangeably.

Under this expansive definition, there appears to be at least four different types of faith-based organizations at the local level: religious congregations; organizations or projects sponsored by congregations; incorporated nonprofit organizations that are independent or affiliated with a congregation; and local and regional interfaith coalitions. With regard to religious congregations, although they primarily tend to be houses of worship, they may be classified as "faith-based organizations" if they provide social services to their members or to the larger community. In addition, each of the four types of FBOs will sometimes incorporate to attain nonprofit status. From a public funding perspective, it is important to know which type of faith-based organization is funded, what services are supported with public funds, and the manner in which religion is integrated into the provision of publicly-supported services. For more information on each category, please see Table 1 below.

Table 1: The Four Types of Faith-Based Organizations[4]	
RELIGIOUS CONGREGATIONS & COORDINATING BODIES	These include small, store-front congregations, mega-churches, and Houses of Worship (e.g. church, mosque, synagogue, temple, etc.). Different from service providing nonprofits, congregations are primarily communities of worship. Congregations can draw their membership from inside or outside a neighborhood. Coordinating bodies coordinate, govern, and provide resources to their member congregations (e.g. the American Baptist Association, the American Jewish Congress).
ORGANIZATIONS OR PROJECTS SPONSORED BY CONGREGATIONS	These are organizations, programs or projects sponsored or hosted by one or more religious organizations. They may be incorporated or not incorporated (e.g. After school programs, mentoring programs, etc.)
INCORPORATED NONPROFIT ORGANIZATIONS	A nonprofit organization founded by a religious congregation or religiously-motivated incorporators and board members. Religious affiliation or motivation is often clearly cited in the organization's name, incorporation, or mission statement (e.g. Habitat for Humanity, Catholic Charities, Salvation Army USA).
ECUMENICAL, INTERFAITH ORGANIZATIONS	Groups of faith communities who collaborate to leverage collective resources to deliver social services or do advocacy work (e.g. Interfaith Alliance, Metropolitan Area Religious Coalition of Cincinnati, and Minneapolis' Metropolitan Interfaith Council on Affordable Housing).

2. How do faith-based organizations approach their "mission of service"?

Faith-based organizations approach service delivery along a "continuum of religiosity," ranging from "faith-saturated" (or pervasively-sectarian) to "secular-oriented."[5] Interestingly, but not surprising, the more sectarian an organization is, the more likely it is to approach service holistically, namely, because these FBOs are concerned with meeting both the temporal and spiritual needs of people. Faith-saturated organizations hold that religion is central to their mission and to the services they provide. For this reason, they may be unwilling to compromise

with secular partners for fear of compromising their principles. Conversely, there are secular-oriented faith-based organizations whose services may be as secular as any community-based organization, and whose only connection to religion may be through their board members, for instance. Still, there is a middle ground held by organizations like Habitat for Humanity which recruits volunteers and many beneficiaries from churches but does not condition housing on a faith-response, though it does have specific values it emphasizes.

There are various examples of faith-based organizations all along the continuum of religiosity. When FBOs provide services of a distinctly secular nature, their goal may be to simply help people meet their immediate needs (i.e., emergency shelter). In Detroit, one congregation intentionally limits itself to secular services to combat community concerns that the "church is taking over the neighborhood."[6] Alternatively, when FBOs approach service delivery from the other end of this continuum and provide sectarian services, their goal may be to change the destructive behavior of an individual by attaching that person more closely with a Supreme Being. For example, in Indianapolis, Shepherd Community, Inc. is a nonprofit organization that provides services in a "Christ-centered environment," to meet the physical, social, educational and spiritual needs of its community. To better understand the motivation of faith-saturated FBOs, please see the vignette below on "Faith and Works."

Faith and Works

Cheryl Sanders, professor of ethics at Howard University and pastor at Third Street Church in Washington, D.C., explains the importance of service to religious people: "The kingdom prepared from the foundation of the world is a realm where all are filled and fed and free. One is qualified to enter that kingdom by exercising good stewardship of life itself, by ministering life out of the abundance one receives as a divine trust from God…Those who feed the hungry, give drink to the thirsty, take in the stranger, clothe the naked and visit the sick and incarcerated become identified with…God's kingdom in this world and move with God in the realm of human affairs."

Source: Cheryl Sanders, "Ministry at the Margins: The Prophetic Mission of Women, Youth and the Poor," Intervarsity Press, Downers Grove, IL, June 1997, p. 28.

3. How are FBOs different from their secular counterparts?

Some scholars argue that faith-based organizations are not that different from secular organizations, apart from the "missionary zeal with which they approach their missions."[7] It is our contention, however, that FBOs have unique strengths and resources—some of which may overlap with those of their secular counterparts, while others do not. Among the strengths and resources that FBOs bring to the task of community development: (1) they are generally trusted by their communities, particularly in distressed areas; (2) they create and provide community leadership; (3) they can access human and financial capital in the form of volunteers and donations; (4) they are community and cultural anchors in areas where they have long been located; (5) they are typically more readily holistic in nature; and (6) they are driven by a higher calling.[8] While some of the above-listed strengths of FBOs might be shared with their secular counterparts, important differences exist, or are perceived to exist, in the following areas:

revenue sources, organizational capacity, programs and services, effectiveness, and community perceptions.

4. What are the revenue sources of FBOs and their secular counterparts?
As a result of the "charitable choice" provision of the 1996 Welfare Reform Act, more faith-based organizations were given equal footing to receive federal funding for social service delivery. Since then, studies have examined whether FBOs were more likely to access public funds in this "post-charitable choice" era. The results are notable, but perhaps not surprising; they suggest that most faith-based organizations still receive few public dollars and remain largely dependent on support from congregations and religious institutions. Moreover, most FBOs might prefer to keep it that way, expressing a "clear preference" for religious sources of funding, according to at least one study.[9] Conversely, secular organizations were more likely to receive funds from government sources. For example, in the 2001 study of faith-based and secular organizations providing services to the homeless in Houston, almost half (47%) of FBOs received no government funds.[10] On the other hand, over half (51%) of secular providers received 50 to 100 percent of their funds from government sources.[11]

5. Are there organizational capacity differences among FBOs and secular organizations?
FBOs generally differ in their organizational capabilities in three key areas: dependence on volunteers, organizational leadership and decision-making processes. Observes one faith-based service provider: "the preponderance of [congregations] have not yet found the proper equation for significant community impact. Although many run soup kitchens or youth programs successfully, expanding into building housing or economic development is a huge leap that most [congregations] do not have the capacity to accomplish."[12] Several studies confirm this sentiment: faith-based organizations tend to rely more extensively on volunteers than their secular counterparts.[13] This suggests that many FBOs, particularly smaller ones, may lack the professional staff, skilled in organizational and financial management, necessary for expansion. In Indianapolis, for instance, one study showed that even FBOs which received assistance from the Mayor's office still had difficulty submitting high quality grant applications—a problem likely due to the lack of professional fundraising staff that secular nonprofits can afford.[14]

In terms of organizational leadership and decision-making, there are important differences between FBOs and their secular counterparts. While both types of organizations may rely on professional counsel from time to time, FBOs are also likely to rely on "spiritual expertise" to reach decisions.[15] Additionally, faith-based organizations report that religiously committed staff and leadership are important to fulfilling their mission. Overall, this should not suggest, however, that all FBOs lag behind their secular counterparts when it comes to organizational capacity. A 2005 study in Allegheny County, Pennsylvania, for instance, shows that many FBOs have comparable "management capacity and sophistication," and in fact, have a competitive advantage over their secular counterparts, given their ability to recruit and retain volunteers.[16]

6. How do the programs, services and organizational culture of each compare?
Research suggests that "various expressions of faith are clearly present" in the programs and services provided by faith-based organizations.[17] This, in turn, reflects that the organizational culture of faith-based organizations is "thoroughly imbued with religious values."[18] The religious culture of FBOs is reinforced, or perhaps caused, by the type of people who work at such

organizations. Perhaps not unexpectedly, one study found that most paid staff members and volunteers at faith-based organizations are "religiously committed people who are motivated to work…for religious reasons" even when there is no formal policy requiring workers to adhere to a certain faith.[19] In terms of programs and services, it would appear that FBOs and their secular counterparts do not actually differ significantly in the range of direct services provided to clients. Where the two types of organizations differ is in the FBO's delivery of a "variety of religious services as part and parcel" of its social services.

7. Which type of services, faith-based or secular, are more effective?
The premise that social services are more effective when they contain a faith component, at least for a significant number of people, has been the subject of conflicting research. Some argue that social services will be more effective with a faith component—that faith-based organizations will change the values and behavior of the disadvantaged while meeting their physical needs.[20] On the other side, some critics have suggested, for instance, that faith-based organizations are no less likely than secular organizations—in the public, private and nonprofit sector—to encounter ethical problems, including fraud and abuse.[21] As far as public opinion goes, there seems to be widespread belief that FBOs are efficient and effective, with even President Bush repeatedly stating that FBOs have a proven track record in dealing with challenging social problems.[22] In reality, numerous studies measuring the effectiveness of FBOs in publicly-funded social service delivery are, to date, at best inconclusive.[23]

8. How do local communities perceive FBOs and their secular counterparts?
Faith-based organizations are often trusted by the communities where they reside, typically because of their longstanding histories and involvement in the local community. In distressed neighborhoods, in particular, FBOs have earned "moral capital" through FBO leaders who lead wider community development efforts and through FBO members, who may be dedicated community activists. Even more fundamentally, faith-based organizations have gained the trust of distressed communities for staying when other local institutions have left. As a result, faith-based organizations have become important community anchors over the years—a place where residents can get help for any number of needs.

In addition, some experts believe that FBOs may be less at risk of losing their community-focus than secular nonprofit organizations. The growth of the nonprofit sector in recent years has been fueled by fees-for-service business.[24] Interestingly, the percentage of nonprofit income coming from donations fell from more than 50 percent in the 1970's to less than 25 percent in the 1990's, yet over this same period, donations actually increased in real dollar terms.[25] This paradox is explained by the fact that fee-for-service income increased more significantly for nonprofit organizations than donations. This trend has been commonly characterized as the "commercialization of nonprofits." With this trend, there is increasing concern that nonprofits may be losing their community-focus as they pursue fee for service business. On the other hand, it is perceived that FBOs are less threatened by this drift toward commercialization because of their greater reliance on, and preference for, donation income and volunteers.

9. What challenges do local officials face when working with FBOs?
The potential strengths and resources, outlined above, that faith-based organizations bring to community development may not always be actualized. For example, despite the claim that faith-

based services are distinctive in their holistic or personal approach, some scholars argue that congregations are actually more likely to engage in "fleeting contact, if any at all, with needy people."[26] Specifically, these scholars point to research that suggests FBOs typically participate in or support programs aimed at only meeting short-term emergency needs, such as food, clothing, and shelter.[27]

Additionally, there may be substantive obstacles that local officials face when partnering with faith-based organizations—obstacles unique to FBOs. These challenges, which local officials will have to overcome or at least manage, can include: religious proselytizing in the delivery of services, a past lack of engagement by city hall; low organizational capacity, especially for FBOs new to community development activities; competition for funding with more experienced secular organizations; negative community perceptions if FBO services are targeted to congregants over non-congregants; and an unwillingness by some FBOs to compromise with local governments, for fear of compromising their values.

10. What effect does government money have on FBOs?
The available research suggests that public money may have a muting effect on the "religious character" of faith-based organizations.[28] According to one study, FBOs which do not accept government funding are much more likely to "(a) base the design of a major program on religious values, (b) use religious teachings in staff training, (c) use religious teaching to encourage clients to make changes in their behavior, and (d) urge clients to make a personal religious commitment in their lives."[29] On the other hand, there is concern that faith-based organizations which accept government funding have begun to look and act similar to their secular counterparts in the same fields. This process, called isomorphism, is thought to occur when organizations, whether faith-based or secular, experience comparable external pressures and expectations and, responding similarly, eventually begin to look more alike. Isomorphism can also occur when faith-based organizations make a conscious decision to model their organization on a more successful secular organization, which can happen when an FBO is unsure of its own structure and goals.

Interestingly, other studies have shown that while most, if not all, faith-based organizations which take public money may be subject to "secularizing pressures," they do not necessarily become more secular. It remains the subject of research that some FBOs respond to this tension by becoming more secular while other FBOs "lean more toward retaining religious uniqueness."[30] There is also a perception in some quarters that should be noted, namely, that larger, more established faith-based organizations, such as Catholic Charities, have become "too secular" over the years given the substantial level of public funding they have received. Whether or not this is true is up for debate, but it certainly was the case that prior to the Charitable Choice provisions of the 1996 Welfare Act, that FBOs were required to take "secular steps" in order to be eligible for public funds. This perception may still exist among faith-based organizations and explain why some FBOs still voluntarily take secular steps when accepting government money, even if there is no requirement for them to do so.[31] Conversely, the perception that public money leads to secularization may explain why other FBOs still refuse to accept government funding.

ENDNOTES

[1] Stephen Goldsmith, "City Hall and Religion: When, Why and How to Lead," Harvard University--Kennedy School of Government, 2003. This paper was prepared for the Executive Session on Faith Based and Community Approaches to Urban Revitalization.

[2] "Harnessing Civic and Faith-Based Power to Fight Power," Working Groups on Human Needs and Faith-Based and Community Initiatives, 2003, pp. 28-29, available at www.working-group.org/Documents/SFCGbook2003Final.pdf. Quoted in John L. Saxon, "Faith-Based Social Services: What are They? Are They Legal? What's Happening in North Carolina?," *Popular Government*, Fall 2004, pp. 5-6.

[3] John L. Saxon, "Faith-Based Social Services: What are They? Are They Legal? What's Happening in North Carolina?," p. 6; and Helen Rose Ebaugh, Paula Pipes, Janet Saltzman Chafetz, and Martha Daniels, "Where's the Religion? Distinguishing Faith-Based from Secular Social Service Agencies," *Journal for the Scientific Study of Religion*, 42 (3), 2003, pp. 412-414.

[4] Office of Management and Budget Guidelines. Quoted in the Corporation for National and Community Service, "FACES State Commission Toolkit: Implementing the President's Faith-Based and Community Initiative at the Corporation for National and Community Service," The Resource Center: Tools and Training for Volunteer and Service Programs, available at http://www.nationalserviceresources.org/initiatives/faces/state_commission_toolkit_faces/faces_state_commission.php, accessed 6 December 2005.

[5] Helen Rose Ebaugh, Paula Pipes, Janet Saltzman Chafetz, and Martha Daniels, "Where's the Religion? Distinguishing Faith-Based from Secular Social Service Agencies," p. 413.

[6] From one participant at the Unlocking Doors forum held in Detroit.

[7] Martin, Anya, "From a higher cause: Faith-based organizations approach affordable housing from a scriptural spirit, but otherwise they're not so different from any other nonprofit with a heart," *Journal of Housing and Community Development*, June 2003. See also Mark Chaves and William Tsitsos, "Congregations and Social Services: What They Do, How They Do It, and With Whom," *Nonprofit and Voluntary Sector Quarterly*, 30 (4), December 2001.

[8] Henry Cisneros, "Higher Ground: Faith Communities and Community Building," Washington D.C., U.S. Department of Housing and Urban Development, 1996; Allison Calhoun-Brown, "While Marching to Zion: Otherworldliness and Racial Empowerment in the Black Community—Introduction," *Journal for the Scientific Study of Religion*, September 1998, 37 (3); and Avis Vidal, "Faith-Based Organizations in Community Development," U.S. Department of Housing and Urban Development, Office of Policy Development and Research, August 2001, pp. 16-19.

[9] Helen Rose Ebaugh, Paula Pipes, Janet Saltzman Chafetz, and Martha Daniels, "Where's the Religion? Distinguishing Faith-Based from Secular Social Service Agencies," p. 423.

[10] Ibid., pp. 418-419.

[11] Ibid., pp. 418-419.

[12] Darren Walker, "Not By Faith Alone: Faith-based community development requires prayer, persistence and proficiency," *Shelterforce*, the Journal of Affordable Housing and Community Building, January/February 2001.

[13] Please see Helen Rose Ebaugh, Paula Pipes, Janet Saltzman Chafetz, and Martha Daniels, "Where's the Religion? Distinguishing Faith-Based from Secular Social Service Agencies," pp. 417-418; and Kevin Kearns and Linda Yakowski, "Comparing Faith-Based and Secular Community Service Corporations in Pittsburgh and Allegheny County, Pennsylvania," Nonprofit and Volunteer Sector Quarterly, 34 (2), June 2005, pp. 208, 219-220.

[14] Arthur E. Farnsley, "Can Faith-Based Organizations Compete," *Nonprofit and Quarterly Sector*, 30 (1), March 2001, p. 105.

[15] Helen Rose Ebaugh, Paula Pipes, Janet Saltzman Chafetz, and Martha Daniels, "Where's the Religion? Distinguishing Faith-Based from Secular Social Service Agencies," pp. 420-424.

[16] Kevin Kearns and Linda Yakowski, "Comparing Faith-Based and Secular Community Service Corporations in Pittsburgh and Allegheny County, Pennsylvania," p. 226.

[17] Ibid., p. 225.

[18] Helen Rose Ebaugh, Paula Pipes, Janet Saltzman Chafetz, and Martha Daniels, "Where's the Religion? Distinguishing Faith-Based from Secular Social Service Agencies," p. 423.

[19] Ibid., p. 423.

[20] Please see Peter Dobkin Hall, "Historical Perspectives on Nonprofit Organizations in the United States," *The Jossey-Bass Handbook of Nonprofit Leadership and Management,* R.D. Herman and Associates, eds, San Franscisco, Jossey-Bass, 2005, p. 24.

[21] Please see Margaret Gibelman and Sheldon R. Gelman, "Should We Have Faith in Faith-Based Social Services?: Rhetoric Versus Realistic Expectations" *Nonprofit Management and Leadership,* 13 (2), Fall 2002, pp. 49-65.

[22] Please see Byron R. Johnson, "Objective Hope: Assessing the Effectiveness of Faith-Based Organizations," Center for Research on Religion and Urban Civil Society, Philadelphia, 2002; and Lewis D. Solomon and Matthew J. Vlissides, "In God We Trust? Assessing The Potential of Faith-Based Social Services," Progressive Policy Institute Policy Report, Washington DC, February 2001. In 1990, a New York Times poll found that 68 percent of Americans believe that "voluntary groups like charities and churches" are better able to fight poverty in the cities than government.

[23] John L. Saxon, "Faith-Based Social Services: What are They? Are They Legal? What's Happening in North Carolina?," p. 8.

[24] Lester M. Salaman, ed., "The State of Nonprofit America," Brookings Institution Press, Washington DC, 2002; Peter Frumkin, "On Being Nonprofit: A Conceptual and Policy Primer," Harvard University Press, Cambridge MA, 2002; and Paul C. Light, "Pathways to Nonprofit Excellence," Brookings Institution Press, Washington DC, 2002. Quoted in Arthur C. Brooks, "Challenges and Opportunities Facing Nonprofit Organizations," Public Administration Review, 63 (4), July/August 2003, p. 504

[25] Ibid., p. 504.

[26] Mark Chaves and William Tsitsos, "Congregations and Social Services: What They Do, How They Do It, and With Whom." *Nonprofit and Voluntary Sector Quarterly*, 30 (4), December 2001, p. 676.

[27] Ibid., p. 676.

[28] Kevin Kearns and Linda Yakowski, "Comparing Faith-Based and Secular Community Service Corporations in Pittsburgh and Allegheny County, Pennsylvania," p. 216.

[29] Ibid., p. 215-216.

[30] James R. Vanderwoerd, "How Faith-Based Social Service Organizations Manage the Secular Pressures Associated with Government Funding," Nonprofit Management and Leadership, 14 (3), Spring 2004, p. 242.

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[31] Kevin Kearns and Linda Yakowski, "Comparing Faith-Based and Secular Community Service Corporations in Pittsburgh and Allegheny County, Pennsylvania," p. 216.