

# Faith-Based Initiatives analysis

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## 1 Introduction

### 1.1 President's Faith-Based initiatives in retrospective

On January 29, 2001, just two weeks after being inaugurated into the office, President Bush established a special White House Office of Faith-Based and Community Initiatives (OFBCI) and ordered five Cabinet departments to establish Centers for Faith-Based and Community Initiatives. President demonstrated by so quick promotion of new initiative his willingness to fulfill his campaign promises as well as (according to [Tenpas, 2002]) his real personal attachment to the issue. Goal of the president's initiative was apparently to "enlist, enable, empower and expand the heroic works of faith-based and community groups across America" [Bush, 2001a].

According to [Tenpas, 2002]<sup>1</sup> the office suffered due to organizational problems and confused relations with other branches of White House bureaucracy. Moreover, sooner than this new office managed to organize itself to any reasonable activity it was drawn into very hostile political debate: on the one side numerous critics questioned the president's faith-based initiatives on constitutional grounds (see more on that below) and on the other hand then dominant Republicans in the House of Representatives tried to force hugely controversial bill HR 7 through the Congress without giving an opportunity to OFBCI to establish any homogeneous policy beforehand. Answer to this political effort was huge backlash from all sides of the political spectrum. Liberals stood against it because (roughly speaking) of the possible conflicts with the constitutional separation of the church and state. What was even worse, there were many evangelicals, and conservative Republicans, who were against the bill too, because they were afraid of the other side of the separation of the state and church—improper intrusion of government into religious spectrum (the biggest discussion around HR 7 was about the discrimination of some religious organizations against non-members of the particular denomination, or Catholic discrimination against women in some occupations).

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<sup>1</sup> The article includes comprehensive analysis of the development of the office in the first year after its establishment.

Although HR 7 finally made it through the House due to the sheer majority of Republicans, it was never really introduced to the Senate and after Republicans lost their majority in the House, there is really no-one who would believe that it can make its way through the Senate. Even the senator Lieberman (who is otherwise the main supporter of the President's faith-based initiatives from among Democratic politicians) declared that he will rather introduce new bill in Senate replacing HR 7 (he has not done so yet).

Fortunately (for the faith-based initiatives) September 11 came and so the focus of whole nation was shifted towards another issues. It seems that the office got some time to decrease to more modest and down-to-earth activities. Even before September 11 it created [Bush, 2001b] which was the first overview of the execution of the Charitable Choice supporting faith-based organizations (although according to its critics from among large charities in [Pew Forum] the report was biased in favor of faith-based and small organizations; see on that later in section 3). The office also cooperated with other branches of government in production of variety of programs such as (according to [Tenpas, 2002]) new tax incentives for charitable giving, reform of the excise tax on private foundations, the establishment of individual development accounts and maternity group homes. Moreover they finally managed to work on real support in Congress, so that on February 8, 2002 key senators reached an agreement and introduced S1924, "CARE" (Charity Aid, Recovery and Empowerment Act), which aids religious and secular charitable organizations primarily through a host of financially-related provisions (e.g., creating new tax breaks for citizens and corporations that give to charity and restoring funding for social services block grants to the states). Although the bill has not been passed in either chamber of Congress yet, there does not seem to be any reason why it should not. Hopefully the office begun to move in right direction.

## 1.2 Overview of the faith-based charities in USA now

The best known examples of the faith-based charities are large nation-wide denominational and supra-denominational organizations (e.g., Salvation Army, Catholic Charities, Jewish Federations, Lutheran Social Services, or International Union of Gospel Missions) and local associations based on the local congregations (Boston's Ten Point Coalition is a well known example of this kind of charity). However, according to [Tanner, 2001, p. 2] there are also more than 350,000 religious congregations in the United States today and in "1998 survey of more than 1,299 religious congregations found that 57% were engaged in social services delivery, most commonly food-related projects, housing and shelter programs, and clothing distribution."<sup>2</sup> On the other hand only about 3% of local congregations receive government funding for their charitable operations.

The religious charities "industry" is rather huge one (see table 1). Moreover, according to [Bush, 2001b, p. 3]<sup>3</sup> charitable religious organizations "represent a major part of

<sup>2</sup> All these data according to Tanner [2001] citing Mark Chaves, "Religious Congregations and Welfare Reform", *Social Science and Modern Society* 38 (January-February 2001):22.

<sup>3</sup> Quoting Ram A. Cnaan, Robert J. Wineburg, and Stephanie C. Boddie, *The Newer Deal: Social Work and Religion in Partnership*, (New York: Columbia Univ. Press, 1999).

the American welfare system". Therefore when we are talking about the small faith-based organizations, the issue at stake is not just separation of the state and church and relation between government and different religious denominations and organizations.

| Type of support                    | Amount       |
|------------------------------------|--------------|
| Total contributions                | \$190 bil.   |
| From that                          |              |
| to religious charities             | \$80 bil.    |
| Comparing to previous year         | +\$4 bil.    |
| Additional value of volunteer work | \$225 bil.   |
| Total federal government budget    | \$1,742 bil. |

Table 1: Size of the voluntary contributions to American charities in 1999 (source [Tanner, 2001, p. 11] and [FGB]).

However, there are two types of congregations active in the charitable work. According to [Trulear, 2000] there are big congregations (typically with more than 500 members), with membership covering wide geographic area (many commuting members), and then there are neighborhood-based small ones (with 200 and less members). From these two the latter are better suited to help to the high-risk population,<sup>4</sup> because the former although having much bigger budgets are usually more concerned with projects less demanding on the personal involvement both in terms of personal activity and personal contact with their clients. Moreover local congregations are more oriented on providing necessary services to local communities, because obviously members of the congregation are part of such community.

Unfortunately there are serious problems with the effectiveness of the small local congregations too, which I will analyze in the next section.

## 2 Pro and con of the government support towards faith-based charities

President's faith-based initiative cannot be analyzed just from themselves, but we have to consider the current background of charitable religious organizations and the biggest problems which should be addressed by any governmental action. Then I will contrast difficulties, which were presented against the president's initiative during the discussion since the creation of OFCBI.

### 2.1 Current problems of religious charities

#### 2.1.1 Scalability

Most of these congregations have very small (if any) organizational structure, because "[t]hese organizations persist in doing this work because of a strong sense mission, and

<sup>4</sup> The report I have based this subsection on is concerned mostly with the issue of support to high-risk youth.

they place little, if any, emphasis on strategic planning or evaluation.” [Trulear, 2000, p. 7] Although such total orientation on their mission is crucial to their survival, it is in the same moment substantial hindrance in any efforts to grow and accept external assistance.

Moreover most of these organizations are driven by personality and personal relations, which again does not permit their growth. For example, Azusa Christian Community (leading community in the successful Bostonian Ten Point Coalition) “clearly revolves around the strong personality of Rev. Eugene Rivers, not only in terms of his vision for the work but also in the example he has set through relocating himself and his family in the inner city to build relationships within the community.” [p. 7]

### **2.1.2 Insufficient external resources**

Not only that small congregations have difficulty to acquire external funds, they are also usually not much willing to. According to another source<sup>5</sup> just 40% of black congregations in the poorest neighborhoods expressed willingness to accept public funding for their public work (which is the lowest number among black churches, which are otherwise generally more willing to accept any external resources). Otherwise generally all congregations across the spectrum are very afraid of the possible government control over their programs related to any financial assistance. Trulear quotes one pastor who used a biblical metaphor for describing his unwillingness to accept public funds: “You can’t finance Moses’ movements with Pharaoh’s money.”<sup>6</sup>

However, it is clear that there are more barriers to external funds to flow into small charitable congregations than just fear of government control. From obvious reasons understaffed congregations based just on the volunteer’s work will not want to have many workers in administrative and other less ministry-oriented positions, which are however necessary for managing public funds. What is true about the funds from public sources is true about funds from private philanthropic organizations. On one hand congregations usually do not have access to informations about the available resources, and on the other hand benefactors are usually not fully aware of the work of faith-based organizations (especially with small black inner-city congregations). Only in very few cases [Trulear, 2000, p. 9] found associations of local congregations, which were able to attract external resources (the author mentions Michigan Neighborhood Partnership in Detroit and Los Angeles Metropolitan Churches).

### **2.1.3 Non-existent evaluation**

Another function of the organization supported by public funds or from philanthropic resources which is lacking in most local congregations is evaluation and reporting to benefactor. The situation is very similar to the previously discussed issue of accounting,

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<sup>5</sup> Actually, Trulear cites here just a version of Chaves’s work referred in note 2 on page 2, here published in *American Sociological Review*, Vol. 4 (December 1999), pp. 836-846.

<sup>6</sup> It is not clear even from the original text, whether there was a racial touch in his statement, naming government as the enemy of his neighborhood.

however here [Trulear, 2000, p. 9] reports more optimistic results, which show another crucial aspect of the work with local congregations. When they have used classical Christian term “stewardship” instead of “evaluation”, organizations were suddenly willing to participate in the process, because stewardship (basically understood as a management with money and other trusted resources) is deemed to be very important biblical concept worthy of work spent.

#### **2.1.4 Traditionally comprehensive service**

Another issue of many local congregations is that they seem themselves not as specialized agency of the community development but rather as a comprehensive in their outreach. It means on one hand that congregations are often not willing to specialize on one task, on the other hand it means also that they are as such perceived by the community.

Difficulty of being focused on one particular ministry (e. g., support of high-risk youth) is even increased by many small local congregations being fragmented (according to [Trulear, 2000, p. 10]) and burnt out by huge requirements of their communities (which are hard to be refused) combined with insufficient resources. The author mentions as only efficient defense against such over-draining organization’s resources what he calls “focused leadership”, which means conscious orientation of pastors and community leaders on the particular activity rather than comprehensive covering broad general needs of the community. As an example author again presents successful Ten Point Coalition, lead by Azusa Christian Community, where its leader Rev. Eugene Rivers focused work of the community on the help to high-risk youth even when he had to cut off many other important needs of the community.<sup>7</sup> This focused approach is especially important in case of the high-risk youth, because when working only in the benefit of general youth (without specific concentration) congregation may care only for “good kids in bad neighborhood”, i. e. supporting those who are already looking for some kind of guidance and safe heaven from the distressing environment.

#### **2.1.5 Need for Collaboration**

Success of any more substantial charitable work is necessarily connected with the collaboration with other official authorities of the community. It means collaboration with municipality, law enforcement agencies, and educational institutions. However, there are many possible pitfalls of such cooperation. Of course as mentioned above, local congregations (and not without reason) are afraid of being effectively controlled by the secular authorities. Moreover too tight contacts with local authorities (esp. law enforcement agencies) may disrupt trust of the local community towards charity (which is seemed as working only as voluntary extension of law enforcement, “police infor-

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<sup>7</sup> However, according to [Berrien and Winship, 1999, p. 2], other two leaders of the Ten Point Coalition, leaders of churches themselves, “are involved in other programs not related to youth violence, and have frequent local and national speaking engagements.”

nants"). The same applies to too tight relations between a congregation and educational institutions.

The most important part is collaboration between congregations of different denominations themselves. Not only that such ecumenical collaboration helps congregations themselves, but it is clear sign for other philanthropic organizations that members of this group of congregations are more interested in the charity work than in proselytizing and that they are able to make compromises benefiting their charitable work (not mentioning that collaborating congregations can pool resources to attract outside financing).

### **2.1.6 Trust**

Notwithstanding the fact the collaboration with external entities is problematic, it is crucial for the underserved communities. There is now a substantial and still growing literature on the theme on importance of the local community relations for community development (see especially Fukuyama [1995] and Putnam [1993]). Conclusion from all the current thinking on "social capital" suggests that living local organizations are crucial for the development. Such conclusion is even more true in the communities, where religion is substantial part of every day (as is still the case in many black communities). Therefore any public policy for help to these communities should (while considering other issues above) very carefully preserve current natural structures of the communities or it should be even targeted primarily on the support of such organizations.

Actually according to Berrien and Winship [1999] the only real reason, why the existence of the Bostonian Ten Point Coalition made difference in the Bostonian war with the criminality having been out of control, was their ability to act as a intermediating entity trusted as just by both the Police Department and the local community.

It seems that the preservation and reconstruction of trust in the community as well as trust between the community and governmental agencies (especially police) may be the key difference between success and failure in the development of poorest neighborhoods. If the congregations can help in such restoration of trust, then the governmental assistance may be very important.

### **2.1.7 Needs addressed**

Conclusion from all this is clear. There does not seem to be much disagreement about the strength and importance of the local congregations. Although there are many points where the help to the local congregations may be crucial, there are many obstacles how to fulfill these needs. Moreover it seems that exactly the points where the local religious organizations are strongest (personal commitment, all resources focused totally on the ministry) they are weakest as well.

This strange combination of strengths and weaknesses seems to me somehow similar to the situation of the credit unions. Yes, on one hand credit unions are clearly able to save on many institutional expenses of the commercial banks (credit checking, internal auditing), so that they are able to offer to their clients much better interest rates

both on loan as on investment. However, exactly this lean structure of credit unions is their biggest weakness—whenever they overgrown the size which is manageable by personal relationships and oversee of the community, they tend to be easily corrupted and they then have very weak defense against fraud and mismanagement (for more info see Guinnane [1999]).

Something similar happens in the community-based religious organizations. Exactly because they are volunteer-based and lead by the strong and well-known personality, small congregations are able to efficiently use all their resources directly to their ministry without “wasting” money on the internal structure of the organization, accounting, reporting, planning, and management. Therefore they can save a lot of money on payments of the jobs needed for running the ministry, and last but certainly not least, such informal local organizations tend to be much more flexible both in finding the right issue to be addressed as well as in the meeting the needs in less traditional way. Moreover in many communities local congregation is the focal point of the common trust and “social capital”, which seem to be the basic and the most important prerequisites of any strong community development.

However, exactly because of this simplicity, it is difficult for such organizations to grow over some threshold, and it is even more difficult to manage well money and resources given to the organization from outside.

It seems that possible solution of this conflict lies in external support to associations of local congregations, which could hopefully unite volunteering spirit and generosity with the quality control, management, focus on the firmly stated goal, and accountability. However, additional problems of management of such association may complicate efficiency of this solution.

## **2.2 Potential complications when government helps faith-based charities**

### **2.2.1 Insufficient research of efficiency of faith-based charities**

The first critique of the president’s initiative should be certainly that there is so little to support many of assumptions on which the whole initiative is based and some other assumptions just ask for better explanation and elaboration. Notwithstanding the fact that Bush [2001a] is not an academic paper but political manifest, two biggest claims of the document (both initially introduced in the same paragraph on p. 2) just requires some elaboration.

The first is that “[t]raditional social programs are often too bureaucratic, inflexible, and impersonal to meet the acute and complex needs of the poor”. There is probably not much opposition to this claim itself (although some more evidence of how inefficient governmental social programs actually are could be interesting), but I guess that elaboration of this claim and reasons why the governmental welfare programs are less efficient could be illuminating for the program itself. Even just the opposite claim on the same page is quite problematic: “These organizations boast uncommon successes, but they are outnumbered and outflanked.”

Again there is little evidence supporting this claim that non-governmental organi-

zations are more efficient than governmental ones, and moreover there is no analysis what effect on the overall efficiency of the non-governmental sector would have serious governmental support.

### **2.2.2 Conflict with the First Amendment**

Although I personally think that the issue of the relation between separation of the church and state is the least important from all issues relating to the president's faith-based initiatives, it was central theme when the president's initiative was discussed (and attacked) in the Spring 2001. Unfortunately there is not enough space in this article to create comprehensive analysis of the relation between the First Amendment and the faith-based initiatives of the President George W. Bush. However, couple of notes on the topic can be made.

There are many conflicting requirements on the government support of the faith-based charities. I have shown above that in the most difficult communities (and it is true especially for the black ones) religious congregations themselves are the focal points of any successful development by providing internal structure and trust as well as living group ready to support and minister to needy. Therefore rationally speaking, government (whichever—federal, state, or local) would help these neighborhood best by supporting local congregations directly. It is obvious that any attempt to support religious congregations from the governmental budgets would meet strong political resistance and it probably may be argued that such direct support would fall under the First Amendment separation of church and state.

However, there does not seem to be much good alternatives to direct support of congregations, because of serious unintended consequences attached to any such methods. For example, alternative to support of congregations seems to be establishment of charitable non-profit organizations independent from the congregation. Unfortunately such solution seems hurt more than heal, because then the supported charitable organization would function as natural competitor of the congregation, which could effectively destabilize the community. It seems that association of local congregations working together in the ministry may provide optimal solution to these problems, although it probably could work less as authentic community of individual persons than the real congregation. Moreover highly diverse association of religious congregations is less expected to cheat and use the resources on proselytizing.

Another solution would be effort to reinterpret the First Amendment so that it would be able to cover assistance to religious congregations in the poor neighborhoods. Unfortunately the line between proper support of needy communities through religious congregations and improper governmental support of religion is so difficult to draw that creation of sensible policy in this area would need a lot of tolerance on the side of the supporters of the separation of state and church. Therefore and because faith in the First Amendment is only officially supported religion in USA, I do not think that agreement on such reinterpretation is possible at all.

### 2.2.3 Constitutional limits on government spending

There is even other argument against the government funding of the religious organizations, which I am afraid is slightly too extreme given the current circumstances (and which is not arguing with the Bush's faith based initiatives itself, but the author apparently fights New Deal). According to Levy [2001] "[n]o matter how worthwhile an end may be, if there is no constitutional authority pursue it, then the federal government must step aside and leave the matter to the state or to private parties. If Congress thinks it necessary to expand its powers, the Framers crafted an amendment process for that purpose. But too often, rather than follow that process, Congress has disregarded the limits set by the Constitution and gutted our front-line defense against overweening federal government." Further the author finds that there is no reason why should government support welfare programs. General welfare in Article I, section 8 of the Constitution (which is apparently used as a basis for the government's expansion since 1930s) seems to the author more restriction on the federal government—which can use money only for general welfare and not for any particular interest—than green light for the government's unlimited extension. I am afraid, that this argument is so out of the context of the current political debate, that we do not have to elaborate on it.

However, interesting point can be made along these lines in pointing to the president's persuasion that government can use taxpayers' money less efficiently than taxpayers themselves. Such assumption seems to lead only to the one rational solution: government should decrease its taxes and not take these money from taxpayers in the first place. Although this notion is against liberal and radical persuasion that government should help to needy and poor, I think that we could at least partially harmonize this conflict by using taxpayer money not directly but indirectly—through tax credits to registered charities, for example.

Tax credits could help us even with other problems, it could be expected that this solution would at least ease possible conflicts with the First Amendment, because in this case government does not support religion (every and each individual taxpayer does) and moreover, it seems that this way would loosen government oversight and thus it could be much less demanding on the governmental resources. Of course flip-side of savings on government oversight is that there will be less control of the charitable programs. Therefore this indirect method would require higher demands on the requirements for a charity to be registered, and substantial oversight over the charitable organizations reporting both to IRS and to public (I can imagine the latter being similar to the SEC's oversight of public corporations reporting to investors).

Another possible consequence of this solution is that it would encourage local communities to keep money in the organizations caring for the neighborhood. Unfortunately it would probably mean also encouragement for the wealthy communities to keep their money in their neighborhoods as well and not supporting poor neighborhoods.

In view of my comment that small religious charities present substantial part of the US charitable area (see table 1 on page 3), it is necessary to emphasize that creation of this new kind of non-profit tax-credited organizations should not be done in expense

of the really small charitable organizations, which have problems (according to [Bush, 2001b, p. 24]) even to register with IRS as 501(c)(3) organization, which is supposedly less demanding than registering the new one. Therefore although it is necessary to have strict oversight over the tax-credited charities, care should be taken not to eliminate small non-registered charities from the public policy arena at all.

#### **2.2.4 Attacking effectiveness of non-governmental organizations**

[Tanner, 2001, p. 8] presents many reasons why the government's support of religious charities (no doubts his opinions are colored by his strong libertarian persuasion) may cause more harm than benefits. It is natural for government to require from its beneficiaries to provide it with very strict observance of thorough accountability, well kept books, etc. When talking about costs of the applying for the governmental support, it is necessary to explain what we are talking about. In the panel hosted by the Brookings Institution and Pew Forum on Religion and Public Life Pew Forum representative of a state program for support of charities admitted that "our procurement process is very difficult [...], typically our proposals are about 30-some inches of paper that you get. And so for a smaller church group, or a smaller community organization that can be overwhelming when that comes in the mail." It was said that by accepting governmental support, ministers will be forced to "read more often Federal Register than their Bibles."

By requiring such costs on charities, governments effectively takes side with the huge institutional charities, which have appropriate staff and resources in place. Moreover such skewing scale towards big charities won't help much to the small community scaled faith-based charities and volunteers, and it won't help big charities either (aside from liquidating competition), because they were able acquire governmental resources even before.

There are some even more unintended consequences which may affect charities' life. For example, it is probable that the offer of government support will have chilling effect on governmentally non-supported areas and on (at least subconscious) modeling of the program to fit into available government budget. There are some policies of churches which are not very popular in the current political environment: many religions actively and quite openly discriminate against some groups of possible employees, many orphanages are established by pro-life activists, there are many job positions in the Catholic church which are not open to women, it is possible that a goy may find difficult to find a job in the Orthodox Jewish soup program as a cook, not talking about discriminating against gays and lesbians in many denominations. By offering governmental support, congregations will be corrupted (or blackmailed?) into leaving these policies. While on the one hand exactly this may be seen as welcomed consequence of the program by liberal supporters of non-discrimination policies, it will certainly hurt credibility of churches towards their members.

Tanner also presents other way how the charities action may be unfavorably harmed by the government offer of assistance. It is possible that when charities will get used to governmental resources, they will become dependent on the government (because they

will start programs which they would not be able to establish otherwise—after all it is the whole purpose of this program). “Governmental aid is like a heroin—it is very easy to get addicted, but than it is clearly impossible to abstain.” Hopefully charities won’t participate in criminal activity as heroin addicts do, but it is quite possible that they will mould their policies to be more conforming with majority opinion in the society in order to satisfy current public opinion. Moreover when charities will become dependent on the governmental support, it is possible that they will be forced to participate in the lobbying just in order to keep income to the programs that they established under the influence of the governmental support, thus even increasing their costs and decreasing efficiency.

| Source of support                   | Percentage |
|-------------------------------------|------------|
| Private payments (dues, fees, etc.) | 43.5       |
| Government payments and grants      | 29.4       |
| Private contributions               | 17.7       |
| Other                               | 6.8        |
| Endowments                          | 2.6        |

Table 2: [Tanner, 2001, p. 2] quoting Joseph P. Shapiro and Jennifer Seter, “Welfare, The Myths of Charity”, *U. S. News & World Report*, January 16, 1995.

By all these means private charities will be changed more to the picture of government-based welfare programs and thus loose of their advantage in efficient. Yes, we can change credit-unions into the commercial banks, but then we will loose one important investment opportunity.

Last comment from this type of arguments is based on the finding that actually government supports only little from the charities’ activity. Table 1 shows that only less than one third of the support to private charities. Therefore it is questionable whether increase in government support (where the amount of such increase will be just part of the current governmental support of charities) is worthy for charities of risk of acquiring huge costs of government regulation which comes bundled with the support. Certainly that this is more question for today’s legislative discussion than for future decision by individual charities, because we can conclude based on the logic of collective action that for individual charity such one government grant may make difference between existence and going bankrupt of the “charity business” (especially when we are talking about small neighborhood-based congregations).

### 2.3 Reaction to the arguments against support of religious organizations

The position described above arguing against the extension of the government support for faith-based organizations is certainly not the only position on the issue. There are many supporters of the president’s initiative and their arguments are certainly worthy to be analyzed too. And again, as with the opponents supporters of the initiatives are

from all parts of the political spectrum as well as there are both religious and secular supporters.

An example of support of the President's initiative to religious-site argumentation is presented by Hill [2001]. For him the issue is not of the preserving separation of church and state, but rather expanding the idea of free collaboration and tolerance between religious and secular entities in one state (remember, American level of religiosity and cooperation of religion and public is rather rare experience in the rest of the world). For him the freedom of religion is more about the tolerance and peaceful collaboration between church and state than just about that believers can worship their god without fear of persecution. Therefore not only that faith-based initiative is a right thing, but we should extend them to other countries, so that they may learn about values and blessings coming from religious tolerance.

Dilulio [2001] supports faith-based initiative from a position of liberal<sup>8</sup> who is concerned with the development of the poorest (especially African-American) neighborhoods and subtle issues of the separation of church and state discussion are not much concern for him. After all, it is quite clear to him that "inner cities would be today worse if not for black churches."

The author presents rather persuasive evidence about high importance of African-American churches for the welfare of black (and especially urban) neighborhoods. According to research of the religious ministries in Washington, D. C., 95% of the congregations performed outreach services. 226 religious congregations that responded to the inquiry (out of 1,100 surveyed) provided a total of more than 1,000 community services to over 250,000 individuals in 1996. Mid-1990s' survey of 100 randomly selected urban churches constructed before 1940 provided following findings: 93% "opened their doors to the larger community", on average, each church provided 5,300 hours of volunteer support to its community programs, gave away \$140,000 in community programs (around 16 times what it received from program beneficiaries) and poor children who were not the sons or daughters of church members or otherwise affiliated with the church benefited from church-supported programs more than any other single group. In survey of 150 black churches in Atlanta, researches found that 131 churches were actively engaged in extending themselves into the community. Another survey of 635 northern black churches found that two thirds were engaged in "family-oriented community outreach programs". The best known survey of the African-American churches is *The Black Church in the African-American Experience* by Lincoln and Mamiya [1990]. One of the questions asked nearly 1,900 ministers and more than 2,100 churches and 71 of asked black clergy reported that their churches engaged in many community outreach programs.

The author's logic is clear: when the black churches did so much for their communities, "they deserve the support of the rest of us—corporations, foundations, and, where appropriate, government agencies." and "It is morally wrong and socially myopic to

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<sup>8</sup> Actually, his first statement "I am not a legislative person. I am clearly not a Republican." after being named the director of OFBCI was according to Tenpas [2002] one of the nails put into the coffin of the office's good political relations.

turn our heads and harden our hearts to the plight of the black inner-city poor. As Father Richard John Neuhaus has argued, rather than merely exposing 'liberal fatuities about remedying the 'the 'root causes' of poverty and crime ... there must be another way. Just believing that is a prelude to doing something. The something in question is centered in religion that is both motive and means, and extends to public policy tasks that should claim the attention of all Americans.' Say amen." And it is hard to say anything else.

### 3 Analysis and Conclusion

I have found for creating the conclusion of this article the most valuable the transcript of the panel organized by Pew Forum on Religion and Public Life hosted by the Brookings Institution Pew Forum, although it is not rich in factual description of the situation of the faith-based charitable organizations. Based on this discussion of the panel and based on the information presented above, it is obvious that the most important issue and the reason why the president's faith-based initiatives are so important, is that faith-based and community based organizations present the biggest share of American small voluntary charitable organizations. Participants in the panel presented very strange picture when representatives of the great *de-facto* faith-based organizations (Abyssinian Development Corporation and Coalition on Homelessness and Housing in Ohio) were arguing that support of faith-based organizations is not needed, because "it is not simply say that it's about leveling the playing field, because we think that the playing field, quite frankly, is level" and that the biggest problem are small non-profit organizations which cannot provide sufficient reporting and accounting. All this against representatives of the Pennsylvania and some other charities (I have to admit that one of them, Association of Gospel Rescue Missions, formerly International Union of Gospel Missions, is huge too) which argued that list of obstacles in supporting faith-based initiatives (which was the occasion for commencement of the panel) is not so much about obstacles about faith-related charities as it is about bureaucratic obstacles against small organizations (e. g., that 30 inches of paper in the governmental proposal).

If this conclusion about the conflict between small and large charities is combined with the finding (presented above) that substantial part of small charitable organizations in USA is of faith-based nature, than it is clear that even without regards to the religious nature of these charities the president's faith-based initiatives opened really important issue under different name. It is certainly question whether this issue of small organizations should be kept under (strictly speaking) incorrect heading, but it is question inherently political and depends on the political position of the particular politician, whether struggle supporting faith-based initiatives is good message for his campaign.

Another important exception is warning of Trulear [2000] that many small organizations are basically not capable of substantial expansion, but even so they are crucially important for the development of the most backward communities. Therefore consideration for some ways how to treat this danger of over-subsidizing organizations which

may not be able to manager the resources well should be made (e. g., by creating associations of local congregations), however it seems that such consideration is highly dependent on the particular solution and should be therefore be taken on the very local level (by the city government or on the level of some local association of small charitable organizations—some kind of self-governing “local chamber of charities”?).

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Conclusion is, that small (faith-based or community-based) charitable organizations are crucial to redevelopment of under-served communities and should be supported as such. There seem to be two options of governmental support which should be more investigated as possible help to the most needy neighborhoods. First, indirect methods of financing (through tax credits and similar means) could help advance faith-based organizations without compromising both the separation of the church and state and their vitality. Moreover government may very well create opportunities for helpful assistance to the urban neighborhoods by supporting the structures of religious and community based associations in inner cities.

I believe that the discussion should concentrate more on the distinction between small and big charities, and how to provide quality non-profit charity service to needy neighborhoods than on the endless discussions about the invisible danger to the separation of the state and church.

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