

Highlighting New Poverty Research

by Scott W. Allard

Out of Reach: Place, Poverty, and the New American Welfare State, Yale University Press, 2008.

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The West Coast Poverty Center's **POVERTY RESEARCH FLASH** highlights new research by Center faculty affiliates and others on causes, consequences, and effective policy responses to poverty, with an emphasis on changing labor markets, demographic shifts, family structure, and social and economic inequality. More information about the West Coast Poverty Center is available from our website: www.wcpc.washington.edu

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

Background. Provision of safety net assistance to the poor has changed significantly over the past few decades. Today, for every \$1 spent on cash welfare, some \$15 to \$20 are spent on social service programs for the working poor (e.g., job training, adult education, child care, emergency assistance, mental health care and others). These services are often funded by government agencies but delivered through local nonprofit organizations. While cash assistance can be mailed directly to recipients, most social services cannot be delivered directly to individuals at home. Poor persons who do not live nearby relevant service providers may find it difficult to access assistance. Moreover, public and private funding of social service programs typically contracts during economic downturns, just when demand for assistance increases. Lost funding creates instability within organizations and makes assistance less predictable for those in need.

Methods. In *Out of Reach: Place, Poverty, and the New American Welfare State*, WCPC Western Poverty Scholar Scott Allard examines these and related issues through the lens of the Multi-City Survey of Social Service Providers, which surveyed executives of nearly 1,500 public, nonprofit, and for-profit organizations in three metropolitan areas (Chicago, Los Angeles, and Washington, D.C.) between November 2004 and August 2005. With response rates that exceed 60 percent, these surveys are the most unique, comprehensive, and geographically sensitive data on social service provision currently available.

Findings. Controlling for both supply of and potential demand for assistance, *Out of Reach* finds evidence of mismatches in access to service providers. On average, census tracts with high or extremely high poverty rates—tracts where the poverty rate exceeds 20 percent—have access to about 30 percent fewer service providers than the average tract. Living in neighborhoods highly segregated by race significantly diminishes access to the safety net as well. Predominantly African-American tracts have less than half as much access to services as tracts where most of the residents are white. Similarly, predominantly Hispanic tracts have access to 60 percent fewer service opportunities than tracts that are mostly white.

As important, government and nonprofit service providers routinely report cuts in funding in the three years prior to the survey. About 40 percent of service providers in Los Angeles and Chicago saw a decrease in funding recently, as did 30 percent of providers in Washington, D.C. Seven of ten service providers reported pursuing at least one of the following coping strategies in response to funding problems in the previous year: reductions in staffing, reductions in services offered, reductions in clients served, or temporary closure. Not only is the safety net mismatched, but it is also volatile and unstable.

If we maintain public commitments to service programs, there are several community-based strategies that can improve how we deliver assistance to the poor. Communities can develop information technology systems to better link individuals to service providers. More attention should be paid to the facility needs of service organizations, as many agencies struggle to find suitable space in or near high-poverty areas. Encouraging nonprofits to cultivate greater fundraising capacity will help them achieve more stable program funding. In addition, future research should more explicitly link issues of place, poverty, service utilization, and work.

The West Coast Poverty Center serves as a hub for research, education, and policy analysis leading to greater understanding of the causes and consequences of poverty and effective approaches to reducing it in the west coast states. The Center, located at the University of Washington, is one of three regional poverty centers funded by the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (ASPE). More information about the West Coast Poverty Center is available from our website: www.wcpc.washington.edu

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

New research from Scott W. Allard

Key Findings

- In a study of three major metropolitan areas, poorer neighborhoods and neighborhoods with higher concentrations of African Americans had less access to social service providers. Residents of Census tracts where poverty rates exceed 20 percent have access to about 30 percent fewer social service providers than residents of Census tracts with average poverty rates.
- Predominantly African-American neighborhoods had less than half as much access to services as mostly white neighborhoods.
- Access to services is also unstable. Across the three cities studied, between 30 and 40 percent of service providers faced recent budget cuts. In response to declining funding, a majority of service providers reported reducing services, staff, or the number of clients served, or closing temporarily.