Private aid for the needy

The task of providing material aid to the needy has been shared by the public and private sectors since Elizabethan times. Sometimes one sector, sometimes the other, has been viewed as the primary vehicle for dealing with the problems of the poor.

The heyday of the private charity organizations in the United States occurred after the Civil War and extended into the 1920s. Private groups not only took it upon themselves to assist the poor, but they also actively discouraged the use of public funds for that purpose.

During the Great Depression and more recently the War on Poverty, major responsibility for aiding the poor shifted to government. National welfare programs such as Supplemental Security Income and Food Stamps, shared state and federal programs such as Aid to Families with Dependent Children, and community programs such as General Assistance now provide cash and in-kind aid. Subject to strict accounting procedures and committed to the principle of basing grants on income and family size, government programs treat the poor in a standardized fashion, distributing welfare in accordance with inflexible laws and regulations that determine eligibility, the size of benefits, and the conditions under which they can be received.

The public system has been accused of being unresponsive to the needs of individuals. Standardization, it is said, may foster inequities of other sorts, in that those with the greatest need do not necessarily receive the greatest benefits. Benefits vary from one locale to another, and certain categories of the poor (such as couples without children and individuals living alone) are ineligible for most forms of assistance (the major exception is Food Stamps). As public welfare has been cut back in recent years, policymakers are looking once more to the private sector in hopes that it can fill some of the gaps in the public "safety net." Can it?

The role of the private sector

In his monograph *Private Benefits: Material Assistance in the Private Sector* (see box), Michael Sosin assesses the role of the private sector in supplying the material needs of the poor. Making use of an extensive questionnaire administered to public welfare officials, a detailed 12-county survey of all social agencies, both private and public, and intensive case studies of the programs and community institutions in four counties located in the Southwest, Southeast, Midwest, and Northeast, Sosin analyzes the private sector's contributions and examines the combination of factors that limit its size and potential.

The size of the private sector

The private sector is very small compared to the public sector. In the last thirty years government spending on social welfare grew from $32.4 billion to $532 billion, whereas private-sector expenditures on philanthropy grew from $1.7 billion to $17.3 billion. These figures, however, overstate the amount of assistance provided to the needy by the private sector. Philanthropy can be directed at the arts as well as at social welfare, and tends to provide services that reach large segments of the population and those that require a professional staff: services such as education, counseling, recreation, and the provision of information. Only between 10 and 20 percent of private social welfare agencies dispense any material assistance, and most of these agencies are also involved in other activities, ranging from family counseling to blood banks. Furthermore the common and powerful national organizations such as the YMCA, the Red Cross, the American Cancer Society, and the Boy Scouts do little to provide for the financial needs of the poor. The United Way funds some agencies, such as the Salvation Army, that concentrate on the needy, but it too is more likely to fund agencies that deal with individual and family life programs, foster care, recreation, and particularly the problems of children. Private agencies, which are in competition for funds and legitimacy, often support causes that have a broad popular base, or else they seek specialized niches (the Red Cross, for example, concentrates on disaster relief). Those organizations with a moral commitment reflected in their mission tend to serve the poor. Therefore, religious organizations are the ones which are most likely to offer shelter, meal programs, food pantries, clothes, furniture, and other forms of assistance to the needy.

The relationship of needs to resources

In both his statistical analyses and his case studies, Sosin finds that there is little relationship between the needs of a community and the private resources available to fill those needs. Community norms and structures appear to work against the provision of aid to certain groups. For example, in one Southern community, although some effort is made to deal with transients—who are a highly visible problem—little assistance is forthcoming to the needy local population, which is composed principally of Hispanics and blacks. Elsewhere

PRIVATE BENEFITS: MATERIAL ASSISTANCE IN THE PRIVATE SECTOR

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AFDC recipients receive no aid from private agencies, on the grounds that they are adequately served by the public programs. In other communities those receiving public welfare are assisted most fully by the private sector. In general, poor communities tend to have fewer private agencies and those communities with the greatest ability to meet material needs have the smallest poverty-related problems.

Just as the number of agencies has no bearing on need, so too the funding of agencies depends on various factors such as mission and politics and seldom reflects need. Ironically, agencies aiding the poor are less likely than other sorts of agencies to receive funding from the public sector.

Given the limits on their growth, private agencies were unable to expand when need mounted during the recessions of the early 1980s, as public resources were cut back. The private agencies tended to resort instead to rationing. Sosin documents their techniques: limiting the circumstances to which they would respond, reducing the amount of aid offered, discouraging repeated requests for aid, and establishing intake or referral organizations to act as gatekeepers, turning away prospective clients. They were only mildly effective in fighting for the rights of the needy. Although some groups, such as Community Action organizations, advocate greater public support for their clients, religious agencies tend not to participate in advocacy. They see their role instead as dealing directly with the needy.

Clients' views of private agencies

Although only a small number of clients were asked to give their views of private agencies, they showed surprising unanimity in preferring the treatment received from the private sector over that dispensed at public agencies. Not all private agencies are well regarded, but quick service, few demeaning questions and requirements, and a sympathetic, nonstigmatizing attitude often seem to prevail. Although clients go first to the public sector, where the benefits are larger, and are initially reluctant to use private agencies, once that reluctance is overcome they prefer the private sector:

> Many of the studied agencies are . . . likely to mitigate problems in a humane manner. Unhampered by the complicated regulations that impede public welfare agencies, they act speedily and ask few questions. Those genuinely interested in the needy are able to turn a negative experience into a positive one. Scholars often believe that public welfare is superior because it is legally a right, while charity is demeaning. But the distinction between charity and welfare, so important in social theory, apparently was not important to the poor in our sample; they were more interested in whether their needs were met and whether they were treated with dignity (p. 140).

Evaluating the private sector

Private agencies, Sosin demonstrates, are of limited aid to the poor. They are able to provide supplementary benefits at best, such as temporary shelter, food for a few days, help with utility bills, or aid in recovering from a disaster. They do not cover continuing needs.

Nevertheless, although the private network is limited by competition with other agencies, by stress on professionalism, and by constricted sources of funds, it plays an important role:

> Private agencies exist in every community and save many from starvation and homelessness. Often they provide the only source of shelter to hundreds of thousands of people. . . . Private food programs provide for many who would otherwise go hungry. . . . Although public programs may in theory meet the same needs, overlap is only theoretical owing to limited budgets; the private agencies indeed fill needs (p. 160).

Although Sosin finds much to criticize in the private sector and supports the view that the private sector cannot replace public income maintenance programs as the principal means of support for the needy, he does envision an increased role for private agencies. He points to a new outlook on the part of social workers, who see material aid as a necessary adjunct of counseling. He suggests a greater advocacy role for the private sector and favors increasing the percentage of United Way funds allocated to material aid. In the long run he sees the possibility of the private sector taking responsibility for those public programs, such as Emergency Assistance, that require discretion and a quick response. He also endorses public sector funding for certain private agencies to enable them to deal with the immediate pressing needs of the poor. He is hopeful that "by creating a division of labor between the public and private sectors, it will be possible to meet more fully the needs of the impoverished: to combine humane treatment, equity, and a potential for social change in a complex, impersonal, persistent social order" (p. 178).■