

# Human Service System

United Way of Central Ohio has an impact on community needs by allocating resources through the human services system in Franklin County. Many of the comments from key informants and focus group participants described the current, multiple stresses on the system. The following are the major issues facing the human service system:

1. Declining funding from all sectors
2. Increasing demand for services
3. Changing demographics
4. Increasing demand for accountability
5. Agency collaboration and competition
6. Agency staffing challenges

## Declining Funding from All Sectors

*We've been reporting all this very bad news. We had the first decline among our Philanthropy 400 in 12 years. We have state budget studies showing that things will be bad until 2006...Things look pretty grim...But when [we asked] nonprofit officials how they're doing...60 percent...are optimistic they're going to stem all the losses and they're going to do just fine even though they know they have tough times ahead...I think that optimism has become especially important in these very, very challenging times.*

— Stacy Palmer, Chronicle of Philanthropy,  
at Urban Institute First Tuesday Forum, December 2003

*If you look at the three major sources of revenue...fee-for-service, government contract and grant revenue, and charitable contributions—the latter two...are stressed...the practical impact this is having on non-profits is what you would expect...we have non-profits that were involved in five different types of program activities that are now doing only two...or they've cut their hours, or they've cut the number of staff available, or the scope of their programs.*

— Peter Berns, Maryland Association of Nonprofit Organizations,  
at Urban Institute First Tuesday Forum, December 2003

## Key Informants

28 of 50 interviewees described reduced public sector funding

- What's happening with federal, state and local funding—this is probably a negative trend. United Way and its partner organizations need to try to stay out front on this.
- The primary trend is the diminishing role of the city in funding human services. The state economy is going back to basics. The alarming federal deficit is sure to affect human services funding.
- Funding is declining consistently and drastically in some areas as the numbers of people served increase. Without other subsidies, it is becoming nearly impossible to serve low income people. Both numbers of dollars and program restrictions have tightened.

18 of 50 interviewees described pressures on private sector funding

- For the first time in 40 years, United Way failed to achieve a goal. The corporate sector has lost some big players. But after the economic downturn, the foundations seem to be growing again.
- The need for private fundraising has gotten greater and greater.
- I see trends in shifting funds from the public sector to the private sector and a flattening of contributed dollars from the private sector. Population is moving into territories of other United Ways, who are aggressively pursuing commuters.
- I think the giving culture within the Columbus community is sound and steady. Economically, funding for human services rides the wake of business profits and losses. The trend runs about a year behind in terms of dollars allocated.

## Focus Groups

14 of the 18 focus groups included comments about the human service funding environment

- Cuts are coming from the federal, state, local and private sources.
- There are cuts in funding while the client list is growing.
- Economic trends and constraints on resources impact how we select, who we select and accountability.
- Everyone puts money into the one issue that is the trend that year and then the money goes away after three or four years. Funding often runs out before outcomes can be achieved.
- There is a lack of long-term funding and planning. Only annual sources are available, and there is a need for multi-year sources.

## Increasing Demand for Services

*Cleveland Outlook for 2004: There is no indication that local employment loss trends of the past three years will be reversed soon in spite of optimistic projections at the national level. The continued decline of the manufacturing base locally and nationally means that many of the jobs offering living wages with benefits may never come back. Compounding the loss of employment has been a continued loss of cash welfare payments as a result of 3-year time limits.*

— 2003 Hunger and Homelessness Survey,  
United States Conference of Mayors—SODEXHO

## Key Informants

Key informants described increased demand in many ways

- City clinics are overcrowded, now cutting back, and may close. The result is more people come to hospital clinics and emergency rooms.
- Support services for adults without children are very limited.
- We haven't seen a decline in the demand for shelter.
- An increasing amount of poverty is creating needs for food.
- There is a larger population of poor and out-of-work people.
- People are running out of welfare eligibility and are now not able to find jobs as quickly as they used to.

- More and more middle income people need human services.
- All 69 United Way agency executives say that demand continues to increase for their programs.

## Focus Groups

All of the focus groups described increased service demand and gaps in services. The following are illustrative of the demand, but certainly not all inclusive:

- More people need services, but there is less money to fund those services.
- Transportation cannot be provided because of lack of funding.
- Services for the elderly are not adequate and many are disabled.
- People who need mental health services have to wait for months.
- Individuals with severe chemical dependency issues have trouble obtaining services. This makes the problem worse.
- Need more health care services for the working poor and unemployed.
- Funding is running out for secondary immigrant populations.
- Individuals are on the list for housing subsidies for six months.
- Troops need services when they come back to the U.S. There are not enough resources for them.

## Changing Demographics

*Columbus is America. It's urban. It's suburban. Farmland is just a freeway exit away. It has poor inner-city neighborhoods and exclusive suburbs...And Columbus is experiencing all of the demographic trends that have swept the nation in the 1990's: population growth, sprawl, aging, an influx of immigrants and downtown revitalization.*

— “Columbus, Ohio: The ‘everyman’ of America.”  
USA Today, December 17, 2003

## Key Informants

30 of 50 interviewees identified immigration and changing demographics as trends impacting on human services delivery

- In the seven-county metro area we are becoming much more cosmopolitan and a melting pot and we must address issues we are not used to. Suburbs are becoming more racially diverse. Neighborhoods are changing demographically.
- Immigrants include Somali, Hispanic, Chinese, Eastern European, Laotian/Hmong, Koreans, and Arabs. Although not new, the needs in the Appalachian community are growing.
- We are more diverse than ever and it's not ending in the near future. The new groups in the community affect every system with greater demand.
- Agencies have to deal with a more diverse population. Agencies need staff who can work with non-English-speaking people. They need translation of materials and conversations.
- A lot of undocumented immigrants are coming and they rely on hospitals or social service agencies to help them when they are in need.
- Programs and issues must be tackled on a more diverse basis. United Way is in a perfect position to make that occur.

## Focus Groups

12 of 18 focus groups discussed issues relating to immigration and changing demographics

- The face of the city is changing—Hispanic and African/Somali populations are growing. The challenge is how to deal with these groups and understand their culture. They may not support or understand United Way or other charitable fundraising.
- We need more persons of color in human service fields so they look like the people they serve.
- Ethnic organizations should be empowered because they know the needs of their community.
- New immigrants don't know what resources are available and how to get them or what to do with them.
- Secondary migrants don't have access to free services like primary migrants.
- There is a lot of underreporting due to fear of deportation.
- Blacks, Africans and Somali are not the same. Agencies are lumping them all under "black" and skewing statistics.
- New immigrants, especially adults, need ESL training to make them more independent. We need to build the capacity of organizations to provide ESL.

## Increasing Demand for Accountability

*There is an expectation that there will be clear outcomes for services provided. Don't just throw money at a problem. Make sure that the money is doing something well.*

— Key informant interview

*There is a push to show numbers of people served so a program can continue to get funding, but they may not be doing a good job or serving the most needy.*

— Focus group participant

These key informant interview comments reflect the "double-edged sword" represented by—and the emotions that surround—increasing demand on human services funders and providers for measurement and accountability. Both perspectives were represented in the interviews and focus groups.

Key informants mainly described the need for and benefits of accountability:

- We need to determine the cost efficiency of human services organizations and demonstrate productivity through data. We won't repeat the boom of the 90's. The need to do more with less will continue pressure on organizations to deliver.
- There is a continuing responsibility to monitor programs and weed out the less efficient. Outcome-based measurement is important to ensure accountability.
- Funders are demanding more and more accountability for results of their initiatives. The trend among agencies is to continue to make excuses and not take accountability for the results of their initiatives.
- There is a greater requirement for accountability. Social entrepreneurship, in which results are being measured, is a trend among donors.
- Collecting, analyzing and providing data is an important role of United Way.

Focus group participants mainly discussed the costs of and concerns about accountability:

- There are unrealistic expectations from agencies to produce something.

- There is a steady increase in the complexity of regulations and compliance, for example the Sarbanes-Oxley accounting and reporting requirements.
- Funders are willing to fund the program, but not the administrative costs. Funders are expecting more for less money.
- There is over-bureaucratization of human services funding. We are creating layers of management which are costly, to respond to funders.
- The government movement towards paying for outcomes leads to “creaming”. Payment should not be based on outcomes.
- United Way wants to see more data, but agencies don’t have money or resources for someone to collect the data and evaluate it.

## Agency Collaboration and Competition

*Consolidation can't be the panacea for the whole sector...but how do you create within the sector entities where there are efficiencies to be gained and opportunities for increased effectiveness? One example...is the joint partnership...where two organizations are pursuing joint ventures...The potential for this kind of collaboration is enormous, but it won't happen easily. It's...asking for a mindset change among leaders of non-profits, but more importantly...among funders...*

— Les Silverman, McKinsey & Company,  
at Urban Institute First Tuesday Forum, December 2003

### Key Informants

11 key informants described trends related to agency collaboration

- Partnerships are key. Duplicative social service agencies need to coordinate.
- There is a lot of talk about collaboration and it is just beginning to take place.
- There is a positive trend toward effective collaboration, and leaders who collaborate. There is a strong network of nonprofits who are food partners and a growing partnership with the faith-based community.
- It's hard to know who to work with when there are multiple agencies serving a population, such as the Somali community. There is a need for better coordination.
- Pursue mergers for greater effectiveness and cost efficiency.

7 key informants discussed agency competition and fragmentation

- Demand for financial resources to corporations and individuals are increasing geometrically. The competition for dollars is increasing.
- There are trends in the private sector to create businesses to compete with nonprofits such as in child care and health and fitness. They are providing lower quality service and paying lower salaries.
- There is an explosion of 501 (c)(3) organizations. With so many competing organizations, it becomes more difficult to focus on priority needs and deserving agencies. Demand for dollars has grown faster than supply, in both good times and bad.
- There are too many well-intended, well-run charitable organizations which are providing duplicative services. This piecemeal delivery of services is not effective from the funder's perspective.

## Focus Groups

14 of the 18 focus groups discussed issues of collaboration and competition

- Agencies are competing for money. Everyone goes for the same pot of money.
- Agencies need to work together and collaborate.
- Various small agencies are reinventing the wheel because of lack of information and communication. There is a poor trend of creating more and more small entities.
- Lack of cooperation is creating overlapping services.
- Duplication of services helps to create the gaps.
- We need to coordinate to “fast-link” people, as opposed to “wait-listing” people.
- Widen the system, identify the needy and move them through a seamless system.
- Current accountability does not support collaboration.
- The business community needs to be at the table. Need to get government, businesses and nonprofits to come to the table to collaborate.
- Look at how education is connected to employment.
- Federal funders require integration of mental health, AOD and welfare systems.
- Challenge: those not involved in collaboration risk losing funding from United Way.
- Lack of coordination among funders to look at human service needs. Funders need to collaborate and look at how collaboration is done.

## Agency Staffing Challenges

*Agencies cannot compensate their staff competitively, absorb double-digit health care premium increases, offer on-going staff training or undertake technological upgrades—all things that develop the capacity of agencies and improve the quality of service to the community.*

— Focus group participant

In the focus groups and interviews, comments were made about the difficulty in hiring and keeping qualified staff. The following are some of the issues identified:

- Hanging on to good staff is hard because we cannot pay them enough or offer benefits.
- Agencies are having layoffs.
- Retirement plans are losing value.
- Funder and nonprofit providers have high salary disparities.
- We need bilingual staff. We need to train staff to best address language barriers.
- Staff is not culturally competent.
- Transportation is a big problem for staff.
- Staff turnover means that clients can see three or four different people during their treatment.
- We need more compassionate people in social work. Many workers have an attitude or look at you like you are beneath them. The needy don't get respect from staff.
- There is a critical shortage in nursing, pharmacy, dental, mental health and possibly the social work arenas.