Human Services Grantmaking Strategy for New York City

December 1, 2016

Photos (top to bottom): WHEDco, Graham Windham, Shutterstock.
INTRODUCTION

The New York Community Trust has always supported social services for low-income New Yorkers through its competitive grants program. Most of these grants addressed the effects of the complex web of poverty on children and families. Over time, we have combined several areas that had independent—albeit dated—strategies into one human services program.

- The social services and welfare grants strategy, last updated in 1996, worked to safeguard children, help poor people get jobs, and build the capacity of agencies to deliver quality services.
- Our girls and young women program, supported by the Mildred Anna Williams Fund, started as a separate program, but over time has been integrated into grant areas including jobs and workforce development, human justice, and health.
- The newest strategy—to improve social work research, education, and practice—was approved by the Board in 2011.
- Our programs in hunger and homelessness provide grants for basic food and shelter needs.

We define social services or human services as activities designed to promote social well-being. They include:

- child welfare services (child protection, child abuse prevention, foster care, and adoption);
- early childhood services;
- emergency housing and homelessness prevention;
- emergency food assistance and hunger alleviation; and
- public assistance cash grants, food stamps, and targeted tax credits, commonly known as income supports.
This report was informed by a consultant who:

- reviewed The Trust’s grant work in social services and welfare and hunger and homelessness;
- examined reports and data that describe major policies, programs, and service systems;
- compiled demographic information about the City's needs related to poverty and social services; and
- interviewed 19 grantees, experts, and funders.

This presentation:

- reports on the demographics of poverty in New York City and its effects;
- provides an overview of federal legislation and programs;
- describes City-administered benefits and services;
- reviews human services grantmaking by The Trust and other foundations in the City; and
- recommends a comprehensive strategy to address the complex nature of poverty.
POVERTY IN AMERICA

Despite recent data showing rising incomes and declining poverty, the United States continues to struggle with significant inequality that threatens the social and economic well-being of large numbers of Americans, especially those of color.

- The American middle class is shrinking. In 2015, the bottom 60 percent of households took in only three percent of all income, compared to almost six percent in the mid-1970s.¹

- Income is not the only measure of prosperity: the U.S. ranks significantly behind other industrialized nations on a range of indicators of well-being including life expectancy, infant mortality, incarceration, and educational attainment.

- Forty-three million Americans live in poverty, including 14.5 million children. More than two-thirds of these children are in working families (2015 data).²

- At 21 percent, the U.S. has one of the highest child poverty rates among developed countries.²

- Black and Latino children continue to suffer disproportionately, with the youngest children most at risk of being poor. One in three black children and more than one in four Latino children were poor in 2015, compared to one in eight white children.³

- Those living in poverty are often affected by multiple, interrelated challenges such as mental illness, substance abuse, and violence, which lead to chaotic and dysfunctional lives.

“What many Americans don’t understand about poverty is that it’s perhaps less about a lack of money than about not seeing any path out.”


² 2015 American Community Survey, United States Census Bureau.
CONSEQUENCES OF POVERTY

The Trust’s human services grants respond to the wide-ranging nature of poverty, which affects the health, cognitive functioning, and behavior of people of all ages.

For children:

- Prolonged poverty can be a form of “toxic stress” that affects children’s brain development and functioning, leading to poor long-term outcomes.¹

- Adverse childhood experiences (e.g., poverty, child abuse and neglect, exposure to violence, parental substance abuse, and mental illness) correlate strongly with higher rates of health and educational problems in children, including obesity, asthma, poor overall health, attention deficit hyperactivity disorder, and learning disabilities.²

- Children in poverty are five times as likely as other children to be in fair or poor health, and they fare worse than higher-income children with the same health conditions (e.g., asthma).⁵

- Children living in homes where there is not always enough food are more likely to have lower reading and math scores, and higher incidence of physical, cognitive, behavioral, and emotional health problems.²

- Income-related gaps in cognitive skills have been documented in children as young as nine months and often increase with age.²

- Poor preschoolers are less likely than their non-poor peers to be able to recognize letters, count to 20, or write their names; and one in 10 young people from low-income families receive a bachelor’s degree by age 25, compared to half of those from high-income families.⁵

For adults:

- Poverty affects life expectancy, which varies significantly across community districts—from 75 years in high-poverty areas such as Brownsville and Bedford-Stuyvesant to more than 85 years in wealthier areas.³

- Economists estimate the overall cost of children in the U.S. growing up in poverty—in lost productivity and earnings as adults, and additional costs associated with higher crime and poorer health later in life—to be approximately $500 billion a year.⁵

³ New York City Bureau of Vital Statistics.
National data document correlations between poverty and higher rates of health and educational problems in children.

POVERTY IN NEW YORK CITY

While the poverty rate declined slightly to 20 percent, many New Yorkers—even those with jobs—are still struggling to make ends meet.

- One in five City residents lives below the official federal poverty line.\(^1\) Two in five households lack the income needed to cover basic costs like food, housing, child care, and health care.\(^2\) The majority of poor New Yorkers are people of color.\(^7\)

- The poverty rate is highest in the Bronx and Brooklyn, at 30 and 22 percent of residents, respectively.\(^7\)

- Although unemployment is at its lowest level since 2007, close to eight percent of full-time working adults and a quarter of part-time workers live in poverty due to low wages.\(^3\)

Affordable housing is difficult to secure and homelessness is on the rise.

- The number of families, adults, and children living in City shelters has increased annually since 2009, and currently 60,000 people, including more than 23,000 children, sleep in shelters nightly.\(^4\)

- Nearly 260,000 households are currently on the public housing waiting list; more than two-thirds are headed by women and more than 60 percent are black or Latino.\(^5\)

Food insecurity is widespread.

- One in three New Yorkers struggles to afford food, and approximately 16 percent reside in households that are unable to consistently provide food for all household members.\(^6\)

- About 1.4 million of the City’s residents rely on food banks to meet household needs; food pantries and community kitchens served 25 million meals in 2015.\(^12\)

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1 2015 American Community Survey, United States Census Bureau.
4 New York City Department of Homeless Services, 2016.
5 New York City Young Women’s Initiative, 2016.
More than 30 percent of New York City’s 1.8 million children live in poverty, the largest number in over a decade; 70 percent of children under 18 in poor households are black and Latino.

Source: Citizens’ Committee for Children.
THE FEDERAL CONTEXT

- The United States has a long legislative history of addressing poverty, starting with the New Deal, and continuing with the Great Society programs of the 1960s.

- Over the years, new programs have been added and others discontinued and/or modified, including a major overhaul of public assistance programs in 1996, commonly referred to as “welfare reform.”

- This history has resulted in an alphabet soup of programs and funding that is hard for state and local governments to administer and for families to navigate.

Please see the Appendix for a description of relevant federal legislation and programs.
THE ECO-SYSTEM THAT SERVES LOW-INCOME NEW YORKERS

The Human Resources Administration (HRA) provides public benefits and income supports, and oversees services for the homeless. It is the country’s largest local social services agency.

- With more than 14,000 employees and a budget of $9.7 billion, it serves more than 3 million poor residents a year.¹

- HRA administers 12 major public assistance programs, including: cash assistance to 600,000 residents; Medicaid benefits to 2.5 million enrollees; and food stamps to 1.7 million people a year. It is improving access to these programs through better outreach, use of technology, and streamlining application procedures.²

- About 56,000 cash assistance households have adult members required by federal and state law to participate in work and related activities administered by HRA, which has recently improved its employment and training programs to better meet the training and education needs of clients.³

- The agency also manages the Emergency Food Assistance Program which distributes food to 495 soup kitchens and food pantries across the City; these organizations distributed 12.2 million pounds of food last year. Emergency food and funding also is provided by the Food Bank for New York City, City Harvest, United Way of New York City, and New York State Department of Health.⁴

¹ “FY2017 Executive Budget Testimony,” New York City Human Resources Administration, May 12, 2016.
² “HRA Facts,” New York City Department of Social Services, April 2016.
³ Center for an Urban Future, 2014.
⁴ Provided directly by New York City Human Resources Administration staff.
The Department of Homeless Services was integrated into the Human Resources Administration in spring 2016.

- It currently provides shelter to 60,000 people through contracts with nonprofit agencies that operate more than 100 shelters.

- The City also uses hotels and scatter site apartments to house the homeless; additional facilities provide transitional housing to domestic violence survivors.

- Services recently added to address homelessness include legal and rental assistance to prevent evictions and re-house those in shelters, a shelter rapid response team to make repairs, and more intensive outreach to the street homeless.

The Administration for Children’s Services (ACS) oversees child welfare services.

- It investigates more than 50,000 reports of suspected child abuse or neglect annually. It also contracts with nonprofit organizations to provide foster care services to children removed from their homes, and support services to children and families to avoid removal (commonly known as preventive services).¹

- In July and August 2016, 9,100 children were in foster care and 23,000 were receiving preventive services; the vast majority are black and Latino.¹

ACS also oversees juvenile detention facilities and community alternatives to detention for young people awaiting trial and following adjudication, and support services for their families.

- Young people under age 16 charged with offenses are considered juvenile delinquents or juvenile offenders, depending on their age and the seriousness of the alleged offense.¹

- About 200 young people are placed in City detention facilities each month, with 2,700 admitted and discharged last year. Again, most are youth of color.¹

¹ New York City Administration for Children’s Services, 2016.
ACS, the Department of Health and Mental Hygiene, and the Department of Education all manage early childhood services.

- Early childhood services include: home visiting programs for newborns and their families; early intervention services for children three years old and under with developmental delays or disabilities; child care provided at community-based locations or in private homes, Head Start, pre-school programs, and prekindergarten.

- In 2015, approximately 5,500 families received home visiting services through the City Department of Health and Mental Hygiene, which also provided early intervention services to 30,000 children.¹

ACS manages the largest publicly subsidized child care system in the country, serving 99,000 low-income children.

- Its EarlyLearn program blends child care assistance for low-income working families, Head Start, and prekindergarten funding to serve children up to four years old in center- and home-based sites.

- It also provides child care vouchers to public assistance recipients engaged in approved work activities who can use them to pay for any type of legal care they choose, as required by federal law.

There also are 29 Head Start programs serving 1,000 children funded directly by the federal government, which the City does not oversee.

Thousands of private day care and preschool programs are licensed by the Department of Health and Mental Hygiene and may accept vouchers, but otherwise receive no City funds.

The current administration has significantly expanded prekindergarten overseen by the Department of Education, which now serves 72,000 four year-olds in schools as well as community organizations. Many of these groups also provide EarlyLearn and other early childhood programs.

¹ New York City Administration for Children’s Services, 2016.
**FUNDING FOR HUMAN SERVICES, HUNGER, AND HOMELESSNESS IN NEW YORK CITY***

National foundations provide $58.9 million in social services, hunger, and homelessness funding each year to New York City nonprofits.

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<tr>
<td>Annie E. Casey Foundation</td>
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<td>W. K. Kellogg Foundation</td>
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<td>Robert Wood Johnson Foundation</td>
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<td>Dalio Foundation, Inc.</td>
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<td>Einhorn Family Charitable Trust</td>
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<td>Conrad N. Hilton Foundation</td>
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<td>Harry and Jeanette Weinberg Foundation, Inc.</td>
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<td>William and Flora Hewlett Foundation</td>
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Of the top 10 New York City foundations awarding grants for these services, The Trust is eighth.

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<td>Tiger Foundation</td>
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<td>Steven &amp; Alexandra M Cohen Foundation, Inc.</td>
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<td>New York Community Trust</td>
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<td>Charles Hayden Foundation</td>
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<td>Paulson Family Foundation</td>
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*Based on 2013 data from the Foundation Center.
Most of The Trust’s grants for human services (2005-2015) have focused on improving service delivery.
ACCOMPLISHMENTS OF THE TRUST’S GRANTMAKING

Since 2005, The Trust has awarded $35 million through its Social Services and Welfare and Hunger and Homelessness programs. The grants:

- developed new models to address the needs of teen mothers, coordinated services for children and parents dealing with behavioral health issues, trained home-based child care providers, and supported youth aging out of foster care;
- provided services to vulnerable populations including veterans, children in foster care and their families, women in prison, public housing residents, and survivors of domestic violence;
- created reports that provide critical data on social conditions and poverty in New York City;
- launched a statewide campaign to advocate for policy reforms to alleviate poverty;
- supported transitional housing programs and community organizations assisting homeless individuals and families and those at risk of eviction; and
- increased access to healthy food and nutrition education in underserved communities, including advocating for free school lunch and better food distribution systems.

The Trust also worked across program areas and collaborated with other funders to make grants that:

- developed a new model for transitional and affordable housing that the City is replicating across the shelter system;
- created urban farms at public housing developments to provide training and job opportunities to young adults, distribute fresh produce, and educate the public;
- helped build a network of funders promoting systemic improvements in early child care and education; and
- supported a collaborative of child welfare agencies to adapt to changes in the health care system.
KEY ISSUES AND TRENDS

Challenges:

The growing gap between the wealthy and the poor, combined with a dearth of affordable housing, is increasing financial pressure on low-income New Yorkers, the majority of whom are people of color.

- Despite recent income growth, median wages have stagnated while housing and other costs continue to rise.
- Housing instability is a contributing cause, as well as effect, of poverty.
- Increasing numbers of emergency food clients and homeless shelter residents are working.
- Complicated application and recertification requirements make it difficult for people to get the income-boosting benefits to which they are entitled.

Although the City has expanded prekindergarten for four year-olds, it has not created an integrated system of high quality services for children before they start school.

- The agencies responsible for early childhood programs have historically operated in isolation, with conflicting regulations and requirements for providers, making it difficult for families to navigate systems and access services.
- There are significant gaps in services, especially for infants and toddlers, and quality is inconsistent due primarily to inadequate funding and workforce issues.
- A particularly overlooked segment of the system is home-based child care, which is more likely to be used for very young children from low-income households of color, and children with single mothers.

While the number of children in foster care has declined, their needs and those of the families served through preventive services have intensified.

- Many families in the child welfare system struggle with housing instability, domestic violence, and behavioral health issues.
- Public support for youth in foster care ends at 21, at which point they straddle the child- and adult-serving systems, neither of which are able to help them obtain housing, food, education and employment.
Homelessness has reached record levels and the needs of those in shelters are complex and interrelated.

- Homelessness in New York City is often generational: many homeless single adults were homeless as children, and many parents who were once homeless as children are now homeless with their own children.
- Significant numbers of families and individuals cycle in and out of homelessness: more than one-third of those currently in shelter had been in shelter in the prior three years and will be homeless again within the next three to five years.
- At least 30 percent of families that turn to the shelter system have experienced domestic violence.

The emergency food distribution system is largely a volunteer-led charitable effort, and City-level planning is needed to make it more efficient, address unmet need, and increase access to healthy, affordable food.

- The capacity of pantries and soup kitchens must be improved and more food distributed.
- The aging of the City’s population is expected to result in increasing numbers of the elderly turning to emergency food providers.
- Black and Latino New Yorkers, those with low education levels, and those living in high-poverty neighborhoods consume far less fresh food than their more affluent white peers, increasing their risk of chronic disease.

New York City’s human services infrastructure is fragmented, fragile, and under-resourced.

- In addition to the complex needs of clients, onerous government processes, ineffective policies, and increased costs associated with higher minimum wage requirements are straining already overwhelmed nonprofit human services agencies.
- Lack of integration across government and the nonprofit sector impedes coordinated services for children and families, limits the impact of any one program, and results in duplication of efforts.
Opportunities:

High quality early childhood programs are critical resources for leveling the playing field for poor children.

- The first five years of life are a time of rapid brain development and experts agree that high quality early childhood services are most likely to increase success in school and life for poor children.
- Research shows that low-income children who participate in these programs are more likely to complete high school, secure stable employment and earn higher wages, and are less likely to be involved with the criminal justice system or receive public assistance as adults.
- Lack of access to these services contributes significantly to the achievement gap; some researchers estimate that as much as half of school failures may be attributable to gaps in quality early care and education prior to school entry.

Tax credits (e.g. for child care and earned income), food stamps, and Medicaid boost incomes for low-wage workers and are less expensive and produce better outcomes than cash assistance grants to unemployed poor adults.

- These income supports “make work pay,” by adding significantly to low-wage workers’ household incomes.
- Research suggests the income from earned income tax credits leads to benefits at every stage of life: children in families receiving the credit do better in school, are more likely to attend college, and can be expected to earn more as adults.
- A number of efforts have succeeded in increasing the number of low-wage workers who claim these credits and benefits.

Nonprofit, foundation, and government partners are experimenting with a new approach to address social challenges in target neighborhoods called “collective impact.”

- The model, first described by the Stanford Social Innovation Review in 2011, requires a centralized infrastructure, dedicated staff, and a process that leads to a common agenda, shared measurement, continuous communication, and mutually reinforcing activities among all participants.
- It brings together residents, nonprofits, government, faith and business leaders, and philanthropy to work together at the community level.
- There are promising collective impact efforts underway in the South Bronx, Flushing, and central Brooklyn.
FINDINGS AND CONCLUSIONS

Poor individuals and families suffer from a complex mix of issues such as unstable housing, inadequate income, and health and mental health issues. Comprehensive and integrated strategies are needed to address poverty and reduce disparities.

- Income supports such as earned income tax credits, housing vouchers, and child care subsidies need to be expanded, and access to them improved to ensure that eligible recipients secure and retain all available benefits.

- Increasing the supply of affordable housing, especially for very low-income individuals and families is critical, as are ongoing services for those who need support to remain stably housed.

- The goal of child welfare services should be to improve child and family outcomes and life stability, not just avoid foster care.

- Early intervention and high quality early childhood services are critical to address disadvantage from birth, and improve long-term outcomes for poor children.

- The expansion of prekindergarten provides an opportunity to create a continuum of high quality services for the youngest New Yorkers.

- Many nonprofit organizations are using proven approaches and testing promising models that can be expanded to better serve a wider range of children and families, and build knowledge about which are most effective with various populations.

- There is less need for new service models than there is for adequate funding and administrative infrastructure to expand existing effective programs and promote integration.

- Ongoing professional development is critical to ensure the high quality staff human services programs need.
PROPOSED GUIDELINES

The goal of our human services program is to mitigate the effects of poverty, increase opportunity through effective services and public benefits, and reduce racial disparities. Through a coordinated strategy that addresses the full range of human services, we will:

1. Focus on early intervention and prevention to enable vulnerable children to grow up in stable families and succeed in school and life by:
   - supporting a continuum of early childhood programs from birth to kindergarten;
   - strengthening services for families with children at-risk of foster care placement and for youth already in care;
   - reducing entry and re-entry into the homeless shelter system and increasing long-term housing stability; and
   - increasing access to income supports and healthy, affordable food.

2. Expand proven and promising practices that help those in need lead productive lives by:
   - supporting research, policy, and programs that direct resources to alleviate hunger, homelessness, and poverty; and to move individuals to stability and independence;
   - advocating for wide-ranging, quality services that help poor individuals and families succeed.

3. Build the capacity of government agencies and nonprofits serving low-income New Yorkers by:
   - supporting the coordination and integration of services across City agencies and service providers;
   - training and supporting public and nonprofit human services workers; and
   - advancing efforts that improve the funding, contracting, and support of human services agencies.

Preference will be given to projects that go beyond one agency or program to offer sector-wide, systemic, and multi-agency solutions.

Whenever possible, human services grants will be made in partnership with other Trust program areas including health, jobs and workforce development and jobs, community development, education, youth development, and technical assistance.
APPENDIX: HISTORY OF FEDERAL POLICY

The federal welfare system emerged out of President Franklin D. Roosevelt’s New Deal to help the country recover from the Great Depression and establish a safety net for the first time through:

- the Works Progress Administration, Public Works Administration, and Civilian Conservation Corps, which put millions of Americans to work building infrastructure; and

- the Social Security Act of 1935, which guaranteed a federally-funded income for retirees, the unemployed, and people with disabilities.

In 1964, President Lyndon B. Johnson declared a “war on poverty,” which included:

- the Economic Opportunity Act, which established Head Start programs for low-income children; the federal work-study program; and the Job Corps, which helps young people earn high school or equivalency diplomas and find jobs;

- amendments to the Social Security Act that resulted in the creation of Medicare and Medicaid to provide poor and elderly Americans with access to health insurance; and

- the Food Stamp Act, which expanded the nascent food stamp program. Today it serves more than 44 million Americans as the Supplemental Nutrition Assistance Program (SNAP).

The Personal Responsibility and Work Opportunity and Reconciliation Act of 1996 got bipartisan support to:

- shift control from the federal government to the states, which were given wide latitude to administer fixed blocks of money known as Temporary Assistance to Needy Families (TANF), replacing the existing public assistance program; and

- impose work requirements on TANF recipients and limited eligibility for families to five years, with the goal of moving adults quickly and permanently into the workforce.
Other key federal laws provide income support and services to low-income individuals and families.

- The Social Security Act was amended in 1967 and 1980 to include child welfare services. It was amended again in 1981 to include Social Service Block Grants, which are distributed to each state.

- The Child Abuse Prevention and Treatment Act (1974) authorizes funding to states to improve child protective services, and to prevent and treat child abuse and neglect.

- The Emergency Food Assistance Program (1981) distributes surplus commodities, which are purchased by the U.S. Department of Agriculture and provided to states, then households, based on need.

- The McKinney Homeless Assistance Act (1987) enabled states, and private and public organizations, to open and operate emergency food and shelter programs. It was reauthorized in 2009 along with the creation of the Homelessness Prevention and Rapid Re-Housing Program to prevent families from becoming homeless and to re-house and stabilize the homeless.

- Child Care and Development Block Grants (1996) help low-income working families on public assistance obtain child care.

- The Adoption and Safe Families Act (1997) created incentives to move children to permanent homes faster.

- The Race to the Top Early Learning Challenge grant competition (2009) enables states to increase the number of low-income children enrolled in high-quality early learning programs.