

# Living on a Poverty Income: The Role of Non-Governmental Agencies in the Scramble for Resources

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## INTRODUCTION

Modern welfare states differ greatly in the extent to which the government assumes the role of provider of the basic material, educational, and health care needs of its citizens, and in the degree to which formal policy optimizes market-based and private sources for social goods.<sup>1</sup> Unlike the more comprehensive welfare guarantees of most European nations, the United States provides social services to working-age families only on a limited and means-tested basis.<sup>2</sup> Housing, food, health insurance, higher education, and most other needs must be privately purchased or provided by employers. The working poor and those in jobs that do not provide affordable health or retirement plans often have few options and must fashion survival strategies out of the public and private charitable and other resources available to them.

The rather dramatic differences between the United States and the more comprehensive welfare states of Europe reflect Americans' historical desire to maintain a limited role for government in providing social services, and an attendant desire to encourage local

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1. See GOSTA ESPING-ANDERSEN, *SOCIAL FOUNDATIONS OF POSTINDUSTRIAL ECONOMIES* (1999); GOSTA ESPING-ANDERSEN, *THE THREE WORLDS OF WELFARE CAPITALISM* (1990); GOSTA ESPING-ANDERSEN ET AL., *WHY WE NEED A NEW WELFARE STATE* (2002).

2. See MARGARET WEIR ET AL., *THE POLITICS OF SOCIAL POLICY IN THE UNITED STATES* (1988).

and private initiatives to provide for individual needs. This basic philosophy has resulted in a strong emphasis on the privatization of social service delivery.<sup>3</sup> Even during periods in which the government's role in the care of the poor has grown, the mechanism for the delivery of services has often remained private.<sup>4</sup> During the Johnson administration and the 1970s, federal funding for employment and other social services expanded greatly under Title XX of the Social Security Act and human capital and educational initiatives such as the Economic Opportunity Act of 1964 and the Comprehensive Employment and Training Act (CETA) of 1973.<sup>5</sup> For-profit and nonprofit organizations both responded to the increased availability of government contracts for social services by expanding the employment and other social services they offered.<sup>6</sup> Since the 1980s, federal spending on human capital programs and social services generally has slowed, at the same time that the impetus toward privatization has, if anything, increased.<sup>7</sup> Most recently under welfare reform, privatization, in the form of contracts to private employment services and other providers, has played an important role both in carrying out government mandated policies and in meeting needs not addressed by those policies.<sup>8</sup>

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3. See PAMELA WINSTON ET AL., *PRIVATIZATION OF WELFARE SERVICES: A REVIEW OF THE LITERATURE* (2002), available at <http://www.mathematica-mpr.com/PDFs/privatization.pdf>; Len Burman & Troy Kravitz, *Lower Income Households Spend Largest Share of Income*, TAX NOTES, Nov. 9, 2004, at 875; Arnold Gurin, *Governmental Responsibility and Privatization: Examples from Four Social Services*, in *PRIVATIZATION AND THE WELFARE STATE* (Sheila B. Kamerman & Alfred J. Kahn eds., 1989).

4. See Jill Quadagno, *Why the United States Has No National Health Insurance: Stakeholder Mobilization Against the Welfare State, 1945–1996*, 45 J. HEALTH & SOC. BEHAV. (EXTRA ISSUE) 25 (2004).

5. See Demetra Smith Nightingale & Nancy M. Pindus, *Privatization of Public Social Services: A Background Paper*, URBAN INST. (1997), <http://www.urban.org/publications/407023.html>.

6. *Id.*

7. See PAUL PIERSON, *DISMANTLING THE WELFARE STATE?: REAGAN, THATCHER AND THE POLITICS OF RETRENCHMENT* (1994).

8. See KIRSTEN A. GRONBJERG & LESTER M. SALAMON, *DEVOLUTION, MARKETIZATION, AND THE CHANGING SHAPE OF GOVERNMENT-NONPROFIT RELATIONS* (2002); Pamela A. Holcomb & Karin Martinson, *Implementing Welfare Reform Across the Nation*, in *NEW FEDERALISM: ISSUES AND OPTIONS FOR STATES* (Urban Inst. Series A, No. A-53, 2002).

Private initiatives in social services have existed for decades, but in recent years the number of non-governmental, nonprofit organizations, operating under the 501(c) sections of the tax code, have proliferated rapidly.<sup>9</sup> Clearly, much of this growth reflects formal policy and a desire to devolve the provision of social services to the community and local levels. Evidence in the U.S. and in other countries suggests that non-governmental organizations (NGOs) emerge and operate most effectively in environments in which governmental policies are favorable and encourage this form of social action.<sup>10</sup> However, as of yet we understand little about the full range of social service activities provided by various non-governmental organizations. Nor do we completely understand how poor families use the services provided by governmental, for-profit, and nonprofit private organizations. The data presented below shows that low-income families' survival strategies to acquire the necessities of life involve more than the use of formal sources to which they maintain ongoing ties or of informal helping networks consisting of friends and family. Their strategies often include governmental and non-governmental sources that provide goods or services on a one-time or time-limited basis. Formal, policy-driven privatization that characterizes current social service delivery occurs hand-in-hand with what we might characterize as the informal privatization of a far wider range of social services.<sup>11</sup> That is, government policy supports and funds some non-governmental entities that provide goods and services to poor families.<sup>12</sup> In addition, many services with only minimal, if any, ties to government also provide limited, but important, benefits to impoverished households.<sup>13</sup>

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9. See IN SEARCH OF THE NONPROFIT SECTOR (Peter Frumkin & Jonathan B. Imber eds., 2004).

10. See Peter Evans, *Government Action, Social Capital and Development: Reviewing the Evidence on Synergy*, WORLD DEV., June 1996, at 1119–32.

11. See JACOB S. HACKER, *THE DIVIDED WELFARE STATE: THE BATTLE OVER PUBLIC AND PRIVATE SOCIAL BENEFITS IN THE UNITED STATES* (2002); PIERSON, *supra* note 7; Hugh Hecl, *The Politics of Welfare Reform*, in *THE NEW WORLD OF WELFARE* 169 (Rebecca M. Blank & Ron Haskins eds., 2001).

12. See KATHRYN EDIN & LAURA LEIN, *MAKING ENDS MEET: HOW SINGLE MOTHERS SURVIVE WELFARE AND LOW-WAGE WORK* (1997).

13. *Id.*

Indeed, an exclusive focus on formal privatization efforts runs the risk of drawing attention away from the large number of informal or temporary services that are provided by a wide range of organizations, some of which are governmental but many of which receive no federal or state support. Given poor families' considerable and changing needs, government alone cannot consistently respond. Formal social service agencies may play only limited roles in meeting families' emergency needs for cash, food, shelter, transportation, and other frequent crises. Privatization of the capacity to respond to such needs reflects less formal policy than the response by various organizations, including private nonprofit and faith-based organizations, to local crises that must be addressed in the very short term. Although we have no specific figures, it is likely that the services provided by these sometimes less considered sources represent a substantial contribution to the aggregate of goods and services provided to the poor. At any rate, these sources are instrumental in filling the gap between what impoverished families can earn at jobs and gain through the formal welfare system, on one hand, and what they need to meet even the most basic household budget, on the other.

Our discussion includes two case studies illustrating the dependence of low-income families on a diffuse domain of secondary service providers. These providers may include governmental sources acting on a temporary or crisis-focused basis, but primarily consist of secular nonprofit organizations, churches and faith-based agencies, and a range of other organizations. Our objective is to illustrate the precariousness of the formal social service safety net for low-income families and to argue that social inequality in urban America is exacerbated by the inequitable distribution of more formal sources of support. Ultimately, we examine whether the current system of service delivery for poor families is adequate, and what toll these fragmented and discontinuous services take on a family's ability to thrive. Although, in the U.S., we do not witness the manifestations of abject poverty that are part of daily life in the developing world, families who live at the economic and social margins still find that, without adequate stability in income and other material goods, their social mobility will be impaired from one generation to the next.

While NGOs provide essential resources for many families, they may also function in idiosyncratic and inefficient ways. They are not bound to help those most difficult to serve, the most impoverished or the most ill.<sup>14</sup> Given the present funding environment in which many nonprofits exist, especially those focused on health and welfare, few NGOs direct their attention to the most needy urban neighborhoods.<sup>15</sup> Non-governmental organizations simply do not have the resources to deal with the most difficult problems and the deepest poverty.

This paper draws, in part, on ethnographic and survey data from families residing in specific poor neighborhoods in San Antonio, Texas. We present an analysis of this data, which illustrates the role played by NGOs and other social service agencies in poor families' lives. In many important ways, Texas provides unique opportunities for examining the social service experiences of poor families. Historically, the state has provided low cash payments to families on welfare, and it was one of the first states to experiment with welfare reform under a federal waiver. In San Antonio, as in many cities across the nation, manufacturing jobs have disappeared from the inner city and have been replaced by low-wage service sector employment. The predominantly service oriented economy of San Antonio, in the context of its relatively draconian state welfare laws, may provide us with a glimpse into the futures of many low-income American families given current national trends.

While this paper is grounded in a growing literature on the experiences of low-income families, most of the introductory data and the entire concluding analysis on the role of NGOs is drawn from the study alluded to earlier. This study, entitled *Welfare Reform and Children: A Three-City Study*,<sup>16</sup> was conducted by the authors and numerous colleagues from several institutions, and collected information about the lives of poor families living in selected neighborhoods in Boston, Chicago, and San Antonio.<sup>17</sup> As a complex and multi-sited project, it included a detailed ethnographic study in

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14. See Mark E. Warren, *What Is the Political Role of Nonprofits in a Democracy?*, in IN SEARCH OF THE NONPROFIT SECTOR, *supra* note 9, at 37.

15. *Id.*

16. See Welfare, Children, & Families, <http://www.jhu.edu/~welfare> (last visited Jan. 19, 2006).

17. *Id.* (listing publications of and information on the project and its methodology).

which approximately sixty-five families in low-income San Antonio neighborhoods were followed over a two-year period. During monthly encounters, student ethnographers conducted detailed interviews on topics ranging from education and employment to child care and household nutrition. The ethnographic component of the study also included participant observation as well as accompanying families to the institutions and organizations that served them. The survey component of the study involved collecting detailed information from approximately 800 families living in the same neighborhoods as the ethnographic samples in each of the three cities. Neighborhoods were carefully selected to encompass a range of community resources. Low-income households dominated the population in all selected neighborhoods.

This study was undertaken in response to the implementation of welfare reform. Its goal was to illuminate the experiences of low-income families, whether or not they were on welfare, during a period when cash payments and other public services were being curtailed. Since the study's focus was on the range of strategies that families employed in order to meet basic needs, it provides an excellent opportunity for exploring not only the material shortages that families suffer, but also the ways in which they locate and obtain needed goods and services beyond what is available through formal sources or through the low-wage jobs they hold.

Recent approaches to welfare reform have been motivated by deeply felt, but fundamentally unsubstantiated, beliefs about the nature of welfare dependency. Since the 1960s, the rapidly growing Aid to Families with Dependent Children (AFDC) rolls and the increase in unwed motherhood have led many to infer a causal relationship between the two and to blame welfare for undermining marriage and the family.<sup>18</sup> Many critics of welfare believe that public assistance, especially in the form of cash benefits, exempts recipients from the need to work and in the long-term creates an entitlement mentality.<sup>19</sup> The federal policy response to this view, ultimately codified in the Personal Responsibility and Work Opportunity

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18. See GEORGE F. GILDER, WEALTH AND POVERTY 111 (1981).

19. See PIERSON, *supra* note 7.

Reconciliation Act of 1996 (PRWORA),<sup>20</sup> was permission (or waivers) for states to experiment with work requirements, time limits, and sanctions.<sup>21</sup> The intent was clearly to force people off of welfare and out of the dependency it fosters, and to encourage employment. Policymakers saw employment, even low-wage employment, as the route to economic self-sufficiency.<sup>22</sup> Unfortunately, the core assumptions concerning the potential of coerced employment are flawed. Even under the most favorable conditions, few families can support themselves either solely on welfare benefits or on the income from a low-wage job.

Section I of this Article draws on earlier research illustrating the untenable financial circumstances facing most families on welfare, as well as those in low-wage employment. For most poor families, income and what is needed for basic necessities do not balance. Moreover, poverty is not experienced as an isolated problem. As Section II illustrates, the problems facing low-income households include poor health, inadequate health care, a lack of adequate child care and transportation, not enough food, and inadequate housing. Crises in these arenas often occur together and almost always require a scramble for additional resources. When resources cannot be rallied, such problems may cascade into catastrophic situations that can result in destitution. Section III documents that even those families with a working adult and families that combine work and welfare frequently must seek additional resources in order to make ends meet. The working poor encounter at least as many barriers in meeting their health care, housing, and other needs as do families on welfare. Like welfare families, many low-income working families are engaged in an on-going search to fill the enduring gap between income and the resources necessary to meet daily needs. This search often leads them to seek help from NGOs, particularly during times of crisis.

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20. Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, 110 Stat. 2105 (1996).

21. See HACKER, *supra* note 11.

22. PAMELA A. HOLCOMB ET AL., BUILDING AN EMPLOYMENT FOCUSED WELFARE SYSTEM: WORK FIRST AND OTHER WORK-ORIENTED STRATEGIES IN FIVE STATES (1998).

## I. THE FAMILY LEDGER JUST DOES NOT BALANCE

A long tradition of research documents the difficulties that families who rely on welfare or low-wage work face in their attempts to support themselves.<sup>23</sup> Recent studies of family wage adequacy provide evidence that the gap between wages earned and the real income required to support a household persists.<sup>24</sup> Edin and Lein's work from the 1990s compared the household budgets of families on welfare in four cities (Chicago, Charleston, Boston, and San Antonio) with those of families in low-wage jobs in those same cities.<sup>25</sup>

As Table 1 shows, single mothers on welfare in the early 1990s faced a substantial average monthly gap of \$311 between their income, which consisted of AFDC and Food Stamps, and their real expenditures, which averaged a modest \$876 per month.<sup>26</sup> Table 2 shows that single mothers in low-wage work in the same cities found themselves in a similar financial predicament. While these mothers brought in considerably more income, \$777 per month on average, they faced an even larger gap between income and expenditures.<sup>27</sup> Expenses for child care, health care (once Medicaid eligibility lapsed), transportation (primarily to get to work and to child care facilities), housing (since subsidies were reduced in response to increased earnings), and clothing for work led to a substantially larger gap of \$466 on average.<sup>28</sup>

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23. See JARED BERNSTEIN ET AL., HOW MUCH IS ENOUGH? BASIC FAMILY BUDGETS FOR WORKING FAMILIES (2000); EDIN & LEIN, *supra* note 12; TRUDI J. RENWICK, POVERTY AND SINGLE PARENT FAMILIES: A STUDY OF MINIMAL SUBSISTENCE HOUSEHOLD BUDGETS (1998); Jared Bernstein, Pa. State Univ. and Nat'l Inst. of Child Health and Human Dev., Speech at the National Symposium for Family Issues in University Park, Pennsylvania: Work-Family Challenges for Low-Income Parents and Their Children (Oct. 10, 2002) (transcript available from the *Washington University Journal of Law & Policy*).

24. See DAVID NEUMARK, HOW LIVING WAGE LAWS AFFECT LOW-WAGE WORKERS AND LOW-INCOME FAMILIES 26 (2002); MARK D. TURNER & BURT S. BARNOW, LIVING WAGE AND EARNED INCOME TAX CREDIT: A COMPARATIVE ANALYSIS 6 (2003).

25. See EDIN & LEIN, *supra* note 12; Kathryn Edin & Laura Lein, *Work, Welfare, and Single Mothers' Economic Survival Strategies*, 62 AM. SOC. REV. 253 (1997).

26. *Id.*

27. *Id.*

28. *Id.*



TABLE 1: HOUSEHOLD EXPENDITURES AND INCOME: SINGLE MOTHERS ON WELFARE<sup>29</sup>

Budget Item	Amount
Housing Costs	\$213
Food Costs	\$262
Other Necessities	\$336
Non-Essentials	\$64
Total Budget	\$876
Welfare Income	\$565
GAP	\$311

TABLE 2: HOUSEHOLD EXPENDITURES AND INCOME: SINGLE MOTHERS IN LOW-WAGE WORK<sup>30</sup>

Budget Item	Amount
Housing Costs	\$341
Food Costs	\$249
Other Necessities	\$569
Non-Essentials	\$84
Total Budget	\$1243
Welfare Income	\$777
GAP	\$466

The more serious consequences that result from inadequate and irregular income include food insecurity<sup>31</sup> and homelessness.<sup>32</sup> Data from the Consumer Expenditure Survey show that low-income households spend more than their entire income on basic

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29. *Id.*

30. *Id.*

31. MARK NORD ET AL., U.S. DEP'T OF AGRIC., HOUSEHOLD FOOD SECURITY IN THE UNITED STATES (2003).

32. U.S. CONFERENCE OF MAYORS, HUNGER AND HOMELESSNESS SURVEY: A STATUS REPORT ON HUNGER AND HOMELESSNESS IN AMERICA'S CITIES (2003), available at <http://www.usmayors.org/uscm/hungersurvey/2003/online-report/HungerAndHomelessnessReport2003.pdf>.

consumption, leaving nothing at the end of the month for savings.<sup>33</sup> Even with incomes of two or more times the official poverty threshold, families have very little economic slack. To make matters worse, in addition to being inadequate, incomes based on welfare or low-wage work are also variable and unpredictable, further exacerbating a family's inability to plan and save.<sup>34</sup> While receiving welfare, it is common for families to experience variations in their incomes that result from program-related bureaucratic issues, including sanctions for rule violations, difficulties in the recertification process, and administrative errors. Variation in income from service-sector jobs results from the fact that a worker's schedule and hours can vary on a weekly basis. Low-income workers frequently do not know from one week to the next how many hours they will be working or what their weekly income will be.<sup>35</sup>

As a consequence of their low and inconsistent incomes, indebtedness is common among low-income households.<sup>36</sup> Much of this indebtedness results from medical expenditures, because the United States does not provide universal health care for adults, and therefore those who are not covered by employer group plans have no coverage, and because many children in working poor families are not enrolled in Medicaid even when they may qualify for benefits.<sup>37</sup> Although medical care can be particularly financially taxing for families, expenditures for other necessities are also problematic. Given the limited resources available to those at the bottom of the

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33. See Burman & Kravitz, *supra* note 3.

34. See TEX. DEP'T OF HUMAN SERVS., TEXAS FAMILIES IN TRANSITION: SURVIVING WITHOUT TANF (2002); Frances Fox Piven, *Welfare Reform and the Economic and Cultural Reconstruction of Low Wage Labor Markets*, in NEW POVERTY STUDIES: THE ETHNOGRAPHY OF POWER, POLITICS, AND IMPOVERISHED PEOPLE IN THE UNITED STATES 135 (Judith Goode & Jeff Maskovsky eds., 2001); Address at the Annual Meeting of the American Sociological Association: Economic Roulette: When is a Job Not a Job? (Aug. 17, 2002), available at <http://www.jhu.edu/~welfare/ASAEconomicroulette.pdf>.

35. U.S. DEP'T OF HEALTH & HUMAN SERVS., LOW INCOME AND LOW-SKILLED WORKERS' INVOLVEMENT IN NONSTANDARD EMPLOYMENT: FINAL REPORT (2001); Susan J. Lambert et al., *Against the Odds: A Study of Instability in Lower-Skilled Jobs* (Univ. of Chi. Sch. of Soc. Serv. Admin., The Project on the Pub. Econ. of Work Working Paper, 2002).

36. See EDIN & LEIN, *supra* note 12, at 544–46; Brett Williams, *What's Debt Got to Do With it?*, in NEW POVERTY STUDIES, *supra* note 34, at 79.

37. See Amy Davidoff et al., *Medicaid-Eligible Children Who Don't Enroll: Health Status, Access to Care, and Implications for Medicaid Enrollment*, 37 INQUIRY 203 (2000).

economic hierarchy, it is not surprising that low-wage families frequently fall into debt. Possessing only limited financial reserves, even families who make diligent efforts to get ahead find themselves overwhelmed by the frequent and pressing nature of the crises they face, as well as the barriers to dealing with them effectively.

Poverty and the related barriers to accessing help experienced by low-wage and welfare dependent families provide the context within which NGOs become an important source of supplementary assistance. In the effort to support their families and to incur as little debt as possible, families continue to approach friends and relatives for more informal help. A rich literature going back over thirty years documents the nature and the importance of such informal helping networks in the lives of low-income families.<sup>38</sup> Although the support offered by informal networks, including the support provided by non-resident fathers, is critical to family survival, it does not bridge the gap between income and real expenditures.<sup>39</sup> When these immediate informal sources are unable to help, families have little alternative but to turn to the services provided by NGOs within their communities. Our research suggests that the flow of information concerning such sources of assistance is an important part of the survival lore of poor families. As we shall see, even small agencies that provide small amounts of material help can be important in closing the income gap for families in need.

## II. MULTIPLE PROBLEMS THAT CAN ELEVATE INTO CRISES

Work preceding our three-city study had already documented the wide range of problems that poverty creates for low-income families. Those problems persist and are confirmed in a recent study of families who have left welfare.<sup>40</sup> Researchers involved with this study found that those who were not employed upon leaving the welfare rolls faced a series of difficulties that interfered with their ability to find and maintain employment.<sup>41</sup> These difficulties included

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38. See CAROL B. STACK, *ALL OUR KIN: STRATEGIES FOR SURVIVAL IN A BLACK COMMUNITY* (1974).

39. *Id.*

40. TEX. DEP'T OF HUMAN SERVS., *supra* note 34.

41. *Id.*

finding child care (33% of the sample), transportation problems (26%), their own health problems (18%), and other family members' health problems (10%).<sup>42</sup> An additional 11.2% of the study's sample were actively seeking work but were unable to find it.<sup>43</sup> Those welfare recipients who were successful in finding employment experienced similar problems, at a somewhat reduced level.

Child care needs present working poor families and those looking for work with special problems. Researchers generally agree that low-income families are unlikely to be able to afford the market costs of child care. Child care often consumes a large fraction of a family's income. Many low-income families find that high quality child care is simply too expensive to purchase, and thus must settle for lower quality care.<sup>44</sup> In Texas, waiting lists for child care subsidies can be long, and families not on welfare do not have as much priority for child care subsidies as do families attempting to move from Temporary Assistance for Needy Families (TANF) into the workforce. Without a child care subsidy, most low-income families either depend on friends and relatives or locate NGO-like organizations to provide such services either free or at a reduced rate.<sup>45</sup>

Transportation presents most low-income families with another set of serious problems. Getting from home and work, to child care, to stores, to medical services, and to welfare offices can present many complications in the lives of poor families.<sup>46</sup> Public transportation often absorbs many hours of the day as parents attempt to get their children to child care, school, the doctor, or other services, while at the same time they must get to work themselves. The use of bus or subway systems often involves transfers and waits. Families in our three-city study reported spending as much as three or four hours per

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42. *Id.* at 56.

43. *Id.* at 58.

44. See KAREN SCHULMAN, *THE HIGH COST OF CHILD CARE PUTS QUALITY CARE OUT OF REACH FOR MANY FAMILIES* (2000).

45. See Julia R. Henly & Sandra Lyons, *The Negotiations of Child Care and Employment Demands Among Low-Income Parents*, 56 J. SOC. ISSUES 683 (2000).

46. See ANITA ILTA GAREY, *WEAVING WORK AND MOTHERHOOD* (1999); Roberto M. Fernandez, *Spatial Mismatch: Housing, Transportation, and Employment in Regional Perspective*, in *THE URBAN CRISIS: LINKING RESEARCH TO ACTION* (Burton Allen Weisbrod & James C. Worthy eds., 1997).

day in public transportation.<sup>47</sup> Alternatives, though, are expensive, and families find that ownership of a car of any significant value makes them ineligible for TANF, Food Stamps, and other associated services.<sup>48</sup>

Health conditions and illnesses present low-income families with another set of serious problems. Poor families experience more serious health problems and conditions than do families with higher incomes.<sup>49</sup> They also experience frequent lapses in medical care coverage.<sup>50</sup> Health problems, particularly if they are untreated, can lead directly or indirectly to job loss.<sup>51</sup>

Another set of problems arise from housing and food insecurity. Researchers report that families often identify housing problems and food insecurity as significant barriers to employment.<sup>52</sup> Without a fixed address and associated phone and mail services, it is difficult to engage in a job search. In addition to needing an address, job seekers also need access to a bathroom and laundry facilities if they are to maintain adequate hygiene and present themselves as good potential employees. Workers who experience food insecurity or food shortages may also be ill-equipped to meet the demands of the often physically demanding low-wage jobs.

### III. THE INFORMAL ORGANIZATIONAL SAFETY NET

The needs of individuals and families, and the emergencies that they face, differ along a number of important dimensions that influence the nature, timing, and success of the family's potential response. Investigators have long noted that the nature of specific

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47. U.S. DEP'T OF HEALTH AND HUMAN SERVS., AN ETHNOGRAPHIC STUDY OF LOW-INCOME NON-ENTRANTS TO TANF: WELFARE EXPERIENCES, DIVERSIONS, AND MAKING ENDS MEET (2003).

48. TEX. DEP'T OF HUMAN SERVS., *supra* note 34.

49. *Id.*

50. Ronald J. Angel et al., *Health Insurance Coverage for Children and Their Caregivers in Low-Income Urban Neighborhoods*, in WELFARE, CHILDREN, AND FAMILIES: A THREE-CITY STUDY (Policy Brief 01-2, 2001); Linda M. Burton et al., Presentation at the Annual Meeting of the American Sociological Association: Family Health, Economic Security, and Welfare Reform (Aug. 16-19, 2002).

51. Alison Earle & Jody Heymann, *What Causes Job Loss Among Former Welfare Recipients: The Role of Family Health Problems*, 57 J. AM. MED. WOMEN'S ASS'N 5 (2002).

52. See TEX. DEP'T OF HUMAN SERVS., *supra* note 34; Fernandez, *supra* note 46.

needs and emergencies determines whether they are best addressed through formal or informal means.<sup>53</sup> Some needs, such as the need for acute medical care, can only be provided by formal organizations, such as clinics and hospitals. Others, such as the need for immediate and temporary child care, can only be met by informal and readily available sources such as family members or neighbors. Still others, such as the need for short-term food assistance, can be addressed either formally by a food pantry, if one is available, or informally by family members and neighbors if they have some surplus.

One major dimension of response to emergencies relates to the timing and urgency of the need. One might have no choice but to wait months or years for a new subsidized apartment or to qualify for Supplemental Security Disability Income (SSDI). However, one simply cannot wait all that long for one's next meal, and if one is called to a job interview today, finding child care for tomorrow will not help. The families we have studied over the years face a wide range of daily problems with different time frames. Families at the economic margin lack the resources to deal with these emergencies by paying someone else to deal with them. Without financial resources, even the loss of a child's school uniform represents a potentially insurmountable crisis. Unless some local and immediate source of funding or in-kind assistance can be located, and unless it responds quickly, the family may not find a solution, and a small problem can easily escalate into a much more serious crisis. Many of the daily problems that are common in the lives of the poor cannot be addressed through formal federal or state agencies or programs. To deal with them, a family must identify informal and local sources for a quick response.

Understanding the dynamics, as well as the magnitude and source of the problems facing families at the economic margin, is important in understanding their options, as well as the barriers that they confront in dealing with emergencies. Catastrophic events, such as a major illness or eviction, often overwhelm the family's capacity to respond, at least in the short term. More routine and minor emergencies might be dealt with informally by drawing upon the

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53. EUGENE LITWAK, *HELPING THE ELDERLY: THE COMPLEMENTARY ROLES OF INFORMAL NETWORKS AND FORMAL SYSTEMS* (1985).

resources of local support networks of family and friends. Informal networks, as well as knowledge of the local social service environment, represent essential “lore” that a family must master in order to survive. Neighborhoods differ, of course, in what some have termed “social capital.” In some communities, neighbors are supportive and provide a great deal of mutual assistance. Some neighborhoods are rich in community centers, food pantries, churches, and other potential sources of assistance. Other neighborhoods have fewer social resources and are less cohesive and mutually supportive.

Isolation may be a luxury that affluent families can afford because they can purchase most or all of what they need and they are well protected against emergencies. For poor families, on the other hand, isolation may mean disaster and the inability to cope with crises, as well as with daily needs. The resources of the local community and the family’s informal network, then, represent major sources of potential support. Studies that focus only on a family’s use of formal sources of support, such as TANF, Medicaid, and Food Stamps, may miss a major component of the total social support package. Our previous research makes it clear that such formal sources of support, although they are central to assuring a family’s well-being, do not address all of their needs. Other more informal and temporary sources of support and assistance play an equally essential role.

As the eligibility for welfare benefits becomes more stringent, and as both cash benefits and the wages paid for low-income work remain below what it takes to maintain a family, families continue to fill the gap between their incomes and their expenditures by using a wide array of other services, many of them either NGOs, or organizations that bear a very close resemblance. Although there is little consistent research on the use of such organizations in the U.S., some reports indicate that pressure on NGOs has increased as the effects of welfare reform and retraction of public services become more visible in the lives of impoverished families.<sup>54</sup> Under this pressure, organizations become both more selective in who they serve and more limited in what they offer any one individual or family. For example, Henrici

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54. See, e.g., JANE HENRICI, GOING IT ALONE (forthcoming 2006).

describes the ways in which the drive to professionalize NGOs during the 1990s has left the staffs of these organizations increasingly overburdened as they face more stringent accountability standards and increased pressure to accomplish more with fewer resources.<sup>55</sup>

### *A. Two Case Studies*

In this section, we examine two families and their use of multiple services to illustrate how complicated the system of social service organizations, broadly defined, can be. Two cases clearly do not constitute a statistically representative sample, but in terms of their struggles to make ends meet, these two cases are representative and illustrative of the help-seeking behavior of resource-poor families. Given their individual needs, each family searches out services from a wide array of sources, both formal and informal. Some have an immediate need for medical care, while others need food or shelter. Families also vary in how adept and successful they are at obtaining what they need, but all engage in some version of the search in which these two families engaged.

#### 1. Sarah Gonzales

Sarah Gonzales was a twenty-one year old, non-Hispanic white woman with a two year old son when we recruited her into the study. During numerous conversations, she described struggles typical of the families with whom we spoke. Over time, we became aware of the ways in which she pieced together the services that she and her son needed. Difficulties that Sarah had experienced as a teenager made her street smart and provided her with detailed knowledge of how to go about getting needed services. Sarah's mother was incarcerated when Sarah was a teenager, and, as a result, Sarah assumed responsibility for her younger siblings. In order to get by, she managed to get help from local churches and charitable organizations. These practical skills for surviving in a poor urban neighborhood served her well later when she became a mother herself. In order to summarize the wide range of sources Sarah used

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55. *Id.*



to survive, Table 3 lists the agencies she approached in various domains since becoming a mother. The shaded squares indicate services she received from NGOs. This table shows that many of the services that Sarah's family received came from such organizations. Let us examine each in turn.

TABLE 3: AGENCIES USED BY SARAH

Income	Education	Food	Transportation	Medical/ Dental	Childcare	Housing	Misc.
Earnings at low-wage health service jobs	Took parenting and GED classes from city-wide not-for-profit agency	Consistently on Food Stamps	Medicaid office supplies her with bus tickets for doctor's appointments	Medicaid	Repeated attempts to use child care subsidy system	Project housing	Help with furniture and household goods from homeless shelter
TANF	Applied unsuccessfully to second non-profit agency for admittance to their training program	Received help on an intermittent basis from church-based organization with food, as well as clothes, baby supplies, and cleaning materials	Public transportation	Discovered she was pregnant by going to local clinic	Head Start through local non-profit organization	Homeless shelter	Community program to help pay for school uniforms
Intermittent child support	Signed up for training through proprietary school	Received occasional help from food pantries		At homeless shelter, her son received care for a respiratory illness	Used local child care service	On waiting list for Section 8 public housing; appeared to be accepted into a Family Self-Sufficiency Program as interviews concluded	
Tax return/ tax credit							

a. Income

Many of Sarah's problems stemmed from the family's low and irregular income. Although Sarah was attempting to become a certified medical technician, during the time that she was in the study she was employed only periodically and in low-wage jobs. She worked periodically for various medical centers, primarily in units that processed plasma. Because she was aware of the possibility, she frequently made additional money by selling her own plasma. Between spells of employment, the family survived on a combination of TANF and periodic child support from her son's father. She was concerned, however, that if and when her child support payments were to become more regular, her TANF check would be reduced. Whether employed or not, Sarah struggled to make ends meet.

b. Education

Sarah was eager to gain the training that would provide her with specific job skills and credentials that would allow her to obtain more regular and better paying employment. She took a series of courses towards her G.E.D., along with parenting classes from a city-wide agency. She applied to another non-profit agency for training as a medical assistant. Admission into that program, though, depended on her successful completion of the G.E.D., and required that she attend several admission interviews and orientation sessions. Sarah was unable to attend these interviews and sessions because of the hours she was working. In an attempt to find another source of training, she approached a third agency, this time a proprietary school. In order to pay for the training, she applied for a combination of grants and loans. She had begun the training course during the time we were in contact with her, and she expected to be at least \$2000 in debt by the time it was finished.

c. Food

Throughout the time we spent with her, Sarah continuously sought new sources of food. She applied to several agencies for help with groceries, as well as with clothing and baby supplies, but the search was time-consuming and difficult. Sarah noted:

There are places that help you with baby milk, but they only help you twice a year. . . . [I]t's real hard to come across agencies that help you with diapers. . . . [A]s far as clothes, the agencies that I've gone to, they have clothes but you could go six months later . . . they'll have basically the same clothes. . . . What's the point of having agencies that help you with clothes, when they're not really helping people?

Since she could only receive infrequent help from most agencies, and because agencies allocated help based on what they had received as donations, Sarah visited several in her search for needed support.

#### d. Transportation

Transportation presented a constant source of struggle and anxiety because members of Sarah's family had to get to different locations. Sarah had to get to work, had to get her son to child care, had to get to her classes on time, and had to keep appointments to re-certify her eligibility for public welfare. She also had to get herself and her son to medical care. Sarah had a truck but rarely used it, because, as she told us, "it wastes too much gas." She traveled mostly on public transportation, which was made somewhat more affordable by the bus tokens supplied by the Medicaid office for her to travel to doctor's appointments. Public transportation, though, often required multiple transfers and took a great deal of time.

#### e. Medical Insurance and Medical Care

Sarah and her son both had health conditions that required medical attention and cost resources. Sarah was diagnosed with depression for which she was taking medication. Her son suffered from asthma-like symptoms, and, although he had not been formally diagnosed, he used a nebulizer on occasion. The family's medical expenses were variable and depended on their eligibility for different forms of medical insurance at different times. When Sarah was working, her wages made her, and occasionally her son, ineligible for Medicaid (at the time, Texas had not yet implemented CHIP, the Children's Health Insurance Program). None of her employers offered health benefits, and, depending on the family's Medicaid

eligibility, Sarah used local clinics and health care offered through the homeless shelter at which she once stayed. She told us that there was a possibility that her son's father might be required to provide health insurance for her son, but Sarah was unsure as to whether the father's involvement would make her and her son ineligible for Medicaid. Sarah had avoided serious medical debt by using free clinics and by delaying medical care until the family was Medicaid eligible.

f. Child Care

As we mentioned, Sarah worked in a succession of jobs punctuated by periods of unemployment. In order to work and to continue with her educational objectives, she had to find childcare, and finding such care proved challenging. Sarah was forced to leave one job when the hours assigned to her exceeded the hours of any available child care. She lost her next job and, as a result, her child care because of conflicts with a violent boyfriend. She told us:

[T]hey had to fire me because I had called in [absent] too many times in the 90-day probation. It was because I had gotten all four of my tires slashed. . . . I think I was attacked about four times, and two or three times I went to the hospital. . . . The only thing that I regretted losing out of all of it was my job. That's the only thing, because I had day care. The only reason he stopped going to day care is because I didn't have a job. And they give you only thirty days to find a job after that. . . . I was getting back on my feet and everything, and for me to lose my job and have to start over again, it's just another setback.

Sarah made several attempts to use the public child care subsidy system, but she could not meet all of their requirements for application and for the timely location of child care; she ended up repeatedly on the waiting list. She entered her son in a Head Start program, run through a city-wide non-profit agency, but its relatively short hours did not match her child care needs. When she left welfare, Sarah moved again to the end of the child care subsidy waiting list.

### g. Housing and Other Services

Sarah confronted a number of issues in locating housing. She used the services of homeless shelters between stays in public housing. Nearly desperate to leave the public housing project apartment where her then-boyfriend had assaulted her, she had been on the waiting list for Section 8 housing for some time. She, like other mothers we spoke with, told us that she had intentionally stayed at a homeless shelter because shelter residents moved to the top of the public housing waiting list.

Sarah has also used NGOs for other miscellaneous purposes. She knew about organizations that might help with furniture and household goods. Another agency might assist in the purchase of the school uniforms necessary for public school in her area. Taken together, these ancillary and supplementary services contributed significantly to Sarah's family's material well-being.

### 2. Edie Young

Edie Young is an African-American grandmother with custody of several of her grandchildren. Today, such families, in which the middle generation is missing, are increasingly common.<sup>56</sup> Often they result when parents are incarcerated, lose custody of their children because of drug addiction, or simply cannot cope with the demands of parenthood. We present Edie's case more briefly than Sarah's, to illustrate the ways in which a very different family structure and set of needs led to the similar use of many agencies for obtaining needed services.

Edie faced a range of issues on a very limited income, including her own and her grandchildren's health problems and problems with access to health coverage.<sup>57</sup> In order to obtain the goods and services she and her grandchildren needed, Edie drew on a number of public agencies, the assistance of her relatives, and a host of services

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56. See Timothy Williams, *A Place for Grandparents Who Are Parents Again*, N.Y. TIMES, May 21, 2005, at A12.

57. RONALD ANGEL, POOR FAMILIES IN AMERICA'S HEALTH CARE CRISIS (forthcoming 2006).

provided by NGOs. In the course of our interviews, Edie told us about a number of the services she used. These are presented in Table 4 and, as in Sarah's case, the shaded squares indicate the use of non-governmental sources.

TABLE 4: AGENCIES USED BY EDIE

Food	Economic Assistance	Education	Transportation	Medical Insurance	Medical Treatment	Childcare	Legal	Housing
Food Stamps during the entire time of the interviews	Family received SSI for children during the entire time of the interviews for two oldest children (oldest is deaf; middle child has sickle-cell anemia)	Scholarship to private tutoring program, but does not use it (too far from home)	Buys three bus cards a month at \$45 and grandmother is afraid of cars	SSI for two older boys	Has a new dentist at SW military	Ella Austin	Legal Aid	Public Housing
WIC for youngest until he was five	Help with utilities from local agencies (goes to several since any one agency only provides about \$25)	Privately supported after-school program	When the middle grandson is in a sickle-cell crisis, they can get a free cab through medical transport	Medicaid (cut off once over caseworker mismanagement, then re-instated)	Youngest child had teeth capped at Santa Rosa Dental Center	Mentor program – going to movies		Section 8 housing
Food from Church pantries		Second after school program	Had a car for a while, but could not keep it running	Pay for services (even when Medicaid covered)	ER visit to Santa Rosa for sickle-cell crisis	Summer Camp – Sickle Cell Foundation		
Food from school breakfast and lunch programs		Two oldest children in special education because of learning disabilities	Gets family to take her if she needs to go out of town or takes the Greyhound bus; does not mind taking the bus		Special anemia unit at Santa Rosa			

Edie used NGOs to meet family needs in the areas of food, economic assistance, education, medical care, and child care. Although the family drew heavily on mainstream public welfare programs, Edie found that these formal programs could not satisfy all of her family's needs, and she had no choice but to seek help from other organizations, such as church sponsored food pantries. In every domain that we explored, Edie received assistance from more than one service. For over half of these, she was receiving services from an agency that falls into our relatively broad definition of a NGO. Edie considered herself to be a particularly savvy user of such services. For example, she explained to us that when it came to utility payments, it was necessary to apply to more than one agency. A single agency might only be able to contribute a fraction of what was needed to pay even one month's utilities. Again, as with Sarah, the scramble to get by was constant.

For transportation, Edie and her grandchildren found rides when and where they could because maintaining a car was prohibitively expensive. For dental care and other medical crises, the family used the services of a low-cost local dental clinic, and the services of a specialty clinic that one of her grandchildren had access to because of his sickle cell disease. The local community center, adult mentoring programs, and a special summer camp program for children with sickle cell disease provided child care services. Of course, these informal services could not replace the formal social services, including Medicaid, Women, Infants and Children Program (WIC), Food Stamps, and Section 8 housing, upon which the family depended. Other organizations, such as Legal Aid, took on aspects of both formal and non-governmental assistance. All of these services formed part of a precarious survival basket that required much time and energy to maintain.

#### CONCLUSION

When government limits its role to providing only the most essential services to those in greatest need, low-income families must find ways of acquiring what they need from other sources. The research we reviewed and our own studies make it clear that, for poor families, the income from low-wage employment or from welfare

does not come close to paying for even limited levels of consumption. In the U.S., medical care, housing, food, and transportation are not provided or subsidized in any significant manner for the working poor. As the need for education, health care, and other social goods increases, problems that might have gone unaddressed in previous eras, even in the highly developed welfare states, are today dealt with by a growing number of NGOs. In the U.S., some of these are formally constituted 501(c)(3) charitable organizations, while others are clubs, libraries, community centers, or other groups whose presence in the community places them in close contact with families in need.

Most of the families we studied experienced frequent shortages of such basics as food, transportation, and child care. Most also faced more serious, but less frequent, crises, such as the need to find new housing or to pay for medical treatment. Occasionally, the formal welfare organizations with which they were in contact could help with temporary assistance. Often, however, they could not, and meeting those needs required accessing other services that became a part of the survival strategies of the poor. Since they do not enjoy the routinized and predictable lives of the middle class in which crises can be dealt with by drawing upon regular earnings, assets and savings, the poor have to make do from one day to the next. In this environment, the ability to access even small amounts of money, goods, or in-kind services is crucial in preventing a family from falling into destitution.

We began our discussion by noting the increasing role of NGOs in the provision of social services. In recent years, a large literature on volunteerism and non-governmental services has emerged in response to the growing number of formally constituted NGOs in all areas of social life. As we noted, the growth in the number of NGOs is an important social phenomenon, and these organizations may be well situated to address the sorts of short-term and immediate needs that poor families experience. Large scale bureaucracies with complex application, qualification, and certification procedures are often too cumbersome to respond to such relatively routine needs. Yet, these relatively minor problems often represent major crises for low-income families. Finding solutions to these problems often means the difference between adequate functioning and disaster.



While the goods and services provided by NGOs bring real benefits to families, they also bring difficulties of their own. With limited funds and narrow missions, such organizations can only address a narrow spectrum of need. Relying as they do on donations, they may be unable to provide services on a dependable basis. Without regulatory legislation and public scrutiny, NGOs may make biased decisions about who to serve. Indeed, if they confine their efforts to dealing with the most easily reached families or those located outside of the neediest neighborhoods, they run the risk of exacerbating existing inequalities and of failing to address real social needs. To the extent that the State contracts out of social services to such agencies, it runs the risk of losing its ability to insure equity in the delivery of services.

The unique contribution of this research derives from its focus on the recipients of services, the low-income families themselves. Although a large literature focuses on the organizations that provide services to the poor, fewer studies focus on the ways in which families in need access and utilize the system. What our research shows is that in order to satisfy their needs, these families must learn to take advantage of, in addition to government services, the complex network of other organizations, informal helping networks, and other groups who provide small levels of support, which, taken together, make the difference between a relatively stable family life and serious deprivation. If we adopt as formal policy a role for government that is as limited as possible in providing for the needs of citizens, non-governmental sources will inevitably emerge to address the unmet needs of the poor. A complete understanding of the consequences of our current policies of privatization requires a more complete understanding of the role of the entire range of social service providers, including NGOs, and the strengths and weaknesses of the goods and services they provide.