Social Welfare Policy Changes and Social Work Practice

Doris McGartland Rubio
Julie Birkenmaier
Marla Berg-Weger

Abstract: *Managed care, welfare reform, changes in government-sponsored health insurance, privatization, for-profit commercial activity, and increasing competition for charitable funding are affecting nonprofit social service organizations. This study of 244 nonprofit social service agencies explores the influence of social policy changes on nonprofit organizations. The effects of such changes on social work practice and social work field education within nonprofit organizations are explicated. Guidance for social work field education departments is provided.*

Keywords: Nonprofit agencies, social work education, social work practice, social welfare policy, welfare reform, social work practicum

The last decade has witnessed tremendous changes in social policy surrounding human service delivery systems. Cost containment and reduced government spending in human services is affecting nonprofit organizational structures, services, and procedures. The impact of social policy forces such as managed care, welfare reform, and changes in government-sponsored health care cannot be understated. Many organizations and social workers working within nonprofit organizations have discovered that drastic changes are needed to adjust and survive these contemporary social forces (Rubio, Birkenmaier & Berg-Weger, 1999). Social workers face numerous challenges within this changing structure while trying to meet client needs. Students completing their field education requirements in nonprofit agencies must be prepared to practice in agencies experiencing transition. This study examines how nonprofit agencies are impacted by recent social policy changes. In addition, the changing roles of social workers and social work students are explored.

LITERATURE REVIEW

Nonprofit Organizations

Financial performance has become increasingly important for nonprofit agencies in the past decade (Bocage, Homonoff & Riley, 1995; Jarman-Rohde, McFall, Kolar & Strom, 1997). Due to federal and state funding cuts that began the mid-1980s, nonprofit organizations continue to reconfigure funding sources (Motenko et al.,

Doris McGartland Rubio, Ph.D. is Assistant Professor in the Department of Research Methodology; Julie Birkenmaier, L.C.S.W. is Assistant Clinical Professor; and Marla Berg-Weger, Ph.D., L.C.S.W. is Assistant Professor in the School of Social Service, Saint Louis University, St. Louis, Missouri, USA.

1995). As recently as 1992, nonprofit social service agencies relied on government sources for 50% of their revenue (Independent Sector, 1997). Due to the decreasing availability of public funds, nonprofit organizations are turning to private dollars, fee-for service, corporate philanthropy, and other sources for a growing portion of their budgets (Zippay, 1992). However, the percentage of corporate philanthropic dollars distributed to social service organizations has also been decreasing for more than a decade (Zippay, 1992). Furthermore, many nonprofit organizations that contract with government sources under purchase of service arrangements find that the reimbursement rate fails to cover the full cost of the services provided (Kettner & Martin, 1996).

Nonprofit organizations are turning to new, creative strategies to ensure survival. Many nonprofit organizations have been forced to "…reinvent themselves and operate more like businesses" (Jarman-Rohde et al., 1997, p.31). Such efforts have included: 1) increasing workload for social workers; 2) marketing services and programs to special populations (Ortiz & Bassof, 1988); 3) decreasing the number of staff (Bocage et al., 1995); 4) merging, decentralizing and reengineering (Jarmen-Rohde et al., 1997); and 5) providing less costly services (Strom-Gottfied, 1997).

Commercial ventures are increasing among organizations. The shifting emphasis to commercialization for many nonprofit agencies can translate into a shift away from services for the economically disadvantaged to services for those able to pay fees (Salamon, 1993). As a result of privatization and decreased funding, some social workers report cuts in essential services and the emergence of an erratic, unstable service delivery system. Some social workers are facing dilemmas as clients seek services from agencies that are increasingly unable to meet their needs (Motenko et al., 1995; Rubio et al., 1999). The stakes are high. In many communities, long-stable nonprofit organizations have closed or terminated staff.

Managed Care and Welfare Reform

Managed care and welfare reform are emerging as two social policy changes that are dramatically influencing nonprofit organizations. Medicaid beneficiaries in managed care grew from 9.5% to 40.1% of the total Medicaid enrollment between 1991 and 1996. Some nonprofit hospitals that traditionally served the poor are experiencing a loss of Medicaid patients and a corresponding loss of revenue (Perloff, 1996). Increasingly, health care and other nonprofit organizations are restructuring to respond to the demand from government entities to deliver services from programs that are comprehensive, interagency, and interdisciplinary (Strom-Gottfried, 1997). The professional concerns linked to managed care include: decreased professional autonomy; overlapped roles with other professions; increased emphasis on outcomes measurement; underserved populations (Newsome, 1997); increased use of less costly services (Jarman-Rohde et al., 1997; Strom-Gottfried, 1997), and conflicting client-payer interests (Strom & Gingerich, 1993).

Another concern of nonprofit agencies is welfare reform. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) dramatically alters federal programs designed to provide income and food assistance. This legislation changed the funding structure for public assistance programs for families

and mandated cuts in assistance to certain populations (Federal Funding Impact Collaborative, 1997). Supporters of this policy contend that economic self-sufficiency for individuals and families will occur more effectively when regional, state, and local governments have increased control over the program design and resource distribution. Initial reports indicate that welfare rolls are decreasing in many states, and nonprofit organizations are finding an increase in the number of clients seeking assistance with basic needs as poverty rates rise (Kettner & Martin, 1996; Newsome, 1997). Nonprofit agencies are concerned about the growing needs of the poor, their ability to meet the service goals mandated by the PRWOA (Federal Funding Impact Collaborative, 1997), and the capacity of reimbursements rates to cover the cost of providing services (Federal Funding Impact Collaborative, 1997; Kettner & Martin, 1996).

Social Work Practice and Education

What effects do structural changes such as managed care and welfare reform have on the practice of professional social work and the training of social workers within the organization? Motenko et al. (1995) report that social workers have increased productivity and accountability. Bocage et al. (1995) report that budget cuts impact the training of social work interns by changing agency practice. Agencies are finding that they maintain longer waiting lists, have fewer resources with which to serve clients, and have increased accountability expectations for both social work practitioners and students.

This study builds upon previous research that explores the responses nonprofit organizations are making to managed care, welfare reform, and other factors affecting service delivery. Research such as this is critical to ascertain the degree of impact that the recent policy changes have had on nonprofit agencies and social workers. The influence of forces on nonprofit administration, service delivery, and the social work profession is explicated and compared to the perspective of social work practitioners in the organizations. Issues such as managed care and welfare reform are addressed as potential factors impacting agencies. Changes in service delivery are explored as they impact the role of social workers. New skills needed by social workers and social work students working within organizations are addressed.

METHODOLOGY

Subjects

A stratified random sample of 500 agencies was selected from the *Community Service Directory* of an urban midwestern metropolitan area published by the United Way. This book is a compilation of all 501-3-C nonprofit agencies. A number was randomly chosen from a table of random numbers in order to generate a starting place for agency selection. Upon specifying a random starting place, every third agency was chosen for a total of 500 agencies. Criteria for participation in the study included: 1) current nonprofit status and 2) designation as an organization that delivers social services. Universities that did not qualify as a social service agency were eliminated from the study. Typically included in the sample were organizations such as hospitals, mental health centers, and family service agencies.

The number of agencies returning the survey was 287, for a response rate of 57%. Of those returned, 43 were not completed, leaving 244 for analyses.

Materials

Focus groups were held with social work field instructors (see Rubio et al., 1999 for study results) as a means for developing the instruments for this study. The results of the focus groups provided the basis for preparing the questions salient to nonprofit organizations. Two surveys were developed for the study. One survey targeted agency administrative staff and focused on policies that impact the agency. The second survey was directed at social work personnel and inquired about the role of social workers and social work students in the agency. The survey was designed so that an administrator could complete the survey in the event that a social worker was not employed there.

Both groups were asked four common questions that inquired about social workers employed within the agency and their responsibilities. This duplication allowed for comparisons between the responses of the social workers and the administrators.

Procedure

Both surveys were addressed to the agency administrator and mailed in one packet to the organizations. The agency administrator and a social worker (if one was employed) were asked to complete a survey. When applicable, the social worker survey was to be completed by a field instructor. Only a few questions on the role of social workers overlapped both surveys. The majority of the questions in each survey were germane to the respective discipline. After both surveys were completed, they were to be mailed to the principal investigator.

Two weeks following the initial mailing, reminder post cards were sent to agencies that did not respond. One month after the initial mailing a second follow-up reminder was sent to the non-responding agencies.

FINDINGS

Description of Agencies

The administrative survey was completed by 244 agencies, with 120 completing the social work surveys. The low social work survey response was expected since approximately 40% of the agencies indicated that they did not employ a social worker.

A diverse group of agencies was represented in the study. Religious organizations, health services, family and counseling services, mental health centers, and hospitals all participated in the study, as did various social service-related associations and organizations. The size and scope of the agencies also varied. The number of staff members employed ranged from 0–2300 (*Mdn*=18). Agencies reported a wide range in the number of clients served each month (*Range* 6–60,000, *Mdn*=190). The number of social workers employed in the agency ranged from 0–600 (*Mdn*=1).

Administrative Survey

The agency director (71%) primarily completed the administrative survey. Other administrators or the chief executive officer completed approximately

14% of the surveys. Presidents, vice-presidents, or coordinators completed the majority of the remaining surveys.

Effect of Policy. Sixty percent of the administrators indicated that changes in social policies have affected the agency's operations over the past year. When asked about future operations, 74% indicated that changes in social policies will affect them. Not surprisingly, a significant relationship exists between those administrators who believe that social policies have affected their agencies and whether social policies will affect them in the future ($\chi^2 = 47.96$; $p<.001$).

Welfare reform, managed care, and Medicare/Medicaid were noted as the administrators' primary concerns. Thirty-eight percent note that welfare reform has negatively affected their agency in the past year, while 48% indicate that the reforms will negatively affect their agency in the future. Despite the increase in concern, those who think that welfare reform has affected their agency are more likely to view it as affecting their agency in the future ($\chi^2 = 74.64$; $p<.001$). The same increased concern is noticed with Medicare/Medicaid. Twenty six percent note that policy changes in Medicare/Medicaid have negatively affected them and 40% anticipate these policy changes will have a negative effect in the future. Concerns about managed care did not change significantly from the past year to the future. Thirty-eight percent indicated that managed care has had a negative impact on their agency during the past year and 40% anticipate that managed care will continue to have a negative effect. This trend is significant because those who view managed care as negatively affecting their agency are more likely to see managed care as a problem in the future ($\chi^2 = 92.35$; $p<.001$).

Most of the agencies surveyed reported no positive outcomes have occurred as a result of current policy changes. In fact, welfare reform is the policy change that generated the most responses, with only 10% indicating that it has positively affected their organization over the past year. However, 18% believe that welfare reform will positively affect them in the future.

Response. The administrative survey included several questions regarding agency response to policy changes. Interestingly, only a moderate relationship exists between those administrators who report being negatively affected by at least one social policy and whether they have had to expend more resources to generate revenue ($\chi^2 = 6.00$; $p=.05$).

While agencies seem to be split on the issue of adequate resources (both monetary and non-monetary), 64% stated that they expended more resources in generating revenue over the past year, compared to 16% who did not. The majority of agencies (66%) reported spending more resources on evaluating and documenting the effectiveness of the services than in the past.

Despite expending more resources, an overwhelming percent (93%) reported that they have not merged or been purchased by another agency. However, 88% stated that they have collaborated with at least one other agency in order to deliver services. Interestingly, the majority of agencies (77%) reported that they have not eliminated any services, but almost 60% stated that cost-effectiveness is a strong factor in determining service delivery options. There was no dominant response regarding the changes agencies made in service delivery, such as

standardizing or specializing services or providing more case management services.

Social Workers. The administrators' survey included questions that addressed the number and role of social workers employed in the agency. Approximately 45% of the administrators did not complete this section of the survey. This was expected, as 40% of the agencies do not employ a social worker.

Despite the changes occurring in nonprofit agencies, only 11% report that social workers are spending less time on direct services. However, the majority (63%) reported that social workers have more responsibility. Personnel resources to provide social work supervision appear unchanged. Almost half of the social workers currently report to and have been reporting to MSW-level social workers for several years.

In comparing the results of the administrators with that of the social workers, no significant differences emerged. The administrators' responses significantly related to the social workers' responses ($p<.001$) for all three tests. Since all of the questions were significantly related, there are no differences in the way that social workers and administrators responded.

Social Worker Survey

Notably, social workers' perceptions of their roles are congruent with administrators. Social workers do not spend any less time on direct services but they do have more responsibilities than in the past. Also, the person to whom the social worker reports has not changed from previous years. Most social workers report to another social worker with a masters or baccalaureate degree.

Student Supervision. Of the 120 social workers who completed the survey, 80 (66%) indicated that their agency serves as a practicum site for at least one social work program. Of those agencies that are not practicum sites, time constraints were cited as the reason for not offering practicum opportunities.

Social workers were asked about factors that influenced their decision to supervise students. Student energy and enthusiasm were voiced most often (94%), with the desire to train new social workers a close second (91%). Other reasons included having the student supplement staff resources (85%) and the skills and knowledge the student brings (77%). More than half (55%) of the respondents indicated that supervising a student enables them to develop a new program. Half of the respondents (52%) see the desire for supervisory experience as favorable.

Social workers spend an average of 14% of their time supervising social work students in practicum (*Range* 0%-75%, *Mdn*=5%). Only 17% of social work field instructors noted that this was an increase from previous years. Despite increased time constraints and responsibilities being placed on them, only 19% indicated that more is expected of social work students.

Several items addressed skills that social workers find useful for the students to bring to the practicum experience. Social workers most frequently referred to the utility of case management skills (87%) and assessment and diagnostic skills (87%). Advocacy skills were also seen as useful (84%), as were counseling or therapy skills (79%). Only 54% viewed research skills as useful and 47% perceived administrative skills as beneficial.

When asked about the skills that students fail to bring to practicum, the majority of social workers did not indicate a particular skill. At least 30% of the social workers indicated four skills as needed, but currently missing in social work students. These included case management (32%), administrative skills (32%), counseling or therapy skills (31%), and assessment or diagnostic skills (30%). Only 26% of the social workers reported that students failed to bring social work skills. Advocacy skills were the last indicated, with only 18% of field instructors reporting that students failed to bring these skills to the agency.

Social workers were asked about the presence or absence of student professional skills in the practicum. Writing skills were indicated as the most useful (94%). Twenty-five percent indicated that students fail to adequately perform this skill in practicum. Other skills that social workers noted as being useful were documentation skills (89%), presentation skills (87%), and computer skills (87%). Thirty-one percent of the social workers reported that students' documentation skills are lacking and 28% think that students are not prepared in the area of presentation skills. Only 14% reported that students' computer skills are inadequate.

DISCUSSION

Nonprofit Organizations

The majority of nonprofit organizations have been affected by social policy changes and expect social policy to impact them in the future. Welfare reform, managed care, and Medicare/Medicaid are the primary concerns. Administrators reported a negative impact as a result of current policy changes.

Nonprofit agency administrators have clearly experienced changes in organizational operations. The majority of nonprofit organizations spend more time and resources generating revenue and evaluating and documenting services delivered. Respondents reported that cost-effectiveness is a stronger factor in determining service delivery options, as well as collaborating with at least one other agency to deliver services. These findings mirror the results of previous research that found nonprofit organizations increasingly operating as for-profit businesses (Bocage et al., 1995; Motenko et al., 1995) and collaborating with other agencies to deliver a continuum of services (Menefee, 1997). While the literature suggests that many nonprofit agencies are merging and eliminating services, these data show otherwise. The structure of nonprofit organizations in this study appears to be stable.

What should nonprofit organizations do to survive and compete in this environment now and into the future? Menefee's (1997) interviews with 21 executive directors of nonprofit organizations suggest the future for these agencies include: 1) increased competition among nonprofit agencies and between nonprofit and for-profit social service agencies; 2) an increase in the demand for social services corresponding to an increase in the complexity of social problems and a decrease in the amount of resources; 3) a change in the role of government from service provider to service administrator with increasing accountability requirements; d) a shift in charitable funding priorities for corporations to ameliorate social problems in their immediate communities; 4) a dramatic increase in the influence of and use of technology in service delivery and communication; and 5) a decrease in the number of nonprofit agencies. Nonprofit organizations must account for these changes if they are to remain viable into the future.

Social Work Practice

Administrators and social work practitioners agree that social workers have increased responsibility without a commensurate decrease in time spent on direct services to clients. Social workers are increasingly required to do more with less. Skills that lend themselves to efficiency are crucial for practice within current realities, such as well-developed assessment skills (Strom & Gingerich, 1993) and practice evaluation (Rubio et al., 1998). In the current environment, activities such as mediation, brokering, and client advocacy (Motenko et al., 1995) are sacrificed for less costly services. The combination of increased managed care provisions, cutbacks in services, increased productivity, and documentation and fiscal restraints on services have led to low morale, a deterioration of the work environment, and increased burnout (Bocage et al., 1995; Motenko et al., 1995). Social workers also report increased frustration with the shift to illness rather than presenting strengths of the client (Motenko et al., 1995).

With nonprofit organizations having moved into the 21st century, social workers must be attuned to the changes occurring at the administrative level. More social workers will be employed by for-profit social service agencies as this sector continues to expand (Ortiz & Bassof, 1988). While the potential advantages to a for-profit delivery system include increased productivity and greater competition in the social service marketplace (Salamon, 1993), ethical questions also arise. Social workers must be vigilant to assess the impact of increasing responsibility and productivity requirements on the delivery of quality services (Kettner & Martin, 1996). As for-profit agencies make inroads into the social services sector, a two-tiered system could become entrenched, with for-profits serving only the more affluent, leaving nonprofit agencies to serve the needy.

Social Work Field Education

Overall, most respondents to the social work survey reported that students are prepared for their field experience. The majority believe that students bring needed skills to the agency. With less time and more demands placed on social workers, practitioners and their students are adjusting. Time for supervision is a scarce resource; most field instructors are maintaining the amount of time spent on supervision despite the increased demands of practice. Most respondents report that social work programs are preparing students with appropriate skills and knowledge for the field. Despite constraints, however, field instructors see students as an asset and most organizations are still supervising students (Bocage et al., 1995).

Field liaisons have a responsibility to ensure the integrity of student learning experiences as agencies struggle to do more with less. Field education programs may find an increase in demand on the resources of the program as nonprofit organizations are challenged to deliver effective services to clients with fewer resources in a faster timeframe. Some agencies increasingly rely on students to provide services, which can pose issues for field education.

Those organizations not involved in field education cite time constraints as a deterrent. Social work field education programs need to monitor this trend to ensure the viability of current field agencies and to recruit sites that can offer a quality learning experience while negotiating the transitions derived from policy changes.

Research

Research must continually explore the effects of changing social policies on social work practice if social work education is to adequately prepare students for practice. While this study used a representative sample of nonprofit agencies in a Midwestern city, the external validity of the study is limited to that population. Research is needed on a national scale to assess the impact of social policy on social work practice relative to skills needed and role definition within the organization. The findings presented here are only representative of a limited area. Whether the views of administrators and social workers are similar in other regions has not been tested.

Research in this area is lacking. More work is needed to provide insight into the survival strategies used by nonprofit agencies. As social workers' roles within these agencies are changing, better information on social worker adaptation is needed. Data regarding student satisfaction with practicum supervision should be collected and analyzed. Longitudinal studies will generate valuable information as social welfare policies continue to change and evolve, thus influencing nonprofit agencies. As this is a cross-sectional study, a one-year follow-up of these agencies would offer a perspective on longitudinal change and outcome.

Acknowledgment

References

Bocage, M.D., Homonoff, E.E., & Riley, P.M. (1995). Measuring the impact of the fiscal crisis on human services agencies and social work training. *Social Work, 40*, 701-705.

Federal Funding Impact Collaborative (1997, October). *Devolving responsibility: Federal welfare reform and service delivery in the St. Louis region*. St. Louis, MO: United Way.

Independent Sector. (1997). *Nonprofit almanac: Dimensions of the independent sector*. San Francisco: Jossey-Bass.

Jarman-Rohde, L., McFall, J., Kolar, P., & Strom, G. (1997). The changing context of social work practice: Implications and recommendations for social work educators. *Journal of Social Work Education, 33*, 29-46.

Kettner, P.M., & Martin, L.L. (1996). The impact of declining resources and purchase of service contracting on private nonprofit agencies. *Administration in Social Work, 21*, 211-238.

Menefee, D. (1997). Strategic administration of nonprofit human service organizations: A model for executive success in turbulent times. *Administration in Social Work, 21*(2), 1-20.

Motenko, A.K., Allen, E.A., Angelos, P., Block, L. Devito, J., Duffy, A., Holton, L., Lambert, K., Parker, C., Ryan, J., Schraft, D., & Swindell, J. (1995). Privatization and cutbacks. *Social Work, 40*, 456-463.

Newsome, M. (1997). Social work change and social work education. *Social Work Education Reporter, 45*, 12-13.

Ortiz, E.T., & Bassof, B.Z. (1988). Proprietary hospital social work. *Health and Social Work, 13*, 114-121.

Perloff, J.D. (1996). Medicaid managed care and urban poor people: Implications for social work. *Health and Social Work, 21*(3), 189-195.

Rubio, D.M., Birkenmaier, J.M., & Berg-Weger, M. (under review). Human service nonprofit agencies: Studying the impact of policy changes. *Journal Socionomia*.

Salamon, L.M. (1993). The marketization of welfare. *Social Service Review, 67*, 16-39.

Strom-Gottfried, K. (1997). The implications of managed care for social work education. *Journal of Social Work Education, 33*, 7-18.

Strom, K., & Gingerich, W.J. (1993). Educating students for the new market realities. *Journal of Social Work Education, 29*(1), 78-87.

Zippay, A. (1992). Corporate funding of human service agencies. *Social Work, 37*, 210-214.

Author's Note:

Address correspondence to: Doris McGartland Rubio, Ph.D, Department of Research Methodology, Saint Louis University, 3663 Lindell Boulevard, St. Louis, Missouri 63108 USA.