MODULE 3 PACKET

Fishing DIFFERENTLY

Ministry Formation in the Marketplace

THE OIKOS INSTITUTE
FOR SOCIAL IMPACT

The Oikos Institute for Social Impact
11218 South Bishop Street
Chicago, IL 60643

VISION

Our vision is to help congregations harness the power of their assets in order to be a catalyst for communal transformation and economic renewal.

MISSION

Through strategic partnerships with seminaries, universities, foundations, government agencies and denominational judicatories, the Oikos Institute creates mutually supportive ecosystems that strengthen the Faith, Intellectual, Social and Human Capital of congregations actively engaged in social impact and transformational work in the under-resourced communities they serve.

OUR PRIORITIES

- **Providing relief for distressed communities**
- **Alleviating human suffering**
- **Maximizing human potential**
- **Solving social problems via social reform**
- **Building community via civic engagement**

SOCIAL IMPACT

is a significant, positive change that addresses a pressing social challenge. Creating social impact is the result of a deliberate set of activities with a goal matching this definition.

10 Biblical Principles of Stewardship

A guide for our understanding of managing resources according to biblical teachings

1. **God Owns Everything**
   "The earth is the Lord's and all that is in it, the world, and those who live in it." (Psalm 24:1, NRSVUE)

   Principle
   Everything we have belongs to God, and we are God's caretakers.

2. **Stewardship as a Responsibility**
   "The Lord God took the man and put him in the garden of Eden to till it and keep it." (Genesis 2:15, NRSVUE)

   Principle
   God entrusts humanity with the care and management of God's creation.

3. **Faithfulness Is Required of Stewards**
   "Moreover, it is required of stewards that they be found trustworthy." (1Corinthians 4:2, NRSVUE)

   Principle
   Stewardship demands reliability and diligence in managing resources.

4. **Giving as Worship**
   "Honor the Lord with your substance and with the first fruits of all your produce." (Proverbs 3:9, NRSVUE)

   Principle
   Giving the first and best of our resources acknowledges God's provision and shows gratitude.

5. **Stewardship of Time**
   "Making the most of the time, because the days are evil." (Ephesians 5:16, NRSVUE)

   Principle
   Time is a gift from God, and we must use it wisely for God's glory.

6. **Using God-Given Talents**
   "Like good stewards of the manifold grace of God, serve one another with whatever gift each of you has received." (1 Peter 4:10, NRSVUE)

   Principle
   God grants us talents to serve others and build God's kingdom.

7. **Accountability to God**
   "So then, each of us will be accountable to God." (Romans 14:12, NRSVUE)

   Principle
   We are answerable to God for how we manage
   the resources God has entrusted to us.

8. **Generosity Reflects God's Character**
   "Each of you must give as you have made up your mind, not reluctantly or under compulsion, for God loves a cheerful giver." (2 Corinthians 9:7, NRSVUE)

   Principle
   Giving cheerfully reflects God's generous nature and
   blesses both the giver and the recipient.

9. **Care for Creation**
   "The righteous know the needs of their animals, but the mercy of the wicked is cruel." (Proverbs 12:10, NRSVUE)

   Principle
   Stewardship includes caring for God's creation,
   including animals and the environment.

10. **Focus on Eternal Rewards**
    "Do not store up for yourselves treasures on earth, where moth and rust consume and where thieves break in and steal; but store up for yourselves treasures in heaven." (Matthew 6:19-20, NRSVUE)

    Principle
    True stewardship prioritizes eternal, spiritual rewards over earthly wealth.

Case Study Reflection

How was social capital leveraged for funding?	What challenges were present in creating formal or informal partnerships?	What strategy might be adapted for use in your context?

Case Study 1

Economic Outcomes and Social Capital

Chapter 4

Moving Beyond Vagueness: Social Capital, Social Networks, and Economic Outcomes

Russell Williams

Economists' understandings of labor markets have gone through several transformations in the last three decades as search theory and spatial mismatch hypotheses have joined human capital theory as major avenues for labor market research. Each of these advances was intended to improve the match between theory and observed dynamics of labor supply, and each posed important contrasts with the explanatory frameworks that had previously held ascendance in labor market research. But in recent decades, as these three modes of inquiry have been theoretically and empirically developed, the importance of social context as a factor in labor market outcomes has become increasingly apparent. Since 1990, elements of research into each of these theories have been converging with a growing social science inquiry into social networks. Understanding the dynamics of social networks is consequently an important area for further improvements in labor market theory.

Labor market theory's growing focus on social networks mirrors the growing recognition of the importance of "social capital" in the field of economic development. Spurred by the work of Robert Putnam and others,[1] writings about both local economic development

and international economic development have invoked various concepts of social capital to explain how some markets for goods and services operate, why some markets fail to operate well, and why some local and/or national economies are more successful than others.

While there is a general awareness that social networks and social capital are related terms, a precise relationship between the two concepts is often missing. Readers of the various literatures may not easily ascertain whether the terms are different, how they are related, and—if they are synonymous—why "networks" are emphasized in the labor economics literature, while "capital" is emphasized in the economic development literature.

A perusal of the literature will also rapidly make one aware of the multiplicity of research questions and contexts in which the terms "social capital" and "social networks" have been used. Articles incorporating these concepts have included studies on the role of trust in economies, research about the influence of peer groups and families on preference formation, studies of networks as sources of information and influence, and other subjects. The human focal points to which the concepts of social networks and social capital have been applied include both individuals (for example, in the sense of the social networks available to a person) and groups of people (for example, in the sense of behavioral norms or trust within a group). Furthermore, in the literature as a whole, various authors ask their readers to consider different social capital content and different combinations of social dynamics within the environment that holds this social capital content. In some works the term "social capital" has been used as a synonym for *unspecified relationships* between people, in other works it obviously refers to *specific relational structures* by which particular things of value are transmitted, while in still other writings it is intended to denote an *attribute* of an individual or a group *resulting* from the networks of social relationships. Adding to the potential confusion faced by readers would be their finding that within the literature, the specific definitions of social capital and social networks given by different authors vary considerably.

This variation in usage and definition has caused some theorists to question the conceptual cohesion of the terms and some theorists to deplore ways in which the terminology has spread. For example, Portes (1998) warns that, "the point is approaching at which social capital comes to be applied to so many events and in so many different contexts as to lose any distinct meaning."[2] Schuller, Baron, and Field declare that "social capital has several adolescent characteristics: it is neither tidy nor mature; it can be abused, analytically and politically; its future is unpredictable;

but it offers much promise."[3] Lin states that, "divorced from its roots in individual interactions and networking, social capital becomes merely another trendy term to employ or deploy in the broad context of improving or building social integration and solidarity."[4] Durlauf and Fafchamps write, "while conceptual vagueness may have promoted the use of the term [social capital] among the social sciences, it [vagueness] also has been an impediment to both theoretical and empirical research of phenomena in which social capital may play a role."[5]

Some researchers have addressed this problem by specifying the context within which they apply their conclusions about social capital. Szreter advises that, "[social capital] is manifest through certain kinds of attitudes and dispositions towards fellow-citizens and civic institutions, through networks of contact and association and through participation in civic and public institutions. Empirical work which aims to measure and quantify can observe social capital indirectly and inferentially, through examining the character and incidence of these phenomena. But ideally considerable contextual knowledge is required for unambiguous interpretation."[6]

However, resorting to context for interpretation of social capital can pose many problems for prescribing public policy. A particular research context of variables and social dynamics examined by a social scientist is straightforwardly meaningful for public policy in a real-life setting only if the forces that are studied can be expected to dominate other dynamics when a more comprehensive set of existing forces is included. Similarly, the particular context examined by a researcher is meaningful for other areas only when the conclusions drawn from the analysis can be extrapolated to other situations.

Some other researchers have addressed problems in the application of the social capital concept by adding modifiers to the term "social capital." For example, one author discussing labor market theory has adopted the phrase "extensive social capital" as a way of incorporating the finding that job search is most successful when the social contacts are people who are outside one's usual circle of friends—Granovetter has called these "weak links." But it is important to note that the problems of social capital context and definition still apply—one researcher's "extensive social capital" in job search using weak links may correspond with another researcher's description of lesser social capital if the second researcher is measuring shared norms and trust. Possible adjectives like extensive, striated, or fragmented are themselves problematic and subject to multiple interpretations, since the quantity and quality of one form of social capital does not necessarily extrapolate to other forms of social capital.

For economists and other social scientists who are accustomed to thinking about the three other commonly cited forms of capital (physical capital, financial capital, and human capital), there is another subtle but important issue in the concept of social capital. It is commonly assumed that physical, financial, and human capital possess the characteristic that "more" is likely to lead to "better" outcomes, and in most real-world applications the merit of this assumption is fairly straightforward. However, for social capital the connection between "more" and "better" outcomes is much more complicated.

Consider the following. In an urban environment, there are often many social institutions and considerable social interaction. However, many institutions and interactions may be striated along racial and ethnic lines. African American families may interact mainly with other African American families, while Latino families interact mainly with other Latino families, and White families interact mainly with other White families. In this type of situation, it may not be straightforward at all to assess who has "social capital" and who doesn't. Each group's social capital may be different in important ways, and whether one family's social capital is "more" than another family's may depend upon the particular types of social forces and outcomes that are the subject of inquiry.

Imagine a second scenario. In a particular city, many jobs are filled through word of mouth (as is described later in this essay). In this city African Americans are as likely to use social networks to find jobs as Whites are and have equivalent success in finding jobs. However, as has been empirically shown that African Americans who use other African American contacts in their successful job search are likely to have lower wages than White job searchers who use other Whites as contacts, or African American searchers who use Whites—even if there is no difference in the education of the searchers. Like the first scenario, this scenario indicates that interpreting social capital can depend upon the context of the researcher's inquiry—and that a finding of substantial social capital in one respect may not translate into "better" social capital in other respects.

Finally, imagine a young man who is a member of an urban gang. This gang has strong norms, values, and trust among its members. Once again, it appears that the social capital of this young man depends upon the dimensions along which we evaluate his networks. It is not the absence of social capital—in the form of norms, group values, and trust—that presents problems for the young man. Rather the potential problems arise from the relationship of these norms, values, and trust to those held by the culture at large, the ways in which the social capital is

implemented, and the ways in which the societal institutions present in that area function. How then, can one conceptualize the important insights about social context that are found in the social capital and social network literature in ways that provide for more precise interpretations that can apply across disciplines, situations, and time periods?

The next three sections immediately following this paragraph describe the emergence of the importance of social networks in search, spatial mismatch, and human capital theory respectively, providing the reader with a perspective on the growing importance of social networks in labor market theory to add to the more well-known summaries of social capital in local and international economic development theory. The subsequent section discusses the relationship between social networks and social capital, illuminating the common conceptual foundation of the two terms and addressing the rhetorical tendencies behind their usage in much of the literature. That section then calls upon the work done by a virtually forgotten analyst of networks, J. Clyde Mitchell, to provide a framework for clarifying various social network and social capital dynamics. Resurrecting and modifying the work of this scholar provides tools for articulating the important distinctions between the various forces discussed in the social capital and social network literature. It also establishes fertile ground for analyzing the impacts of social context and public policy interventions on economic outcomes in a more precise fashion than is done in most of the current social capital literature.

Social Networks in the Search Theory Research Agenda

Although some aspects of the search model were discussed as early as 1939, search theory did not receive major extended interest until the work of Stigler (1962), Mortensen (1970), and McCall (1970). The basic model has spawned prolific writing ever since.[7] Search theory has been the chief expositor of the uncertainty about job offers faced by those who seek employment. Search theory does away with the assumption of informational certainty (implicit in much of the earlier labor market theory), replacing it with the idea of sequential decision-making job search amid uncertain environments. The job-seeker decision involves the tradeoffs between current offers, further time-consuming search, and the possibility of higher-wage offers on the other. Reservation wages play an important part in this theory, linking the intuitive idea that some offers will be rejected as too low with the fact that mathematical theories of optimal stopping conclude that the best strategy is to adopt the first

offer above the reservation wage—a wage level that the job-searcher does not regard as too low.[8]

Search theory has been very useful in illuminating aspects of unemployment duration, job/worker matching, turnover, and other features of the labor market. However, as search theory has advanced, there has also been growing examination of some of its own assumptions. Is the arrival of job offers a completely stochastic phenomenon? To what extent do individuals operate independently, and to what extent do they act in ways that reflect connection to others?

For example, after a comprehensive review of the search literature in their classic book, *Empirical Labor Economics: The Search Approach*, Devine and Kiefer conclude, "looking across studies, we have found evidence that the empirical (and theoretical) work on search would benefit from changes of emphasis . . . *There are definite advances to be made in studying the process by which workers get offers.*"[9] In more detailed comments, they state, "the simplest search models assume that the probability that a worker will get an offer in a given period is fixed. We note direct and indirect evidence that offer arrivals vary across workers and that search intensity varies as well. Indeed, one recurring impression from studies on the supply and demand sides of the labor market is that *variation in offers across individuals is more important in explaining variation in unemployment durations than is variation in reservation wages. Our notes for future research emphasize the need to understand the process by which offers are made (as a result of efforts of workers and firms alike), as a complement to the current focus on the process by which offers are accepted.* Demand and equilibrium are essentially wide open topics."[10] (italics added)

Recently, search theory researchers have increasingly incorporated aspects of social context, with a particular emphasis on information channels, into their discussions. Descriptive studies of job search have given a central role to the distinction between formal channels of obtaining jobs (such as employment agencies, trade unions, etc.) and informal channels (such as referrals from employees and door-to-door search). In empirical studies of job search, references to information channels have become common as part of researchers' speculation about factors contributing to their findings.

Social Networks in the Spatial Mismatch Research Agenda

The role of social context has also emerged as a major factor in spatial mismatch studies. In contrast to search theory's emphasis on stochastic

models of arrivals of job offers, spatial mismatch analyses focus on racial and locational differences in labor supply. First articulated in 1965 by John Kain as a set of interrelated hypotheses about inner city employment, spatial mismatch analyses concentrated on the relationship between housing discrimination, business locations, and employment outcomes for inner-city Blacks (some of the more recent literature has addressed the spatial implications of employment for Latinos and Asians as well). The spatial mismatch hypothesis, as originally presented, asserts that the low employment rates of inner-city Blacks are a result of past and present housing discrimination combined with the movement of low-skilled jobs from central cities to more distant parts of the metropolitan area as transportation possibilities improved in the distant areas. According to spatial mismatch, the relocation of manufacturing and retailing made it more difficult and costly to reach low-skill jobs from urban residences, while widespread housing discrimination allowed Whites, but not Blacks, to follow the jobs as they moved. Consequently, according to the spatial mismatch reasoning, there are differences in geographic access to job opportunities that manifest themselves in higher unemployment of Blacks.

While there is general agreement about the existence of suburban housing discrimination, the movement of manufacturing jobs away from cities, and the idea that these factors have an effect on employment of low-skilled workers, there has not been agreement on how *much* of a factor these dynamics play in urban labor market outcomes. Researchers have disagreed about the relative causative importance of distance, on one hand, and labor market discrimination by employers on the other, and about whether it is geographic distance per se that explains urban employment, or whether other factors correlated with geographic distance hold more explanatory power.

Social context is a key element of this debate, a point underscored in a 1991 study by Kathleen O'Regan and John Quigley emphasizing the need to conduct further research into the causative channels of spatial mismatch. The authors summarize spatial mismatch theory as follows: "access affects the employment opportunities and the employment probabilities of members of the workforce."[11] They take issue, however, with what they describe as the usual interpretation of "access," which focuses on either linear distance or commute time. "This appears to be a very narrow definition of access," they state, "a more plausible interpretation of access may be in terms of the cost of information rather than the cost of transportation . . . Yet until recently spatial aspects of the role of information have been almost completely ignored by economists."[12]

O'Regan and Quigley hypothesized that "social isolation deprives residents of membership in information networks which would improve their chances for employment. Thus central city Blacks lack access to jobs due to their social, rather than geographic, distance." Using data from the 1980 U.S. Census covering sixteen-to-nineteen-year-olds living at home in forty-seven of the fifty largest metropolitan areas, O'Regan and Quigley found that when family effects are analyzed in comparison with the more commonly analyzed spatial effects, the family effects are much more important than the spatial effects. Specifically, controlling for geographic location within the metropolitan area, there is an increased likelihood that a youth is employed if the parent is employed, and an increased likelihood of unemployment if the parent is unemployed. Similarly, the employment status of siblings is linked with the employment status of the youth and youth are more likely to be employed in a given industry if a parent is employed in that industry. O'Regan and Quigley assert that young people are the population segment most dependent upon networks for information and that "the most important source of information for these individuals is other family members." They conclude that "the empirical work supports the hypothesis of information linkages through networks which affect employment outcomes."[13]

The importance of social context and the convergence of the research agenda of spatial mismatch with inquiry into social networks is also manifested in a 1996 article by Harry Holzer (one of the most prolific writers about spatial mismatch) and Keith Ihlanfeldt. Using a survey of employer recruitment mechanisms in conjunction with data on Black employment, they find that "the general association between referral networks [used by employers] and distance [from Black neighborhoods] is striking, and seems to confirm that such networks are at least partly geographically based. In contrast, the relatively small estimated effects when recruiting is done through newspapers indicate that when firms choose to use this method in recruiting particular types of employees, they can overcome the adverse effects of distance by disseminating information over a wide geographic area. The role of information as a mechanism through which spatial effects sometimes operate is therefore suggested by these results."[14]

In 1998, Richard Arnott assessed the status of the spatial mismatch hypothesis and summarized the current debates about spatial mismatch as being composed of two parts, the second one showing the critical role that social networks play in further development of the theoretical and empirical research of spatial mismatch. First, according to Arnott, the

spatial mismatch hypothesis debate includes a dispute over weak form/strong form interpretation of the hypothesis. He writes, "The strong form is that serious limitations on Black residential choice, combined with the steady dispersal of jobs from central cities is the *only*, or at least paramount factor causing the low rates of employment and low earnings of Afro-American workers."[15]

Arnott described the second part of the debate as a dispute about causative channels.

> The literature on the spatial mismatch hypothesis has identified two broad channels through which the combination of housing discrimination and job suburbanization might adversely affect the labour market situation of blacks. The first is commuting costs . . . The second channel is job search which has three aspects: the difficulty a downtown resident encounters in obtaining information on suburban jobs, which is more severe the more prevalent is word-of-mouth-advertising; the possible importance of acquaintanceship and connections in obtaining a job; and the high transport and time costs of searching for a suburban job from a downtown residence. No doubt both channels are operative. But there is disagreement concerning how quantitatively important each is."[16]

Other empirical insights continue to challenge researchers' thinking about where, how, and under what conditions spatial mismatch is manifest. Some research on the Boston metropolitan area yields interesting findings. Like many cities, Boston has experienced loss of manufacturing firms to other locations and growth of new employment centers in suburban areas.[17] Boston has also been the subject of previous spatial mismatch studies, with some authors supporting the applicability of the spatial mismatch hypothesis and others asserting that the hypothesis does not apply.[18] But Boston also has an important exceptional profile for investigations of urban unemployment; it is one of very few cities in the United States where the number of jobs exceeds the number of residents.[19] Furthermore, the areas of Boston with relatively high numbers of Black residents may have a different level of proximity to employment centers than in other cities. According to Cohn and Fossett, in Boston "blacks are physically near more jobs than Whites are. This finding holds despite analysis being restricted to consider only entry-level blue-collar jobs." If a large number of entry-level job openings are near heavy concentrations of unemployment and are not being accessed, as Cohn and Fosset suggest, this strongly indicates that an important explanatory variable is missing from those spatial mismatch explanations that focus only on geographic proximity. If social networks play an important part

in employment levels, as suggested by O'Regan and Quigley, Holzer and Ihlanfeldt, and Arnott, both the theory and empirical findings of spatial mismatch may be advanced by further theoretical and empirical work on the impact of social networks.

The Emergence of the Concept of "Opportunity Structures" as a Social-Network-Aware Alternative to "Human Capital"

Research agendas stemming from the process by which people acquire skills have also become intertwined with research into social networks. The most widely known concept intended to express acquisition of skills is "human capital" and this term in its narrow sense refers to the idea that people "invest" in the building of skills and other attributes related to productivity.[20]

The idea that people may spend on themselves looking to the future is not controversial. However, "human capital" has become heavily critiqued because of its association with what can be called "the Human Capital Theory" since the introduction of that theory by Mincer (1958), Schultz (1960), and Becker (1964). Human Capital Theory is a series of related hypotheses about the relationship between choice, productivity, and income. The original theoretical assertions, as presented by Jacob Mincer, were that differences in earnings were explained by individuals' investment in their human capital and that "the process of investment is subject to free choice."[21]

The application of the term "human capital" was expanded two years later by Theodore Schultz. In his 1960 presidential address to the American Economic Association, Schultz continued the emphasis on the links between human capital investment and productivity, urging attention to five forms of human capital investment—health, formal education, on-the-job training, adult study programs, and migration. In this address and in his subsequent 1961 article in the American Economic Review, Schultz emphasized that not only individuals but also various social institutions invest in human capital.[22] Subsequently, Gary Becker expanded on the assertions about the link between choice, skill development, productivity, and wages (with an emphasis on on-the-job-training) in a 1962 article and in his well-known 1964 book, *Human Capital.*

Research associated with the Human Capital Theory expanded in the 1970s and since then has been a conceptual framework for many works in labor economics, economic development, and other fields. But from the time that Mincer's paper appeared through the present, critiques emerged about numerous aspects of the implicit and explicit content and

reasoning within the Theory. A wide variety of criticisms emerged about the links between choice, access to human capital development opportunities, the quality of teaching available, the nature of skill-building, job requirements, racial and gender discrimination in employment opportunities, and earnings.[23]

While the idea that people invest in the building of skills and other attributes related to future income and other future goals remains a central idea within labor economics, factors that critics have emphasized as alternatives (or additions) to the original Human Capital Theorists' explanations of wage differentials, productivity, and decision-making, have been parental resources, cultural factors, learning from peer groups, variations in school quality, variations in the education agendas of schools, social expectations, role models, race, gender, unionization, and many other dynamics. As Stephen Steinberg summarized, "the pitfall of the human capital approach is not in exploring human factors that yield economic dividends, but in treating these factors in a vacuum, apart from the constellation of historical, political, social, and economic factors with which they are inextricably bound."[24]

This has led some theorists to seek alternative ways of presenting the relationship between choice and economic outcomes. In 1995, George Galster and Sean Killen proposed an alternative conceptual framework for understanding the links between choice and the goals for which forward-looking investment is pursued.[25] Galster and Killen's framework identifies "process" and "prospect" dimensions of opportunity, calling these "opportunity structures" and "opportunity sets." They explain:

> The process dimension of opportunity refers to the way markets, institutions, and service delivery systems (e.g., the social welfare or educational system, legal and illegal labor markets, the criminal justice system, or the housing market) utilize and modify the innate and acquired characteristics of participants. The panoply of markets, institutions, and systems that act on and convert personal attributes into outputs affecting social advancement we call the "opportunity structure." . . . The prospect dimension of opportunity refers to the prospective socioeconomic outcomes (likely streams of future income, consumption, and utility) that people believe will occur if they make particular decisions regarding education or work, for instance. These estimated outcomes will be influenced both by the person's indelible endowments (e.g., race) and by acquired attributes (e.g., education). But they are also shaped by the person's subjective perceptions of how the opportunity structure will judge and (perhaps) transform these attributes . . . that person's opportunity set.

With regard to the objective aspects of opportunity, Galster and Killen emphasize the contextual interaction between personal attributes and system structures. "The opportunity structure specifies which personal characteristics matter and to what degree in opening up or limiting economic prospects of individuals." Social networks are recognized as playing key roles in opportunity structures: "*Especially important in the opportunity structure are local social networks . . . which shape the normative and informational context of decision making.*" (italics added)

Social networks also play an important role in opportunity sets. Galster and Killen call attention to "two crucial assumptions implicit in our conceptual models: (1) that decisions are made on the basis of perceived opportunities and (2) that decisions are influenced by social networks and conditions manifesting themselves at the neighborhood scale."[26] They also note the important role of these networks for youth. "Perceptions of options and prospective payoffs . . . are not formed in a social vacuum; on the contrary, both firsthand experience with and secondhand information about the opportunity structure are potent determinants of values and aspirations."[27]

Social Networks and Social Capital—Moving Beyond Vagueness

As the previous pages show, the information channels and norms emphasized by social networks and social capital are at the cutting edge of several aspects of current labor market theory. Clarity about these terms is essential for the quality of future theoretical and practical discourse on labor markets, education, economic development, inequality, and other topics in economics. This section discusses the conceptual foundations and rhetorical uses of "social capital" and "social networks" before moving to discussion of ways to clarify the various social forces examined by social scientists and the public policy discourse that emerges from studies of social capital.

The term "social capital" was used by the urban scholar Jane Jacobs in 1961, re-emerged in writings by the economist Glenn Loury in 1977,[28] and was more broadly articulated and more widely popularized by the sociologist James Coleman in 1988.[29] The image of "social networks" underlies the concept of social capital, as was evidenced in the descriptions that Jacobs and Loury gave for social capital. Jacobs wrote, "networks are a city's irreplaceable social capital. Whenever the capital is lost, from whatever cause the income from it disappears, never to return until and unless new capital is slowly and chancily accumulated."[30] Similarly, looking back upon his influential 1977 article, Loury reflected:

> In earlier work, I introduced the term "social capital" to suggest a modification of the standard human capital theory in economics. My modification was intended to provide a richer context within which to analyze racial inequality. I formalized the observation that family and community backgrounds can play an important role, alongside factors like individual ability and human capital investments, in determining individual achievement . . . Because access to developmental resources is mediated through race-segregated social networks, an individual's opportunities to acquire skills depend on present and past attainments by others in the same racial group.[31]

Thus, as has been recognized by some recent scholars,[32] social networks are key aspects of social capital. The connections between people and the patterns that these connections form—both of which lend themselves to the visual metaphor of networks—constitute the media within which social capital exists. The basic concept behind the term social capital is the idea that various non-physical things of value (positive or negative) linked to economic outcomes are contained in relationships between people. Accordingly, each use of the social capital concept involves either the transmission of some non-physical content through relationships, or the exercise of the non-physical content within relationships as part of achieving an outcome.

This dual possibility of transmission through networks and exercise of content in networks lies behind some of the confusion about social capital. Writings that focus on transmission of content, such as the study of the role of information and referrals in recent labor market literature, tend to use the terminology of social networks, while writings that focus on the exercise of content within relationships, such as the study of shared norms and trust in the economic development literature, tend to refer to social capital. Yet each is a reflection of the existence, economic significance, and use of networks.

Various authors tend to give definitions of social capital and social networks that fit their immediate emphases and purposes. In some literature the emphasis is on ties between individuals. In other literature the emphasis is on ties between individuals and groups, while others focus on networks between groups. Still other studies focus upon ties between individuals or groups and various political, religious, or community institutions. Recognizing that all of these involve networks of relationships clarifies part of the confusion around social capital.

However, part of the complexity of the network concept usage is that in many cases it is invoked not as a precise definition but instead as a heuristic device to leverage other larger socioeconomic understandings. As noted several decades ago by Charles Tilly, social scientists have used

the language of social networks not only in attempts to articulate precise meanings, but also, in many cases, to gain rhetorical leverage to get their reading audiences to consider various understandings about the impact of social context on the subjects they studied. Tilly stated:

> In recent years, sociologists, anthropologists and other students of social behavior have made considerable use of the network metaphor . . . In fact they have made three different uses of it: as a peg, as a witching wand, and as a blueprint . . . writers have used the network analogy simply to indicate that they were dealing with sets of social relationships which did not fall neatly into bounded groups . . . without precisely identifying the relationship(s) which define the network.

He concludes his typology of the rhetorical use of the network metaphor, stating that "a blueprint provides a simplified but precise representation of the object at hand."[33]

J. Clyde Mitchell also discussed the range of metaphorical uses of the network concept and the lack of specificity in many writings. Concerned about the overall advancement of the social network research agenda, Mitchell noted that the diversity of uses had created difficulty in labeling, comparing, and analyzing different dynamics addressed in social network literature. Mitchell argued for greater precision in the description of network characteristics.

> The image of "network of social relations" to represent a complex set of inter-relationships in a social system has had a long history. This use of "network," however, is purely metaphorical and is very different from the notion of a social network as a specific set of linkages among a defined set of persons . . . As a metaphor, the notion of "network" subsumes, and therefore obscures, several different aspects of social relationships such as connectedness, intensity and status and role. But the metaphorical use of the word, however common it is, should not prevent us from appreciating that it is possible to . . . use the concept in more specific and defined ways.[34]

To achieve greater descriptive and analytical precision, Mitchell proposed that all network dynamics could be described in reference to two broad categories, morphology and interaction, comprising nine specific characteristics. Mitchell's contribution to social network theory appears to have been lost or overlooked by many current theorists. His book is not mentioned in the thirty pages of references in *Social Capital: Critical Perspectives* (2000) by Baron, Field, and Schuller; neither is it mentioned in the references for any of the twelve essays contained in *Social Capital:*

Theory and Research (2001) edited by Lin, Cook, and Burt; nor is it mentioned in the references for any of the nineteen *Working Papers for the World Bank's Social Capital Initiative*. His ideas deserve resurrection so that different researchers' uses of "social capital" and "social networks" can be compared within an overall framework, adequately discussed in terms of different social capital/social network dynamics that may overlap, enhance each other, or act counter to each other, and ultimately so that the ideas generated in the literature can be translated into effective public policy.

As descried by Mitchell, the first characteristic of networks, "anchorage," refers to the fact that "normally a network must be traced from some initial starting point; it must be anchored on a reference point." [35] In some studies, the reference point is on the individuals, in others it is on the affinity groups, while in still others it is on the even larger units of population. The second characteristic listed by Mitchell is "reachability" (it can also be thought of as "access"), which he describes as "the extent to which [a person] can use . . . relationships [with others] to contact people who are important to him or alternatively, the extent to which people who are important to him can contact him through these relationships." Mitchell's third category, "density," is the degree to which "a large proportion [of a set of persons] know one another . . . Density . . . is used in the sense in which completeness is used in graph theory, i.e., the extent to which links which could possibly exist among persons do in fact exist." The last morphological characteristic is "range," a characteristic that is applicable only when the network is anchored on a person. Range is the number of people in direct contact with the person on whom a network is anchored.

Among the interactional elements of networks, Mitchell presents "content" as the first category; however, he actually refers to two types of content in his article, relational content and exchange content. The difference between these types is important enough to think of them as separate characteristics of content. Relational content comprises "the meanings which the persons in the network attribute to their relationships." The other type—"exchange content"—Mitchell credits another author for articulating as "the overt elements of the transactions between individuals . . . which constitute their interaction."[36]

The next interactional element is "directedness." This feature of networks describes the flow of the interaction under study, specifically, "whether the relationship between the people in the network should be considered either as oriented from one to the other or reciprocal." "Durability," another interactional characteristic presented by Mitchell,

refers to the length of time in which a relationship persists (either in active or latent status). "Intensity" is "the degree to which individuals are prepared to honour obligations, or feel free to exercise the rights implied in their link to some other person." Finally, "frequency" is the number of contacts between people in a network within a given period.

Following Mitchell's lead, it is possible to gain useful perspective on the overall universe of the social capital/social network literature and to compare the characteristics of individual studies or sets of studies to others. While all social capital/social network literature shares an emphasis on relationships, networks, and the exchange of valued content, differences in the research question being pursued, and the various social dynamics under study, manifest themselves within the literature as differences in the morphological features of networks, the interactional content being studied, and the characteristics of other interactional elements.

Using Mitchell's morphology and interaction framework, the labor market social network issues discussed early in this chapter no longer seem to be adrift in a morass of vague and arbitrarily changing definitions of social networks and social capital. Instead, the research question, "how do individuals find jobs?" that underlies this particular labor market literature, and the phenomenon under examination, i.e., the finding that most individuals find jobs through information provided by current employees at the hiring firm,[37] have distinct implications for the morphology and interaction characteristics of social capital that are investigated. The labor market social networks are anchored on the individual job seeker rather than upon groups or communities that are the anchorage found in many of the trust-based or norms-based studies of social capital in the economic development literature.[38] Range and reachability are important variables of the job seeker network, since the key dynamic for the job prospects of the job-seeker is the ability to have informational contact with currently employed workers. In other subjects of social capital investigation, reachability is also important in studies of the role of social capital in education and in studies of the creation and distribution of material resources;[39] however, it is less important in studies focusing on norms and trust (since often the groups upon which the analysis is based are defined in terms of their already existing norms and trust). In contrast, density (the degree to which people with direct connections to an individual know each other) is an important aspect of norm- and trust-based social capital (since network density reinforces trust and norms). However, density is a possible impediment to the job seeker's job-search networks. If the job seeker's contacts all know each other, then the job seeker will quickly run out of new information.

The interactional dynamics of interest in studies of job search networks focus primarily on a unidirectional transfer of content—a transfer of information either to the job seeker or to the employer—rather than a bi-directional flow, as is the case with trust or norms (where contents include expressed value, sanctions, and visible behavior). While relational content is very important in the norm- and trust-based social capital studies (which often involve obligations through reciprocity or membership), relational content is not as important in job-search networks. Granovetter argues, for example, that weak ties (ties that have less content) may be more effective in job search than stronger ties.[40] In job search networks, durability, intensity, and frequency are all less import than they are in the social capital literature that focuses on trust, norms, and skill development. Overall, the identification of differences in morphology and interaction capture the "feel" of different social capital studies while maintaining and explaining their common roots in networks.

Conclusion

Studies of social capital—the transmission of economically important content through social networks and the exercise of content existing within relationships—have important implications for our understandings about markets, for the accumulation of assets, and for other economic outcomes. A large body of literature has emerged recognizing this importance. However, discourse among scholars and the effective translation of theory and empirical research into effective public policy is still problematic and would greatly benefit from a framework that more effectively delineates the specific network characteristics under investigation. This essay presents such a framework. The task at hand is not only to expand insights about the interaction of economic outcomes and social content, but also—just as importantly for scholarly work—to avoid overstatement of findings, to build awareness of counter-moving dynamics within the various aspects of social capital, to limit misinterpretation of findings, and to prevent misapplication of concepts and research findings. Social capital is multifaceted and yet, within an appropriate framework, it has the potential to be an intellectually tractable accumulation of ideas that, with appropriate attention to content and contours, can yield better insights into many socioeconomic outcomes and possibilities. To achieve these goals, the research of the future must understand the unifying conceptual foundations of social capital and social networks, must be cognizant of—and explicit about—the varying forms that social networks may take when different subject matter is

being investigated, and must be critically aware of the ways in which the important forces of race, space, and inequality affect the morphology and interactional content of social networks.

Notes

1. See R. Putnam, *Making Democracy Work* (Princeton, NJ: Princeton University Press, 1993) and "Bowling Alone: America's Declining Social Capital," *Journal of Democracy* 61 (1995), 65–78.
2. A. Portes, "Social Capital: Its Origins and Applications in Modern Sociology," *Annual Review of Sociology*, 24, no. 1 (1998).
3. T. Schuller, et al., "Social Capital: A Review and Critique," in *Social Capital: Critical Perspectives*, S. Baron, J. Field, and T. Schuller (New York: Oxford University Press, 2000), 35.
4. N. Lin, "Building a Network Theory of Social Capital," in *Social Capital: Theory and Research,* N. Lin, K. Cook, and R. Burt (eds.) (New York: Aldine de Gruyter, 2001), 9.
5. See S. Durlauf and M. Fafchamps, "Social Capital," in *Handbook of Economic Growth,* P. Aghion and S. Durlauf (eds.) (Amsterdam: North Holland, 2006).
6. S. Szreter, "Social Capital, the Economy, and Education in Historical Perspective," in *Social Capital: Critical Perspectives* (New York, Oxford University Press, 2000), 58.
7. Summaries of the search approach literature have been written by Mortensen, Devine and Kiefer, and Lippman and McCall.
8. For the mathematical derivation of this conclusion, see *Great Expectations: The Theory of Optimal Stopping,* Y. S. Chow, et. al. (Dover Press, 1991)
9. T. Devine and N. Kiefer, *Empirical Labor Economics: The Search Approach* (New York: Oxford University Press, 1991), 308.
10. Ibid., 9–10.
11. K. O'Regan and J. Quigley, "Labor Market Access and Labor Market Outcomes for Urban Youth," *Journal of Regional Science and Urban Economics* 21 (1991), 278.
12. Ibid., 279.
13. Ibid.
14. H. Holzer and K. Ihlandfeldt, "Spatial Factors and the Employment of Blacks at the Firm Level," *New England Economic Review* (May/June 1996).
15. R. Arnott, "Economic Theory and the Spatial Mismatch Hypothesis," *Urban Studies* 35, no. 7 (1998), 1172.
16. Ibid.
17. For a recent discussion of these changes, see Chapter 4 in *The Boston Renaissance: Race, Space and Economic Change in an American Metropolis* by B. Bluestone and M. Stevenson (New York: Russell Sage Foundation, 2000).
18. See Bluestone, et al. (1992) for a study supporting the existence of spatial mismatch in Boston, and Cohn and Fossett (1996) for a study concluding that spatial mismatch is not pertinent to Boston.

19. Source of information: conversation between author and Greg Perkins and John Avault of the Boston Redevelopment Authority Research Division, June 1997.
20. M. Blaug, *The Methodology of Economics* (Cambridge, England: Cambridge University Press, 1980), 225.
21. J. Mincer, "Investment in Human Capital and Personal Income Distribution," *Journal of Political Economy* 56 (1958), 301; P. McNulty, *The Origins and Development of Labor Economics* (Cambridge, Mass.: MIT Press, 1984), 193.
22. T. Schultz, "Investment in Human Capital," *American Economic Review* 51 (March 1961), 1–17.
23. J. Jacobsen, "Human Capital Theory," in *The Elgar Companion to Feminist Economics,* J. Peterson and M. Lewis (eds.) (Northampton, Mass.: Edward Elgar Publishing, 1999), 445.
24. S. Steinberg, "Human Capital: A Critique," *The Review of Black Political Economy*, (Summer 1985), 69, 73.
25. G. Galster and S. Killen, "The Geography of Metropolitan Opportunity: A Reconnaissance and Conceptual Framework," *Housing Policy Debate* 6, no. 1 (1995).
26. Ibid., 12.
27. Ibid., 36
28. G. Loury, "A Dynamic Theory of Racial Income Differences," in *Women, Minorities and Employment Discrimination,* P. Wallace and A. LaMond, (eds.) (Cambridge, Mass.: MIT Press, 1977), 153–88.
29. J. Coleman, "Social Capital in the Creation of Human Capital," *The American Journal of Sociology* 94, Supplement P. S96 (1988). Coleman writes: "Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of actors who are within the structure. The term social capital signals to the analyst and to the reader that something of value has been produced for those actors who have this resource available and that the value depends on social organization."
30. Jacobs, *Life and Death of Great American Cities*, 138.
31. Loury, *Anatomy of Racial Inequality*, 102–3.
32. For example, see Lin "Building a Network Theory of Social Capital" and Durlauf, "Social Capital."
33. C. Tilly, Foreword, in *Networks of Contact: The Portuguese and Toronto*, Grace M. Anderson (Waterloo, Ontario: Wilfred Laurier University Press, 1974), x–xiii
34. J. C. Mitchell, "The Concept and Use of Social Networks," in *Social Networks in Urban Situations: Analyses of Personal Relationships in Central African Towns*, J. Clyde Mitchell (ed.), (Manchester: Manchester University Press, 1969), 1–2.
35. Ibid., 11–12.

36. B. Kapferer, "Norms and the Manipulation of Relationships in a Work Context," in *Social Networks in Urban Situations,* J. Clyde Mitchell (ed.) (Manchester: Manchester University Press, 1969).
37. See M. Granovetter, *Getting a Job: A Study of Contacts and Careers* (Cambridge, MA: Harvard University Press, 1974); J. Montgomery, "Social Networks and Labor-Market Outcomes: Toward an Economic Analysis," *American Economic Review*, (December 1991); and R. E. Williams, "Social Networks and Labor Market Outcomes: Theoretical Expansions and Econometric Analysis," (diss., University of Massachusetts-Amherst, 2004).
38. See, for example, Putnam, Making Democracy Work, 171, 177. Putnam writes: "Trust lubricates cooperation. The greater the level of trust within a community, the greater the likelihood of cooperation . . . In all societies . . . dilemmas of collective action hamper attempts to cooperate for mutual benefit, whether in politics or in economics. Third party enforcement is an inadequate solution to this problem. Voluntary cooperation depends on social capital." Also, P. Maskell, "Social Capital, Innovation, and Competitiveness" in *Social Capital: Critical Perspectives*, S. Baron, et. al. (Oxford, England: Oxford University Press, 2000), 111. Maskell states, "Social capital refers to the values and beliefs that citizens share in their everyday dealings and which give meaning and provide design for all sorts of rules."
39. See, for example, J. Coleman, *Foundations of Social Theory* (Cambridge, MA: Belknap Press, 1990), 300. Coleman writes, "social capital is the set of resources that inhere in family relations and in community social organization and that are useful for the cognitive or social development of a child or young person."
40. See Granovetter, *Getting a Job.*

Case Study 2

Faith Communities and Social Capital

CHAPTER 11

Faith Communities and Social Capital

In the three cities studied, faith communities served as sources of material assistance, instrumental guidance, community, and spiritual support for most families. As also seen in other studies, congregations provided a second set of resources beyond the formal social service agency system for families in need regardless of their affiliation with the congregation (Cnaan et al. 1999; Cnaan 2002; Ammerman 1997; Edin and Lein 1997). Congregations also provided instrumental supports to their members and encouraged them to connect with other organizations.

Church social welfare assistance has drawn considerable attention in policy circles, particularly after passage of the charitable choice provisions in TANF. Religious-based nonprofits and congregations are seen in some policy circles as preferred providers of welfare-to-work programs, substance-abuse treatment, youth programming, community development, education, and numerous other activities that would benefit from a "moral" component or from the community-centered activities of religious organizations (Sider 1999; Carlson-Theis and Skillen 1996; Queen 2000; Sherman 1997).

Congregations are promoted as preferred agencies for social supports for four reasons. First, churches concentrate on the whole person or community in its complexity rather than on piecemeal needs as in many government-funded programs, and are assumed to offer better-quality service because of this holistic approach. Second, proponents view faith communities as providing moral and spiritual guidance supposedly needed by the poor. Third, because churches are enjoined by the Bible to serve the needy, it is presumed that such programs will have more altruistic interests than nonsectarian nonprofits and will be less expensive because they draw on volunteers and other church resources. Fourth, supporters envision faith communities as centers for community, naturally providing social and cultural capital needed by impoverished people. They assume that low-income families lack connections and appropriate values to succeed in jobs and that churches can help them develop the resources that will lead them to self-sufficiency.

This chapter focuses primarily on the last aspect of church social welfare provision. Faith communities are widely described as creating community and fostering social capital (Ammerman 1997; Foley et al. 2001). However, as other

scholars recognize (Foley et al. 2001), congregations can foster either closed or bridging social capital. This chapter demonstrates that faith communities usually cultivate community among their members and develop closed social capital networks. These closed networks become sources of instrumental supports, information on jobs and other resources, social supports, and spiritual guidance. Faith communities serve as major sources of cultural capital and sometimes also help develop bridging social capital. However, like social capital, cultural capital developed through faith communities can either help or hinder individuals in their interactions with the dominant culture. I explore the following questions:

- What role does church involvement play in individual lives?
- How do faith communities develop social and cultural capital for their members?
- How and why do faith communities develop bridging and closed social capital for their members? How is cultural capital development through faith communities linked to this process?
- What instrumental supports do faith communities provide for their members and others?
- How are congregations involved in welfare-reform-related service provision?

Faith Communities and Social Welfare

In general, faith communities have three functions:

1. As a spiritual well for participants
2. As a source of community, providing social and instrumental supports to its members and others who seek help, and fostering social and cultural capital among active participants
3. As a source of empowerment and change, both individual transformation and change in an institution or society

Each of these roles takes place within the context of religious faith. Faith communities exist to provide spiritual guidance and nourishment for members of their community and society at large. All other activities are subsumed under the first function. Initiatives that promote community, social capital development, and empowerment arise from efforts to practice God's presence and promote a faith-based vision of individual behavior and a just world. Practical outcomes of church participation cannot be separated from this primary purpose. Discussion throughout this chapter relies on this premise.

Faith communities simultaneously influence individual lives and community-wide institutions. Case studies demonstrate how congregations create community, foster social capital, and provide instrumental supports. Sometimes these efforts can change lives. In other instances, churches maintain the status quo even as they seek to use faith to better their communities.

Faith Communities and Individual Families

In all three cities, church involvement loomed large as a source of inspiration, social support, and guidance for individuals. Very few families in these studies fit the profile of "unchurched," morally confused people envisioned by conservative proponents of faith-based social welfare provision. Many families who experienced joblessness or other problems sought support from their faith communities. As in other studies (Cnaan et al. 1999; Chaves and Tsitsos 2000), some of the larger churches hosted Alcoholics Anonymous and related programs. Other congregations used individual counseling and group support to help people address personal challenges. Assistance to individuals and their families was often a side line to incorporating people into the community of the church.

Christina's life illustrates the connections among church, community, social capital, and empowerment. Christina, an African American woman in her mid-thirties, is married and has two teenaged daughters. She finished her GED through a Neighborhood Settlement House program and is employed part time as a bus driver. She intends to return to school soon to obtain a college degree and move into more professional employment.

I first met Christina at a focus group during the Milwaukee phase of the research, where her vitality and presence stood out. She explained that about 15 years previously she had been an alcoholic. However, with the help of her church, she pulled her life together and today her church is very much the center of her life. She attends activities there three days a week and is an active volunteer. There is a strong friendship network in the church; members go out together. There are also events for the entire family. She finds theses activities helpful social venues for her children. Participation in church has empowered her while providing social capital and spiritual supports that enable her to succeed in all areas of her life.

Her pastor stresses both spiritual supports and expected behaviors. For example, she mentioned that he expects parishioners to be punctual. Through this kind of mentoring and behavior modification, the pastor encourages cultural patterns that help his congregants find and keep jobs in the mainstream work world. As in most social capital environments which help build bridges across race/nationality/class barriers, this pastor promotes the cultural capital

required by the white, middle-class mainstream while providing an environment that offers the social capital and spiritual guidance required to survive in an often alienating work setting.

Christina's experience is typical of people who had created stable lives combining work, family, and community. For many such people, the church served two functions. First, it was the source of respite and empowerment for individuals pulled in many directions by unsatisfying work and the demands of family, school, and modern life. Within the church, people created cohesive communities and were empowered by active volunteer efforts that helped sustain and guide the organization, at the same time receiving both spiritual and instrumental support such as food and rent assistance.

The second function served by the church was as a bridge between closed communities and the wider world of work and social service. Faith communities provided networks that led people to jobs and other resources. Some congregations taught through example behaviors that helped people negotiate white, middle-class social service, school, and work environments. These congregations served as key sources of bridging social capital by creating strong communities that foster in-group comfort while encouraging bridging across "communities in themselves" and the wider world (Milofsky and Hunter 1995).

Faith communities accomplish individual change both through intentional activities and as a by-product of people working together. Even for people who were not currently active in church, childhood religious experience played a large role in shaping approaches to daily life. As with Christina's involving her

whole family in her church, family social capital networks often centered on religious activities. As children left home and childhood faith communities, they often recreated their relationships to religious institutions in other localities. Examining each component of religious faith in individual families demonstrates why religion is such a potent aspect of social and cultural capital development.

Church as Spiritual Well

Religious faith served as a touchstone for all aspects of life for people like Christina. For example, one adult participant in an intensive program that was intended to keep children out of foster care said she needed to "spiritually get myself together" before she would be able to take a job or adequately care for her children. When asked what she meant by spiritual assistance, one women said it was "just help, you know like some people turn to drugs and alcohol, I just go to church." Rachel, an African American low-skilled worker from Kenosha with two adult children, had been active in church as a child but stopped attending when she moved to Kenosha as a young adult. She explained:

> Without church your life isn't complete. You're not there where you should be. One time when I wasn't in church, I knew I believed in Jesus Christ but I knew I had to have church in my life. I wasn't ready to go back to church so I kept it inside me everywhere I go.

Rachel's reliance on religious faith continued despite not having participated in organized congregational activities for more than 20 years.

For many low-skilled workers, religion helped them cope with demoralizing work. People employed as nursing assistants or in menial service-sector jobs talked about praying when they encountered a rude client or bad boss. Some rely on faith for support during difficult family situations. For example, Rachel told us, "I tell you right now, if I didn't have the church in my life I don't know where I'd be. The church has helped me so much, especially with this divorce I'm going through. [If] I didn't have God and the church in my life, I think I'd be a mental case."

People also used religion to decide on a career. This was true of many of the families in the rising educated middle class who worked in social service, education, or other helping professions. Their work choices originated from a religious injunction to serve those in need. Once they were employed in social welfare provision, faith sustained these workers against burnout and provided spiritual and moral lessons to help them make decisions on the job.

Church as a spiritual well places the individual within a larger context. Much of the uplift drawn from connecting to religion in daily life came to reli-

gious individuals from a sense of God's presence in every activity. Individuals relied on spiritual guidance through good times and bad. This sense of spiritual support was key in Christina's decision to stop drinking as well as her choices regarding education, marriage, and work. Others reported similar feelings.

Church as Community

The church is the center of Christina's social life. It serves as her base community for recreation, career matters, and many other aspects of daily life. Her experience is not uncommon—particularly in the African American community, church members generally served on several committees and focused their social life on church.

Faith communities became long-term communities for their members. Involved members form the nucleus of church organizational activities and create closed social capital networks that exist alongside the formal administrative structure. For example, James, a long-time member of St. Xavier's parish, a mostly white Catholic church in Milwaukee, said, "I probably have seen close to a dozen priests come and go. It doesn't bother me really. The church is not the priest, he's part of it. All the community, all the parish members are the church just as much as the priest is, if not more so."

Faith communities become community centers for families because they intentionally build community, which is often a centerpiece of church mission. For example, Grace Baptist in Kenosha prints its mission on each weekly order of service program:

> [Grace] is the Church where the neighborhood becomes a brotherhood. We say to all who are weary and need rest, to all who mourn and need comfort, to all who are friendless and wish friendship, to all who pray and to all who do not, but ought to, to all who sin and are in need of a Savior this church opens its doors in the name of Jesus, the Lord says WELCOME!

Like many churches, Grace expands its community by actively recruiting visitors as members. For example, each of our field-workers reported that church members approached them to welcome them to the church. As these students continued to attend services, church members took an interest in their welfare, inquiring about whether they had plans for Thanksgiving, showing concern about school progress, and continuing to welcome them to church. All the African American churches included greeting periods midway through the service that encouraged participants to reach out to the people around them. Coffee hour after church also offered an opportunity to chat and welcome newcomers. Sometimes these overtures turned into direct recruit-

ment tactics. For example, after attending Grace for several weeks, our fieldworker reported:

> After the services were over, there were two elderly women who . . . were working up probe questions to find out exactly where was our "church home." My sister explained to them that we did not have a church home. They smiled and said, "Yes, you would always be welcome, but it would be a much better experience if you joined Grace!"

As new people become more involved in the church, the congregation become a place to celebrate achievements and ask for assistance. For example, during the welcome time at Grace one Sunday, a woman stood up and announced that her daughter had just attained a 3.5 grade point average in high school. The pastor congratulated the girl and then asked all the young people who had achieved this average to stand. The same public care for community was expressed for people who were ill or elderly. Several congregations printed lists of people requesting prayers in their weekly service booklet.

Although faith communities can become intensive, not all members are equally involved in church activities. In some cases, changes in degree of involvement stem from community politics. For example, one active member in Faith Temple reported that her daughters resigned from several committees after they were snubbed by longtime members.

Other people reported that they were less involved with their congregations because of work or family commitments. However, even for people tangentially involved in the church, it became a link to a larger community, as it was for Linda, who experienced extreme social isolation. The only family members she talks to are her brother and one sister active in church. Asked whether she had other social contacts, she responded, "Older people going to church. Like this lady right next door . . . her and the lady upstairs from me, they're the only ones I talk to."

Church communities are often linked to family and friendship networks. For example, Rachel found her church through friends:

> Well, I have some friends that go to Faith Temple and they kept saying, "You should go to church with us sometime." So I went and I kept going and I really liked Faith Temple. One of my cousins goes to Faith Temple and we were supposed to go there for Sunday after our [family] reunion and I joined the church that Sunday.

Churches like Grace that became closed social capital communities often became the province of several families. For example, one active Grace member reported:

> Marcus is my cousin, his mother [another church member] is my first cousin. [The Pastor's wife] is my sister and this is my other sister. There were originally a family of 15 of us, with 13 still living. Grace is filled with my relatives, and the adult Sunday school teacher is my husband.

Kinship-based communities like this one can limit the ability of a church to reach out beyond the closed social capital networks of existing members. As illustrated by the members who withdrew from committees at Faith Temple, domination of the church by one faction can discourage other members from becoming active participants in the church community. Faith communities do not offer automatic community to everyone who comes in the door. As with social service agencies, some members use faith communities as a source of community whereas others do not fit into the milieu of a particular congregation.

By intentionally creating community, faith communities become centers for the social lives of their members. As Christina's and Rachel's experiences demonstrate, churches serve as the institutional locus for closed social capital networks of family and friends. Churches also reach out to others loosely connected with their membership, as when Linda's neighbors invited her to church. Concerns about school progress, work, health, and other matters were brought up in services as the objects of church benevolence. Through these activities, faith communities served as social capital for their members and others in the community.

Faith Communities and Social Capital

Faith communities often served as social capital resources for jobs, educational opportunities, and material supports. Many people had found their first jobs through church connections—they helped Megan, the low-skilled worker profiled in chapter 6, find hers, at age 16. Mary, the limited-work-experience woman described in chapter 1, was only comfortable working in the safe, trusting environment of the church her mother had introduced her to in Kenosha. Others reported that church members told them about job possibilities or provided references.

In some cases, older church members intentionally become mentors for church youth. Karen, active in Faith Temple and a successful government employee, took particular interest in one young woman in her church. She frequently gave her guidance and encouragment to become involved in various activities.

Church members became resources for information on institutions. When asked how they would locate schools, day care, and other supports, people often said that they would ask friends whom they knew through church or their pastor. For example, after a racial incident with the police, one Faith Temple

member contacted her pastor for advice. The pastor referred her to a civil rights organization to file a complaint. Negative information traveled through church channels too. For example, much of the reputation of the Kenosha police regarding their treatment of African Americans was based on negative experiences shared at church.

Church social capital and community go hand in hand. Faith communities often become the first resources outside of family networks people turn to for advice, referral, or instrumental supports. The same mechanisms that build community foster social capital. Faith communities encourage intense connections among members. Churches show concern for congregants' lives outside of church activities. Congregations monitor and encourage participation in education, volunteer activities, and other mechanisms that can create trust-based connections that benefit their members. In some cases, faith communities intentionally build bridging social capital by encouraging members to seek resources outside their known networks. For example, several of the churches encouraged congregants to attend college. One listed all the college students in the weekly service bulletin, along with the colleges they attended. Interfaith activities and services with other congregations also built social capital across boundaries.

Most examples of social capital formed through congregations involved links to cultural capital. People were not only referred to jobs but also taught ways to behave. The trusting environment of the church helped Mary develop work skills. Faith-based actions encouraged certain behaviors. For example, Maria reported this link between faith and social networks:

> If we are not on God's road . . . It sustains us, it helps us live a different life. Otherwise we get involved in things that are not conducive [to a good life]. It will help us leave the life we led before. The social life we had was not the kind of life to create a family, you understand? The friends we had then were not very good models for our children.

By changing their social networks through church involvement, this family developed different models and new behaviors. Social capital fostered particular cultural capital.

Faith Communities and Cultural Capital

As well as developing social capital and community, faith communities foster certain kinds of cultural capital through both formal and informal activities. Take, for example, Christina's pastor exhorting his congregants to be on time for events. Many sermons spoke to cultural capital values and behaviors. For example, the Grace Baptist pastor frequently railed against consumerism

among his low-skilled worker and stable-working-class flock. These sermons combined biblical messages with modern cultural capital and humor. For example, one sermon asked congregants to focus on the Lord rather than earthly goods:

> Pastor was reading from the 31st chapter, verse 14, from the Book of Jeremiah ("And so I will satiate the soul of the priests with fatness, and my people shall be satisfied with my goodness, saith the Lord"). He then began with the sermonizing of this passage with "Every individual yearns for satisfaction . . . but most are only pacified. Like a baby crying for milk and given a pacifier . . . pacification gives no true benefits, no real fulfillment, no lasting satisfaction . . . infant receives no nourishment from a pacifier. People drink alcohol until they are drunk . . . spend money until they're broke, and they get no lasting satisfaction . . . this world does not have what it takes to satisfy. . . . A good income, a facelift, weight loss, even the human body only pacifies because after a while, the aches and pains come . . . just keep living. . . . Some people are *never* satisfied with the people they have, so they switch . . . never before in the history of mankind have divorces been so high . . . but only Jesus can provide the lasting satisfaction your body needs, the assurance that will satisfy your lonely spirit, only Jesus is able to satisfy."

This sermon contains a number of cultural messages for the congregation. First, the pastor rails against overindulgences and preoccupation with material goods. Second, he preaches constancy in marriage, but his references could be extended to work and other aspects of life. Finally, he tells his audience to focus on faith rather than constantly seek satisfaction.

In some instances, faith communities became centers for passing on ethnic culture. For example, Lydia reported continuing to attend Spanish Mass because "It's been an extension . . . the Hispanic Mass is one way to keep the culture alive in the environment here . . . very, very evident." African American faith communities also promoted cultural pride.

Faith communities can also promote cultural capital at odds with mainstream values or behaviors. For example, Grace Baptist informally promoted a culture of mistrust of outsiders that was common in the closed social capital networks of the Kenosha African American community. Dress-up clothing in certain bright styles among low-income African American faith communities led people without any other models to wear the same kind of clothing for job interviews or in other settings where it was inappropriate. The boisterous involvement in church services, including the call-and-response and movement common in African American services, clashed with expectations of calmness in school settings. In both Kenosha and Milwaukee, African American children were reprimanded in school more often than white children for being too

loud or active. School culture clashed with models developed at home and at church.

Service activities fostered a sense of community involvement. A member of St Xavier's parish became active in outreach to the Uptown housing project because:

> [The priest] had made mention many times of this letter from the Bishop and there was one line in there, one or two sentences, about "we need to be more involved in our community, our neighborhood, especially Uptown," and so I think that was kind of a calling to me that if nobody else was really getting involved in Uptown besides St. Vincent de Paul [a lay service organization], maybe I could strike up something with them.

As discussed in more detail later, this call to service led to a congregation-wide outreach to the housing project. This individual had learned the practice of service through earlier involvement in the church. He served as an altar boy and was active in St. Vincent de Paul activities. He also was a mainstay in the fund-raising efforts for the church's school. The cultural ethos of service began within the closed social capital environment of the church and expanded into other activities.

As noted earlier, just as faith communities are centers for community and social capital development, they become a major source of cultural capital. As these examples show, cultural capital is fostered through both formal and informal modeling of appropriate behaviors. In some cases, cultural capital acquired through the church has a positive influence on the lives of congregants outside the church environment. In other instances, church cultural capital is at odds with expectations in other settings.

Empowerment and Change

Some academics claim that social welfare initiatives to empower individuals weaken group strategies for social change. These arguments are often linked to the self-esteem movement, described as aligning "my personal goals with those set out by reformers—both expert and activist—according to some notion of the social good" (Cruikshank 1993:235). Self-empowerment and self-esteem are both equated with co-opting "poor people" into the dominant ideology and reform strategies of conservative welfare reform.

Although I agree with critics of the self-esteem movement, research in Philadelphia, Kenosha, and Milwaukee suggests that advocacy strategies that denigrate self-empowerment in favor of group mobilization create a false dichotomy that ignores an important element of enabling disempowered parts of a community to speak for themselves. Empowerment—helping individuals

develop the comfort in diverse settings and the appropriate cultural capital to advocate for themselves—is the first step in effectively participating in social change initiatives.

This approach agrees with the concept of "relational empowerment," which describes empowerment as emerging through interaction with others (VanderPlaat 1999:5). Relational empowerment requires the bicultural skills of bridging cultural capital as well as the ability to move beyond closed social capital networks to participate in wider social and policy arenas.

Faith communities fostered both individual and group empowerment by several means. First, ongoing encouragement in church builds confidence and encourages personal growth. Christina's transformation from alcoholic to working woman with professional career plans stemmed from ongoing support through her church.

Sometimes faith communities develop programs aimed at empowering their members. For example, Faith Temple created a Boys to Men ministry specifically designed to create a positive self-image among African American youth. Empowerment was also promoted by encouraging congregation members to vote or otherwise participate in the electoral process. This gradually led to increasing involvement in visible jobs and other leadership roles throughout Kenosha.

Faith communities developed leadership by placing members in active roles in the church. In many cases, young people took church-based leadership roles as teenagers. For example, Rachel reported, "When I was young I loved to go to church, I used to be the secretary and every year they would have two delegates sent to the Sunday School and I went there as the secretary."

A number of low-skilled workers and stable-working-class individuals found a sense of efficacy in church leadership roles that did not carry through to their paid work experience. Rachel worked as a nursing assistant before going on welfare. Maria, also a church secretary, directed most positive energies into church, making it the center of her life. Other people active in closed social capital communities through church showed similar tendencies.

On the other hand, some church-based empowerment activities are intended to propel congregation members into more active roles in the wider community. Karen's mentoring of a young Faith Temple member illustrates this kind of empowerment. Active political participation also helped encourage individuals to engage in social change.

Summary

Often, faith communities developed faith, community, social and cultural capital, and empowerment through the same sets of activities. Congregations fos-

tered change in individuals through two related kinds of activities. Instructional methods, including sermons, Bible classes, ministries, and others, provided one form of individual development. Experiential activities—participation in church ministries, social events with other members, and simply attending worship—equally served to help people become active parts of the congregation community. These activities not only reinforced the formal messages, they also provide another mechanism for socialization, empowerment, and the formation of social and cultural capital.

The kinds of empowerment promoted through faith communities depended on the nature of the institution. Bridging faith communities fostered different kinds of behaviors than more closed communities did. Faith communities also engaged in development of community, social capital, and cultural capital as institutions. I next examine faith communities as institutions.

Congregations and Social Capital

A comparison of the four congregations profiled here shows how the history and ethos of a church influence the kinds of social capital it provides and demonstrates ways that congregations serve the wider community.St. Xavier's is a predominantly white Catholic parish in Milwaukee. It has struggled as the neighborhood has changed from largely Catholic to a mix of religions, and its original population has aged. It has sought to redefine its relationship to the neighborhood and the Uptown housing project on its borders. It represents a closed social capital network attempting to reach out through service.

Faith Temple is a large African American denominational church in Kenosha that has changed from a small, isolated church to one of the city's major bridging institutions. At the same time, it has widened the class range of its congregants to include families of the rising educated middle class. It demonstrates how faith communities serve as bridging forces for their members and a community.

Grace Baptist serves stable-working-class and low-skilled worker African Americans in Kenosha. The church is a spinoff from Faith Temple and maintains closed social capital networks. Grace Baptist's use of social capital to support its members shows how closed social capital networks maintain boundaries.

Annunciation is a Catholic church that hosts the Spanish-language Mass in Kenosha. The Latinos operate a separate congregation within the predominantly white parish, complete with its own social service organization. Examining this congregation shows how a closed social capital community interacts with white institutions and maintains its separate identity.

St. Xavier's Parish

St. Xavier's parish sits on the other side of Uptown from Neighborhood Settlement House. It was built to serve the newly founded community—both the small houses and the housing project. The parish was incorporated in 1956, when many residents were Catholic. The church was built the next year, and the school was established in 1960.

Until the late 1970s, St. Xavier's was a thriving parish. The parish priest said that "at the peak the parish was about 1600 families and [there were] probably about 325 in the school." It was also exclusively white working class. Like the neighborhood, the church was a starter community for young families. The parish priest reported that "in 1961 [this parish], baptized 361 children, and as of this year, 1998, the three largest parishes in the diocese together would not baptize that number of children."

In addition to the spiritual activities of the church and the school, the parish supported active men's and women's groups, Boy Scouts and Girl Scouts, and a variety of other activities. St Xavier's has always been a very giving parish, and remains involved in St. Vincent de Paul activities in inner-city Milwaukee, such as a soup kitchen. The church currently has a food pantry and St. Vincent de Paul clothing and holiday drives for the poor in the neighborhood. It also hosted community activities like a battered women's support group.

At present, the church has about 530 households.[1] An active core of parishioners remains. The archdiocese now allows members who have moved away to retain membership in their home parish, which has kept approximately 10 percent of the more established members in the parish. However, as the numbers have declined, many church activities have been discontinued and others have become more low-key. The decline began in the 1980s, along with racial transitions in its neighborhood. St. Xavier's had lost about 30 percent of its families since 1990, and the church currently has only a few African American members. The school had too few students from the parish to be viable. Given a priest shortage and declining membership, the archdiocese slated St. Xavier's for merger with another parish.

The archdiocese also gave the parish a way out in the form of a renewed mission to minister to the Uptown housing project. Previously, St. Xavier's had largely ignored the welfare-dependent, African American public housing population next door, and the archdiocese suggested that the church develop an evangelizing mission to the housing project and to nonpracticing Catholics in the area. An all parish workshop document on evangelizing included the following message: "Our Holy Father and our bishops are urging EVERY parish to evangelize. And if we do, we will also become a GROWING parish—because people will find the Lord Jesus among us and want to become part of our community."

Although not specifically articulated, the archdiocese was following a philosophy that community organizing through mission outreach activities would help the parish grow (Milofsky 1997:s142–s144). The parish priest and council responded to this enjoinder in several ways. First, they expanded the school population and increased its budget by become a Choice school, under a Milwaukee voucher program that allows parents to send their children to private and parochial schools. The parish also agreed to rent the convent to Neighborhood Settlement House to enable expansion of their day-care program, a move that both raised income and brought more African Americans onto church property. Finally, the parish priest recruited an active volunteer to start mission outreach to Uptown. By late 1999, the school had a stable population and the parish had received its own priest after nearly a year sharing with another parish. However, parish membership remained small and mostly white.

By the mid-1990s, social capital and community worked differently for the three components of church, school, and mission to the Uptown housing project. The church tried to build a stronger community of Catholics from among existing members and friends they might bring into the parish. The parish encouraged community by involving members in more ministries, particularly programs for the needy and the school. The church served primarily as a resource for spiritual guidance and an opportunity for service. One key member described his participation as follows:

> How does the church affect my life? That's quite an involved tangent, most everything I do centers around my spirituality, not so much this church but what I feel in my heart.
>
> *Interviewer*: But it's through a spiritual call, it's not social space.
>
> Yes, absolutely. If I was 10 blocks away at [another parish], I would be as active in that church and/or community, at least I would hope to be if they would accept myself.

As for several other key parishioners, involvement in church mission work becomes a way to express spirituality. Community and social capital networks for this individual were focused elsewhere, particularly on work-based friendships. The same pattern held for many involved in this church. Parents with children in the school concentrated on school-based community. Others simply attended worship services at the church. The congregation itself did not create the kind of strong community and social capital networks that were observed in the other faith communities profiled here.

With respect to social capital, St. Xavier's is an institution that provides resources for its school and other mission activities but creates limited community for parishioners. Even though many ministries are meant to build church

membership, most parish members use church social sevice activities to carry out individual religious calls to service rather than create strong closed social capital networks or a community that supports its members. Church may be an important part of parishioners' lives, and probably plays a role in developing cultural capital. Church certainly serves as a spiritual well for members. However, for most members, the faith community does not serve as a center for social capital for work, education, or other aspects of life. Most of the middle-class parishioners have other social networks outside of the congregation that serve this purpose. Instead, church is a place in which to practice faith, develop cultural capital, and participate in voluntary activities that serve a wider community.

Faith Temple

In many ways, Faith Temple shows tendencies opposite from those of St. Xavier's. This church is a major source of community and closed social capital for its members, as well as providing the spiritual and cultural capital support available through all four churches. By 2000, the African American community in Kenosha was beginning to transform from a passive, closed society to an activist community focused on both empowering members of the subculture and promoting forms of racial equity that welcomed diverse styles. The churches were at the center of this process. As the largest and most politically visible one, Faith Temple epitomized church as a source of community and empowerment. Faith Temple also envisioned itself as a bridging institution, successfully playing this role in Kenosha and supporting its members, who moved between race-based closed social capital networks and the wider Kenosha community.

The African American churches in all three communities maintained their historical role as institutions providing "succor and inspiration for a people struggling both to survive and advance under harsh and changing social circumstances" (Baer and Singer 1992:xi). African American churches served as "public space" (Higginbotham 1997:208) for their members, providing educational support, entertainment, and social activities. As in other African American churches, these congregations reflect dialectical processes between priestly (worship) and prophetic (political and service activities) as well as accommodation to the larger society and resistance to domination by whites (Lincoln and Mamiya 1990:10–16). In contrast to St. Xavier's, African American churches frequently became centers for community and social capital.

Faith Temple started as a home-based mission in 1919. It remained a small mission project, partly under the auspices of a white congregation, until 1943. The church remained a small congregation largely invisible to the white community for many years.[2] Until the 1990s, membership remained at between 65

and 75 families. It had a few part-time ministers who stayed with the congregation for long periods of time.

Faith Temple is one of two large denominational African American churches in Kenosha, and families moved between these two churches for worship and social life. Together, the two churches formed a cohesive closed social capital network and an all-encompassing community. Family social capital for work, housing, recreation, and spiritual support was shared between these two congregations. As several newer African American churches developed, the community widened somewhat. However, most of the stable working class focused on Faith Temple and Zion, the other denominational church.

When Chrysler was the dominant employer in Kenosha, community for most Kenosha African Americans centered on two institutions: their church and the UAW union hall. Although the unions remain important today, the closure of the Chrysler plant in the mid 1980s refocused the community on its churches as the primary remaining institution for all forms of support. The churches now serve as the only centers for community in this small city. The several weak African American social service organizations retain strong connections to the churches and do not serve as major resources for either community or social capital.

Faith Temple began its transformation from a haven for a closed social capital network to a bridging institution when it hired a dynamic educator as its pastor in 1981. The pastor began to transform the small group of "passive, take anything people" that he found at Faith Temple into a dynamic congregation of 600 members. He explained:

> When I came here there was a lot of people who really had the old-time religion. I said there is nothing wrong with old-time religion, but what I said is what you need to have is relevant religion, which will help to empower you and equip you to maximum success. My whole context for the church is that the church would be an empowering agent, that the church would be used to build what I would say is self-independence. You see, you don't need to be dependent on anyone else. You need to be in a situation not only that you feel good, but also that your fullness would be illuminated also.

He strove to involve members in ministries: "We started what we call contact ministry, and that is reaching out to people and also contacting families." Contact ministries led to a number of other initiatives; organized ministries are now available for people of all ages. The goal of these ministries is to build community "so that everybody that comes into the church will be involved in something and somebody will have contact with them."

The church serves as a social capital center for its community. During the year that we observed church services, people frequently received information

from other members about jobs and other resources. The women's ministry kept track of families in need so that they could provide for their material welfare. As an institution, church members worked on antiracism campaigns and helped elect the pastor to the school board. The congregation became a forum for a number of other political and social welfare activities.

In addition to the traditional women's ministry, ushers, choir, youth programs, and hospitality, the church includes Boys to Men, African Crusade ministries, Afrocentricity classes, Prison/Jail ministry, Narcotics Anonymous, a Bible studies ministry, Kwanzaa celebrations, and a television broadcast of services. The youth groups, men's and women's ministries, and similar activities combined Bible study with discussion that connects religion to dilemmas at work or home. Activities aim to serve as a spiritual well for church members through exuberant worship services and small group meetings meant to relate Bible lessons to daily life.

Ministries equally attempt to build human and cultural capital and empower members. This led to a large number of young members moving on to college and serving the community as teachers and social service workers and in other capacities. The growing church also drew many of the newcomer African American middle class who had moved to Kenosha as it became a bedroom community for northern Illinois. Several of these newcomers became active participants in the ministries aimed at developing middle-class cultural capital among congregation youth—for example, the Boys to Men ministry, as explained by the pastor:

> We try to teach them various pro-social skills to help empower them and keep them out of the criminal justice system and . . . also to give them spirituality. . . . We teach them communication skills, we teach them social skills, we teach them drug awareness, we also teach them discipline, we teach them conflict resolution.

As my study of Kenosha African Americans demonstrates (Schneider 2001), these church activities were most effective when they were combined with other organizational programs. Church served as a base community for its members, and its lessons reinforce positive messages from other institutions. The faith component added another aspect of socialization that contributes to positive outcomes. These church activities would probably be less effective without reinforcement from schools and social service organization programs.

Faith Temple began to serve as a bridging institution in the mid-1990s. The closed community of the church served as a center for activities in the aftermath of a racial incident in which a Kenosha resident ran down two young African American boys for no reason. The pastor began to work with some concerned whites, as well as his congregation members, to address racism in

Kenosha. This effort quickly led to the creation of a formal program, called "Kindness Week," meant to address intergroup relations. The program evolved into a series of forums on race related issues. Finally, an Alinsky coalition formed in 2000 continues these interfaith efforts to address inequities through the political process.[3]

As 5 percent of the Kenosha population, African Americans in this small city had always had contacts with whites. Many families already had strong closed social capital network connections to whites of the same class background through work, school, or neighborhood interaction. The aim of church bridging activities was to expand the contacts that African Americans had in homogeneous settings, to encourage bridging social and cultural capital that crossed both race and class. The goal of these activities was to right the imbalance in Kenosha citywide institutions that kept most African Americans out of leadership roles. Faith Temple sought both empowerment and change for its members and the African American community as a whole.

Bridging activities began slowly, with the middle-class church members who already had strong bridges with their white peers leading church efforts. However, the pastor quickly began to include the rest of the congregation through joint worship services with white congregations and other activities. At the same time, the pastor sought to include his congregants as volunteers in Sunrise, a citywide effort to feed the hungry and shelter the homeless in which previously only white churches had formally participated. This also brought congregants into contact with white volunteers from other organizations.

Faith Temple is an institution taking strong, clear measures to both build closed social capital and encourage bridging behavior. As in most bridging contexts, the church first built its internal community and strengthened social capital among its members. Next, it created programs aimed at individual empowerment, teaching bridging cultural capital, sustaining human capital development, and strengthening spirituality. Bridging activities soon followed. As it is for other strong bridging institutions, this church's expressed goal is to change the role of the African American community in Kenosha, not simply improve the lot of its members. Instituting social change is as important as building the faith community or improving outcomes for church members.

Grace Baptist

Grace Baptist represents churches that serve as closed social capital networks for their members, providing both community and a range of instrumental supports for a small group of members and their friends. It is an offshoot of Faith Temple and in many ways illustrates the kind of church Faith Temple was before hiring its latest pastor. In addition to preaching values in line with mainstream U.S. expectations of work and family life, it upholds an alternative

ethnic culture. The hallmark of this culture is avoidance of those considered in power and an expectation that mainstream institutions will try to hurt community members.

Grace Baptist was founded in 1961. The reasons for the split from Faith Temple are unclear, but the two congregations have remained on friendly terms. Relatives from some families belong to both congregations. The Grace Baptist preacher occasionally spoke at Faith Temple, and the two congregations held joint worship services during the holidays.

The majority of Grace Baptist members appeared to be stable-working-class or low-skilled workers with limited resources.

Comparing Faith Temple with Grace Baptist, the Faith Temple pastor commented, "You see, some African American churches do not believe in doing anything but waiting on God. And they believe that it is unethical to be involved in social situations." Our fieldwork supported this view. Most of the sermons focused on either salvation in the future or discontinuing destructive personal behavior. The church did not participate in any of the antiracism or social equity activities sponsored by other faith communities. The pastor did not attend interfaith meetings. Nor were any of the church members visible in government or social service jobs.

Grace Baptist's fear of mainstream Kenosha appeared well founded. When the congregation held a groundbreaking ceremony for a new, larger church building, the local news media did not cover it. However, when the congregation's treasurer was arrested for embezzling some of the building funds, several articles appeared on page one of the local section of the newspaper. This incident simply reinforced church members' suspicion of the outside world.

However, Grace Baptist maintained ongoing fellowship with churches whose members had the same class and race background. The congregation regularly had visits with similar churches in Milwaukee, north Chicago, and other places, thus maintaining a larger community but retaining racial and class boundaries.

Congregation members maintained a tight community with strong closed social capital networks. The organization maintained a ministry committee that kept careful track of the material concerns of the congregation. They also ran a "thrift house" offering clothing, but, although its hours were regularly posted in the service program, the house had no sign and was closed during its advertised hours. Our field-worker came upon an active church member there who was quietly organizing benevolence activities. The student who worked with this congregation, an African American whose roots were similar to those of many congregation members, knew this church member from her own social circles. Because of these prior connections, he agreed to talk with her about the church ministry activities but only "off the record." This conversation revealed a church that kept close contact among members and had a reg-

ular system to provide instrumental, social, and spiritual supports for members in need.

We saw in Grace Baptist a great deal of support for family and caring for congregation members. Social capital to support basic needs seemed to be a key component of this community, as in other African American congregations (Hall 1998).[4]

The family focus was part of the culture supported by this congregation. In many ways, strong family bonds are common in low-income African American communities (Stack 1974, 1996). Some of the behaviors we witnessed that seemed at odds with mainstream culture stemmed from this predominance of family needs over outsiders' concerns. For example, when a church member missed an appointment with the student field-worker because of a sudden death in the family, it did not occur to her to call to cancel the appointment or contact the student later to reschedule.

Outsiders to this closed social capital community were quietly ignored. Social service workers in the African American community reported that the pastor never returned phone calls. Families associated with the church received much support from the congregation, but the strong connections among several other African American churches and related community-based organizations appeared not to extend to Grace Baptist.

Behaviors tolerated at Grace Baptist, including not returning phone calls, missing appointments, being late, and not calling people outside the closed social capital network when plans or schedules needed to be changed, caused trouble in the larger world of work. For example, one nursing home manager reported that she had had to fire two African American nursing assistants because they missed work for two weeks without notifying the workplace, owing to a death in the family. These individuals otherwise exhibited good work habits but had so violated the rules of the workplace that they were laid off. Unlike Faith Temple, Grace Baptist did little to socialize members to the expectations of the mainstream world of work or school.

Clothing styles also reflected an alternative culture. Like Faith Temple, Grace Baptist insisted that congregation members dress up for church. However, the unspoken norms encompassed a wide array of appropriate attire. One Sunday, our field-worker observed:

> The mode of dress ranged from casual to too elegant, as one woman in the audience wore a gold lace dress with matching purse, hat, shoes, and nylons. Some of the teenage girls wore suits of various colors, ranging from bright red to velvet black with dressy pumps to match. Many of the women wore wigs, and many of the young girls and teens had a weave adorned in their hair. The young males wore white or multicolored shirts and permanent-pressed slacks. No T-shirts or tennis shoes were observed.

Dressing for church instills an important lesson: different clothes are appropriate in different settings. Grace Baptist conveyed this message, but it was less clear that it conveyed the differences between appropriate dress in the African American church community and that in the workplace. Other African American churches made a point of clarifying cultural differences regarding office work clothes. These cultural cues become particularly important for low-skilled workers attempting to move into white-collar employment. Grace Baptist paid less attention to these issues.

On the other hand, Grace Baptist consistently extolled members to steer away from vice. Every sermon focused on inappropriate behaviors: lying, infidelity, greed, gluttony, self-centeredness, "holding on to bad things." The cultural capital supported by the church reflected attempts to keep congregants from behaviors that could lead to poor family life, trouble at work, or jail. Church families should stay on the straight and narrow, like the "decent" families in low-income neighborhoods described by Anderson (2000). Sermons conveyed a dichotomy between people who stray and those who maintain God-fearing lives, and congregation members were to stay in the latter group.

The sermons, Bible lessons, and other messages of Grace Baptist worship constantly reminded members that they could rely on Jesus to meet their needs. The premise of its message was that focusing on God kept church members from straying into sin and led them toward a righteous life. Salvation was portrayed as succor in a world full of vice and pain. Devoting one's life to God provides a wellspring of support and relief from the ways of the world.

These messages were tied to the economic and cultural milieu that many congregation members faced in their outside lives. These low-income Kenosha residents were far more likely than Faith Temple's congregants to hold menial, dirty, and unfulfilling jobs. They were even more likely to face the temptations of the streets feared by families in poor neighborhoods. The church's focus on faith as an antidote to the difficulties of low-income life makes sense given these external conditions.

The messages of empowerment so evident at Faith Temple are missing at Grace Baptist. Instead, this church focuses on keeping members out of harm's way. Sermons convey a cultural message that members should lead an upright life but not move from their quiet, anonymous closed social capital community. The church does convey empowerment but in the form of Jesus's rewards for faith and a life lived well. Individuals are rewarded for avoiding the many sins of the world but are not encouraged to move beyond their community or situation in life.

In comparison towith the other two churches, Grace Baptist shows a community turned inward, a closed community bent on keeping its members away from the vices and oppression of the wider world through faith. The church serves as a spiritual well for its members, and it provides strong community

and closed social capital to meet their needs. However, it discourages interaction with outsiders and does not build any bridging behaviors. The cultural capital encourages members to live a decent but unobtrusive life.

The social and cultural capital conveyed through this congregation is appropriate for a community engaged in low-skilled or stable-working-class work. Families receive the support they need. Messages are intended to sway younger members from the lure of the streets, but they also teach them not to stand out, potentially drawing the wrath of employers, customers, the police or government authorities. It is an appropriate strategy for faith communities that want to keep their members from harm. However, by reinforcing the closed community, Grace Baptist does little to encourage radical change within its members or the city as a whole.

Annunciation

Annunciation is a large Catholic church in Kenosha. The white congregation ranges from stable working class to middle class. The parish runs a large school and offers a number of services to its members, including a credit union and a food pantry and participates in St. Vincent de Paul and other service activities. It has an active membership and maintains a strong presence in this small city.

Annunciation also hosts the Spanish Mass in Kenosha. The Latino community maintains a separate congregation within this parish, complete with its own priest, church council, and social service mission project—the Ethnic Mission project profiled in chapter 4 and analyzed in more detail below. The white and Latino Masses are largely separate, with a distinct population attending each service. As such, Annunciation represents a closed community that exists as part of a larger institution. These separate Masses are common in Catholic dioceses with large immigrant populations, and the separation between congregations is similar to that found in other research (Goode and Schneider 1994). However, Annunciation is different because of the community control over the faith-based social service organization associated with the Spanish Mass.

Annunciation's Latino congregation also differs from Grace Baptist in that it includes several separate communities in one worship service. The Spanish-language Mass attendees at Annunciation nearly fill the large church, but most of the people are new Mexican and Central American immigrants. In contrast, many of the Sunday-school teachers and officers of the church council are more established Texas-Mexicans or Puerto Ricans. These are two very separate communities who share the same language.

In addition, Catholic worship and congregational practice is far less participatory than that of the African American Protestant churches profiled above. A few church members are active in the worship service and voluntary activi-

ties of the congregation. The others simply come to church once a week with few other expectations.

The Catholic Latino congregation started as a mission to migrant farm workers in the 1950s and 1960s. Until Latino migrants started settling in Kenosha in large numbers, priests came to the farms to celebrate Mass. As the population moved into the city of Kenosha and neighboring Racine, the Latino Mass moved into established community Catholic churches. In Kenosha, the Latino Mass was first hosted by a parish near where most newcomers lived. However, around 1995, the original host church requested that the congregation be moved elsewhere. No explanation was given for this request, and a variety of reasons have been put forth in the community for this change.

Annunciation's priest was friendly to a Latino mission and offered the congregation its new home. But the established white parishioneres still see the Latinos as simply using their space. There is little interaction between the two congregations, and the Latino congregation maintains a separate parish council and Sunday school in the guise of an advisory committee to a social welfare organization for new Latinos, also hosted by the parish.

This "advisory committee" is officially charged with administration of the social welfare activities of the Latino mission office. However, field observations of their board meetings reveal that two-thirds of the business conducted focuses on religious activities for the Spanish Mass. The current priest said, "You could cut the umbilical cord between the committee and the established congregation and have a fully functional parish council."

The Latino Mass consists of two closed communities centered on the church. The majority of both new émigrés and long-term Kenosha Texas-Mexican residents were Catholic, but many of the more established members were Protestant or "Catholic by tradition," that is, nonpracticing Catholics.

The original migrants formed a cohesive community in the camps that extended to their religious activities. For example, Anita said her parents' generation "did things like baptize each other's children. The godparents of my two younger siblings knew my parents in Texas, so the connection was that my parents maintained a friendship with the Hispanics that had come here just like they had."

Although these younger, English-speaking Kenosha Latinos often attended English Masses if they went to church at all, their parents became the mainstay of the Spanish congregation and its social service outreach activities. The social obligations of serving as godparents led to strong networks that carried forward into organizational activity. Social capital supports in this community were very strong, and the community maintained even tighter closed boundaries than the African American community in this small city.

The newcomer Latino population was equally strong as a closed community. Like other immigrants, they followed friends and family to the United

States and relied on the émigré community for jobs, housing, and other resources. The majority also attended this Spanish Mass.

Closed social capital in the Spanish Mass resembled the informal system of sharing information common in Grace Baptist and Faith Temple. Despite the existence of two separate communities relying largely on different social capital networks outside of church, newcomer Latinos shared their needs with the more established parishioners. For example, in December, request forms for Christmas baskets began quietly appearing in the social mission project office.

Social welfare activities through the church reflect the nature of Latino popular Catholicism (Espin 1994). Yolanda, a leader in the Latino congregation, noted, "The church is just a house, a building, the faith that carries some people. A place to go to ask for strength and support. . . . people go to church and ask God for things, healings, hopes." Notice that Yolanda sees church and faith-based social service as providing for the needy. In a traditional Catholic sense, church is seen as an institutional support. Yolanda added, "In the church you can ask for anything; ask the Father and if you don't get it you will understand why." Church is both provider and all-knowing authority. The faithful trust that God will provide, and they help God carry out this plan through their works.

Latino Catholic faith as practiced in Kenosha conceptualizes faith and works in the form of an omniscient family. The Father, in the form of the priest or God, either gives or withholds. The mother, in the form of Mary (or sometimes the Virgin of Guadalupe), gives and supports. This pattern stems from popular Catholicism that understands the Trinity as God the father who is feared and obeyed, "Mary the mother, Jesus as older brother, and many saints as members of the extended family and community networks" (Espin 1994:328–331). Latino Catholics turn to the church in the form of its mission activities for material and spiritual support, seldom questioning the boundaries of this aid. The prevalence of women in key faith and social service roles in this community also derives from the strong role of women in the Latin American rural church (Diaz-Stevens 1994).

This Catholic church preaches service as an important aspect of faith in ways similar to the injunctions for service evident at St. Xavier's parish. In many ways, the established community seeks to aid the less fortunate without crossing social capital boundaries, as in the white Milwaukee parish. Service is part of the culture taught by both Catholic churches.

However, Annunciation differs from St. Xavier's in the sense that the established Latinos still see themselves as supporting the wider Latino community, despite the internal fissions between immigrants and ethnic Americans. Similar to the African American services at Faith Temple, the activities of the social service organization that is part of Annunciation is meant to improve the lot of the entire Latino community. For example, the Spanish Mass publicized the U.S. census and encouraged parishioners to fill out their forms to ensure that

Latinos would receive the benefits they were entitled to. Undocumented aliens were reassured that the census had no connection to the Immigration and Naturalization Service.

The Latino congregation runs a large Sunday school predominantly in Spanish. The school serves to enculturate émigré children into U.S. Catholic culture. The church conveys mainstream Catholic cultural capital through this program. At the same time, Spanish Catholic songs and symbols in the Mass maintain the culture of the ethnic community. In this way, the Catholic service encourages bicultural behaviors in the next generation.

Comparing Annunciation with the other three churches shows that each church fosters community and social capital within the congregation. These faith communities also foster cultural capital among their members. The three churches for communities of color teach alternative cultures through the worship style, appropriate dress, and educational activities. Institutions with some bridging tendencies also offer bridging cultural capital through modeling or instruction.

While Annunciation's Latino congregation is largely a closed community with separate closed social capital networks, it uses its connections to the parish and the wider Kenosha Catholic institutions to create bridges for its community members. These bridges take the form of institutional efforts for change, not of promoting individual advancement as in the African American churches. Even while maintaining its separate structures, Annunciation reaches out to its white parish hosts and Kenosha as a whole.

Annunciation and St. Xavier's share a practice of service through formal ministries common in these Catholic churches. Because of its size, Annunciation's social welfare activities are more formalized than those of the smaller parish. Although the African American churches tend to be more informal and participatory in their social welfare provision, they are equally likely to institutionalize formal supports for the needy.

Instrumental Supports

Most studies focus on the instrumental aspects of religious-based social service. Recent research by Cnaan (Cnaan et al. 1999; Cnaan and Boddie 2001; Cnaan 2002), Chang et al. (1998), Chaves (1999), and others describes faith communities as organizations that provide service. Chaves and Tsitsos (2000) demonstrate that churches often work with nonprofit organizations to help others. Other scholars (Costan et al. 1993) show government channeling aid to communities through churches.

All the faith communities studied here provided some form of instrumental assistance. Every church had informal mechanisms to provide material aid to

families in need. These usually took two forms. First, pastors had funds earmarked for families in need that they gave out at their discretion. Second, most churches had mission or material aid committees that visited the sick, and provided food, transportation, and other forms of material assistance to people associated with the community. Often these committees were run by women active in the congregation and depended on congregation social capital. For example, Faith Temple identified the Women's Mission committee as the primary venue for instrumental supports. Either the pastor or committee members would bring a family to the attention of the committee.

The majority of churches also held special collections or developed a mechanism to collect food, clothing, or money for local people in need; the donations were frequently passed on to established social service organizations. For example, all collections from a joint Thanksgiving service involving two Kenosha churches were donated to the local Salvation Army chapter. These kinds of activities are examined in detail in the next chapter.

Church-based mission activities were linked to spiritual development. For example, the women's mission meetings at Faith Temple started and ended with Bible-interpretation lessons. Material support was linked to spiritual support. Pastors clearly distinguished support through churches from aid through social service organizations. For example, one pastor commented:

> I was very reluctant to have a food pantry when I came to [this church] because I didn't want another place where people run in, grab food, and run, because just to pass out food they can go to Neighborhood Settlement House to get that, maybe. So we're the church and we have a different set of responsibilities, so therefore we do give food for people but we also do try to connect people with what's really wrong with their life.

This pastor, like other people active in churches in the project, saw the ingredient needed by poor families as an active spiritual life combined with the community created by church. Mission activities for the Protestant churches often attempted to draw the needy into the church family. The Catholic churches, particularly through their more formal activities such as the St. Vincent de Paul pantries, were less likely to stress interaction with aid recipients as a condition of service.

Social capital played a role in instrumental assistance through faith communities in two ways. Families receiving assistance from congregational committees tended to be church members or known to members. In a few cases, the pastor would receive a call for assistance from outside the community. While these people would receive aid, often the pastor would first make sure that the family was contacted by someone in the church. For example, in one mission meeting, as described by a field-worker:

> After some time of devotion, the ladies moved right in to discuss the sick and shut in. These are people who are sick in their homes or are in the hospital. They knew everyone, someone would mention a name and they would all throw it around until they all had figured out exactly who it was. They discussed who would go and see who and who would make phone calls to others. They seemed deeply concerned with them all.

Helping families in need draws on the social capital resources of the wider church community. Information about who needs help is passed to the committee through both informal conversations and referrals through the pastor or church secretary. The committee, in turn, develops an assistance plan that uses the resources of the church and its members. Most plans included distributing money, offering food or other material supports, and visits with the family.

The second use of church social capital to aid people in need was by drawing on church networks to collect goods or recruit volunteers. All the other faith communities also participated in such events to serve the community. In these cases, a need for assistance was usually announced in either the church service or the church bulletin. A formal committee usually used their social capital to organize the activity and receive and distribute goods. The same pattern applied to service opportunities. Institutional structures in the church served as a conduit to garner material resources or other forms of assistance. These formal structures then linked to the informal social capital developed through the church community.

All the churches reported an increase in need for instrumental supports after welfare reform had been implemented. In some cases, this extra demand impacted on the ability of churches to develop other ministries. For example, one pastor said:

> [My treasurer] tells me, "Reverend, don't join no more organizations where you have to pay." I said I need to. But when you go to your official board and they're saying, well, we can't afford this, because [it's] another thing that hit the black church as a result of W-2. This year we have given away over $12,000 from benevolence. We have given out over $6000 just to stop folks from being evicted.

Churches saw themselves as partners with government and social service organizations to provide for families in their communities. They felt that their major role was to develop the spiritual life of their members, build community, and help people lead an upright life. By cutting benefits and diversion tactics, churches saw firsthand how government supports were not fulfilling their part of the partnership. As described in chapter 13, some churches engaged in advocacy in order to change policy. Chapter 12 details how others worked

more closely with social service agencies to address needs. Only a few developed formal social service missions to fulfill this role.

None of the individual faith communities studied here developed comprehensive social service programs in response to welfare reform. Instead, some churches increased their role as providers of instrumental supports and advice on obtaining services. Other churches, like Faith Temple and St. Xavier's, saw their role in welfare reform as increasing involvement in their traditional programs for children and youth. St. Xavier's felt that involvement in School Choice offered supports to former welfare mothers, despite the fact that few families that fit that description actually attended the school. Faith Temple planned to start a school and was in the process of developing a computer lab for community residents. These efforts were designed to better prepare community members for the world of work and facilitate their connections to employers or educational institutions. The limited tendency of congregations to develop formal social service activities and their focus on education are similar to findings by other researchers (Chaves and Tsitsos 2001; Chaves 1999; Grettenberger 2001).

I profile two formally organized mission activities here. Ethnic Mission is a long-standing program designed to aid newcomer Latinos in Kenosha currently under Annunciation's auspices. Share the Wealth was developed after W-2 to provide material assistance to families affected by welfare reform. Both organizations were profiled in chapter 4.

Ethnic Mission

Ethnic Mission was started by an activist priest who used his personal resources to help new émigrés find jobs, deal with material needs, and navigate the legal system in Kenosha. It currently offers translation services and assists with locating work, housing, and other needs. It also works closely with the formal social service organization for Latinos in this community.

As with mission activities through churches, this organization tries to look beyond the immediate need to address more comprehensive family needs. A staff member told us:

> This week, they called us for help for Christmas and I ask them about their situations. So there are people that ask me to help them find jobs . . . and make an appointment for them. And we look in the newspaper for them or in the computer and then we go to the place and make the applications.

Part of learning about individuals involves discovering the social capital resources that they have available through their own networks—the staff member could describe in detail specific family situations. She then used her own

knowledge to assist families in need. This kind of social service involved one-on-one sharing of information through the agency-based social capital links.

Ethnic Mission formalized the same kind of one-on-one attention to family needs seen in the various congregation committees. As a separately constituted organization housed in Annunciation parish, the mission project was able to gather funds and enlist volunteer support from throughout the Kenosha Catholic and Latino community. Ethnic Mission also had formal oversight that provided it with a sense of direction missing from traditional congregation social welfare activities. However, the organization lacked the planning, accounting, and administrative structure of any of the formal 501c3 social service organizations. Although this project offered an important social service, it served as a supplement to the other organizations in the community-based and ancillary services sector of this small city.

Share the Wealth

We observed the same kind of personalized attention and limited administrative capacity at Share the Wealth, a thrift store for low-income families. The pastor also saw it as a way to train young people for jobs. The organization was not very successful in either role. Most of the volunteers who ran the store were older women involved in the church. The pastor also assigned community-service parolees work in the store. Given the limited supervision available from the pastor and volunteers, Share the Wealth could provide little training.

We saw very few people come into the store to shop, but a steady stream of people came in to ask the pastor for advice or favors. The social capital of the pastor was the major draw. His role was similar to that of the Ethnic Mission staff member—people wanted him to use his connections to help find jobs and deal with legal situations and other issues. The goods available through the organization were secondary.

The pastor saw Share the Wealth as intimately connected to the spiritual mission of the church. During the summer he held a free barbecue in front of the store in an effort to get people to come into the organization. His interactions with community members relied on spiritual messages and were aimed as much at getting people to come to church as to use the store.

Share the Wealth ostensibly was a separate organization; instead, it served as an extension of the pastor's other mission activities. His ministries to prisoners and addicts were an important resource in the community. Share the Wealth followed the same pattern as these other projects, offering material assistance, on-the-job training, and ways to fulfill community-service requirements mandated by the courts. However, these ministries did not have the staffing, funding, or ability to move beyond the closed networks of the pastor's community to make a long-term difference. Community members responded

by treating the store as another venue in which to access church benevolence. The social welfare mission of the organization was never realized.

Policy Implications

Analysis of congregational activities suggests that, although faith communities provide both instrumental and social supports for their members, most congregations have neither the administrative capacity nor the inclination to serve as social service agencies. Formal projects developed by the congregations studied in Philadelphia, Milwaukee, and Kenosha were an extension of congregation ministries, reflecting the level of expertise of church staff and volunteers. Although some faith communities can successfully develop welfare-to-work programs (Wineburg 2001), very few faith communities encountered in this study had the organizational capacity, expertise, and interest to become government contractors. Neither Ethnic Mission nor Share the Wealth had the sophistication to develop a welfare-to-work program; this was typical of the kinds of social service supports possible through faith communities. The prevalence of these kinds of activities suggests that a better strategy for welfare reform would be to build on faith communities' traditional role in supporting families rather than expect them to take over government or social service organization activities. As discussed in the next chapter, faith communities actively work with government and social service agencies. Expanding this support role may be a better strategy for welfare reform.

Faith communities do provide community, social, and cultural capital development for their active members. However, the choice to attend church is a personal decisions outside the mandate of any government social welfare program, in line with the Constitution's requirement for separation of church and state. As communities that sometimes serve as bridges for their members, nonprofit organizations and government can turn to faith communities for instrumental support, as a source of volunteers, and as a way to spread information to closed social capital communities. All these strategies are discussed in the next chapter.

Summary

Religion loomed large in the lives of many families in these three cities. Faith communities became the major source of community, social and cultural capital, and empowerment. For both families and their surrounding communities, they were a source of spiritual support, community, and empowerment and change.

Faith communities build community, social and cultural capital, and empowerment through a combination of efforts designed to involve members in an array of activities and through messages conveyed through sermons and other formal events. Faith communities also created connections and socialized members through the informal interactions associated with worship and other activities.

The nature of available social capital and the cultural capital messages varied with class and race. Three of these churches also sought to build bridging social capital, but in different ways. Faith Temple encouraged empowerment and bridging behaviors for its members both as individuals and as a racial group. Annunciation attempted a milder form of group social change through its mission activities, but messages of individual empowerment and bridging were largely absent. St. Xavier's mission activities were intended to fulfill church injunctions to provide for the needy, relying on the social capital of the parish, but creating bridging social capital across boundaries was not among the church's goals.

Grace Baptist provides an example of a church with no intention to develop bridges outside its closed social capital networks. Instead, it serves as a haven from the dangers of the streets, rampant consumerism, and the oppression of the white world. Many of the behaviors and messages of this organization enforce closed social capital boundaries. These intense networks are essential to combat the difficulties that many members face. However, they do not build bridging behaviors or social capital.

Churches like Grace Baptist and Savior Independent Fellowship—the independent church founded by Pastor Rice, the minister who created Share the Wealth—are particularly important for welfare reform because many of the people targeted by these reforms belong to similar congregations. These institutions provide a safety net, spiritual supports, and social life for these families, but they are not likely to help them move out of low-skilled work. Like all faith communities, these institutions offer instrumental supports to their members and other community members in need. However, as examination of faith-based social service initiatives shows, the majority do not have the capacity or interest to develop successful welfare-to-work programs.

The previous chapter noted that social service agencies benefit from collaborations. Similarly, church supports are also most effective when combined with other institutional efforts. The major contribution by congregations to welfare reform is their ability to foster social capital and community for their members. One outgrowth of this primary role is working with other institutions. The next chapter looks closely at the ways in which faith communities, social service agencies, and government work together in communities.

Case Study 3

Impact Investing

THE CASE FOUNDATION

A SHORT GUIDE TO IMPACT INVESTING

ABOUT THE AUTHOR

Sean Greene wrote “A Short Guide to Impact Investing” while serving as Entrepreneur in Residence at the Case Foundation. In this role he supported the Foundation’s efforts to identify new approaches to inspire, educate and mobilize capital in the impact investing space.

Greene currently serves as a Managing Director at Siguler Guff, a multi-strategy private equity firm, and has more than 20 years of experience as an entrepreneur and investor. Previously, Greene was appointed by President Obama to run the Investment and Innovation programs at the U.S. Small Business Association (SBA). At the SBA, Greene directed the Small Business Investment Company program, a growth capital program with approximately $20 billion of assets under management. He also led SBA’s efforts focused on stimulating high-growth entrepreneurship. Greene previously worked as a management consultant at McKinsey & Company, founder and CEO of the Away Network and as seed stage investor.

WELCOME TO THE CASE FOUNDATION'S "A SHORT GUIDE TO IMPACT INVESTING" —A BASIC PRIMER TO HELP INDIVIDUALS BETTER UNDERSTAND HOW BUSINESS CAN DRIVE SOCIAL CHANGE AND CREATE SOCIAL IMPACT.

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PREFACE

A movement is afoot that represents a significant opportunity for businesses and markets to drive social value. By allocating assets toward products, services and companies that generate positive social impact, the movement toward "impact investing" has the potential to create real value both for investors and for society.

The term "impact investing" dates only to 2008, but already there has been significant growth in the number of companies, funds and individual efforts created in support of the concept. A cottage industry of associations, conferences, research efforts, advisors, consultants and platforms has grown up around the world.

And yet, many savvy and sophisticated investors remain on the sidelines, looking for ways to invest. Many high net worth individuals, institutional investors, financial and wealth advisors and even philanthropists are anxiously waiting for new opportunities to deploy capital in exciting companies and growing markets with entrepreneurs and managers who are proving they can deliver both financial and social returns.

My colleagues at the Case Foundation and I have had hundreds of conversations over the past year with investors, philanthropists and others experts, some of whom identify with the impact investing movement and many who don't. "What are the bottlenecks?" we wanted to know. "How do we get people to stop kicking the tires and 'Just Do It'?"

WHAT HAVE WE HEARD?

We heard that a lot of work is still needed:

- A robust pipeline of investable deals;
- Better data on business and fund performance;
- Expanded opportunities for exits and the return of capital;
- Actionable research on impacts and outcomes; and
- More products and easier "on ramps" for people to get started.

We also picked up a recurring theme: many people are confused. What exactly is impact investing? How is it different from what I'm already doing?

"YOU SAY YOU WANT A REVOLUTION, WELL, YOU KNOW, WE ALL WANT TO CHANGE THE WORLD."

– JOHN LENNON

There are also the pioneers of impact investing who are clamoring for less talk, more action. We agree.

A SHORT GUIDE TO IMPACT INVESTING

This guide is intended to help bring newcomers into the game. We hope it helps high net worth individuals, family offices and others to know some of the questions, if not the answers, to determine what's right for them and what to do next to move toward meaningful, measureable impact.

We kept it short and, we hope, fun to read. We developed a flexible framework and a simple taxonomy to help people get their arms around impact investing. We have also included several profiles of impact ventures, funds and investors that you can see at ImpactAlpha (impactalpha.com).

The guide builds on the work of great champions for this movement. The Rockefeller Foundation, Omidyar Network and many others have been pioneers in supporting the development of the field.

We hope that this guide will inform, pose questions, provide some answers and develop a robust conversation. We now invite you to help build the future of impact investing by sharing your experiences and comments to make the guide more helpful.

- Sean Greene, Entrepreneur in Residence, the Case Foundation

CHAPTER

01

A CALL TO ACTION

Inner city warehouses hum with production of healthy lunches for schoolchildren. Silicon Valley entrepreneurs ramp up manufacturing of solar lanterns to meet consumer demand for cheap, safe power in the developing world. Credit flows to small businesses and farmers adopting sustainable techniques to feed a hungry world.

A growing number of companies, including Revolution Foods, d.light and TriLinc, are committed to doing well by doing good. They have explicit social goals and strategies and measure their impact. Providing capital to such companies that are aligned with those intentions is what impact investing is all about.

We start with the hypothesis that business and capital markets can be a tremendous force for positive social change.

CONSIDER:

- We face urgent challenges of poverty, inequality, health and climate change, domestically and around the world.
- Neither government, nor philanthropy, even combined, are equipped to solve these problems alone.
- Entrepreneurship unleashed is powerful. We need all hands on deck, all oars in the water.
- Private capital markets reward scalable models that sustain growth, attract talent and drive cash flows.

We know how to make smart investments. We know how to maximize returns. We know how to make money. Now it's time to make money more...

Let's make money more *effective* at creating value, for every shareholder and every stakeholder. Let's make money more *fearless* in delivering on its disruptive potential. Let's make money more *willing* to take real risks for real returns.

In our giving, let's give money more purpose, more power, more impact. It's charitable to donate; it's transformative to invest in the future you want for our children's children.

If the head has been making investments and the heart giving it away, it's time to unite the head and the heart and make money more.

"NOW I'M A BELIEVER... NOT A TRACE OF DOUBT IN MY MIND."

– THE MONKEES

CHAPTER

02

IMPACT INVESTING: A (SHORT!) DEFINITION

"A ROSE BY ANY OTHER NAME WOULD SMELL AS SWEET."

– WILLIAM SHAKESPEARE

Amid all the excitement about impact investing, we found a fair bit of confusion.

We found that people are confused by similar sounding concepts: venture philanthropy, socially responsible investing, corporate social responsibility, ESG (for environmental, social and governance reporting) and more.

We realized that first impressions matter. People's perceptions were shaped by their first exposure to an impact investment, be it cook stoves in Africa, clean tech in California or community development in Detroit. "Well, that's not really right for me," was a natural reaction to specific opportunities.

So let's take a step back. The definition developed by the Global Impact Investing Network (GIIN), the closest thing the field has to a trade association, provides a good starting point:

> **"Impact investments are investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return."**

The figure on the following page deconstructs this statement further.

Impact investing focuses on both for-profit companies that have an explicit intent to have social impact via their business model or practices (which we called for-profit "social" enterprises) and nonprofits with revenue and earned income streams (which we called "enterprising nonprofits").

AN IMPACT INVESTING OVERVIEW

IT'S AN INVESTMENT

Unlike a grant, there's an expectation of a *return* of capital and a range of possible *returns* on capital. Those expended returns could range from concessionary to market rate, or even to "impact alpha."

ACROSS A BROAD RANGE

Impact investments exist across:

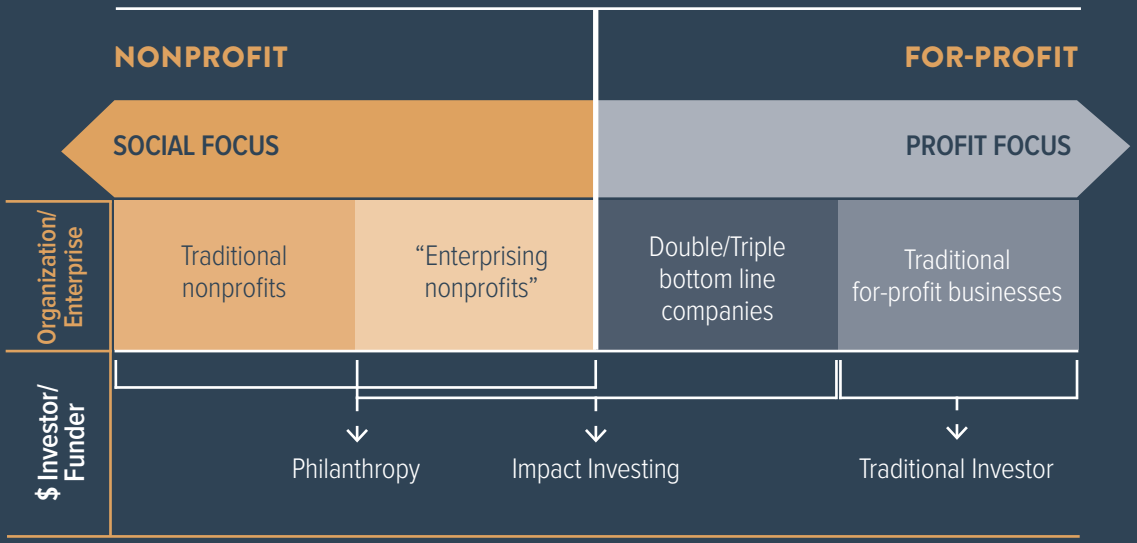
- All asset classes
- Many sectors
- All geographies

WITH A FOCUS ON POSITIVE IMPACT

The intention to generate measureable social or environmental impact puts an explicit focus on positive impact. That distinguishes the practice from "negative screens" used in socially responsible investing (SRI), where investors filter out sectors in which they do not wish to invest, such as tobacco.

ACROSS ORGANIZATIONAL FORMS

Impact companies, organizations and funds can be for-profit or nonprofit entities, which can return capital as simple loan repayments or as shares of revenues.



Certainly, large public companies generate both negative and positive impacts, and it's possible to steer portfolios away from the former and toward the latter. But the influence of impact investments is generally more directly felt in private companies, and we will focus on small and emerging companies, rather than Fortune 500 corporations.

There are plenty of other nuances and terms to consider. Impact investments, for example, may deliver "blended value" or a "triple bottom line." They may be mission-driven or program-related. The capital markets are nuanced and dynamic so impact investments will take on many other names. That's okay: a rose by any other name will smell as sweet.

SPOTLIGHT

REVOLUTION FOODS

Description: Revolution Foods, a B Corp, is disrupting the $25 billion dollar school lunch market in the United States. It provides more than 1 million healthy, nutritionally-balanced meals with natural ingredients to K-12 schools every week at prices in line with traditional lunch suppliers.

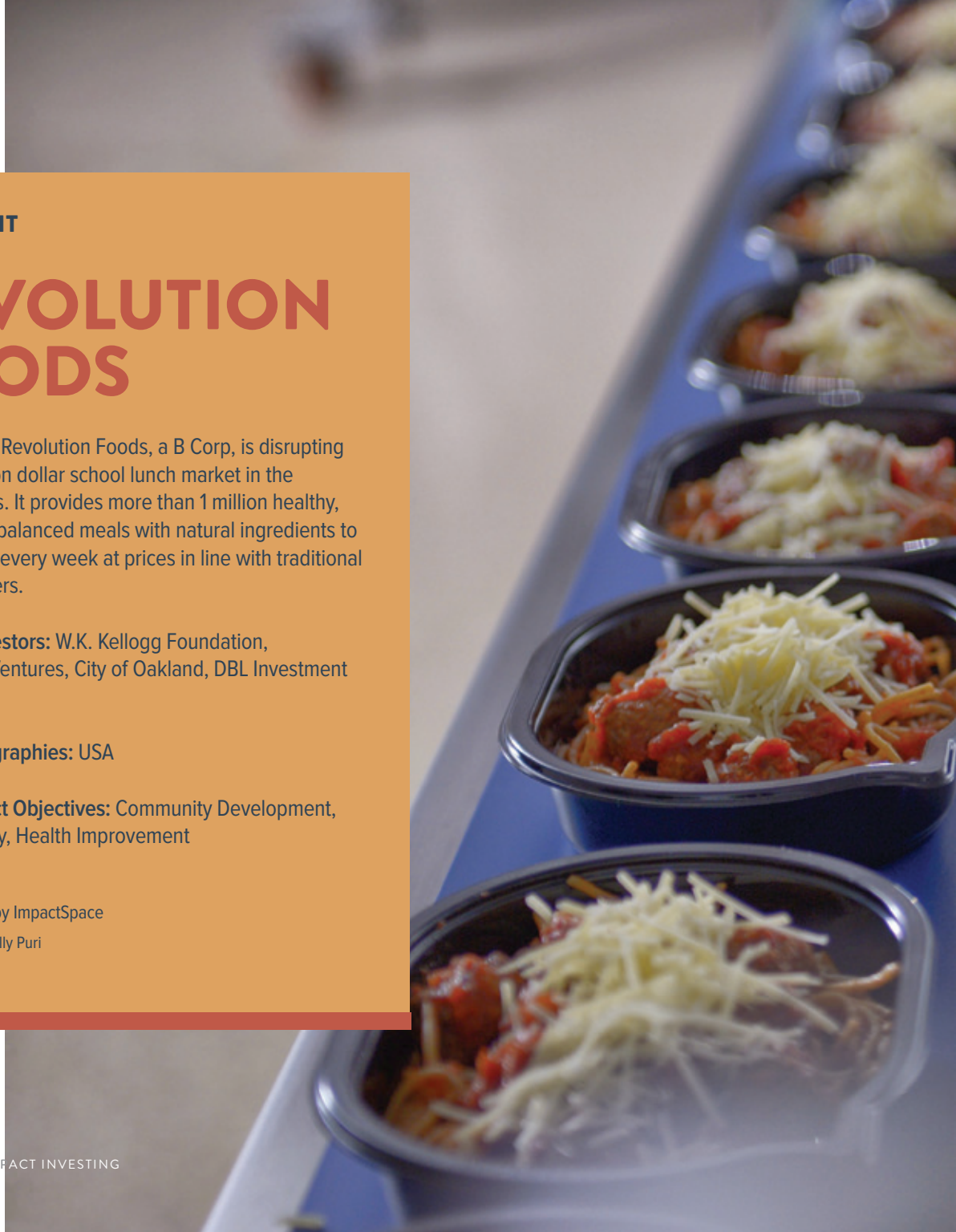
Notable Investors: W.K. Kellogg Foundation, Catamount Ventures, City of Oakland, DBL Investment Partners

Impact Geographies: USA

Social Impact Objectives: Community Development, Food Security, Health Improvement

Data provided by ImpactSpace

Photo credit: Shelly Puri



CHAPTER

03

A FLEXIBLE FRAMEWORK

Many people starting to explore impact investing ask a more basic definitional question: what's in and what's out?

Twitter has enabled massive social change, most dramatically during the Arab Spring. Does that count? How about my investment in that educational technology startup? Or in the restaurant that serves local, organic and healthy food? Which of my investments count as impact investments?

SO, WHAT COUNTS?

Some investors argue that much or all of their investing has social impact, and certainly they desire that impact to be positive. The companies they invest in create jobs, provide services and meet needs. Perhaps they even deploy screens to filter out socially negative investments and try to embed their values in their portfolios. Such investments and investors are certainly "Impact Motivated."

To meet the basic definition of impact investment, we must match intentions for proactive impact with measurement of those results. Many organizations such as B Lab are creating impact certification regimes with third party, objective standards and verification. Such regimes exist in other sectors–USDA standards for organic food, LEED standards for buildings, Forest Stewardship Council certification for lumber and so on.

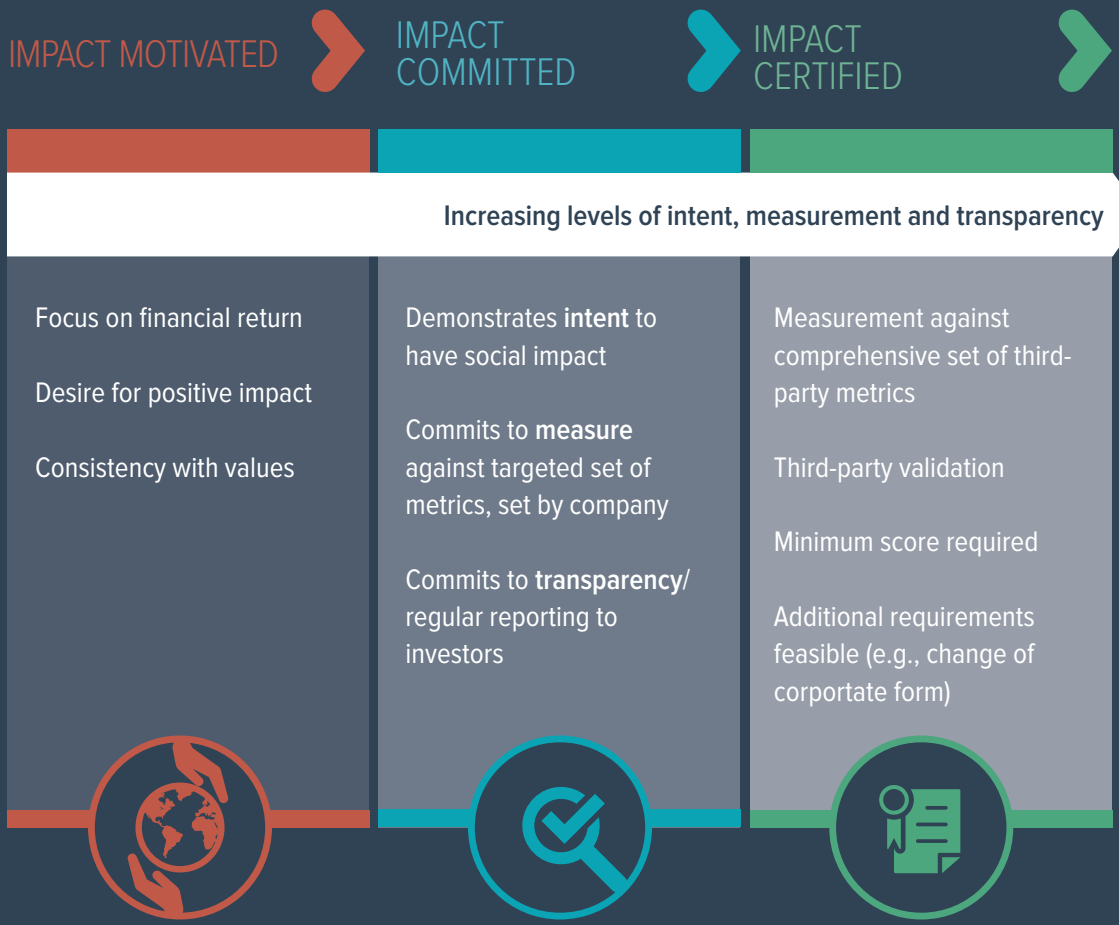
Building objective criteria within a single sector, such as organic food or green building, is hard enough; comparing impact across sectors such as education, community development and food security remains very much a work in progress.

As a general validation of the importance of impact for some investors, nearly two dozen states have adopted legislation to enable the establishment of for-benefit corporations, or Benefit Corps, that commit companies to social benefit goals of their own choosing. Some of the laws require certification by third parties such as the nonprofit B Lab, which certifies B Corps.

Even for-benefit status and B Corp certification can be complex and time-consuming. Some investors worry that the process can distract entrepreneurs, particularly in early-stage companies. Assessments are often not actionable enough for many investors, with too much information in some areas, but not enough to gauge key performance indicators. Investors and companies alike are calling for simpler standards and more targeted metrics.

> "WHAT GETS MEASURED, GETS DONE."
>
> – MICHAEL LEBOEUF

IMPACT INVESTING SPECTRUM



FROM "IMPACT MOTIVATED" TO "IMPACT CERTIFIED"

The spectrum from "Impact Motivated" to "Impact Certified" highlights increasing levels of intent, measurement and transparency. We think it's helpful to recognize a middle ground that we call "Impact Committed." The category recognizes that many high-impact companies don't subscribe to formal assessments of their metrics, and it may help more companies go to "the next level" of impact measurement.

In the Impact Committed category, companies set their own impact goals and metrics, whether they be three or 300. Already, B Lab reports that for every company that seeks certification as a B Corp, another 15 (non-certified) companies make at least some use of their assessment platform. The self-selection of standards and metrics recognizes the breadth and complexity of potential social impacts.

Even without certification, impact assessment is core to companies such as Sanergy, which is improving sanitation in urban slums in Kenya by franchising toilets to microentrepreneurs and repurposing waste as fertilizer. Living Goods, a nonprofit operating in East Africa, distributes products designed to fight poverty and disease. In order to measure their impact, they are performing a randomized clinical trial to determine whether child mortality really falls in their door-to-door sales areas. Warby Parker, the maker of high-fashion eyeglasses that donates frames in developing countries, and Happy Family, with its line of affordable, organic baby food, are both certified B Corps.

Importantly, this spectrum can apply both to companies and investors.

We hope this evolving framework can broaden the impact investing tent by balancing simplicity and complexity. Our intent is to help move forward by:

- Creating a **clear line** for a minimum standard.
- Leveraging the power of **measurement**. As many have observed, what gets measured gets done.
- **Building an on-ramp** that allows individual companies and investors to evolve to higher standards over time.
- Encouraging both **top-down and bottom-up approaches** to metrics
- **Enabling flexibility** so investors can focus on what they care about.
- Responding to the market. Rather than waiting for a perfect system, a **basic framework** will help more people get into the game and evolve over time based on market signals and how investors allocate their dollars.

Over time, the act of committing to measure and reporting outcomes would differentiate companies from "socially neutral" ventures. An ed-tech company that is Impact Committed could, for example, target a handful of metrics around improving learning outcomes in underserved communities. That may not resonate with all investors, but it could make the difference for impact investors.

CHAPTER

04

YOUR CENTER OF GRAVITY

A private equity fund targeting microinsurance for African families emerging from poverty. A venture capital "grand slam" in a residential solar installer with a pioneering financing model. Low-cost loans to bring fresh groceries to inner city food deserts in California. A new revenue sharing model to boost the income of small farmers in Belize through exports of sustainable—and delicious—cacao.

The nature of these investments varies tremendously, but they are each targeting and measuring social impacts. Their stories (respectively LeapFrog, SolarCity, California FreshWorks fund and Maya Mountain Cacao) can be found at ImpactAlpha.

There also will be judgment calls. For example, Greyston Bakery in Yonkers, NY, provides employment, skills and resources to lift people out of poverty. "We don't hire people to bake brownies, we bake brownies to hire people," is the company's slogan. At an impact investing conference a few years ago, an attendee recoiled at the idea that making brownies could have a positive social impact, with an obesity epidemic plaguing disadvantaged communities. One person's job creation engine is another person's sugar-laced poison.

YOUR GRAVITATIONAL PULL

Rather than focusing on boundaries, however, we prefer to think about the gravitational pull–the underlying force of attraction that pulls one body to another. The metaphor was suggested by Tim O'Reilly, a leader in the open source, Web 2.0 and Gov 2.0 movements. Gravitational pull keeps it all together, he says, even if sometimes a comet will enter or leave the solar system.

We started out thinking we could create a new kind of Myers-Briggs style personality test that investors could use to create their own profiles and identify the kind of impact investments that are right for them. Instead, we adapted earlier work to create a framework to help investors find their own centers of gravity around a handful of variables that will frame their impact investing decisions.

"DIFFERENT STROKES FOR DIFFERENT FOLKS."

– SLY AND THE FAMILY STONE

SPOTLIGHT

GREYSTON BAKERY

Description: Greyston Bakery has for 30 years operated a sustainable baked goods business while maintaining a commitment to providing employment, skills and resources to people regardless of educational attainment, work history or past social barriers.

Impact Geographies: USA

Social Impact Objectives: Capacity Building, Community Development, Income/Productivity Growth

Data provided by ImpactSpace


Maria

CHAPTER 05

WHY: IMPACT SECTORS

For many people, finding a center of gravity starts with identifying specific social issues about which they are passionate.

We're not talking about tiny niche markets. Impact investing opportunities abound across sectors that together constitute significant percentages of any country's GDP, including:

- Community development
- Small business finance
- Health and wellness
- Education
- Microfinance and financial inclusion
- Sustainable consumer products and fair trade
- Natural resources and conservation
- Renewable energy and climate change
- Sustainable agriculture and development

There is tremendous diversity within each of these sectors and many ventures tick more than one box. Sanergy's Fresh Life toilets improve sanitation in the slums of Nairobi, but also support livelihoods and sustainable agriculture. Happy Family's organic products emphasize healthy babies, but the company is committed to make the products accessible to low-income mothers. AFRIpads adapted a reusable and sustainable menstrual pad–originally designed for eco-conscious North America women–for African girls, helping them stay in school.

Impact sectors aren't limited to what sometimes are labeled as "progressive" causes (e.g., fair trade) but include more traditional sectors as well. Some areas such as community development are well-established, with many players and billions of dollars of capital committed annually. Other opportunities are still emerging and have newer financial instruments and arrangements.

Many of these impact investment sectors align with ongoing philanthropic efforts, opening the way for layered capital structures and mutual leverage. The W.K. Kellogg Foundation, for example, carved out a $100 million mission-driven investment fund from its $8 billion endowment and has made more than 20 impact investments across education, health and financial security in places including Michigan, Mississippi, New Mexico and New Orleans. Foundation leaders say Kellogg's investments in companies like Revolution Foods and Happy Family, and funds such as Core Innovation Capital, an early backer of Progreso Financiero, have made Kellogg a better grantmaker as well.

"WHY NOT INVEST YOUR ASSETS IN THE COMPANIES YOU REALLY LIKE? AS MAE WEST SAID, 'TOO MUCH OF A GOOD THING... CAN BE WONDERFUL.'"

– WARREN BUFFETT

CHAPTER

06

WHAT: IMPACT ACROSS ASSET CLASSES

"IF OPPORTUNITY DOESN'T KNOCK, BUILD A DOOR."

– MILTON BERLE

Most investors diversify risk and manage their financial portfolio by allocating their assets across distinct asset classes.

Impact investment opportunities exist across asset classes, from cash to fixed income to public equities to private equity, venture capital and real assets. The argument, popular a few years ago, that impact investing constitutes its own asset class has mostly given way to an approach that treats impact as an investment philosophy within existing asset classes.

The matrix on the following page, originally developed with the Rockefeller Philanthropy Advisors and subsequently expanded by ImpactAssets, demonstrates the variety of impact investment opportunities, both between and within sectors. The nature of a loan fund for charter school networks, after all, is very different than a venture investment in an ed-tech startup, though both may produce positive educational outcomes.

Beartooth Capital has taken advantage of investor interest in real assets—western ranches—to raise two funds that have an explicit intention of setting aside large tracts for conservation. SolarCity started out as a venture capital-backed startup, and a sometimes shaky one at that, before becoming a $5 billion NASDAQ-listed public company—and an acquirer of other impact startups.

The California FreshWorks fund has raised senior and subordinated debt from major banks and insurance companies, but also functions as a fixed income investment for individuals through the Calvert Foundation's Community Investment Note (which pays one percent for a three-year note).

There are two fundamentally different ways to approach the matrix. One approach starts with the traditional asset allocation framework (the "columns") and looks for opportunities to "upgrade" impact within any given asset class.

The other starts with a desired impact in a specific sector/issue area (the "rows") that you are passionate about and then searches for investment options across asset classes to help you achieve that outcome. You can use the framework to prioritize asset classes and sectors that interest you—and cross off those in which you don't want to invest.

IMPACT INVESTING FRAMEWORK

KEY VARIABLES FOR EVALUATING IMPACT INVESTMENT OPTIONS

WHY Social Issues	WHAT Asset Classes Fixed Income	Absolute Returns	Private Equity/ Venture	Public Equity	Real Assets
Community Development					
Small Business Finance					
Health and Wellness	Ex.: California FreshWorks				
Education					
Microfinance/ Financial Inclusion			Ex.: Progreso Financiero		
Sustainable Consumer Products and Fair Trade	Ex.: Maya Mountain Cacao				
Natural Resources and Conservation					Ex.: Beartooth Capital
Renewable Energy and Climate Change				Ex.: SolarCity	
Sustainable Agriculture and Development					

SPOTLIGHT

CALIFORNIA FRESHWORKS FUND

Description: The California FreshWorks fund is a public-private partnership loan fund that has raised over $270 million to bring grocery stores and other healthy food retailers to communities that do not have them.

Notable Investors: Capital Impact Partners, The California Endowment, Citibank

Impact Geographies: USA

Social Impact Objectives: Community Development, Food Security, Health Improvement

Data provided by ImpactSpace

Photo credit: The California Endowment

CHAPTER 07

WHERE: EMERGING MARKETS TO DEVELOPED ECONOMIES

"WHAT PEOPLE HAVE THE CAPACITY TO CHOOSE, THEY HAVE THE ABILITY TO CHANGE."

– MADELEINE ALBRIGHT

Impact investments in emerging markets and developed economies present different kinds of opportunities for impact, as well as different sets of risk. Both involve very different deal structures, intermediaries and legal issues. And within the developing world, no two markets are alike: Latin America is different than Africa; Ghana is different than Tanzania. Investors can obviously take a portfolio approach, making decisions on how much they want to allocate to distinct geographies.

EMERGING MARKETS

Some of the biggest opportunities—and risks—in emerging markets are in providing goods and services to the four billion people at the "base of the pyramid." These consumers, in total, represent enormous demand and often pay more for sub-standard products and services. Living Goods, for example, empowers Avon-style microentrepreneurs to sell "pro-poor" products to improve health in Uganda and Kenya.

In his day job, venture capitalist Vinod Khosla invests largely in companies focused on the U.S. market. He has created a separate fund, Khosla Impact, to invest in companies meeting base-of-the-pyramid challenges in India and other emerging markets.

DEVELOPED ECONOMIES

In developed economies, impact investing opportunities abound across the full range of sectors we describe in Chapter 5, such as sustainability and education. Some focus on "Emerging Markets" within the U.S. The approximately 50 million people in this country with income below the poverty line represent a sizeable market for fresh food, fair financial services, preventive health care and other products.

GEOGRAPHIC DIVERSITY ACROSS YOUR PORTFOLIO

For investors who prefer to invest close to home, the California FreshWorks fund finances grocery stores in underserved communities throughout the state. Another example is that of Greyston Bakery, which targets its jobs and services to low-income neighborhoods in Yonkers, NY.

Interestingly, in some sectors like microfinance, "developing" markets are ahead of the "developed" economies.

CHAPTER

08

IMPACT FUNDS AND DIRECT INVESTING

"ALWAYS DO RIGHT. THIS WILL GRATIFY SOME PEOPLE AND ASTONISH THE REST."

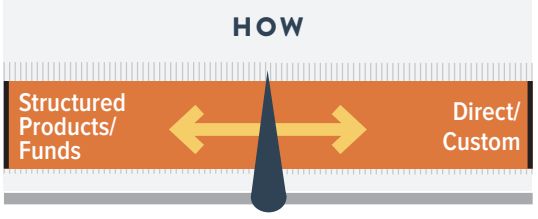
– MARK TWAIN

Like most investing decisions—whether at a large institutional investor or a small family office—there is a fundamental choice between investing into a structured product with a manager (i.e., a fund) or investing directly into deals and companies. The same options exist for impact investing.

The usual pros/cons of the two approaches apply. For some investors there are clear advantages of a structured, pooled investment product like a fund. There is upfront work to evaluate the product and the manager, but lower levels of effort for monitoring. Fund investing generates portfolio diversification within a specific investment strategy. There are additional fees to pay to the manager. Our profiles on ImpactAlpha include examples of funds for accredited and retail investors.

Investing directly avoids those fees, but requires more bandwidth. It also permits the potential for closer involvement with the enterprise. The Cordes Foundation, co-chaired by well-known impact investor Ron Cordes, has taken a combined approach—it currently invests 40 percent of its endowment assets in a balance of companies and

INVESTING YOUR PORTFOLIO



funds that generate social and environmental benefits in addition to financial returns.

Not surprisingly, fund vehicles exist across the spectrum and can provide opportunities within the different asset classes. ImpactAssets has a directory of funds that maps to the matrix, and one differentiated by geography. The GIIN has a database of funds called ImpactBase. There are a limited number of fund vehicles also accessible there as well.

In addition, there are a number of consultants and advisors who can help investors select funds or do direct deals.

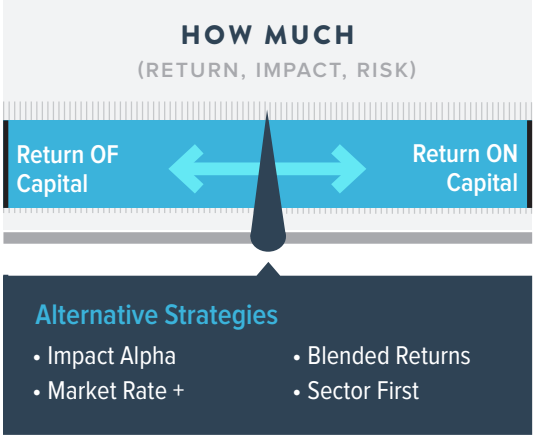
CHAPTER

09

CHOOSE YOUR RISKS – AND RETURNS

It's a basic principle of investing that investors balance risks and potential returns in order to maximize risk-adjusted returns. Impact investing adds the additional variable of social impact, requiring investors to think along three dimensions.

A RANGE OF FINANCIAL RETURNS FOR IMPACT INVESTMENTS



Getting your arms around all three variables simultaneously is challenging. As the impact investor, you must answer critical questions on how much financial return you expect, how much social impact you seek and how much risk you will accept in the pursuit of financial and social return.

For a time, some experts differentiated between "impact-first" and "finance-first" investors. We think this is too limiting—a 2D framing of a 3D problem. While waiting for someone smarter than us to perfect a 3D vision, we have found it most helpful to look at how other investors have actually struck a balance. Certain profiles and strategies emerge:

- **Blended strategies.** Some investors are willing to take lower financial returns, or perhaps higher risks for an expected return, in order to have impact. They consider the "blended" social and financial return. As one investor put it, the "sacrificed" return is equivalent to philanthropy, raising the question of whether you get more impact "bang for your buck" with an investing approach or with pure philanthropy. Another way to put it is that delivering good financial returns along with impact may mean more risk, or at least more patience or more hands-on involvement and support, which may or may not be compensated.
- **Market rate, with impact.** These investors look at these investments like any other, with the expectation of market rate return, but then filter for social impact as well. Ironwood Capital, for example, is a mezzanine fund that invests more than 50 percent of its fund in women- or minority-owned companies or in companies located in low to moderate income areas.

- **Sector-focused.** The Omidyar Network has articulated a compelling strategy of how sector-based investing can be very impactful in "priming the pump" for market-based solutions. Early investments in a targeted sector may yield dramatic innovations that provide benefits to the sector as a whole, rather than the return accruing to one specific company. They are making the early investments in the sector innovators that ultimately may yield market rate opportunities.
- **Impact alpha.** A growing number of investors are making the case that "impact" may represent a fundamental insight that the rest of the market doesn't yet fully value, raising the possibility of market beating returns. These investors reject the tradeoff between social impact and financial return—rather than seeing returns or impact they see returns from impact. They target investments with sustainable business models with intrinsic focus on a product or service that delivers social impact. If the businesses succeed they can deliver financial and social returns at scale. Equilibrium Capital is an example of a fund pursuing this strategy in the real assets space.

Other strategies clearly exist, and we welcome input on them.

"THE BIGGEST RISK IS NOT TAKING ANY RISK."

– MARK ZUCKERBERG

SPOTLIGHT

PROGRESO FINANCIERO

Description: Progreso Financiero—a CDFI fund—provides credit-building, affordable loans that enable the Hispanic community to build a better future. Progreso has provided more than $1 billion in loans and aims to bring responsible credit access and savings to a million customers by the end of 2016.

Notable Investors: Greylock Partners, Core Innovation Capital

Impact Geographies: USA

Social Impact Objectives: Access to Financial Services, Community Development, Equality and Empowerment

Data provided by ImpactSpace

CHAPTER 10

SOCIAL RETURNS: MEASURING IMPACT

"THERE'S SOMETHING HAPPENING HERE... WHAT IT IS AIN'T EXACTLY CLEAR."

– BUFFALO SPRINGFIELD

We all know how to measure one bottom line—but how do you measure and account for the second and third ones?

Generally Accepted Accounting Principles (GAAP) have evolved over the last 70 years or so. Given the newness of impact investing, we can't expect generally accepted impact measurement overnight.

We must address a few core principles. First, understand the type of outcome you are looking to achieve with your investment. In "When Can Impact Investing Create Real Impact," Paul Brest, the former president of the Hewlett Foundation and now a professor at Stanford University, and co-author Kelly Born, differentiate between the impact of the product itself and the impact of a company's operations.

- **Product impact** is the impact of the goods and services produced by the enterprise (such as providing anti-malaria bed nets or clean water).
- **Operational impact** is the impact of the enterprise's management practices on its employees' health and economic security, its effect on jobs or other aspects of the well-being of the community in which it operates, or the environmental effects of its supply chain and operations.

Second, focus on outcomes rather than outputs. For instance, Living Goods sets a specific goal: a 15 percent reduction in deaths of children under five in the communities it serves, compared to similar areas where it does not work. Intermediate outputs are the number of bed nets and malarial medicine it sells.

Some social enterprises focus on both product impact and operational impact; others focus on one or the other. As an investor, you should decide what's important to you.

PATHS TO ACHIEVING IMPACT

PROCESS	PRODUCT/BUSINESS MODEL
Are you running a business in a way that has a positive impact on your: • People/Hiring (e.g., % at living wage, diversity of team) • Environment • Community ***(consistent across sectors)***	**Does your product or service have a positive impact?** Examples: • CDFI – # of affordable housing units created • Number of anti-malarial bed nets distributed ***(unique to sector/company)***

Finally, don't let the perfect be the enemy of the good. Even in social services supported by philanthropy and government, not all areas have developed effective outcomes measurement. In others, good definitions and measurement metrics are available, an example of which is in the definition of low- and moderate-income areas served by community development finance institutions.

For impact investing, we need both a "top-down" and a "bottom-up" approach. One example of a top-down approach is when multiple players in specific sectors agree on standards for increased income for smallholder farmers. In other areas, a bottom-up approach will work, in which individual enterprises define their own impact goals and measure and report their results. Over time, broader sector norms will evolve.

SPOTLIGHT

LIVING GOODS

Description: Living Goods is a social enterprise that empowers microentrepreneurs to educate households on improving health and to sell essential and affordable healthcare, clean energy and clean water products to low-income consumers.

Notable Investors: Mulago Foundation, Pershing Square Foundation, Barr Foundation

Impact Geographies: Africa, Americas

Social Impact Objectives: Community Development, Employment Generation, Health Improvement

Data provided by ImpactSpace

Photo credit: Living Goods

CHAPTER

11

FINANCIAL RETURNS: TRACKING PERFORMANCE

How do impact investments perform on financial terms relative to other investments? Many investors assume they will make a lower return relative to risk-adjusted market rate returns and want to know how much. Others focus on risk and are demanding downside protection for the preservation of their capital.

Given that returns will vary by sector, geography, asset class and indeed the execution by entrepreneurs and fund managers, it may be a fool's errand to try to assess returns from impact investing as a whole. Moreover, there is no central source of data for impact investments, many of which are private. Our guess is that in some sector/asset class combinations, returns will compare favorably with "market" rates. In some cases they may be below market.

PUBLIC EQUITIES VS. PRIVATE MARKETS

In the public equities markets, there has been a significant amount of research on socially responsible investing, across a wide variety of strategies, including both positive and negative screens. According to UBS, which undertook a comprehensive review of the research, the overall message is very clear—social investing strategies perform pretty closely to the market as a whole.

There is less data and research on private markets, but we have gotten some glimpses. Individual investors such as the Kellogg Foundation and the KL Felicitas Foundation have shed some light on their investments, publishing data on at least a portion of their returns.

KL Felicitas moved from a two percent allocation to impact investments in 2006 to more than 85 percent by 2012. A report last year that covered just over half of the foundation's holdings—in cash, fixed-income, public equities and hedge funds—concluded "impact investments can compete with, and at times outperform, traditional asset class strategies while pursuing meaningful and measurable social and environmental results." (The report did not include results from KL Felicitas' investments in private equity, real assets or so-called "impact first" investments made as Program-Related Investments in the foundation's grant portfolio.)

"GET YOUR FACTS FIRST, AND THEN YOU CAN DISTORT THEM AS YOU PLEASE."

– MARK TWAIN

NEW DATA ON FINANCIAL RETURNS

Some individual funds have performed well relative to benchmarks, according to the Impact Investing 2.0 report from the Center for the Advancement of Social Entrepreneurship at Duke University, Pacific Community Ventures and ImpactAssets.

- Elevar Equity, for example, in San Francisco, CA, and Bangalore, India, reported a 21 percent internal rate of return (IRR) for its $24 million Unitus Equity Fund, though much of that came from the controversial IPO of SKS Microfinance in India.
- Huntington Capital Fund II, in San Diego, CA, a growth capital or mezzanine fund, reported a 13.8 percent net IRR on its investments in small and medium businesses in underserved areas of the western U.S.
- The $9.4 million Aavishkaar India Micro Venture Capital Fund in Mumbai, India, said it achieved a 13 percent IRR net of fees and had six exits and three write-offs.

Some industry-level research exists. For instance, Cambridge Associates has done a comprehensive study on the returns to clean tech investing from 2000 to 2012. Not surprisingly, given the bursting of the clean tech bubble, returns slightly underperformed relative to the venture market as a whole, with gross IRRs of 6.5 percent over the period. There is also significant variation within the data: later stage deals outperformed versus early stage deals (11.3 vs. 1.5 percent); U.S. clean tech investing underperformed relative to clean tech outside of the U.S. (4.7 vs. 19.2 percent).

IMPACT INVESTMENTS MEETING EXPECTATIONS

An important benchmark may be how actual returns are performing relative to the expectations of investors or fund managers themselves. Research released by J.P. Morgan and GIIN in early 2013 suggested that organizations investing at significant dollar levels are "satisfied" with their financial returns—an important statement on the impact investing sector's ability to deliver results at scale.

The research tracked the progress of close to 100 investors (public and private), who in aggregate manage over $35 billion of impact investments, two-thirds of whom were pursuing market rate returns. Of those surveyed, 68 percent said their investments were "meeting their expectations" for both social and financial returns; another 21 percent said their investments were "outperforming." The majority of investors reported they had at least one "home run"—an investment that significantly outperformed expectations while delivering the intended impact.

SPOTLIGHT

BEARTOOTH CAPITAL

Description: Beartooth Capital, a B Corp, believes that conservation adds value for investors as well as for ecosystems, and it is dedicated to the restoration, enhancement and protection of more than 25,000 acres of land in the American West.

Impact Geographies: USA

Social Impact Objectives: Community Development, Sustainable Land Use, Natural Resources Conservation

Data provided by ImpactSpace

Photo credit: Turner & Fitch

CHAPTER

12

MOVING FORWARD

Many important conversations continue in the impact investing sector. For example, a debate has broken out about "additionality," that is, whether the same impact would have been achieved even without the presence of an impact investor(s). We have a simple position: If additionality is important to an individual investor, then he/she should factor it into their investment criteria. If not, that's fine.

Indeed, while these conversations are important, our bias is to be more action-oriented in this emerging industry.

We favor a broad tent in which individual entrepreneurs and investors focus on the segments and areas that they care about and try to attract others to their causes. We favor an entrepreneurial approach in which we learn by doing, iterating and evolving—both as investors and as an industry as a whole. We favor a commitment to sharing lessons learned—the good, the bad and the ugly—with like-minded investors to accelerate that evolution.

WE KNOW WE ALL WANT TO MAKE MORE MONEY. BUT TOGETHER, WE CAN MAKE MONEY MORE... MORE IMPACTFUL, MORE PURPOSEFUL AND MORE POWERFUL IN DRIVING SOCIAL CHANGE AROUND THE WORLD.

"IN THEORY, THERE'S NO DIFFERENCE BETWEEN THEORY AND PRACTICE. IN PRACTICE THERE IS."

– YOGI BERRA

APPENDIX

RESOURCES

For complete list of resources, visit: shortguide.org

BOOKS

The Impact Investor: Lessons in Leadership and Strategy for Collaborative Capitalism
October 13, 2014
Cathy Clark, Jed Emerson, and Ben Thornley
Jossey-Bass

New Frontiers of Philanthropy: A Guide to the New Tools and New Actors that are Reshaping Global Philanthropy and Social Investing
July 25, 2014
Lester M. Salamon, Ed.
Oxford University Press

The Power of Impact Investing: Putting Markets to Work for Profit and Global Good
May 6, 2014
Judith Rodin and Margaret Brandenburg
Wharton Digital Press

Impact Investing: Transforming How We Make Money While Making a Difference
September 2011
Antony Bugg-Levine and Jed Emerson
Jossey-Bass

Guide to Impact Investing For Family Offices and High Net Worth Individuals: Managing Wealth for Impact and Profit
Dr. Julia Balandina-Jaqiuer, CFA

REPORTS AND GUIDES

Private Capital, Public Good
June 2014
US National Advisory Board on Impact Investing

Spotlight on the Market: The Impact Investor Survey
May 1, 2014
Yasemin Saltuk, Ali El Idrissi, Amit Bouri, Abhilash Mudaliar and Hannah Schiff
JP Morgan and Global Impact Investing Network

Impact Investing 2.0: The Way Forward – Insight from 12 Outstanding Funds
November 2013
Cathy Clark, Jed Emerson and Ben Thornley
Pacific Community Ventures, Inc., ImpactAssets and Duke University's Fuqua School of Business

Evolution of an Impact Portfolio: From Investment to Results
October 2013
Justin Lai, Will Morgan, Joshua Newman and Raúl Pomares
Sonen Capital Press and KL Felicitas Foundation

From the Margins to the Mainstream–Assessment of the Impact Investment Sector and Opportunities to Engage Mainstream Investors
September 2013
Michael Drexler and Abigail Noble
World Economic Forum and Deloitte Touche Tohmatsu

Community Foundation Field Guide to Impact Investing: Reflections from the Field and Resources for Moving Forward
September 2013
Mission Investors Exchange

GLOSSARY

ABSOLUTE RETURNS
An absolute returns strategy is one by which a fund invests across a range of different instruments and asset classes in order to hit a specific targeted return.

ADDITIONALITY
Additionality is a term that refers to the additional impact that was achieved by the presence of an impact investor. It prompts the question of whether the same impact would have been achieved even without the presence of an impact investor.

ALPHA AND BETA
Alpha and Beta are both used by investors to determine the risk-reward profile of an investment. Alpha is the return on an investment that is in excess of the compensation for the risk borne by making that investment. Alpha is commonly referred to as the value that a portfolio manager adds beyond a fund's risk/reward profile. Beta is a measure of volatility or risk of an investment or portfolio of investments in comparison to the market as a whole.

BENEFIT CORPORATIONS
A benefit corporation is a class of corporation that voluntarily meets higher standards of corporate purpose, accountability and transparency. The nonprofit B Lab certifies some benefit corporations; a corporation certified by B Lab is called a "B Corp."

BLENDED VALUE
Blended value is a framework that evaluates a business or nonprofit based on the ability to generate financial, social and environmental value. Blended value is sometimes used interchangeably with the terms "triple bottom line" and "social enterprise."

CAPITAL STRUCTURE
The capital structure refers to the composition of funds that a firm uses to finance its operations and growth.

CORPORATE SOCIAL RESPONSIBILITY
Corporate Social Responsibility (CSR) is the commitment by business to behave ethically and contribute to economic development while improving the quality of life of its workforce and their families, as well as of the local community and society at large.

DOUBLE BOTTOM LINE
Double bottom line investments deliver both risk-adjusted market rate financial returns in addition to positive social and/or environmental impact.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)
ESG stands for "environmental, social and governance." It is a set of standards for a company's operations that socially conscious investors use to screen investments.

FIXED INCOME

Fixed income is a type of investing or budgeting style for which returns or period income is received at regular intervals and at predictable levels. The most common type of fixed income security is the bond.

IMPACT INVESTING

Impact investing refers to investments made into companies, organizations and funds with the intention to generate measurable social and environmental impact alongside a financial return.

MICROFINANCE

Microfinance refers to a variety of financial services—including loans, insurance and savings products—that target low-income clients.

NEGATIVE SCREEN

A negative screen eliminates from an investment portfolio companies that partake in practices generally deemed detrimental to society, such as arms or cigarette production.

PRIVATE EQUITY

Private equity consists of investors and funds that make investments directly into private companies or conduct buyouts of public companies that result in a delisting of public equity. The majority of private equity consists of institutional investors and accredited investors who can commit large sums of money for long periods of time.

PUBLIC EQUITY

Public equity is an asset class where individuals or organizations can buy ownership in shares or stock of a company through a public market, such as the New York Stock Exchange.

REAL ASSETS

Real assets are physical or tangible assets like land, gold or oil. They have intrinsic value due to their utility.

RISK-ADJUSTED RETURNS

A concept that refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating. Risk-adjusted returns are applied to individual securities and investment funds and portfolios.

SOCIALLY RESPONSIBLE INVESTING (SRI)

Socially responsible investing (SRI)—also known as sustainable, socially conscious, "green" or ethical investing—is any investment strategy which seeks to consider both financial return and social good. In general, socially responsible investors encourage corporate practices that promote environmental stewardship, consumer protection, human rights and diversity.

TRIPLE BOTTOM LINE

Triple bottom line investments deliver financial, social and environmental returns.

VENTURE PHILANTHROPY

Venture philanthropy works to build support nonprofits by providing them with both financial and non-financial support in order to increase their impact.

SEPTEMBER 2014

CaseFoundation.org

Case Study 4

Race, Gatekeepers, and Social Capital

Chapter 1

Race, Social Relations, and the Study of Social Capital

Lisa García Bedolla

Few social scientists ever generate the attention or controversy that Robert Putnam has since he first made his social capital argument in 1993.[1] In *Making Democracy Work*, Putnam argued that political differences between northern and southern Italy could be explained by differences in political culture, particularly social capital, between the two regions. In recent work, Putnam applies this social capital model to the United States; he argues that declines in social capital go a long way toward explaining increasing voter apathy and decreasing civic engagement among Americans. This article raised a stream of controversy and political debate, much of which Putnam responded to with his book, *Bowling Alone*.[2] While Putnam addresses his critics in this work, the central argument remains the same: since the mid-1960s political trust, social connectedness, and civic activity has declined precipitously in the United States, and that the root explanation for this decline lies in the generational differences between Americans born after World War II and those born before.

There have been many criticisms of Putnam's argument, the bulk of which we will not get into here.[3] Yet, even these critics still, to a large extent, use Putnam's model as their point of departure. For that reason, it is useful to consider Putnam's work on its own terms. In so doing, we make two assumptions. First, that Putnam is correct: that social capital as a whole is declining in the United States. Second, that the social capital model is useful: that increasing community-level social capital may

serve as a way to increase people's civic engagement and counteract the negative effects of low socioeconomic status. The latter could be especially useful when considering the civic engagement of members of marginal groups.

So the question becomes: if we accept these two factors, is there any way to improve Putnam's model? We argue that there is. Our basic argument is that Putnam's individual-level focus ignores the role social relations play in the structure and function of social capital in the United States. How Putnam addresses the role of race, in particular, highlights the larger theoretical problem underlying his analysis.

What do we mean by social relations? Emirbayer defines the study of social relations as *analysis that focuses on trans-action versus inter-action.* He argues that in a relational analysis, "the very terms or units involved . . . derive their meaning, significance, and identity from (changing) functional roles they play within that transaction."[4] As a result, he says, "things" can only exist in relation to one another and can never be treated as "given" in isolation."[5] Thus, "individual persons . . . are inseparable from the transactional contexts within which they are embedded."[6] Emirbayer goes on to argue that one of the problems with standard statistical models in social science is that they assume that independent variables remain fixed and unchanging as they "bounce" off one another.[7] In these models it is assumed that the independent variables "act upon" the dependent variables but that none of the factors are actually changed or affected by that interaction. More importantly, the larger sociohistorical context within which the entire interaction is embedded is often not present or accounted for in such models. While these limitations are a problem for all social science research, they are especially problematic within the context of studies of social capital, and their effects are most visible when considering the issue of race.

Race, Social Relations, and Social Capital

Putnam defines social capital as "features of social life—networks, norms, and trust—that enable participants to act together more effectively to pursue shared objectives."[8] He emphasizes the connected aspect of social capital, that it refers to "social connections and the attendant norms and trust" and therefore is about our "relations with one another" and people's "connections with the life of their communities."[9] His argument presumes that "the more we connect with other people, the more we trust them, and vice versa."[10] So, for Putnam, what matters are those activities that lead people to develop deeper and more meaningful relations with one

another. That, then, serves as the foundation for other kinds of political activity and/or membership.

It is this relational aspect of social capital that deserves further scrutiny in how it relates to issues of race. Many scholars have criticized Putnam for his lack of focus on race. According to McClain, "most analyses of social capital do not confront the conditions or contingencies associated with race . . . and do not recognize that what might be positively related to social capital for Whites may in fact be negatively related for blacks."[11] Similarly, Portney and Berry contend that "the debate about social capital and civic engagement largely concentrates on White, middle-class America."[12] Hero also argues, "social capital studies . . . focus almost entirely on aggregate outcomes and absolute gains."[13] As such, Hero challenges Putnam's measures of social capital in that neither the social capital index nor the civic equality index are "disaggregated according to race."[14]

In response to these criticisms, Putnam acknowledges "the decline in social connectedness began just after the successes of the civil rights revolution of the 1960s."[15] He believes this may be due to "a kind of sociological 'White flight,' as legal desegregation of civic life led Whites to withdraw from community associations."[16] However, he does not believe that race is an issue in social capital because "the erosion of social capital . . . has affected all races." In fact, during the 1980s the downturns in both joining and trusting were even greater among African Americans (and other racial minorities). So, for Putnam, race is only an issue insofar as Whites leave newly integrated community associations and where there are appreciable differences in social capital among the races. Since Whites are not the only group with decreasing social capital, he does not believe that racial issues are a significant part of this story.

This formulation, like that of most political scientists looking at race, treats race as an independent variable. In other words, it questions whether or not individuals who identify themselves as members of a particular race behave in ways that are different from those who identify themselves as being of another race. Race here serves only as a descriptor for a particular group of people. As Emirbayer cautions, the actual dynamics attached to the race descriptor are located outside the model. As a result, the social connectedness and attitudes that likely relate directly to racial identification are not present in the analysis.[17] What Putnam is measuring is the effect of race as a biological category, rather than as a social one. For Putnam, since the decline he is measuring is present among Whites and racialized groups, then race in and of itself is not an explanatory factor.

But what if we see the construction of race and of American social and political institutions as fundamentally racialized? Smith points out that "American racial identities have gained much of their practical reality from their institutionalization by political elites in laws, public policies, and governmental programs."[18] In addition, Smith also tells us that, historically, U.S. citizenship in particular has been defined in ascriptive terms, terms that through most of our history excluded women and people of color. He goes on to say that many Americans "defined their core political identities in terms of their race, gender, religion, ethnicity, and culture" and "warred passionately . . . against every force and faction that threatened to give the U.S. citizenry a different cast."[19] Smith calls his work a "basic reinterpretation of American political culture," one that places race at the center of American identity and civic life.

This ascriptive understanding of who was an American has had important social, political, and economic repercussions. Our housing markets, driven by the Federal Housing Authority (FHA), routinely discriminated against African American and Latino buyers, encouraging racial segregation and ensuring that new suburban developments were almost universally middle class and White.[20] Our schools, north and south, were segregated by race. Higher education and professional employment were largely closed to people of color. And many of the civic organizations Putnam mentions—the Kiwanis, the Rotary Club, and others—banned the participation of both women and people of color. If social capital is about building relationships within communities, these racially-biased programs have had an important effect on what communities looked like and who (racially) was allowed to live in them. It makes intuitive sense, then, that race and race policies are intimately related to the creation and maintenance of community-level social capital in the United States.

However, we do not have to rely on intuition to say that this is true. Sociologists looking at social networks have found that, even in the present day, American social networks are highly homogenous.[21] This is true in terms of race and political ideology.[22] In a national probability sample in the 1980s, Marsden finds that only eight percent of Americans report having significant primary-level interactions with individuals of another race.[23] This was reported, of course, during a period of integration. So what can reports of social homophily tell us? Mainly, that race is still an important factor for people in determining with whom they can feel comfortable and with whom they want to spend time. It seems logical, then, that race would affect a person's feelings of attachment to his or her community and the ways he or she might want to act upon that attachment. In other words, racial customs and attitudes are intimately related

to the development of social connections that Putnam sees as crucial to the creation and maintenance of social capital.

If we believe that race still plays this role in American society, what would our causal story look like in order to explain the declines Putnam reports? One option is to imagine that the end of segregation, and the resulting upheaval, in fact made social capital more difficult to create and maintain within communities. This should not in any way be seen as an argument in support of segregation. What I am saying is that the social, political, legal, and economic shifts that came out of the civil rights movement constituted a far more significant challenge to "traditional" American civic life than is generally acknowledged in the social capital literature. Put another way, for the first time in American history Whites were faced with the possibility of living next to, working with, and attending school with people of other races. Studies of hate crimes and evolving White racial attitudes suggest that desegregation represented a significant change in how politics and American society were organized, a change that often caused hostility and feelings of dislocation on the part of Whites.[24] Conversely, racial communities lost feelings of cohesion as middle class members were enabled to leave the segregated community and move into the suburbs. These changes are an important, and largely ignored, part of the social capital story.

The foregoing argument is different from those that criticize Putnam for ignoring the role played by the 1960s social movements in causing changes in social capital. Conceivably, the stock of social capital could have declined due to political and ideological attacks on government programs and policies that provided a basis for social capital.

This is only part of the story, however. The political upheaval of the 1960s likely played an important role, not just because of the role of the New Right, but because the civil rights movement reflected a larger political upheaval that began after World War II. Until World War II, U.S. national identity had been openly based on being White and Christian. Eugenics arguments regarding the effects of the "Teutonic gene" on the capacity for democracy were the subject of Congressional speeches and debate. Many prominent Americans, including Henry Ford, initially supported Adolf Hitler's race project. After the war, however, things changed.[25] Fighting fascism made it more difficult to support similar racial projects at home. The political organizing that began in the late 1940s and 1950s were in fact the beginning of what would become the civil rights movement.[26]

This historical change might be the watershed that explains Putnam's generational story: it may be that Americans born after World War II are

less civically involved because World War II marks a significant shift in the definition of what it means to be an American, and, by extension, part of the American social, economic, and political community. For the first time in U.S. history Whiteness was no longer a prerequisite for inclusion in the fabric of American society. That fabric needed to be rewoven, and it remains unclear how those colors will fit together. The resulting ambiguity regarding what constitutes the American community could be an important reason why Putnam finds such a change in the post-World War II generation. For children born after that period, the definition of "peoplehood" could no longer be, for the first time, an openly racial one.[27]

Recognizing the racialized nature of American "peoplehood" also provides important insights into American associational membership and collective activity. Social capital theorists like Putnam insufficiently analyze the meaning and motivation behind associational membership. This point is related to the general criticism that Putnam does not differentiate among organizations.[28] However, I believe it is more important to consider what collective activity means in the first place, particularly in relation to American civic identity.

I mention above the important changes in the shape and context of American identity brought about by the social movements of the 1960s. It follows logically that these changes would have had an effect on organizational memberships as well. This is because collective activity requires that the participant have some attachment to, or stake in, that collective entity. Within this context, the nature and function of the collective is not an issue. What is an issue is why individuals choose to act in that collective. Mancur Olsen would argue that collective action is irrational—it is much easier for a person to free ride.[29] However, as Monroe points out, individuals regularly act altruistically.[30] In addition, social movement theorists have shown the importance of what they call mobilizing (collective) identities to participation in those movements.[31] This suggests that a purely instrumental view of collective activity provides only part of the picture.

The other part of the picture is that collective action has two purposes—to work toward some shared objective, and to validate and reinforce the participants' collective identity(ies), however defined.[32] So, associational membership is likely, in and of itself, some sort of expression of the participants' collective identities. Given the prominence of race in U.S. history, it is highly likely that racial self-understanding is an important part of why individuals join organizations. It also helps these individuals determine which organizations to join. This vision of the

underlying meaning of collective organization is absent from the social capital literature.

Toward a Racially Inclusive Theory of Social Capital

I am not arguing that the concept of social capital be thrown out completely. Putnam's work, and that of other social capital theorists, has raised important questions about the role of context and community in civic engagement. This work complements and enhances traditional political science studies of political behavior. If the social capital arguments are true, building community-level social capital may be a way for marginalized communities to circumvent the limitations created by socioeconomic status and to become more politically engaged. What I am calling for is the development of a social capital framework that takes more seriously the role of social relations and the ways that race informs collective social organization in the United States. Such a framework needs to contain three factors: (1) it must incorporate race as constitutive of American social and political life, not simply as an independent variable; (2) it must take context seriously, in terms of community history, current racial inequality, and opportunities for civic engagement; and (3) it must consider the role gatekeepers play in determining the potential connections people can make. I discuss each in turn.

Race as Endogenous Rather than Exogenous

Smith points out the limitations of considering race as an independent variable rather than as an explicitly political creation.[33] The main problem with the independent variable approach is that it makes race exogenous to the model. In other words, whatever movement or change is caused by the race category occurs outside the model. In addition, we must also consider what the race variable (most often measured as a dummy) is actually measuring. All the dummy tells us is that a particular respondent considers themselves part of that racial group. We have no idea what level of identification, or "linked fate," that individual has with the larger group.[34] We also have no idea what kinds of collective experiences and feelings of social or group stigma are attached to that identification, both of which have been found to affect feelings of self-esteem and psychological well-being among members of marginalized groups.[35] At the very least, considering the ways race has permeated American social, political, economic, and legal institutions, we need to

do a better job of incorporating the relational and social aspects of race into our analyses.

To do so, we need to develop better and more multifaceted measures of collective identity. Social psychologists have been trying to develop such a measure, one that does not focus on personal identity (as current political science measures do) but rather on people's feelings of stigma and attachment to their social group(s).[36] One of the main problems with these frameworks is that they often fail to incorporate an individual's attachment to multiple social groups (i.e., race and gender). Ideally, these indices could be adjusted to take that into account. These models are limited in that they still, to some extent, essentialize what are dynamic and fluid identifications; however, getting a better sense of how feelings of "linked fate" affect attitudes and activities, particularly within stigmatized communities, could be an important move toward developing a better understanding of how race continues to affect American collective activity, even in the post-civil rights era.[37] This should also allow us to begin to see how these feelings of stigma and group attachment affect the levels of activity, and kinds of organizations, individuals choose to engage in, thus deepening our understanding of the role that race and social stigma play in social capital development. At the very least, we could improve the way we conceptualize and measure these kinds of questions.

Finally, this new framework would have to take seriously the long-term impact segregation has had on the development of American communities and social networks. Racially, American social networks remain highly homogenous. Martha Menchaca calls this phenomenon "social apartness"—the tendency for *de facto* segregation to exist even after *de jure* segregation ends.[38] As social scientists we need to be aware that this homogeneity within social networks can exist in an ostensibly racially-integrated setting. Given that Putnam's model of social capital directly relates to feelings of social connectedness, it is important to develop measures that explore racial integration within social networks. It is also important to take into consideration the role race plays in levels of social trust and in how people define the community for which they choose to act collectively.

The Role of Context

Most work on social capital in marginal communities focuses on the impact that structural factors have on levels of civic engagement. These structural factors affect the way in which racial communities can and do

participate in social capital-generating organizations. I would suggest that a neighborhood's racial and economic heterogeneity are key factors for deploying and analyzing social capital in marginal communities.

Recent work by Hero indicates that racial context is an important factor when measuring levels of social capital. Hero finds a strong relationship among inequality, heterogeneity, and social capital. Studying Black and White differences, both within states and across states, Hero finds that ratios of civic engagement within states have an inverse relationship with race. He observes that more unequal and racially heterogeneous communities have less social capital, while more homogeneous communities have more. Within states "civic equality (i.e., the ratio of Black to White registration and turnout) is lower in states with high aggregate levels of capital . . . Social capital is associated with lower, not higher, relative civic equality regarding race."[39] Comparing rates across the states, Hero notes that "(h)igher levels of social capital do not go along with high rates of Black voter registration across states . . . *But social capital* is *significantly related to White voter registration rates*"[40] (emphasis added).

The differences Hero finds between Black and White social capital again highlights the importance of race in our understanding of capital. The main point, according to Hero, is that "[s]ocial capital and civic culture are negatively and substantially related to racial and ethnic diversity in the states."[41] So, as I argue, it seems that social capital is easier to develop in racially homogenous communities. Thus, levels of racial homogeneity and inequality need to be part of any social capital model.

In addition, structural factors have been found to have important effects on resources in particular neighborhood contexts. Portney and Berry believe "it is clear that a central issue in determining the public's involvement in community life is how the opportunities to participate are structured."[42] For them, "the participation rates of low socioeconomic status (SES) residents in predominantly African American neighborhoods is almost twice that of low SES residents of low minority population neighborhoods."[43] Conversely, neighborhoods with low minority populations show lower levels of participation in neighborhood associations and lower levels of community.

Similarly, Alex-Assensoh contends "the idea that social capital and civic engagement are primarily the result of individual factors is belied by mounting and convincing evidence, which shows that structural factors affect engagement in civic and political life."[44] Her study measures the impact that community context has on levels of social capital of both Blacks and Whites in five Ohio cities. Focusing on the poverty density and the racial composition of the neighborhoods in question, she finds that

"the neighborhood contexts in which black and white inner-city residents live affect their opportunities to join organizations, interact socially, and participate actively in as well as discuss politics."[45] Interestingly, her study finds that community meeting attendance was actually *higher* in neighborhoods with high levels of poverty for both Blacks and Whites, which suggests "that residence in concentrated poverty neighborhoods can facilitate social capital and civic engagement by spurring citizens to seek political redress for extant inequalities."[46]

So again, structural factors are important but do not always move social capital levels in the expected direction. A social capital model that takes seriously issues of structure and inequality would have to include a variety of contextual issues: racial and economic inequality, poverty rates, homeownership, unemployment, types of employment, level of segregation, and others. It would be especially helpful if such a model could also include some measures of community history, particularly local political organization and/or race relations. While this may seem a tall order, new technologies using geographic mapping programs may make the construction of the "topography" of social capital possible. At the very least, the social capital literature on marginal communities makes it clear that structure matters—collective action does not occur in isolation so we need better ways of measuring that larger social context.

The Role of Gatekeepers

Chávez and Fraga point out the important role gatekeepers play in determining who has access to the kinds of organizations that build social capital, in both majority and minority communities. Enhancing Putnam's model, Chávez and Fraga "suggest that the social capital nexus is distinct for communities of color when compared to the general characterization offered by Putnam. When race and ethnicity are taken into account, we argue that the development of social capital requires that the role of *gatekeepers* be specified" (emphasis in the original).[47] They define gatekeepers as:

> Gatekeepers are comprised of powerholders and their related institutions who largely structure how, for example, frequency of interaction can lead to social trust, how social trust can translate into civic engagement, and especially how civic engagement can translate into social capital.[48]

In their study of Latino attorneys in the state of Washington, they discover "that the levels of social trust and civic engagement among Latino

attorneys are indeed comparable to those of non-Latino attorneys and even surpass mainstream societal levels."[49] Compared to other Latinos, the authors discover "levels of civic engagement and trust [that] are far above those of Latinos generally."[50] In addition to levels of social capital, Chávez and Fraga also note that "these Latino professionals engage in civic activities both in their ethnic communities and in their broader communities."[51] This is clearly an advantageous situation for building social capital. However, the authors conclude that "(d)espite all of their resources, these professionals are still vulnerable to decisions made by important gatekeepers."[52]

Much more work needs to be done that employs the concept of gatekeepers. While the term conjures images of an individual, I would suggest, as Chávez and Fraga do, that it represents a structural factor that promotes activity for some and inhibits activity for others. At what points of access are gatekeepers present? How does race, gender, or class affect when gatekeeping is instituted? What types of social capital implicate the role of gatekeepers? These are all questions that need to be answered and incorporated into our overall understanding of social capital.

Conclusion

I believe that social capital is a very useful and important concept that can help to deepen our understanding of civic engagement in the United States. However, as it is currently formulated Putnam's social capital model underemphasizes what the post-World War II generation represents within the context of American history. Since World War II our nation has moved, for the first time in its history, toward a norm of full social, economic, and political inclusion of people of color and women. I argue that this constitutes a significant break in American political culture, one that we as a society have yet to mend. This break is the result of the difficulty for Americans, particularly White Americans, to define their political community without using the trope of race. I contend that race and racial identity(ies) are constitutive of the structure and function of social capital in the United States.

This enhancement of the social capital model is important because few social science theories have garnered the attention, in both academic and popular consciousness, as has Robert Putnam's theory of social capital. Many large foundations have added social capital and civic engagement programs to their funding priorities. Putnam himself has received large grants to continue his social capital work. If Putnam is correct—that we have a crisis of social capital in the United States—then it is crucial that

we accurately identify the causal mechanisms driving that problem. I believe that the current formulation of the problem, with its lack of attention to social relations in general and the central role race plays in the structure and function of social capital, makes it unlikely that scholars will arrive at the appropriate solution. This would constitute a missed opportunity for us all.

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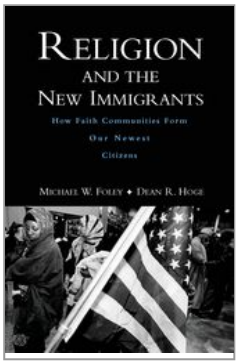
Case Study 5

Religion and the New Immigrants Social Capital, Identity, and Civic Engagement



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Sources of Social Capital

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Abstract and Keywords

Worship communities can be important sources of both bonding and bridging social capital, but not all such communities provide significant levels of material support or economic opportunities, nor do all facilitate the social and civic incorporation of recent immigrants. Worship communities that are primarily houses of worship in organizational culture, such as Hindu temples, some mosques, and some Catholic parishes are least likely to provide bonding social capital for their members. Those that organize themselves more as a family, like many evangelical churches, provide bonding social capital but may do little to encourage civic engagement. Finally, more diverse communities and those with extensive ties to the larger society provide richer opportunities and resources to their members.

Keywords: bonding social capital, bridging social capital, houses of worship, civic incorporation, evangelical churches, civic engagement, resources

Religious institutions can be a prime source of social capital for recent immigrants. They are the primary voluntary institutions in the lives of many immigrants, and they may be the primary locus of face-to-face relationships outside the family. Local worship communities can provide both adults and youth with extended social networks that offer psychological support, trust, and acceptance (reinforcing such networks), and access to educational and job opportunities and other sources of material resources. They may help connect immigrants to social services, legal assistance, and community organizations of

all sorts. They may also help integrate them into larger networks, with whatever access to opportunities and resources these might provide. Religious solidarity and identity can serve to strengthen bonds among participants, and the authority of religious leaders can help draw them into contact with the larger community through volunteer service and other acts of citizenship.[1]

The notion of social capital, as we saw, has been diversely defined and applied. For our purposes, social capital is best seen as access to resources thanks to regular networks and interactions. Not all social capital is equally valuable. People may enjoy rich ties with others, but those ties may link them to only modest or poor resources. Nor is social capital necessarily constructive from the point of view of the larger community or the polity. The effects of association for democratic citizenship, as Mark E. Warren has carefully **(p.92)** shown (2001), varies according to the sorts of association and the circumstances in which they operate. Our first task will be to try to discern to what degree participants in these various worship communities possess social capital of any kind. This depends upon two factors: first, to what extent does participation in a worship community produce ties among members, with people beyond the immediate community, or both? Second, how valuable are the resources to which the networks it engenders or embodies give access? For example, we should ask: Is this the sort of congregation depicted by Nancy Ammerman (1997), where sociality is as important as spiritual uplift? Or do participants come and go without much contact among themselves or with the institution as a whole, intent primarily on the act of worship or prayer? But we will also want to know whether members are uniformly poor, with few links, personal or institutional, to a wider set of resources. Or is the community economically and educationally diverse, featuring members who have or can readily gain access to important resources for fellow members? Finally, we should ask: Does the worship community itself maintain linkages with a resource-rich environment? Or do religious leaders have a relatively closed and resource-poor circle of institutional contacts?

In the discussion that follows, accordingly, we will pay particular attention to the sorts of linkages immigrants are likely to encounter within their local worship community, the resources that might accrue from participation in the worship community, and the degree to which the community itself provides both key resources and linkages to resources beyond the community. Each of these is important for assessing the “use value” of whatever social capital might be available in a given community: if the resources at the disposal of community members are poor, the community's social capital will be poor, no matter how intensive the social bonds among members. If the community itself provides extensive services, it will be relatively rich in social capital, even if social bonds are weak. And if immigrants can make connections to people and resources beyond the community thanks to their participation, they will enjoy relatively

rich social capital, whether or not they enjoy tight bonds with many people within the community.

Tight, Lite, and Missing Social Networks

Social capital starts with social networks, and it is widely assumed that worship communities are apt at providing members with valuable social ties. Indeed, in the growing literature on religion in the lives of immigrants, it is often taken for granted that immigrants turn to religious institutions for **(p.93)** fellowship. But to what extent do local worship communities actually provide such fellowship?

Fellowship is more likely in smaller worship communities or in communities in which people have opportunities to participate in small, face-to-face gatherings. In chapter 2, we noted differences across religious traditions and ethnic groups in the size of worship communities. Even the larger congregations, however, may be broken down into smaller, more intimate groups that provide opportunities for building social networks and bonding social capital. Our survey of religious leaders asked whether the worship community has “cell groups, devotional groups, or other faith-sharing groups that meet regularly.” Respondents from Catholic, Protestant, and Hindu communities overwhelmingly replied in the affirmative. But the percentage of adult members who took part in such groups was quite low among Catholic, Hindu, and Muslim worship communities, where most communities reported that fewer than 25 percent of their members participated (table 3.1). Christian churches have more such groups than Indian worship communities, either Hindu or Sikh, or mosques. And among Christian churches, Protestant churches of whatever nationality have a higher percentage of participation than Catholic parishes—an average of 47 percent, compared with 26 percent. Only 2 out of 12 Catholic parishes reported more than 50 percent participation in such groups.

The Protestant congregations often involved a high percentage of members in smaller Bible study or prayer groups. This was particularly true among Korean congregations, where it is very common for the community to be broken into “cell groups” according to age, family circumstances, or profession. In many Korean churches, virtually all members are incorporated into such cells,

Table 3.1. Interaction and Social Networks in Worship Communities of Five Religious Traditions (Percentage of Communities)

	Catholic	Protestant	Muslim	Hindu	Sikh
Number of cases	22	150	14	9	4
Congregation has cell groups, devotional groups, or other faith-sharing groups that meet regularly	100	91	14	78	25
(If yes:) Average percent of regular adult participants who take part in them regularly	26	47	17	25	[a]
Average number of groups, meetings, classes, and events for special purposes that took place in the last year	4.5	7.6	7.6	4.8	8.5

[a] Too few cases to analyze

(p.94) which meet weekly or biweekly in a member's home for Bible study, prayer, discussion, and a Korean meal. The practice is also quite common among Chinese Protestant congregations. Most of the African churches, by contrast, had rates of participation of less than 30 percent (see table 3.2).

Besides groups created for expressly religious purposes, many worship communities have other sorts of regular group meetings. We asked respondents whether any groups, meetings, or classes focused on one or another of a number of purposes had taken place within the past 12 months. Answers varied from none to 19 different sorts of groups, from gatherings to clean the building to job training classes and political discussion groups. While we have no indication of how frequently any of these groups met, the number mentioned gives us a rough measure of opportunities for face-to-face engagement in the life of the community. Virtually all worship communities had at least one program; but Sikh congregations, Protestant churches, and mosques had the most. Catholic parishes had the fewest, averaging 4.5 such activities, while Hindu communities averaged 4.8.

The degree to which local worship communities provide bonding social capital thus appears to vary widely among communities. It also varies systematically, with Korean Protestant churches much more likely than other worship communities to do so. Catholic parishes, mosques, and Hindu temples are considerably less likely to foster the development of bonding social capital. Thanks to their larger size, these worship communities do provide periodic opportunities for lay people to gather for classes, lectures, discussion, or special projects that can help people get to know one another and, at times, people from outside the community. But these bodies also have many members who simply come and go, with little formal contact with the institution and little opportunity or incentive to build networks within the context of the worship community.

Table 3.2. Interaction and Social Networks in Congregations by National Origin

	African	Chinese	Indian	Korean	Salvadoran
Number of cases	39	15	13	65	54
Congregation has cell groups, devotional groups, or other faith-sharing groups that meet regularly (percent of worship communities)	92	80	62	94	94
(If yes:) Average percent of regular adult participants who take part in them regularly	28	48	29	51	45
Average number of groups, meetings, classes, and events for special purposes that took place in the last year	9.3	7.7	5.9	7.3	7.9

(p.95) How do we explain these differences? Both larger size and the general lack of attention to providing settings for sociability stem from the organizational culture of Catholic, Muslim, and Hindu worship communities as mainly “houses of worship.” Though individual mosques, parishes, or temples may assume a different organizational culture, the general structure of the worship community in these traditions is oriented toward providing a place of worship first and foremost. In all three traditions, “membership” is a slippery term. For Catholics, it has been traditionally determined by geography: one is expected to worship in the parish in which one lives. The doors, nevertheless, are open to all comers, and no norms, informal or formal, prevent a perfect stranger from attending a Catholic mass and taking Communion.[2] Nor does the stranger feel any compulsion to stay afterward for the social hour, rarely found in Catholic parishes in any case (and sparsely attended when found). Mosques and Hindu temples are similarly open to all, so long as basic protocols are maintained. Leaders of mosques and temples, moreover, found it difficult to answer our questions about membership, because people came and went according to convenience or for specific celebrations. In each tradition, nevertheless, we found important exceptions—worship communities that emphasized community building, provided opportunities for sociability, and maintained multiple programs to draw people more deeply into the life of the community. To understand the ways worship communities provide bonding social capital and explain differences among them, then, we need to look more closely at some examples.

Bonding Social Capital in Korean Churches

The typical Korean Protestant church is quite small and almost exclusively Korean in membership. At the same time, it is an important source of social capital for newcomers. It provides recent immigrants a place for making friends, locating housing and work, purchasing a car, and finding guidance for such mundane but important aspects of making their way in American society as signing up for social security, getting a driver's license, and choosing a school for their children. Many Korean pastors make it a practice to communicate with potential members while they are still in Korea, helping to orient them for the move. The pastor himself might pick a family up at the airport, find an initial place for them to live, and make serious efforts to connect them to the larger Korean community, in some cases finding them jobs. The tie to a church and its pastor is thus a relatively rich instance of social capital for many newcomers.

Newcomers, once a part of a faith community, find that the most important mechanism for building social bonds is the cell group. All the Korean **(p.96)** churches we observed have them. They are formed and supervised by the pastors, who see them as indispensable for spiritual life and church growth. Pastors set up the cell groups according to geography, socioeconomic status, or members' interests. Whatever the criteria, pastors prefer cell groups of similar persons, since groups of this type generate more cohesion and intimacy among

members. In most cases, it is understood that the husband's cell group is that of his wife and family, as well, though special gatherings for young people of the second generation may draw away this cohort.

Most Korean churches have fewer than 100 regular members, but even the bigger churches utilize cell groups to provide the sense of intimacy that the smaller churches enjoy. The Korean Christian Center (a megachurch in suburban Maryland) currently has 72 cell groups, while the University Korean Church and Korean Suburban Presbyterian churches (both small) have four and two, respectively. Approximately 65 percent of the members of these three churches participate in cell groups. The cell groups meet monthly, biweekly, or weekly, varying from church to church. Meetings are usually in a member's home, and all have clearly worked-out programs. At University Korean Church, the cells pursue Bible studies, while the Suburban Presbyterian Church's cells engage in worship and fellowship. The cell groups at the megachurch include both Bible study and fellowship.

Besides Bible study, prayer, and discussion, cell group meetings provide a valuable setting for social interaction. The members talk about traditional Korean dishes, job openings, possibilities for opening new businesses, hobbies, and politics in the United States and Korea. Some groups watch sports events and take outings together. All is not love and acceptance, however, and cell groups occasionally erupt in political arguments. For this reason, cell group leaders are carefully chosen and trained, since they will need to control conflicts, mediate disputes, and follow theological guidelines established by the local church. All Korean pastors are aware of potential divisiveness arising from the cell group system, including challenges to their own authority. In one Korean church, the assistant pastor and the cell group leaders meet frequently and develop a close relationship in an effort to support leaders and head off painful schisms. In spite of the danger of conflict, cell groups are used in most Korean Protestant churches, and many Catholic parishes serving Koreans have adopted them due to their obvious value for leadership training, enhancing spiritual growth, building congregation cohesion, and attracting new members. The practice first developed in Korea and was brought to the United States in the 1970s by pastors concerned that Korean churches had become little more than social clubs.

(p.97) A related phenomenon found in some Korean churches is a system of training programs. The Korean megachurch in our study, for example, has a series of three courses on Bible and doctrine. These courses are recommended but not required. A majority of new members enroll in the first course, but the dropout rate is high, and only about one-tenth finish. Enrollment in the second and third is much lower. Completion of all three is required for candidacy for church deacon, and proven success in serving as church deacon is required for higher church office. The instructors of the courses hope that the new members

form friendship groups, and they encourage this by helping people exchange addresses and phone numbers and by giving members assignments requiring teamwork. Friendships often do form in the courses, and they provide newcomers with long-term ties and support.

When churches grow large enough, they organize other sorts of subgroups—first women's and men's associations, then youth groups and senior members' groups. These groups are mostly gender-specific and age-specific, and their meetings are not unlike cell group meetings. However, they are different in that they collect membership dues, meet less often, and are more decidedly social in character. The activities of these subgroups promote fraternity among members. For example, whenever a member has a special family occasion, he or she invites the subgroup members to the gathering. The number of subgroups in a church depends on church size. The Korean Christian Center has more than 30, while the smaller churches we observed each had two or three.

Korean churches in this country have become social centers more than they were in Korea. In America, the Korean churches provide people of Korean descent with a place for information gathering, fellowship, assistance, social status, preservation of cultural heritage, and personal identity. At the same time, the Korean churches, by sponsoring so many internal activities, may impede their members' cultural assimilation and social incorporation into the wider U.S. society. Nevertheless, as we shall see, the superior resources and economic opportunities that many Koreans enjoy mean that social bonds within these communities yield relatively rich social capital and may provide important bridges to individuals, groups, and resources outside the Korean community.

Social Bonding in the Mosque

Most mosques in the Washington, D.C., area are multinational in membership. As we argued in the preceding chapter, this is at least partly due to the **(p.98)** relatively small national communities among Muslims in the area. Some mosques acquire identities according to the dominant nationality of their participants. For example, Masjid Al-Muslimeen in suburban Virginia consists of mainly newer Arab and Somali immigrants, while the Potomac Islamic Center mosque has a clear majority of Pakistanis, and the Mustafa Center mosque is over 80 percent Afghan. Nevertheless, most are multicultural, and this suggests two possibilities from the point of view of social capital. On the one hand, greater diversity makes possible a more diverse array of ties and resources, as Granovetter's argument (1974) would lead one to expect. On the other hand, we could expect that mosques would tend to develop subcommunities of adherents along national or ethnic lines. In practice, the two possibilities are in tension. A statement by an occasional female attender at the Mustafa Center illustrates the difficulty of being multicultural:

> I like to come to this mosque because it's close to my home and the people are nice, but I usually feel kind of lonely. I guess the younger Afghans who speak English are at school or work, and most of the older women who come don't speak English. The sermon is also done mostly in Farsi, and the English translation afterward doesn't seem as long or detailed. And a lot of the fliers on the walls are in Farsi, so I can't read them. I know there aren't a lot of people here that aren't Afghan, but I wish the activities were more open to everyone.

Even in the more multicultural mosques of the area, people tend to socialize by family and ethnic group, so that interaction across ethnic lines is limited. But in such settings, common language often serves to bridge differences in national origin (as it also does in many Hispanic churches) and provide the basis for bonding among members. Where that language is English, groups may be more encompassing. But Arab-speakers from the Middle East and Urdu-speakers from South Asia are also able to cross national boundaries in their friendship circles. A Syrian woman at Masjid Al-Muslimeen describes her experience this way: “When I came to America, I didn't know anyone, and Masjid Al-Muslimeen was the first mosque I came to. I don't speak very good English, so I felt happy to be around other Arabs who I can speak with. I've made a lot of friends here, and I feel like I'm part of the community now. We go to the Friday night activities and our kids go to the Sunday school classes. We have family dinners and picnics, and we go shopping together.” For those who share widely used languages in the Muslim community, area mosques can provide important sources of bonding social capital.

(p.99) As in some of the Korean worship communities, many mosques organize small groups or courses to provide religious orientation for newcomers. The Potomac Islamic Center recently established a support program for new converts. It gives new members an opportunity to discuss relevant questions, concerns, and ideas, and at the same time it helps integrate members into the programs of the mosque and the wider community. The Islamic training portion of the program highlights the fundamentals of being a Muslim, such as prayer, fasting, giving alms, and making a pilgrimage to Mecca. Each new member is given a mentor of the same gender who is available to discuss any question, social or personal. The program recently opened a book and video library. A young male convert recalls:

> When I first converted to Islam I didn't know many Muslims except for the ones at college. Since they didn't live in my area, it was difficult to get to know other people here. I was too shy to introduce myself to people at Friday prayer and didn't want to come alone to other mosque activities. People were actually pretty nice, but they didn't really make an effort to get to know me. Maybe it was because they assumed I knew other Muslims already. I was so happy when they created this support group. It opened

> the door for me to get to know other converts in my situation. We have similar questions and needs. My mentor was always available for me to talk to and was quick to get any resources I needed. Now I really feel like a member of the community here.

In most mosques, as well, groups are organized for more intimate religious education and practice. At the Potomac Islamic Center, at least three groups that we know of meet outside the mosque. One is a Sufi group (Sufism is a widespread mystical movement in Islam). Another is a conservative women's study group made up of predominantly Syrian women. Another is a group of Arab women who form a rather closed circle for weekly religious study sessions. Besides the express purposes for which these groups are formed, they supply typical supports for their members such as passing on tips regarding job opportunities, professional services, child care groups, play groups, or home schooling.

Mosques sponsor periodic social gatherings such as monthly potlucks, youth programs, and Islamic study circles. These gatherings strengthen bonds among the members, though opportunities for bonding vary for men and women. Since Friday afternoon prayers are obligatory for men but not women in Islamic doctrine, the men see each other more often than the women do. However, there are other activities to attend, such as religious study sessions for **(p.100)** adults, gatherings of parents of Sunday school students, fundraising activities, and special programs to orient newcomers to American society. Through these means, the women often develop stronger social bonds among themselves than do the men.

All four mosques we studied had abundant opportunities for volunteer work. Volunteers were solicited for building maintenance, coordinating and running educational and recreational programs, assisting social service programs, helping new immigrants with legal paperwork, cooking for fundraising, working at fundraising events and holiday celebrations, ushering at special occasions, and helping in the parking lots. Most of the people who volunteer seem to be repeat volunteers from a core group. The bulk of volunteers were women. Here, too, we find rich opportunities for establishing and taking advantage of social ties, though the number of people involved in such activities is necessarily limited. Social capital in most of these activities is strongly gendered, given the separation of the sexes that prevails in the mosques and the greater availability of women for volunteer work in this community. While a few jobs are reserved for men, many are the work of women, who have often played important roles in making the mosque as much a community center as a place of worship.

Hindu Temples: Weak Ties, Strong Institutions

Of the several categories of worship communities in our study, Hindu temples are the weakest in bonding social capital. A principal reason is theological: temples were never envisioned to forge close-knit congregations of members. Indeed, Hindu temples do not have the concept “member” at all, and there are no membership lists. All that exist are mailing lists, to which new names are added without hesitation (including the names of members of our research group). In India, most temples were established by leading families and maintained by donations from followers. They had no constitution or canon law. Furthermore, the Hindu tradition has no concept of congregational worship in the Western sense. Traditionally, worship was done family by family at a time convenient for them to come. Furthermore, there is no Hindu expectation that a believer will “join” a particular temple. The traditional understanding is that all temples are available, and believers may visit multiple temples as they wish. This conception continues more or less unchanged in the immigrant Indian communities in America. Temple-hopping is a normal and approved practice. There is no obligation to be committed to any one temple, and there is no obligation to attend a temple regularly. The most common pattern is that a family will go mainly for festivals.

(p.101) For example, we interviewed a family who hires a priest from one temple for a home ritual celebration (called a *pooja*), visits another about once a month, has gone to a third and fourth for big religious festivals, and sends their grandchildren to something resembling a Sunday school at still another temple. Where they participate and how depends on which temple best meets each particular need.

One informant in a large temple estimated that 20,000 people come in the course of a year, but only about 1,000 to 1,500 arrive weekly. Families usually enter the temple as a group, without speaking to other families. They circle the interior of the temple, pausing at most shrines to pray. A typical family devotion was described by one of our researchers:

> I observed a family's routine one Saturday morning. It is typical. The family included a set of middle-aged parents with their two young children and an elderly man. They entered and took off their shoes, and each washed their feet and hands in the designated area. They walked into the temple, stopping first at the Kartikkeya idol. The elderly man stayed at the front praying by quietly reciting Sanskrit prayers and completing a complex set of gestures, while the woman prostrated herself on the floor. The man and his children walked all the way around the idol, touching each side. Before moving on, the man did a different set of gestures and prayers, then herded his kids to the oil lamp burning in the altar where each family member “brought the light to their eyes” by placing their hands in front of the flame and sweeping the “light” or “blessing” to their eyes. This

> sequence was repeated over and over at each altar—skipping a few. The family did not speak to each other except to scold the children occasionally. They passed a small group of Krishna devotees who chanted in front of his altar. At the Venkateswara altar, the family sat down briefly, along with other devotees who crowded the area, while another family ritual was going on. They waited until the end and then took various forms of blessings distributed by the priests—a liquid that is sipped and then wiped across the hair, a few raisins and nuts, a flame that swept to one's eyes, the brief placing of “God's crown” on their forehead by the priest, and lastly a pinch of color applied to the forehead. The woman bought a $7 ticket for a sponsored ritual from a volunteer, then ushered her family to the Lakshmi altar, where a priest had been summoned to meet them. He recited some prayers in Sanskrit and blessed each family member with the different forms of blessings—as well as the onlookers. The family **(p.102)** then exited the temple, put on their shoes, and went downstairs to buy lunch.

Hindu worship communities in the Washington area are divided increasingly according to adherents' language and region of origin. Within the Indian community, individuals define themselves by state (for example, Gujarat or Mysore), region (North or South), or language. To compound the diversity, the Hindu religion has about 20 major gods, which are partly identified by region, so that some are prominent in the South and others in the North. For a Hindu in America, to be “ecumenical” means to recognize all the major gods. A few Hindu worship communities in the Washington, D.C., area are ecumenical in this way, but not the majority. Most temples are defined by region and devotion to a few gods.

About half of the Hindu temples aspire to be pan-Indian, though, with one exception, they do not attempt to include Jains, Buddhists, Sikhs, or Indian Christians.[3] The biggest temple, which we will call the Dravidi Temple, was described to us as a “nonpolitical Indian-American temple” and “the God mall.” While originally a South Indian temple, it has reached out to North Indians also, and now about one-fourth of the devotees are North Indians. It has an advantage in being located close to a major university and easily reached by the numerous Indians in the area. There is little opportunity for the majority of the devotees to feel like part of a community. It is run assuming the traditional Hindu style of family-based worship, in which families come for devotions to the gods at all times of the day. The temple does not have a weekly congregational gathering, and the large majority of the devotees do not volunteer to help, though a small core of volunteers sit on the board of directors, participate in fundraising, and oversee festivals and other community activities. Opportunities to build social bonds are thus limited to those with a special interest in the life of the temple. The main other avenues for devotees to meet others is by joining special

devotional groups or by taking their children to one of the educational programs.[4]

Another temple, which we will call Temple Parthi, provides an interesting contrast to the majority of Hindu institutions in the area. Temple Parthi draws mainly worshipers from the Indian state of Gujarat. The temple has communal worship three times a day, as well as the family and individual devotions already described. In these worship services, all devotees who are present gather in front of the main altar while the priest performs rituals of devotion. Then hymns are sung, everyone parades around the main idols, and blessings are bestowed by the priest in the form of water thrown over the congregation. On Sunday evening, this temple has its biggest event of the week, a service of **(p.103)** devotional songs sung by 60 to 100 people seated on the floor prior to the regular communal worship. After the service, dozens of people stand in the hallway and outside talking and socializing. The smaller size of the core community, a common ethnic background, and regular Sunday gatherings all promote stronger social ties. This temple is also a major sponsor of Hindutva (Hindu fundamentalist) activism, providing a Sunday school and summer camp to inculcate the youth of the community in a particularly militant form of Hinduism. Stronger social ties here are a direct expression of the politico-theological commitment of the temple.

Hindu ashrams are distinct from temples, in that they embody distinctive spiritual movements whose purpose is to deepen devotion and train lay people and aspiring monks in a particular spiritual discipline. The Hare Krishna movement is the most familiar example in the Western context, but a number of spiritual movements have established ashrams in U.S. cities. Unlike the temples (but resembling the Temple Parthi community in some respects), the ashrams sponsor regular devotions as well as classes for adults, children, and youth. The well-attended Wednesday evening *pooja* at the Ramakrishna Mission, for example, features a largely communal celebration in which a number of lay men and women, as well as aspiring monks, play leadership roles; the whole community participates actively in the singing, and, at the end of the ceremony, the congregation processes around the image of Shiva. Some leave at the end of the service, and a few stop to worship before one or another image, but the majority go the neighboring cafeteria to share a ritual meal. Though more than 100 people of all ages are present, participants know one another and stop to meet and greet each other outside the hall or in the cafeteria at the end of the service.

Both religious and political activism thus may shape the religious life of a Hindu worship community in ways more conducive to building bonding social capital than the predominant practice in Hindu “houses of worship” allows. In the cases of Temple Parthi and Ramakrishna Mission, theological undercurrents in Hinduism come to the foreground, sharpening the theological focus of the group

and mandating forms of worship and sociality that promote group solidarity and exchange. These worship communities take on much more the coloration of Becker's “family-style” and “community” congregations, as a result. They place much more emphasis on establishing social bonds among their members, encouraging regular membership and inculcating communally-held norms and ideas among them. In these respects, they resemble less the traditional Hindu temple than Sikh congregations, where ritualized worship and ritual fellowship combine in forming close communities. But a look at the Sikh community can also give **(p.104)** us insights into the sometimes close relation between social solidarity and group conflict.

Community and Conflict: Sikh Congregations

As we saw in the last chapter, Sikhism is a late development in the Hindu tradition, emphasizing community, service, and devotion to one God. Sikh congregations do not have ornate temples, nor does an image of God occupy a central honored place in their buildings. Instead, attention is focused on the words of the seven gurus who decisively shaped the tradition, enshrined in a sacred book, the Guru Granth Sahib, that is the center of worshipers' attention during most of their regular worship services.

Sikh congregations have twice-weekly gatherings overseen by learned teachers. These gatherings include devotional chanting led by professional singers or lay men, sermons, speeches, announcements, and then a meal for everyone. They last several hours, and some families have a habit of arriving midway through to catch the last prayers, announcements, and the meal. Regular attendance at the weekly gatherings is considered important for “good” Sikhs, and families rotate duties in the kitchen preparing the ritual meal. Each Sikh congregation possesses a list of members and feels a sense of community, though the congregations in the area average some 300 people in size. At the Sahib Foundation, one of the large congregations, there is a nonchalant social atmosphere that is partly religious, partly social. Due to the large size of the congregation, when visitors arrive, they may not even be noticed or greeted. But regular members know and greet one another as they leave their shoes at the door or linger in the hall leading to the larger rooms devoted to worship and the communal meal. At the Singh Society, a smaller congregation, most attendees at the Sunday gatherings seem to know one another, and there is much chatting during the group meal and afterward. Children go to each other's houses afterward, and parents spend a long time talking and coordinating plans with each other.

Despite the religion's repudiation of caste and doctrine of inclusiveness, Sikh congregations have split acrimoniously on caste lines and over issues such as the roles permitted so-called cut-hair Sikhs, that is, men who have Western-style haircuts and don a turban only for ritual occasions, if at all. Periodic elections of board members are often the occasion for such splits, which can escalate to

struggles over ownership of the building and angry confrontations between factions. During our fieldwork, the police were called in at one prominent congregation to dislodge families who had occupied the building in an effort to wrest control from the elected officers. The emphasis **(p.105)** on solidarity that is a prominent part of the Sikh religion thus cuts both ways, encouraging a tightly knit community (and ritual and social practices that embody that ideal) while providing the grounds, both ideological and social, for bitter divisions. Events in India have played an important role in some such divisions, particularly in the early 1980s, when violent conflicts between Sikhs and Indian security forces led to Sikh calls for an independent “Khalistan” on the soil of the Indian state of the Punjab. Sikhs in Washington rallied to protect themselves from charges of terrorism launched by the Indian government and echoed by some politicians here, but they also divided over support for Khalistan; some accused the original Sikh Cultural Society of being “pro-Indian,” and at least one congregation formed around advocacy for an independent Sikh homeland.

Such conflicts illustrate the two sides of bonding social capital in any group. On the one hand, dense social networks provide participants with a wide variety of supports. On the other, they often sharpen awareness of boundaries between “us” and “them” and a tendency, consequently, for personal, theological, and political differences to generate bitter divisions around definitions of who belongs and who does not. Becker's discussion of “family”- and community-oriented congregations underlines some of the liabilities of tightly knit worship communities emphasizing solidarity. In contrast to the more process-oriented community congregations in her study, she found conflicts in family congregations quickly escalating around personality and perceptions of differences over who was an “insider” or “outsider.” Pastors were often the targets of these conflicts, just as conflicts in the Sikh community often center on leadership choice (Becker 1998). And divisions often led to lasting acrimony between congregations, hampering the efforts of most Sikh leaders to promote better understanding of Sikhs in American society. Bonding social capital is thus not an unambiguous good, even from the point of view of social solidarity.

It's Who You Know That Counts

So far we have looked at the sorts of networks that immigrant worship communities promote and their extent. But social capital must be measured not just by the degree to which people belong to social networks but by the sorts of resources to which those networks give access. Network density being equal, more advantaged worship communities will provide richer social capital to participants. More diverse communities, moreover, are more likely to provide a richer variety of resources and opportunities via the social networks within **(p. 106)** them. Finally, such advantages as higher educational and income levels among members and more diversity among them may provide participants with greater social capital even where social networks are not particularly dense.

This is one important implication of Mark Granovetter's argument (1974) that “weak ties” may be more advantageous in the end than stronger ones.

Today's immigration differs markedly from that of the beginning of the last century, not only in the diversity of regions of the world represented but in the widely varying levels of education, income, and wealth current immigrants enjoy. While large numbers of immigrants today are still poor or struggling to get by on low-wage jobs and marginal small businesses, others have highly remunerated technical or professional positions. Some immigrant worship communities serve primarily poor and middle-income immigrants, while others are made up of significant numbers of those who are very well-off. Most of the latter are mixed in the incomes and educational levels of their members.

As we saw in chapter 2, the demographic profile of the “typical” worship community varies significantly across ethnic group (see table 2.3). Most Korean congregations, for example, have relatively few members living in households earning less than $25,000 a year. Only 3 of our 58 cases could really be counted as “poor” congregations, in the sense that most of their members are poor. Among Salvadorans, by contrast, 40 percent of our cases, 20 of the 50 churches, serve a membership whose majority is poor. Chinese and Indian worship communities are even less likely to have high percentages of poor members than Korean churches, while churches serving the African community are somewhere in between. At the same time, a third of the Chinese worship communities report that 20 percent or more of their members live in households earning more than $100,000 a year, as do half the Indian communities and 11 percent of the African churches. Just 1 out of 49 churches serving Salvadorans can match these percentages.

Similar differences are visible across religious traditions (see table 2.4). Almost 28 percent of Catholic immigrant communities could be said to be poor, as opposed to just 16 percent of Protestant churches and 9 percent of the mosques. All of the Hindu and Sikh communities reported few members living in poor households. Meanwhile, the same communities have a high percentage of members living in households earning over $100,000 a year—5 out of 9 Hindu communities and 1 out of 3 Sikh congregations report that over 20 percent of their members enjoy such high incomes. While most Catholic and Protestant communities have few such households represented among their members, 2 of the 17 Catholic communities and 11 of the 92 Protestant churches have a high percentage of relatively well-off members, as do 18 percent of the mosques.

(p.107) The income of the membership is only a proxy for the sorts of material resources that social networks might enable members to utilize. And it leaves out of account the resources outside the immediate worship community to which intra-community ties might link members. How can we measure the degree of bridging social capital that community members might enjoy thanks to their

participation in the community? We can start by presuming that worship communities with larger numbers of well-off members would enjoy a wider range of valuable connections outside the community. We might also suppose that communities with a higher percentage of college-educated members would have a greater range of outside linkages. In both respects, worship communities vary significantly by ethnicity and religious tradition. Almost 93 percent of Salvadoran churches report that fewer than a quarter of their adult membership have a college degree, while 80 percent of Chinese churches and 85 percent of Indian worship communities say that over half their adult members are college educated. Korean and African congregations are more mixed, with just 22 percent of Korean churches and 39 percent of those serving Africans reporting high levels of college education. Most mosques likewise have high percentages of the college-educated, while 72 percent of Catholic communities and 43 percent of the Protestant churches report less than a quarter college-educated (see tables 2.3 and 2.4).

In practice, this means that the resources available to members thanks to the economic and social position of fellow members potentially vary considerably among worship communities. Poor communities are much less likely to be able to provide members access to substantial resources via social networks than more mixed communities, no matter how strong the bonds among members. Similarly, communities with mainly poor members and few of the college-educated are unlikely to have the “bridging” ties that could provide members with access to resources and opportunities beyond the community. For the richer or more mixed worship communities, the amount of social capital that members enjoy depends upon the sorts of ties likely to develop among members. That is, we have to ask about the likelihood that common membership in a given worship community would provide poorer as well as better-off members access to the resources at the disposal of wealthier members. Examples include not just direct financial assistance in cases of special need but access to job and business opportunities, education, technical assistance, advice, and useful information of all sorts. Such access depends very much on how widely members interact among themselves, regardless of class, level of education, or immigration status. It depends, in other words, on the extent of “bonding” social capital in the community.

(p.108) Turning back to our earlier findings regarding social networks, we would expect that Catholic, Hindu, and Muslim worship communities, despite higher levels of resources among the membership in some of these communities, will be less likely to spread these resources widely, simply because interactions among members are fewer in these communities and opportunities for crossing class and income barriers accordingly less likely to arise. Among the more mixed Korean and Chinese Protestant churches, by contrast, social capital would be

high, thanks to the organizational culture of those communities, and would contribute in important ways to immigrant adaptation.

Our ethnographic studies partially confirm these expectations, at least as regards the Korean and Chinese churches. As we saw earlier, these churches are accustomed to provide high levels of informal assistance to newcomers and needy members. The cell group structure that is popular among both Chinese and Korean churches, moreover, facilitates informal sharing of information and opportunity. Because cell groups are often made up of people similar in occupation or education, they are particularly good settings for more established members of the community to provide direct assistance to newcomers with whom they share interests and background.

Similar mechanisms are at work in many of the small evangelical and Pentecostal congregations serving Salvadorans, we found, but almost always in conditions of relative resource scarcity. In the more multiclass African congregations, as in multiethnic churches serving Africans, the smaller, more intimate cell group structure is rare, but we encountered remarkable efforts to use the setting of church to provide opportunities to members. In one Nigerian independent church, at a Thanksgiving Day celebration, for example, the pastor called upon some 48 business owners, members of the church's Haggai Business Network, to come forward in church and describe their businesses. Invitations to contact individual owners regarding business opportunities were as frequent as calls for customers.

Worship Communities as Social Capital

The social capital of a worship community, however, is not just the sum of the social networks and resources of its members. It must also include the resources a community is able and willing to bring to bear as an organization on behalf of the needs of members and nonmembers and the organizational linkages it enjoys. We will look in more detail in the next chapter at the role of worship communities in providing social services of all sorts and their **(p.109)** linkages to the larger community. To round out our description of worship communities as sources of social capital, we will sketch the broad outlines here.

First, local worship communities provide a variety of resources to their members through formal and informal programs designed to address their spiritual, social, psychological, educational, cultural, and material needs. Our survey focused primarily on the formal programs worship communities support or sponsor. In general, and in keeping with previous research, we found that larger worship communities provided a greater number and range of opportunities for members and nonmembers to meet their needs and advance their integration into American life. The large Catholic and Muslim communities were likely to sponsor citizenship classes, for example; and several Catholic parishes sponsored job training classes and afterschool programs for children. Mosques

were highly likely to have programs devoted to helping immigrant members understand how American agencies and institutions such as the school system worked, and they paralleled efforts on the part of the Muslim community to educate school officials, teachers, and local police about Muslim customs. Catholic, Muslim, Hindu, Sikh, and mainline Protestant communities were also more likely than other Protestants to participate in or support social service, community development, or neighborhood organizing projects; and mainline Protestants, Catholics, and Muslims supported more such projects than others.

The larger communities, irrespective of wealth, thus provide an array of social, educational, and cultural services and opportunities. Most worship communities also make their space available for outside groups—from a Boy Scout troop or chapter of Alcoholics Anonymous to a health education program or tax clinic. In many cases, both members of the worship community and others in the neighborhood benefit from such programs. While a majority of worship communities from most of the religious traditions represented here host such groups, the number of groups hosted tends to be higher among Catholic, Muslim, and Hindu faith communities than among Protestants. Among Catholic communities, especially, these programs include community services such as health lectures or immigration clinics. Thus, worship communities that tended to display less “bonding social capital” nevertheless provided more resources and opportunities for education, training, and orientation to American life. Any attempt to draw up a “balance sheet” of contributions to the incorporation of immigrants among religious bodies would have to take these efforts into account.

Finally, worship communities may enjoy ties with a wider network, which can give them access as institutions to resources and opportunities for their **(p.110)** members beyond the resources of the local community. They might also provide opportunities for members to take advantage of those ties or extend their own ties. We will look in more depth at such ties in the next chapter. Here we sketch the ways they serve as sources of social capital for members of the community and the varied sorts of ties that worship communities enjoy. Some immigrant worship communities are themselves part of a larger parish or congregation, which serves as their host. This provides one obvious resource in the form of a settled place to worship. Nevertheless, the relationship may be structured in a variety of ways, some of them involving considerable tension. In some Catholic dioceses, for example, many immigrant congregations are mere renters in a parish space dominated by a native-born congregation and pastor. Even where the immigrant group has been established as part of a larger parish (as in all of our cases), there may be acute tensions between the two (or more!) communities using parish facilities. Still, the tie provides certain resources to the immigrant community, or it would not last long. It also provides a setting in which the problems of incorporation may be fought out, if rarely to everyone's satisfaction. Though such battles may exacerbate divisions and sharpen prejudices, they also

demand engagement on the part of at least some members of the immigrant community. In this sense, they are incorporation in practice.

Other ties include denominational and quasi-denominational affiliations and membership in ecumenical organizations on the local and national levels. These ties sometimes reach into the lives of ordinary members of the worship community, as well as providing opportunities for religious leaders to interact with their counterparts in the larger community. In this respect, the most insular groups appeared to be the smaller, more conservative Protestant congregations. Korean pastors, for example, have their own pastors' association and association of Korean churches; but these are restricted to Korean Protestant churches. Nevertheless, high percentages of Korean churches report joint worship services with communities outside their denomination and ethnic group. While such experiences provide only limited opportunities for interaction, they are expressions of integration that should not be ignored, and they provide opportunities at some level for members of different faith communities and ethnic backgrounds to work together.

The importance of this bridging social capital is hard to measure, but in general its impact depends upon the sorts of resources and opportunities that such ties provide. Immigrant Catholics and mainline Protestants can draw on a wide range of resources even where they are members of an overwhelmingly poor parish, thanks to the linkages that Catholic and mainline Protestant leaders enjoy in denominations long committed to social service and com **(p.111)** munity involvement at the diocesan and national levels, in some cases tied to full-fledged social service agencies such as Catholic Charities or Lutheran Social Services. Individual pastors may not take advantage of such linkages, but they are available for entrepreneurial local leaders. Smaller evangelical churches, by contrast, are often relatively isolated or tied to denominational or associational structures that provide little help with social services. Differences rooted in religious tradition thus count importantly in explaining different levels of bridging social capital among worship communities. But so, too, does the socioeconomic background of the immigrant groups represented in those communities, sometimes in paradoxical ways. Hindu temples, for example, are little involved in the social service realm, in part because of the nature of the temple as primarily a house of worship, but in large part because most Indian immigrants are relatively affluent. Private giving, not active charity through the worship community, appears to be the norm in the Indian community. Churches that both serve needy communities and enjoy significant denominational and other linkages are likely to provide a wide range of opportunities for participants and neighbors to gather, learn English or acquire a skill, iron out legal problems, or organize around pressing issues of the day. For middle-class worship communities, by contrast, ties to the wider world provide opportunities to give

or volunteer for charitable causes and religious work outside the community but bring little back to the worship community itself.

Conclusion

Local worship communities foster social capital among their participants in a variety of ways, and they differ among themselves in how and to what extent they do so. Smaller Christian churches and some larger ones promote intimate relationships among members and provide multiple opportunities for interactions that build upon and build up social capital. Larger worship communities must work self-consciously to provide opportunities of this sort, either through the “cell group” structure we found in Korean Protestant churches or through the many committees and activities in some of our larger Catholic parishes and Muslim communities. A self-conception of church as a “family” often underlies strong bonding social capital, especially among the smaller communities. But social capital effects depend upon structures that encourage sociality among members, whatever the rationale. Worship communities that function primarily as houses of worship rarely build up such structures, and larger worship communities committed to building community among their members through varied activities rarely reach more than a small portion of **(p.112)** those who attend worship services. Bonding social capital is built largely through repeated face-to-face encounters.

Such structures are largely a feature of the default organizational culture that characterizes a given religious tradition. But each religious tradition also embodies alternative visions that can affect the organizational culture, and thus the level of social capital, within a particular worship community. The Hindu ashram, for example, differs markedly from a typical temple in emphasizing communal worship and fellowship among members who share a common devotion to a particular manifestation of the deity and a guru. Among Catholics, the post–Vatican II emphasis on participation of the laity has led to more community-oriented parish structures, while Catholicism's social justice tradition sometimes promotes wide-ranging efforts to address the needs of the poor. Korean churches, regardless of denomination and size, have adopted the cell group structure as a way of deepening faith while enhancing social solidarity within the community.

The value of the social capital present in these worship communities also varies widely. While poorer communities may provide a great deal in the way of social solidarity and low-cost material support, they cannot link members readily to opportunities for advancement in the larger community. They may even become a sort of ghetto for immigrants, reinforced by exclusivist religious ideology and intense social solidarity. But worship communities with predominantly poor members may also provide access to a wide range of opportunities if the community itself is well connected, through denominational ties or thanks to the initiative of religious and lay leaders. In poor communities, bridging social

capital can outdo bonding social capital as a source of support and opportunity for many immigrants.

Bonding social capital will be richer where tightly knit communities are more diverse socioeconomically. Korean, African, Chinese, and Indian communities in our sample all featured considerable diversity. The more intimate Korean and Chinese communities appeared to be particularly good at mobilizing resources for newcomers and members in need. Among the Hindu communities, by contrast, the relative wealth of the membership did not necessarily translate into greater care for less fortunate members, due to the very loose structure of social relations entailed in their house of worship organizational culture. The socioeconomic characteristics of the membership thus have important effects on the social capital available to members, but they interact with religious tradition and organizational culture in the type of social capital they produce.

Social capital, finally, may be an important resource for newcomers in a strange new world. The friendships and shared resources that immigrants **(p.113)** encounter in their places of worship may ease the difficulties of adapting to the new setting. The worship community may serve as a “haven in a heartless world” for many. For others, social ties struck up in the worship community may provide opportunities for material advancement in their new lives. In either case, the social capital that immigrant worship communities provide may have little relevance for immigrants' incorporation into the civic life of the nation. To get a better sense of the contributions of immigrant worship communities to civic life and to the civic incorporation of immigrants, we will have to look beyond the social capital they provide. In the next chapter, we consider the civic presence of worship communities themselves and its contribution to immigrant incorporation. **(p.114)**

Notes:

(1.) For a fuller account see Foley, McCarthy, and Chaves 2001.

(2.) The Catholic Church insists that only baptized Catholics “free from stain of mortal sin” are entitled to take Communion; but there are no mechanisms in the ordinary parish for monitoring compliance with these conditions even among regular participants, much less in the case of the occasional visitor.

(3.) And Sikhs refused to join in the one early effort to build an all-India worship center.

(4.) As in other religious traditions, the education of children often brings adults back into regular participation in a worship community. Temple- or home-based education programs for children can provide a principal source of interaction among parents. See Kurien 1998.