

WORKING DRAFT

Please do not quote, cite, or
reproduce without explicit
permission from the author.

**SMALL, MINORITY BASED NONPROFITS IN THE
INFORMATION AGE: EXAMPLES FROM KENOSHA, WI**

Jo Anne Schneider
Indiana University of Pennsylvania

Prepared for the 2001 INDEPENDENT SECTOR Spring Research Forum

*The Impact of Information Technology on Civil Society:
How will online innovation, philanthropy, and volunteerism serve the common good?*

Washington, DC
March 15 – 16, 2001

Small, Minority Based Nonprofits in the Information Age: Examples from Kenosha, WI

Jo Anne Schneider

The information superhighway appears as a “limited access” system not available to small non-profits because they lack the technology and expertise to obtain computerized information (Stoecker and Stuber, 1997). Small non-profits cannot afford adequate technology, choose limited computerized systems to fit budgets and agency knowledge, and need training to use systems effectively (Stoecker and Stuber, 1997; Fasano and Shapiro, 1991; Berlinger and Te’eni, 1999). Since information systems are secondary to mission, they do not receive the priority needed to effectively develop tools that can aid agency activities (Berlinger and Te’eni, 1999).

While issues of inadequate technology, insufficient funds, and limited training influenced the ways that the small Kenosha non-profits in this study used information technology, issues of time, understaffing, and lack of staff with any familiarity with computers became far more important. This was particularly true in non-profits based in communities of color. These issues, in turn, influenced these organizations’ ability to gain additional resources in an era where information rich organizations set the standard for agency presentation. As in other communities where minority based organizations consistently lose out in access to funding and other resources (Blau, Heying and Fienberg, 1996), Kenosha’s non-profits based in communities of color continue the increasing gap between haves and have-nots in the country because of problems effectively using information technology.

Study and Methods

Data for this paper come from the *Kenosha Social Capital Study*,ⁱ a year long ethnographic study of organizations and churches associated with the African American and

Latino communities in this small Wisconsin city. The project used participant observation, interviews and surveys to study social capital development. This paper compares the experience of two non-profits and one church mission project based in the African American and Latino communities to that of two “mainstream” organizations in gaining funding and the general perception of those agencies in the local community. These case studies rely primarily on observation in agencies, interviews with key staff and interviews with city-wide stakeholders.

Case Study Lessons on Information Technology

Excerpts from the daily experience in small non-profit agencies show how limited time, staff and technology combine to inhibit the ability of these organizations to function in the information age. John Crossⁱⁱ is the director of a small minority based non-profit. John is computer savvy, spending his evenings downloading reports relevant to his organization. While he pays more attention to national trends than his counterparts, he is typical of other small Kenosha non-profit directors in his comfort with information technology.

John’s organization, Community United, consists of himself, a youth coordinator, a secretary, and several community volunteers. In addition to fundraising, administration, submitting reports and attending city-wide meetings related to his organization, John also staffs one program. This leaves him continually overworked. In addition, none of his staff keep regular hours, leaving him to cover phones and other support activities around missing people. He constantly juggles several activities. Only the secretary contributes to computerized work.

A formal interview with John took several hours due to constant interruptions. My student fieldworker assured me that this was a quiet day. During a tour of the office basement, he showed me a 6 foot high mountain of broken and outdated computers that had been donated to the organization. “This is how the community supports our agency,” he told me. His own

office computer is fairly up to date. Across from the computers, agency files sat moldering in stacks of damp paper boxes for lack of time and filing cabinets.

John's situation got worse over the study period. The secretary quit when he insisted that she come in on time and he found that her replacement lied about her ability to use computers. During one board meeting, John constantly jumped up to attend to other matters given lack of staff. United Way document preparation was going slowly and strategic planning documents were months behind due to lack of time. One board member chided him for failure to change light bulbs, complaining that "children couldn't learn in dim light," but ignored lack of equipment or staff to adequately fulfill agency obligations. John made promises that he could not keep. He was slow to respond to email or phone messages. Some materials, like the program for his annual luncheon, were professional looking products due to desk-top publishing. However, this document came together the day before with editing and proofreading help from our staff. Meanwhile, potential donors complained because John did not make follow-up phone calls. Others considered his organization unprofessional because membership materials were not sent out in a timely fashion. John made sure that funder reports were delivered on time and grant applications submitted, but other matters lost out in the time crunch. Agency reputation suffered as a result.

While John's agency was viewed as marginal by city-wide stakeholders, he fared much better than Pastor Rice. A well known clergyman serving low-income community residents, he started a non-profit mission activity associated with his church. Pastor Rice was consistently turned down for funding in Kenosha. This was not from lack of information - he found out about a number of funding opportunities - but due to inability to present proposals in expected format with the full array of supporting data now expected because of the availability of computer

information. One funder commented that his proposal “looked thrown together.” Pastor Rice’s office has no computers and information is stacked in available space. Recognizing his lack of information technology resources, he seeks help finding information and writing reports from people he knows in the city, but with little success. One city-wide professional active in the community asked to help organize reported: “I am an unwilling participant because I feel that the organization needs to be totally restructured.” Lack of basic organization does not inspire community-wide confidence.

Compare these two minority based organizations to city-wide non-profits serving Kenosha “at-risk” populations. All of these non-profits were small organizations with under 20 staff. All suffered to a certain degree from limited staffing and funds. However, “mainstream” non-profits had relatively more resources than minority based non-profits. They consistently won out in contract awards and other city-wide resource allocation.

The executive director at Second-Chance complained about the same time issues and overwork as John. Yet he was able to marshal an impressive array of community-wide support for his organization. Mark Smith spent much of his time talking to community groups about expanding agency needs due to changes in welfare programming. His presentation relied on agency statistics gathered from reports produced by other staff members. These were combined with national data from the web. His organized approach came from the fact that he had more staff that provided back-up information. With board members and community volunteers offering other support, he was able to prioritize information gathering and professional presentation that gave his organization a strong reputation and consistent community support.

The final city-wide organization, Sunrise, relied on a combination of its own resources, local Kenosha supports, and its national affiliate to develop an even stronger reputation in this

community. Their funding proposals and annual reports were polished products that succeeded in unprecedented growth. ⁱⁱⁱ Sunrise executive director did not experience the overwork seen in other organizations. With several staff contributing to operations, Cliff Jones was able to focus on agency presentation issues.

Challenges to Minority Based Non-profits in the Information Age

Comparing these four non-profits shows that directors understand the importance of information technology and use these resources as best they can in their organization. However, other factors make effectively employing computer information difficult. As Pastor Rice's story shows, failure to develop information with the professional formatting and data now available through computers leads to presumption among funders that an agency does not care about a project enough to develop an adequate proposal. Computers have raised the bar for many kinds of agency administrative activities, making it difficult for agencies lacking resources to compete. Several issues make information technology use difficult for these non-profits.

Time

Computers make more work for already overworked professionals. In addition to expectations that they will raise funds, administer programs and provide direct service as John's daily life attests, they now must gather statistics, develop reports and access policy information using information technology. These tools require training and patience to locate and download information, often difficult with outmoded equipment. Given already critical time constraints, these small non-profit directors are unlikely to seek new information technology. In other cases, as with John, other essential activities are short-changed in order to spend time on the computer.

Staffing Issues

Two related issues combine to hinder effective use of technology in minority based organizations. Comparing Second-Chance to Community United show that simple lack of staff is not the sole problem. Mark, Second-Chance's director, only has a couple more staff to work with, but they are familiar with information technology. With only the secretary as a partially trained assistant, John had no-one to help him gather necessary data.

This issue stems from lack of computer accessibility in minority communities as much as insufficient staff. Research on the digital divide shows that poor, less educated, central city African Americans like John's community members are least likely to have access to computers (McConnaughey, Nila and Sloan, 1995). Given Community United's commitment to hiring from their community, few staff know how to use information technology. Understaffing does not permit time to learn.

Lack of adequate technology does not encourage computer development in future generations either. The derelict computers in the agency basement cannot be used by programs to develop computer skills. None of the agencies in this study offered computer instruction to their program participants. People with skills to teach IT find better paying jobs in industry.

Conflicting Expectations of Agencies

As with complaints that John did not maintain personal contact with key funders and constituents, agency directors find themselves facing conflicting expectations. On the one hand, city-wide stakeholders expect agencies to offer fully developed and professional materials as proof of their effectiveness. As with Pastor Rice, agencies that fail to meet these expectations consistently develop weak reputations throughout the city.

On the other hand, both funders and program participants expect social service organizations to maintain one on one, personal communication and service with the people they

work with. Working with program participants, visiting funders, attending meetings all become essential to develop community-wide trust in an organization. Particularly in communities that lack familiarity with information technology, agency focus on computer generated knowledge can seem a waste of energy. John's board is far more interested in changing light bulbs than providing web based information to board, staff and program participants.

These competing expectations further exacerbate already existing time and resource issues for these non-profits. Trying to fulfill these multiple expectations, John's agency instead frustrates its entire constituency. Pastor Rice, who has strong relationships within the minority community, cannot compete in city-wide arenas because he lacks expertise with computers.

Comparing these two organizations with a third minority based non-profit shows how multiple expectations can be fulfilled through board assistance. New Horizons rebounded from agency crisis created by failure to submit adequate reports when it hired an executive director who focused on fostering ties to city-wide resources. This included building an already committed working board to include city-wide stakeholders with knowledge to share and strong personal ties to important city-wide resource gatekeepers. Board members use their information technology resources to supplement limited agency time and technology. This combination of outside resources and contacts has stimulated confidence throughout the city, potentially helping the organization to better meet its goals.

Information Technology and Social Capital

Ineffective use of information technology adds additional strain on already weak agencies and damage organization reputation among both local community constituencies and city-wide stakeholders. As the New Horizons example shows, developing strong supports from people with access to city-wide resources offering information technology assistance can rebuild

confidence in an organization lost through inability to meet expected reporting requirements. All of these examples highlight the importance of agency reputation in its ability to find the resources to fulfill its goals. Reputation stems from trust in the organization developed through strong, positive relationships throughout the community. Both minority community residents and city-wide stakeholders presume that organizations that cannot communicate effectively and present materials in expected ways do not provide good service. Questions regarding agency effectiveness become self-fulfilling prophecies as organizations lose funding and support through continued failure to meet ever rising community expectations.

Organizations gain access to resources through social capital relationships in the community. Social capital depends on the ability of organizations to maintain stakeholder trust in their activities. Social capital involves 1) relationships based on enforceable trust with people or organizations who have access to resources and 2) knowledge of cultural cues which indicate that an individual is a member of a group and should be given access to those relationships (Bourdieu, 1986; Bourdieu and Wacquant, 1992).^{iv} These examples show that trusting relationships stem from ability to effectively communicate with various stakeholder groups. Increasingly, the cultural cues considered essential for community reputation come from norms created by easy access to information technology.

At the same time, community communication norms equally stress informal relationships developed through personal contact. Effective organizations like Sunrise and Second-Chance succeed at both. The Sunrise example shows that simply using information technology to develop contacts does not succeed in developing social capital. Kenosha residents are suspicious of outsiders; a national group like Sunrise would have limited success without local social capital support. Sunrise started with backing from influential city leaders and has consciously

developed strong ties throughout the community. City-wide funders assured us that they value Sunrise's programs because people they trust in the community have direct knowledge of their activities, not because they provide the most technologically complete proposals.

In contrast, another local affiliate of a national organization is invisible in city-wide social capital networks. A web search of Kenosha non-profits found this organization one of the few advertised on resource web sites. Yet, it does not participate in city-wide coalitions or resource allocation systems.^v It is equally unknown within communities of people seeking service. This example shows that information technology does not substitute for long-term community contacts. Information technology can enhance or hinder developing social capital, but old fashioned community building remains an essential ingredient for community organizations.

Organization relationships to their boards highlight the combination of community confidence and reputation building through effective presentation. All of these Kenosha organizations have overlapping board memberships - with strong and weak organizations sharing many members. However, board members spend their energies particularly on organizations viewed as effective in city-wide circles. This includes contributing time and technology to further organization goals. The same tendencies to build on strengths and exacerbate organization weaknesses are continued through board behavior. Community United's board does not provide the additional support needed to allow the organization to succeed. Instead, board members compare already weak performance to that of stronger organizations they more actively support.^{vi} Weak organizations do not engender the enforceable trust needed to enable them to develop the technology and informal relationships that will build needed social and cultural capital.

Implications for Organizations

These case studies illustrate that simply providing technology and technical assistance to small, community based organizations is insufficient to close the digital divide. The most essential issue for these organizations is staff time - and using information technology adds an additional drain to already over-committed staff. Instead, capacity building through sharing board expertise and technology, focus on developing staff with computer skills to assist in information technology activities, and sustaining adequate funding for basic operations can improve ability of these organizations to move into the information age.^{vii} In order to build information access across the community, training, staff and technology sharing should include use in programs, not simply administration.

This research shows that technology can facilitate or hinder social capital development, but technology is no substitute for old fashioned community communication through meetings, in-person conversations and agency reputation through good service. Organizations succeed or fail based on their activities in local communities, and computers are only one piece of this process. Expanding information technology can enhance both administrative and direct service. However, for many small non-profits, enhancing core capacity must occur hand in hand with expanded access to computers and the information age.

References Cited

- Berlinger, Lisa and Te'eni, Dov. (1999). Leader's Attitudes and Computer Use in Religious Congregations. *Non-profit Management and Leadership*, 9(4), 399-411.
- Blau, J.R., Heying, C and Feinberg, J.R. (1996). Second-order cultural effects of civil rights on southern non-profit organizations: the Atlanta YMCAs. *Nonprofit and Voluntary Sector Quarterly*, 25, 174-189.
- Bourdieu, Pierre. (1986). The Forms of Capital. In *Handbook of Theory and Research for the Sociology of Education*. John G. Richardson, editor. Richard Nice Translator. New York: Greenwood Press.
- Bourdieu, Pierre and Loic J.D. Wacquant. (1992). *An Invitation to Reflexive Sociology*. Chicago: University of Chicago Press.
- Fasano, Rob and Shapiro, Jeremy. (1991). Computerizing the Small Non-profit: Computer Consultants' Perspective. *Computers and Human Services*, 8(1), 129-145.
- McConnaughey, Jim, Nila, Cynthia Ann, and Sloan, Tim. (1995). *Falling through the Net: A Survey of the "Have-Nots" in Rural and Urban America*. Report prepared for the U.S. Department of Commerce. [Http://www.ntia.doc.gov/ntiahome/fallingthru.html](http://www.ntia.doc.gov/ntiahome/fallingthru.html).
- Schneider, Jo Anne. (1999). Trusting that of God in Everyone: Three Examples of Quaker Based Social Service in Disadvantaged Communities. *Nonprofit and Voluntary Sector Quarterly*, 28(3), 269-295.
- Stoecker, Randy and Stuber, Angela. (1997). Limited Access: The Information Superhighway and Ohio's Neighborhood-Based Organizations. *Computers in Human Services*, 14 (1), 39-57.

Notes

- i. Funding for the project came from generous grants from the Aspen Institute and the Palmer foundation. Research for this project included a team of student and faculty researchers. This paper draws primarily on work performed by Theresa Embury and myself. I wish to thank Indiana University of Pennsylvania department of Sociology graduate assistants for assistance in preparing data for this report and Ram Cnaan and staff at the Center for Research on Religion and Urban Civil Society at the University of Pennsylvania for resource support in writing this paper. I also wish to thank the organization boards and staff who shared their time, trust and insights with the research team.
- ii. All individual and organization names have been changed to protect confidentiality.
- iii. It is important to note that several of the minority organizations also were affiliates of national non-profits but received no support from them.
- iv. See Schneider 1999 for a fuller discussion of the way I define social capital for organizations.
- v. Most of their funding comes from national strategies that do not primarily rely on grants from local foundations or local government.
- vi. In most cases, board members rationalize use of their limited time to support already strong organizations by talking about the weaknesses of these other organizations. Many of the board members were over committed themselves, balancing work and participation on several boards. They feel that they are doing the best that they can for the weaker organizations - whose general missions they support - by lending their name and a small amount of their expertise, time and energy to these organizations.
- vii. I recognize concerns expressed in the literature about depending on volunteers for technical support and share their concerns to a large degree (Fasano and Shapiro, 1991; Berlinger and Te'eni 1999). Instead, strategies that rely on working boards, like the New Horizons example seems an important first step for these limited staff organizations.