

# working poor

CSS 2003 Annual Report

**Community  
Service  
Society** | Fighting Poverty  
Strengthening  
New York

WHO WE ARE:

Community Service Society  
is an independent, nonprofit  
organization that for more  
than 150 years has helped  
New Yorkers in need to defeat  
the problems of poverty  
and strengthen community  
life for all.

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WHAT WE DO:

CSS tackles the complex issues of poverty through  
three mutually supportive approaches.

1. We are advocates for the poor.
2. Our research helps to shape public policy.
3. We provide direct services that improve the quality  
of life for those in need of help.

HOW WE DO IT:

The Community Service Society:

- Invests in neighborhood revitalization
- Saves families threatened by eviction
- Guides New Yorkers through the managed  
care maze
- Mobilizes older adults to volunteer in  
their communities
- Empowers people to participate in their  
future by voting
- Publishes reports on critical issues of poverty
- Brings legal challenges to protect the rights of  
people in need
- Provides benefits training and technical assistance  
for social service professionals
- Creates and implements model programs and  
community initiatives

As harsh economic times continue in America and, most especially, in New York City, we are witnessing a change in the faces of poverty. No longer does working at a full time job ensure that you can make ends meet. Even dual income families are struggling to survive. The numbers of those served by food programs are not only growing, but changing to include more families with children. The need for the Community Service Society to respond to the problems of poverty has never been greater.

In addition to our work in eviction prevention, the expansion of Experience Corps—our literacy campaign for at-risk elementary students—and the mobilization of some 9,000 senior volunteers in our Retired & Senior Volunteer Program, here are some highlights of new endeavors in the past year.

Last year we implemented a new tool for gauging the hardships faced by lower income New Yorkers. We developed a survey of low-income New Yorkers that we intend to continue on an annual basis—to act as a barometer of opinions on poverty in New York City.

Many of the city's poor are among the three million people in New York State who do not have health insurance. The Community Service Society is committed to helping them get access to health insurance and to ensure that they receive the best medical services possible. To that end, we have created the Community Health Access Department.

It includes the New York City Managed Care Consumer Assistance Program and the newly formed Medicaid Choice Education Program. NYC MCCAP has helped educate nearly a quarter million New Yorkers in their health care needs in its first three years. Medicaid Choice, begun earlier this year, has

held more than 800 workshops between March and July, reaching over 5,000 New Yorkers.

Among CSS's most important outreach functions are the workshops conducted by our Public Benefits Resource Center. Through these workshops, social service professionals learn the intricacies of how government benefit programs work and how to effectively advocate for their clients. Over 1,350 professionals attended 56 PBRC workshops in the last year. These sessions ensure that low-income New Yorkers receive the help needed to assist them in gaining entitled benefits or avoiding wrongful terminations of benefits.

Affordable housing in New York City has been disappearing at an alarming rate. As part of the federal relief for rebuilding New York after September 11, 2001, government funded, tax-exempt bonds—called Liberty Bonds—appeared to be the answer to creating more affordable housing. So far, it hasn't worked out that way. Through testimony and advocacy, the Community Service Society is committed to the use of Liberty Bonds to fund affordable housing.

Read through this annual report and get an idea of the breadth of our work. These activities are evidence of our continuing commitment to provide innovative solutions to the problems of poverty in New York City.



A handwritten signature in black ink that reads "D. Jones".

DAVID R. JONES, President and CEO



A handwritten signature in black ink that reads "Bruce A. Hubbard".

BRUCE A. HUBBARD, Board Chairperson

# The unheard third

A CSS SURVEY OF NEW YORKERS' PRIORITIES

What do low-income New Yorkers—who struggle with the everyday problems of living in or near poverty—see as their priorities? What does it really mean to struggle with rent, food, and medical bills? The Community Service Society decided that we should ask low-income New Yorkers what they think about their situation and the issues that worry them the most.

In August of 2002, CSS commissioned an opinion survey polling 800 New Yorkers age 18 and older — including 600 low-income city residents and—as a comparison group — 200 moderate income and upper income New Yorkers.

**THE RESULTS:** Full time work did not guarantee financial security. Low-income New Yorkers—those working full time—still struggle with hardships. Of all low-income New Yorkers with full-time jobs, 27 percent in the past year fell behind in paying the rent, 18 percent had their utilities turned off,

14 percent had not gotten needed medical care, and 10 percent went hungry because of lack of money. Remember, these are full-time workers. For those working part-time or who are unemployed, life is even tougher.

When asked what they think is the city's biggest problem, almost no one from low and middle income groups put rebuilding downtown, taxes, or national security at the top of their list. The lack of affordable housing, job security, and the quality of public schools are the issues of importance to New Yorkers across the income spectrum.

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**The lack of affordable housing, job security, and the quality of public schools are the issues of importance to New Yorkers across the income spectrum.**

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The survey was conducted by telephone by the firm of Lake Snell Perry & Associates between August 21 and September 3, 2002. Lower income is defined as family income below 200% of federal poverty guidelines, about \$28,538 for a family of three. The margin of error for lower income is +/-4.0%; for higher income +/-6.9%.

CSS plans to repeat the survey annually to track trends in the views of New Yorkers. The survey will help illuminate the opinions and needs of CSS's core constituency—

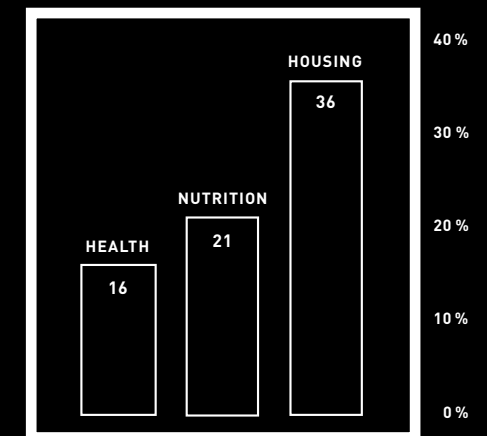
low-income families—and the possible divergence of their views from more affluent residents on subjects of importance to all New Yorkers. It will also be an ongoing measure for tracking how low-income New Yorkers are faring and bringing the concerns of this group—one-third of the city's voting age citizens—to the attention of elected officials.

Log on to CSS's website, [www.cssny.org](http://www.cssny.org), for a detailed report of the survey, entitled "The Unheard Third."

1 out of 3  
voting age citizens in  
New York City is poor or near poor.

## LOW-INCOME, FULL-TIME WORKERS STRUGGLED WITH ONE OR MORE HARSHIPS IN THE LAST YEAR

- HEALTH**
- 14% NOT GOTTEN OR POSTPONED MEDICAL CARE/SURGERY
- 13% UNABLE TO FILL PRESCRIPTIONS
- NUTRITION**
- 16% RECEIVED MEALS FROM FAMILY OR FRIENDS DUE TO LACK OF MONEY
- 10% WENT HUNGRY
- 9% USED MEALS PROGRAMS OR FOOD PANTRY
- HOUSING**
- 27% FELL BEHIND ON RENT/MORTGAGE
- 18% UTILITIES TURNED OFF
- 6% MOVED IN WITH OTHERS
- 2% STAYED AT SHELTER



# Affordable housing in the balance

One result of our survey conducted in August 2002 found that low-income New Yorkers struggle more with housing related hardships than any other issue. Forty-five percent of low-income New Yorkers say

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**44%**  
of apartments—those renting for less than \$500 a month—have been lost since 1996 as rent levels increase.

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their biggest concern about their housing was making the rent or mortgage payments. And the situation is worsening as New York City continues to lose its affordable housing stock. Close to half (44 percent) of low-rent apartments—those renting for less than

\$500 a month—have been lost since 1996 as rent levels increase.

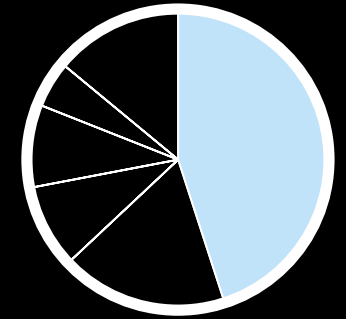
A recent CSS report, *Keeping the Doors Open: HUD-Subsidized Housing in New York City*, estimates that about 10 percent of total subsidized housing units have been lost over the last five years. Many of these losses occur when owners either buy out their mortgages or opt out of subsidy programs. Upon termination, owners can raise rents to market levels, removing properties from the stock of affordable housing.

In the face of such losses, a unique opportunity to develop affordable housing that addresses the needs of a wide income range of New Yorkers is being lost.

Following the attack on the World Trade Center, Washington appropriated \$1.6 billion that would allow New York to issue tax-exempt bonds—called Liberty Bonds—to help finance downtown residential redevelopment. In return for these public subsidies, devel-

## LOW-INCOME WORKERS POLLED ABOUT HOUSING ISSUES THEY FACE: AFFORDABILITY TOPS HOUSING CONCERNS

- 45% MEETING MONTHLY RENT, MORTGAGE PAYMENTS OR FEES
- 18% CRIME AND DRUGS
- 9% GETTING MAINTENANCE OR REPAIRS
- 9% THE QUALITY OF THE NEIGHBORHOOD
- 5% OVERCROWDING
- 14% OTHER



opers are usually required under federal law to set aside at least 20 percent of units for low-income families.

Yet, in the last year, four developments were approved by the state for Liberty Bond financing, but only a token number of units—5 percent—were set aside as “affordable,” targeted to incomes between \$70,000 and \$90,000. In addition, the city now has a pipeline of developments that will not produce a single housing unit in lower Manhattan that would be affordable to families with low to middle incomes, despite their use of Liberty Bonds.

In response to these actions, CSS spearheaded a campaign opposing the misuse of Liberty Bond financing exclusively for luxury rentals. In testimony by CSS President David R. Jones and Senior Housing Policy Analyst Victor Bach before committees of the City Council and the New York City Housing Development Corporation (HDC),

we maintained that at least 20 percent of Liberty Bond financed housing should be set aside for affordable rentals. In the coming months, CSS will be watching closely to see whether HDC honors the commitment made by the mayor to include housing affordable to all New Yorkers in the rebuilding of lower Manhattan.

CSS publishes policy analyses that are meant to inform and influence those who make public policy. Over the years, CSS has been instrumental in providing data that have affected public policies in the areas of health care, affordable housing, public education, and income security. Briefs providing informative research are made available to public officials, the media, policy makers, educators, and other interested parties. For these and other CSS research and analysis, log onto CSS’s website at [www.cssny.org](http://www.cssny.org).

## New CSS department expands a model program

One of the cornerstones of CSS's success has been the ability to anticipate problems and then to develop model programs that address them. New York City Managed Care Consumer Assistance Program (NYC MCCAP) is an example of one such model program. NYC MCCAP was created by the New York City Council in 1998 in response to consumers' demands for help with the complex managed health care system. CSS administers the program with funding from the New York City Department of Health.

CSS funds, trains, and supports a citywide network of community-based agencies that provide information, counseling assistance, and help with problems getting health care services. NYC MCCAP has educated over 27,000 New Yorkers through its managed care workshops and has provided nearly 17,000 consumers with individualized assistance.

This program has become so successful that CSS attracted another contract to

perform similar work. The contract is with Maximus, a for-profit company that is under contract with the New York State Department of Health to act as the enrollment agent for New York Medicaid CHOICE, the state's mandatory Medicaid managed care program. Under this new program, known as the Medicaid Choice Education Program, CSS has expanded its network of community-based organizations to educate and assist Medicaid beneficiaries who are required to join managed care plans. More than 800 Medicaid CHOICE workshops in 12 languages were held between March and July 2003, reaching over 5,000 people. Over 150 workshops are being held each month in city neighborhoods.

These two programs are now part of CSS's new Community Health Access Department, which is committed to helping individuals and communities be effective advocates in navigating health care systems and services.



"AS A COALITION OF CBO'S WITH A COMMON PURPOSE—AND WITH CSS AS THE LEADER—WE ARE POWERFUL. GOVERNMENT AGENCIES ARE SENSITIVE TO NUMBERS AND THE CSS NETWORK HAS THOSE NUMBERS, SO OUR COALITION CAN'T BE IGNORED. FOR MINORITY AND IMMIGRANT GROUPS THIS UNITY IS ESSENTIAL."  
—Cheol-Won Ryo, Volunteer Coordinator, Korean Community Services

## PBRC workshops take the mystery out of the government benefits maze

The Community Service Society provides a broad range of services to the people of New York City. Among our most important functions are the workshops conducted by CSS's Public Benefits Resource Center (PBRC). In the last fiscal year, over 1,350 people attended 56 workshops.

PBRC is a resource to social service providers serving the low-income, elderly, and disabled in New York City, as well as providing direct assistance to families and individuals. Through its workshops, social service professionals learn the intricacies of how government benefit programs work and how to effectively advocate for their clients. Without this foundation, advocates would spend inordinate amounts of time trying to find the information needed to assist their clients.

The workshops conducted in the fall of 2002 are a good example of the breadth of subject matter and information provided

by PBRC. Among the 13 workshops were sessions on Social Security programs, Medicaid, Public Assistance, and Food Stamps, as well as one on immigrant eligibility for public benefits.

The workshops featured case examples that demonstrated concepts of the benefit system. Participants received a workbook for use when helping their clients. In addition, PBRC staff are available for consultation to deal with complicated cases. PBRC also provides benefit counseling to the general public. A team of volunteers, trained by the Retired & Senior Volunteer Program's Advocacy, Counseling and Entitlement Services (ACES) project provides this service.

PBRC's workshops have a multiplying effect, as each professional trained works directly with hundreds of clients each year, thus increasing PBRC's impact on New York City's low-income population.



"PBRC TRAININGS NOT ONLY ADDRESS HOW TO SOLVE THE PROBLEMS, BUT HOW TO ADVOCATE FOR OUR CLIENTS. EVERY TIME WE COME FROM A TRAINING IT GETS TRANSLATED INTO IMMEDIATE HELP FOR OUR CLIENTS AND ALLOWS US TO CONCRETELY RAISE THEIR STANDARD OF LIVING."

-Scott Kalchstein, Administrator, Ohel Adult Mental Health Services

# What would block granting do to aid for the poor?

A CSS FORUM

The Community Service Society is committed to confronting and overcoming poverty in New York City. To do so, much of our policy and advocacy work is dedicated to monitoring legislation that affects low-income Americans.

Recently, the Bush Administration and some members of Congress have proposed transferring core federal programs that aid low-income Americans into block grants to the states. In response, the Community Service Society and Washington's Brookings Institution Center on Urban and Metropolitan Policy organized a forum which brought together some of the nation's leading policy experts to discuss the new federal proposals with New York's policy makers and advocates.

Kicking off the forum, *Ending The Safety Net As We Know It? Assessing The New Federal Block Grant Proposals*, were New York State Comptroller Alan G. Hevesi and Robert Greenstein, the Executive Director of the Center on Budget and Policy Priorities. Panelists—specialists in the areas of welfare,

housing, health care, and jobs—then reviewed the proposals and their implications for New York.

The consensus was that block grants that shift responsibility for programs from the federal government to the states would hurt low-income Americans. Block grants would provide fixed annual federal dollars to the states. In tough economic times, when needs rise and state revenues fall, the states would be likely to cut back spending on programs for the poor in order to balance their budgets.

- Analysis of 11 block grants shows that inflation-adjusted funding has fallen by 11% since establishment of block grant (or 1982 if later)
- Excluding child care, funding for block grants fell 22%
- SSBG\* has lost 65% of its funding and LIHEAP\*\* has lost 53%

\*Social Service Block Grant

\*\*Low Income Home Energy Assistance Program

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**CONDENSED**  
**COMBINED STATEMENT OF ACTIVITIES**  
YEAR ENDING JUNE 30, 2003

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
<b>CHANGES IN NET ASSETS</b>				
Public support:				
Contributions	\$ 467,633	\$ 3,332,424	\$	\$ 3,800,057
Foundation	383,222	521,824		905,046
Trust income	483,469	499,520		982,989
Bequest	80,185			80,185
Greater New York Fund/ United Way	91,153	194,562		285,715
New York Times Neediest Cases Fund		1,812,385		1,812,385
Government grants		4,233,134		4,233,134
Contracts	913,270			913,270
<b>TOTAL PUBLIC SUPPORT</b>	<b>2,418,932</b>	<b>10,593,849</b>		<b>13,012,781</b>
Revenue:				
Investment income	1,759,872	523,867		2,283,739
Realized and unrealized gains (losses) on security transactions	3,517,014	830,395		4,347,409
Change in fair value of beneficial interest in perpetual trusts			(551,989)	(551,989)
Loan interest income	31,493			31,493
Program service fees	182,438			182,438
Miscellaneous	14,131			14,131
<b>TOTAL REVENUE</b>	<b>5,504,948</b>	<b>1,354,262</b>	<b>(551,989)</b>	<b>6,307,221</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>12,035,941</b>	<b>(12,035,941)</b>		
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>19,959,821</b>	<b>(87,830)</b>	<b>(551,989)</b>	<b>19,320,002</b>
<b>EXPENSES</b>				
Program services:				
Direct service program	13,025,034			13,025,034
Policy research and advocacy	1,772,740			1,772,740
Public interest	765,036			765,036
Total program services	15,562,810			15,562,810
Supporting services:				
Management and general	2,992,035			2,992,035
Fund raising	678,504			678,504
Total supporting services	3,670,539			3,670,539
<b>TOTAL EXPENSES</b>	<b>19,233,349</b>			<b>19,233,349</b>
<b>CHANGES IN NET ASSETS</b>	<b>726,472</b>	<b>(87,830)</b>	<b>(551,989)</b>	<b>86,653</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>72,756,543</b>	<b>19,363,800</b>	<b>57,351,851</b>	<b>149,472,194</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$73,483,015</b>	<b>\$19,275,970</b>	<b>\$56,799,862</b>	<b>\$149,558,847</b>

**CONDENSED**  
**COMBINED STATEMENT OF FINANCIAL POSITION**  
YEAR ENDING JUNE 30, 2003

<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,280,265
Marketable securities	118,551,517
Receivables:	
Government agencies	1,619,979
Other (net of allowance for uncollectible amounts of \$3,141 at June 30, 2003 and 2002)	405,691
For securities sold	157,647
Loans receivable—Net:	
The United Charities	2,980
Program loan fund	210,300
Beneficial interest in perpetual trusts	27,705,328
Accrued interest and dividends receivable	151,521
Prepaid expenses and other assets	3,756,297
Equipment and improvements—Net	412,496
<b>TOTAL ASSETS</b>	<b>\$156,254,021</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES:</b>	
Bank loans	\$ —
Accounts payable and accrued expenses	1,612,585
Accrued vacation pay	435,294
Liability for securities purchased	1,547,790
Liability for postemployment and postretirement benefits	3,099,505
<b>TOTAL LIABILITIES</b>	<b>6,695,174</b>
<b>NET ASSETS</b>	
<b>UNRESTRICTED:</b>	
Appropriated for operations	470,116
Cumulative gains	73,012,899
Total unrestricted net assets	73,483,015
<b>TEMPORARILY RESTRICTED:</b>	
Donor designated purposes	2,006,818
Cumulative gains	17,269,152
Total temporarily restricted net assets	19,275,970
<b>PERMANENTLY RESTRICTED:</b>	
Income restricted for special purposes	5,195,511
Beneficial interest in perpetual trusts— income restricted	19,146,814
Beneficial interest in perpetual trusts— income not restricted	8,558,514
Income available for general purposes	23,899,023
Total permanently restricted net assets	56,799,862
Total net assets	149,558,847
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$156,254,021</b>

NOTES: 1. These combined statements include all funds of the Community Service Society of New York and its affiliates, the Institute for Community Empowerment, and Friends of RSVP, Inc. The statements are condensed from the financial statements for the year ending June 30, 2003, which have been audited by Deloitte & Touche, LLP. 2. A copy of the latest CSS financial report filed with the New York Department of State in Albany is available upon request from the Department or CSS. 3. The Society's board follows a policy of appropriating as much of the total return on its investments as is prudent. The total return on investment comprises dividend and interest income as well as net realized and unrealized appreciation. In determining a prudent level of appropriation, the Society considers its long- and short-term needs, present and anticipated financial requirements, expected total return on its investment, price level trends, and general economic conditions. For the year ended June 30, 2003, this total return on long-term investments was \$6,614,863, and the Society appropriated and spent \$5,976,221 from the accumulated total return on long-term investments.

# how can you help?

CSS needs the support of many individuals and funding organizations to continue providing all of these services and advocating for the elimination of poverty in New York City. If you would like to help or learn more about us, visit us at [www.cssny.org](http://www.cssny.org) or for more information contact us at 212.254.8900.