



Community Service Society

EMPOWERING NEW YORKERS

CSS 2005 Annual Report

The Community Service Society utilizes a distinctive strategy combining research, advocacy, legal work, and direct services to make a fundamental difference in poor communities. With such a diverse array of resources under one roof, we are able to make a unique and permanent impact on New York City's low-income population.

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Forty years ago, a courageous group of citizens set out from Selma, Alabama, en route to the state capital in Montgomery. Their mission was to demand voting rights for blacks, who had long been denied the franchise in Alabama and other southern states. As they crossed the Edmund Pettus Bridge leading out of town, they were confronted by ranks of Alabama state troopers armed with tear gas and billy clubs. The beatings the marchers endured that day were so violent that it has come to be known as “Bloody Sunday.”

While that first group of marchers never reached the state capital, the events of Bloody Sunday so offended the inherent moral sense of ordinary Americans that it galvanized national support for the Voting Rights Act of 1965. This landmark legislation removed longstanding barriers that had kept blacks and language minorities from voting—a critical tool for participating in the political process.

The passage of the Voting Rights Act, however, was only one victory in a much larger struggle that continues even today: the struggle to empower low-income communities with the ability to influence policies that affect their daily lives. Despite advances in the rights of disadvantaged groups, many Americans are still being left behind, without the basic platform—education, health care, a steady wage, a safe and

affordable home—that people need to be fully engaged in the civic life of their community. The most recent figures on poverty reveal the extent of the challenges we still face.

- **In 2004 the nation's poverty rate rose for the fourth year in a row; 37 million Americans now live in poverty.**
- **New York was the only large U.S. city to see a significant increase in the poverty rate, from 19% in 2003 to 20.3% in 2004.**
- **Nearly 1.8 million New Yorkers now live in poverty, with another 1.6 million hovering near the poverty line, earning less than about \$30,000 for a family of three.**

The Community Service Society brings to the challenge a 160-year history of innovation in response to the changing needs of the poor. CSS offers an array of services that connect individuals in need with the resources to hold their lives together. You can read about these services in the following pages. You can also read about how CSS goes beyond service innovation, using research, advocacy, and political development to build bridges between communities in crisis and the decision makers that can help them to affect real change.

One of the most crucial tools in our effort to promote the advancement of low-income New Yorkers is our annual survey, "The Unheard Third." CSS is unique among organizations working to alleviate urban poverty in that we ask the poor about their needs and hardships. Our 2004 survey revealed some staggering statistics.

- **One out of three low-income families had less than \$100 in savings to fall back on in the case of an unforeseen emergency.**
- **Among the working poor—even those with full-time jobs—nearly half lacked sick leave, paid vacation, and health care for their families.**

- **A third of low-income families experienced hardships related to housing.**

Confronting hardship of this scale will require a new framework of opportunity and advancement for people in need. CSS leverages its powerful research and its reputation as a resource for individuals, nonprofits, and the government to make the case for new investments in the lives of low-income New Yorkers. Our efforts with the New York City Council led to a new \$28 million workforce development program. Our partnerships with community-based organizations have resulted in tens of thousands of New Yorkers making better use of their public health care plans. Our litigation on behalf of disenfranchised felons has helped to eliminate administrative barriers that keep the formerly incarcerated from exercising their legal right to vote.

In all our work, the Community Service Society seeks to empower disconnected communities by building bridges between low-income New Yorkers and the opportunity for upward mobility.



A handwritten signature in black ink, appearing to read "D. Jones".

A handwritten signature in black ink, appearing to read "H. Schultz".

DAVID R. JONES, President and CEO

HARVEY W. SCHULTZ, Board Chairperson

Our strategies: promoting civic engagement

Over one-third
of voting age
citizens in New York
live in low-income
households.

What if they had an election and everybody came? CSS's constituents—low-income New Yorkers—could have significant sway as a voting power. We believe that the right to vote and the opportunity to participate in the political structure is vital to individual and community empowerment and upward mobility. Indeed, CSS has a long tradition of reaching out to low-income New Yorkers to encourage civic participation. In 1984, CSS launched a nonpartisan voter registration and mobilization campaign targeted to

low-income neighborhoods. Since then, CSS's voter registration drives have registered over 250,000 new voters.

The Community Service Society continues to aggressively promote and expand low-income New Yorkers' participation in the civic life of our city through community outreach efforts, legal approaches, and political development strategies:

> In June 2005, under the leadership of Rep. Gregory Meeks, CSS co-sponsored the first-ever conference on the State of the African American Male with the New York delegation of the Congressional Black Caucus. The event drew a crowd of over 1,200 and launched an ongoing dialogue between citizens and government representatives on a subject of vital concern.

> In July 2005, in conjunction with Medgar Evers College, CSS sponsored a mayoral debate in which candidates addressed issues of concern to low-income New Yorkers, including affordable housing, jobs, and education. The debate, which was held before an audience of 500 community residents, was broadcast live on NY 1.



> **The CSS Political Development Department launched a civic web blog—Turnstile—to stimulate discussion on issues affecting the working poor of our city.**

We also work on behalf of communities that are denied the right to vote. New York State felon disfranchisement laws deny the vote to anyone who is incarcerated with a felony conviction or on parole. As the criminal justice system disproportionately incarcerates blacks and Latinos at a much higher rate than whites convicted of similar crimes, over 120,000 people—mostly black and Latino men from New York City—are currently disfranchised. The result is hard to ignore: dilution of the political power of communities of color.

In 2003, the Community Service Society joined with the NAACP-Legal Defense Fund and the Center for Law and Social Justice to represent Joseph Hayden. While incarcerated on a felony charge, Hayden had filed a lawsuit against New York's disfranchisement laws. The lawsuit, *Hayden v. Pataki*, has since

been expanded and amended to include those currently serving sentences, ex-offenders on parole, and communities of color impacted by these laws. The case is now on appeal and has led CSS to also explore legal intervention strategies to eliminate barriers to employment of persons with felony convictions.

In further recognition of the importance of voting to the empowerment of low-income communities, the CSS Legal Department is advocating for the reauthorization of the Voting Rights Act. The Act outlaws discriminatory practices that had been used for over a century to disfranchise racial and language minorities. Three crucial sections of the Act—requiring pre-clearance of election law changes, authorizing federal observers to monitor elections, and mandating bilingual election assistance—will expire in 2007 unless Congress votes to renew them. CSS and the New York congressional delegation are working to ensure that these provisions—and the rights of minority voters—remain protected.

Our strategies: identifying problems and advocating for solutions

The Community Service Society disseminates reports, briefings, and testimony that help bring the voices of the city's 1.8 million poor New Yorkers to the policy debate. Our research serves as a starting point for communicating the needs of low-income communities to policy makers and the public—and calling on those in power to take action.

In the past year, our research has had a direct and significant impact on public policy:

> “Unemployment and Joblessness in New York City, 2004: Better, But Still a Long Way to Go,” the latest report from Senior Labor Market Analyst Mark Levitan, found that 40 percent of African American men are jobless—a figure far more revealing than the official unemployment rate, which fails to capture those who have been out of work for extended periods. By putting a number on the issue of chronic unemployment, CSS research prompted the New York City Council to create the NYCWorks initiative.

An initial investment of \$10 million will fund training programs for out-of-work New Yorkers. The Council has appropriated another \$18 million for next year.

> “The Unheard Third 2004,” CSS's annual survey of low-income New Yorkers conducted under the leadership of Director of Policy Research Nancy Rankin, revealed that households living below the federal poverty level experience hardships at much higher rates than those earning just slightly more than poverty wages. In a series of influential editorials, The Daily News used figures from the survey to make the case for raising the state's minimum wage in order to increase the wage floor for New York's most disadvantaged families. In December 2004, after a sustained advocacy campaign among a number of organizations and advocates, the New York State Legislature agreed to a gradual increase in the minimum wage, from \$5.15 to \$7.15 an hour over a two-year period. *(continued)*

In the past year,
among full-time workers
living below the federal
poverty line...

33%

fell behind in paying the rent

36%

were forced to rely on food banks to eat

31%

were unable to fill needed prescriptions

23%

postponed needed medical care

...and on the job:

40%

did not have employee health insurance

66%

did not get prescription coverage

61%

got no paid sick leave

These are findings from The Unheard Third, CSS's poll of New Yorkers conducted by Lake Snell Perry & Associates between July 14 and August 1, 2004. A total of 1,300 New Yorkers were interviewed by telephone, including 1,000 low-income residents and 300 higher income residents. For more information on the survey, go to our website: www.cssny.org.

Black and Latino males aged 16 to 24 are more than twice as likely as young white males to be disengaged from schooling and the labor market.

> Mark Levitan’s report, “Out of School, Out of Work...Out of Luck? New York City’s Disconnected Youth,” found that young black and Latino males aged 16 to 24 are more than twice as likely as young white males to be disengaged from schooling and the labor market. In all, about 170,000 of our city’s young people are disconnected from activities and pursuits that could provide them with a secure future. In response to this data, Mayor Bloomberg announced the Learning to Work Initiative to revitalize the vocational education curriculum in our high schools. Findings from our survey of low-income New Yorkers, which demonstrated deep public support for expanding vocational and technical education programs, further bolstered the case for new public investment.

> In response to a CSS recommendation and data on pervasive joblessness and disconnected youth, Mayor Bloomberg established a Commission on Construction Opportunities to recommend strategies for ensuring that all New Yorkers—particularly people of color—gain access to quality jobs and apprenticeships in the fast-growing construction trades. CSS President David R. Jones serves on this Commission, along with Congressman Charles Rangel,

Comptroller William Thompson, and others.

> CSS’s latest housing report, “Making the Rent: Rent Burdens and Hardships among Low-Income New Yorkers,” by Senior Housing Policy Analyst Victor Bach, revealed that 65 percent of poor renters pay at least half of their household income toward rent.

65%

of poor renters pay at least half of their household income toward rent

Renters who live in private, rent-regulated apartments fared worse than those in public or subsidized housing: 77 percent devote more than half of their income to housing. CSS presented these findings in testimony before the city’s Rent Guidelines Board.

A CSS analysis of the dramatic loss of privately owned, HUD-subsidized housing was cited by the City Council when it enacted Local Law 79, the Tenant Empowerment Act, to preserve affordable housing.

Our impressive record of achievement speaks to the power of CSS research and advocacy to bridge the gap in understanding between communities in need and the public officials who serve them. Using our groundbreaking reports as a point of entry, CSS staff meets with legislators, provides testimony, informs the media, and connects with grassroots advocates to ensure that the voices of low-income New Yorkers are heard.

Our strategies: empowering individuals and their communities

As many as 730,000 eligible New Yorkers are not receiving food stamp benefits and approximately one million eligible New Yorkers are not enrolled in Medicaid. The requirement for extensive documentation, daunting paperwork, and confusing rules discourage many poor and vulnerable New Yorkers from receiving the government benefits to which they are entitled.

The Community Service Society's technical assistance and training workshops help to untangle the complexity of government benefit programs.

PUBLIC BENEFITS RESOURCE CENTER (PBRC)

PBRC provides critical and up-to-date information on over 70 public benefit programs to social service professionals. PBRC offers training workshops, publications, and one-on-one consultation services. This past fiscal year, over 1,300 social service providers attended one or more of 45 workshops offered by PBRC staff.

NEW YORK CITY MANAGED CARE CONSUMER ASSISTANCE PROGRAM (NYC MCCAP)

MCCAP, established by the New York City Council in 1998, is the largest health care ombuds program in the nation. Through its network of approximately 25 community-based organizations throughout the city,

MCCAP helps to educate New Yorkers about how to use their managed care plans. It informs consumers of their rights and provides tools, in 18 different languages, on how to resolve problems with their plans.

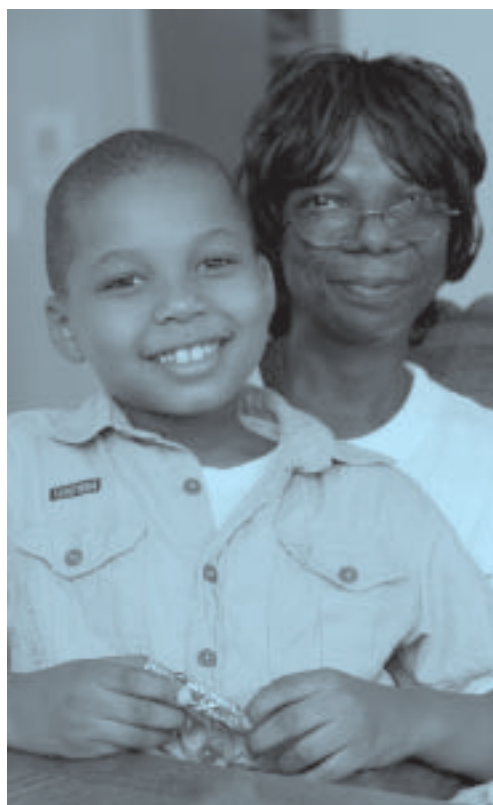
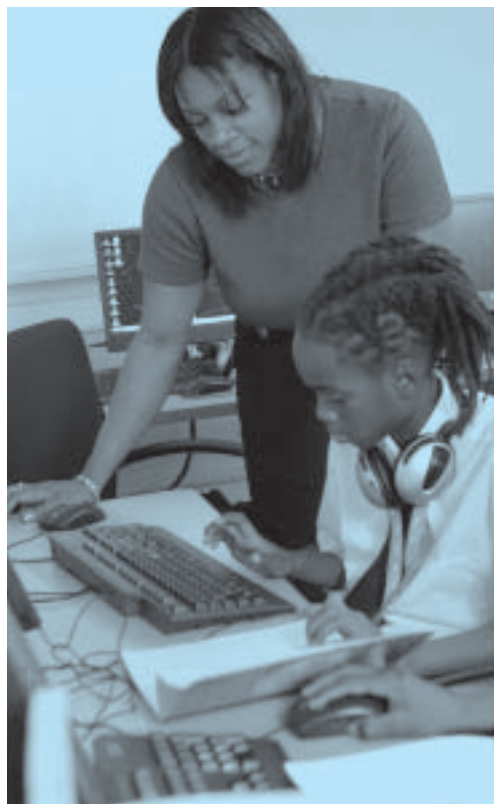
MCCAP helps those enrolled in all managed care plans—including the commercially insured. Over the years, more than 300,000 New Yorkers have been helped by MCCAP services.

TENANT ADVOCACY PROJECT (TAP)

Over one million New Yorkers are currently living in or seeking federally assisted housing. Many experience problems getting repairs, getting recertification, and other special issues. TAP was established in 2003 as a collaboration between CSS and the Office of the Public Advocate of the City of New York. Its major objectives are to help people benefit from available federal housing programs and to resolve tenant problems, thus preventing eviction and homelessness.

TAP workshops have trained staff from over 450 community agencies, serving approximately 135,000 families with housing problems every year. TAP also publishes "Housing Answers," a series of easy-to-use guides that provide answers to the most common difficulties that low-income tenants face.





Our strategies: developing social capital

CSS believes that social capital—connecting people—is a critical resource in helping communities thrive. At CSS, we've found that tapping into the social networks, skills, and experience of older adults, particularly within communities of color, can be an extraordinarily effective weapon in the fight against poverty. CSS is fortunate to work with a large number of older volunteers, and the experience has proven valuable many times over—to the Community Service Society, to the individuals involved, and to the communities in which they live and serve.

RETIRED & SENIOR VOLUNTEER PROGRAM (RSVP)

RSVP recruits, trains, and places volunteers age 55 and over in agencies throughout New York City. Some 8,000 volunteers, working at more than 600 city agencies, form the core of RSVP. In addition to its volunteer placement services, RSVP designs special projects, run by CSS, to offer volunteers a higher level of engagement and maximize the benefit to their communities. They include:

ADVOCACY, COUNSELING AND ENTITLEMENT SERVICES (ACES)

ACES volunteers are placed in hospitals, senior centers, and other agencies through-

out the city. They are trained to provide low-income, senior, and disabled clients with basic information on the major public benefits programs.

TAX COUNSELING FOR THE ELDERLY (TCE)

Specially trained volunteers provide free tax counseling to older adults, individuals with disabilities, and individuals and families with low-incomes. Over the last year, they produced over 5,000 hours of service in 77 tax counseling sites throughout the five boroughs, including senior centers, libraries, hospitals, and community centers.

EXPERIENCE CORPS

Experience Corps volunteers provide one-on-one tutoring to first and second graders to improve their literacy skills. Approximately 200 volunteers currently serve in 11 schools in some of the city's poorest neighborhoods, working 15 to 20 hours a week throughout the school year.

In addition, Experience Corps includes the Prejudice Reduction Program, where trained volunteers provide anti-bias education to public school children throughout New York City.

Our strategies: one on one, helping people in need

Although two-thirds of poor New Yorkers are in working families, a low-wage job is often not enough to meet basic needs like housing and food. Sixty-five percent of the poor pay more than half of their household income for rent, which leaves many of these households with an average of about \$30 a week per person for all other basic necessities. With so little to fall back on, a temporary setback such as the loss of a job or an illness in the family can turn into a serious crisis.

The Department of Social Services helps to stabilize individuals and families who are confronting a temporary emergency and who need case management services to move towards long-term self-sufficiency. Each year the case managers in the Social Services Department help approximately 1,000 New Yorkers through financial assistance, program referrals, and individual counseling.

CSS is one of the very few agencies in New York City that still provides emergency financial aid to head off evictions through its Eviction Prevention Program. Since its inception, the program has saved over 5,000 families from homelessness by pro-

viding information, referrals, advocacy, and financial assistance.

> **Loretta, a single mother with two children, was finally able to secure employment after 10 months of searching for a job—but not before management raised the rent on her subsidized housing unit to market rate. Unable to make ends meet, she fell behind in paying the rent and was faced with eviction. CSS provided Loretta with financial assistance to cover two months of rent arrears.**

CSS recently established the Extended Case Management Service, specifically targeted to those individuals who are seeking to move from welfare to work, or from low-wage work to stable, family-sustaining employment and greater self-sufficiency. Case managers are assigned to work with selected participants for a 12-month period to assist clients in becoming personally and economically self-sufficient.

As it has done for more than 160 years, the Community Service Society offers direct social services that act as a bridge, helping to connect low-income New Yorkers to a better life.



The New York Times

NEEDEST CASES

The Community Service Society is one of seven organizations to receive funds from the New York Times Neediest Cases Campaign. Every year, the New York Times Foundation administers a fundraising campaign to draw contributions from their readers to help many disabled and struggling New Yorkers. The campaign enables CSS to provide financial assistance to help clients offset potential crises, such as eviction or a medical emergency. The money has provided the necessary financial support for clients to help rebuild their lives.

DONORS

The Community Service Society of New York is grateful for the generosity of all of its supporters. As space is limited, we are only able to list our major contributors, but this does not minimize our appreciation of everyone who cares about CSS's work.

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July 1, 2004 through June 30, 2005.

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For more information about the Community Service
Society, go to our website at: <http://www.cssny.org>.

CONDENSED COMBINED STATEMENT OF ACTIVITIES

YEAR ENDING JUNE 30, 2005

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
CHANGES IN NET ASSETS				
Public support:				
Contributions	\$ 431,162	\$ 2,145,656	\$	\$ 2,576,818
Foundation grants	461,534	1,060,840		1,522,374
Trust income	343,702	570,803		914,505
Bequests	199,061			199,061
Greater New York Fund/United Way	11,213	260,989		272,202
New York Times Neediest Cases Fund		1,278,045		1,278,045
Government grants		5,301,443		5,301,443
Contracts	1,622,000			1,622,000
TOTAL PUBLIC SUPPORT	3,068,672	10,617,776		13,686,448
Revenue:				
Investment income	2,613,247	693,743		3,306,990
Realized & unrealized gains on security transactions	6,247,964	1,460,745		7,708,709
Change in value of perpetual trusts			1,173,347	1,173,347
Loan interest income	10,847			10,847
Program service fees	267,203			267,203
TOTAL REVENUE	9,139,261	2,154,488	1,173,347	12,467,096
Net assets released from restrictions	11,861,644	(11,861,644)		
TOTAL PUBLIC SUPPORT AND REVENUE	24,069,577	910,620	1,173,347	26,153,544
EXPENSES				
Program services:				
Direct service program	12,708,217			12,708,217
Policy research and advocacy	2,012,573			2,012,573
Public interest	649,359			649,359
TOTAL PROGRAM SERVICES	15,370,149			15,370,149
Supporting services:				
Management and general	2,992,828			2,992,828
Fund raising	677,136			677,136
Total supporting services	3,669,964			3,669,964
TOTAL EXPENSES	19,040,113			19,040,113
CHANGES IN NET ASSETS	5,029,464	910,620	1,173,347	7,113,431
NET ASSETS, BEGINNING OF YEAR	80,682,182	22,831,008	58,203,725	161,716,915
NET ASSETS, END OF YEAR	\$85,711,646	\$23,741,628	\$59,377,072	\$168,830,346

CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION

YEAR ENDING JUNE 30, 2005

ASSETS

Cash and cash equivalents	\$3,712,543
Marketable securities (at market value)	132,668,588
Receivables:	
Government agencies	3,012,198
Other (net of allowance for uncollectible amounts of \$3,141)	333,536
For securities sold	247,786
Loans receivable – Net:	
The United Charities	2,980
Program loan fund	131,817
Beneficial interest in perpetual trusts	30,282,537
Accrued interest and dividends receivable	221,030
Prepaid expenses and other assets	3,630,871
Equipment and improvements – Net	444,918
TOTAL ASSETS	\$174,688,804

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable and accrued expenses	\$2,350,963
Accrued vacation pay	431,886
Liability for securities purchased	468,800
Liability for postemployment and postretirement benefits	2,606,809
TOTAL LIABILITIES	5,858,458

NET ASSETS

UNRESTRICTED:

Appropriated for operations	589,965
Board Designated Reserve	2,262,961
Cumulative gains	82,858,720
Total unrestricted net assets	85,711,646

TEMPORARILY RESTRICTED:

Donor designated purposes	2,197,024
Cumulative gains	21,544,604
Total temporarily restricted net assets	23,741,628

PERMANENTLY RESTRICTED:

Income restricted for special purposes	5,195,511
Beneficial interest in perpetual trusts – income restricted	20,325,239
Beneficial interest in perpetual trusts – income not restricted	9,957,298
Income available for general purposes	23,899,024
Total permanently restricted net assets	59,377,072

Total net assets	168,830,346
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TOTAL LIABILITIES AND NET ASSETS	\$174,688,804
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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, 2005, 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 Endowment monies according to a formula. The current formula allows up to 6% of the five-year average of the Endowment's market value to be spent. For the fiscal year ended June 30, 2005, the Society appropriated \$7,321,000, according to this formula.

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The Community Service Society is an independent nonprofit organization that for more than 160 years has improved the lives of New Yorkers through direct services, advocacy and research.

How can you help? CSS needs the support of individuals and funding organizations to continue to provide our many services and advocate for the elimination of poverty in New York City.