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A study of the methods of financing special activities of ten selected social settlements in New York City

Eugene A.R. Montgomery

ATLANTA UNIVERSITY

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A STUDY OF THE METHODS OF FINANCING
SPECIAL ACTIVITIES OF TEN SELECTED
SOCIAL SETTLEMENTS IN NEW YORK CITY

A THESIS
SUBMITTED TO THE FACULTY OF THE
ATLANTA UNIVERSITY SCHOOL OF SOCIAL WORK IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF SOCIAL WORK

BY
EUGENE ALONZO RANDOLPH MONTGOMERY

ATLANTA, GEORGIA
JANUARY, 1948
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CHAPTER I

INTRODUCTION

General Nature of the Problem

The process of classifying social settlements by function discloses more diversity than similarity among them. Each agency has a definite individuality and has grown under the influence of its own standards, objectives and traditions, and of the personalities associated with them. Further complication arises from the fact that agencies customarily classified in the same functional group often have very different methods of providing service. Some meet a single need of their client and some attempt to meet various needs; some limit their clientele to one sex and some to one age period; some operate on a city wide basis, some in one borough, others in a restricted neighborhood; certain agencies serve one sectarian group; some, one racial group, others one nationality group, and still others, one professional or industrial group.

A further complication—and this is of even greater moment in a study as this—has been the tendency of individual agencies to operate in more than one functional field. Some of these multifunctional agencies do not make proper segregation in their accounts between the financing of special services and general agency services.

Purpose

This is a study of the present methods of financing special activities in ten selected social settlements in New York City: to ascertain if these methods are in accord with the best practices of social work, and to answer the question whether the future financial needs of settlements of New York can best be met by continuance of the present method of independent solicitation of funds or whether the settlements would benefit by some form of joint appeal.

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Scope

Agencies were selected from the "Recreation, Group Work, Settlements, and Neighborhood Centers" section of the Directory of Social Agencies of the City of New York 1946-1947, published by the Welfare Council of New York City. Criteria had to be established to select the settlements to be studied from among the multifarious agencies listed as such. The settlements selected for this study included those with the largest budgets and volume and variety of service as well as some settlements with smaller budgets and more limited services. The circumstances revealed by this survey are extremely varied and diversified as between individual settlements and it is believed that the sampling is sufficiently representative to serve as a sound practical guide for future action.

The following is a list of the agencies surveyed by this study:

East Side House
Grand Street Settlement
Greenwich House
Grosvenor Neighborhood House
Lenox Hill Neighborhood House
Madison House
Riverside Community House
The Art Workshop of the Rivington Neighborhood Association
Union Settlement Association
University Settlement

Method of Procedure

National, state and city-wide agencies with headquarters in New York were requested to supply any information they had available. Pamphlets and books on the subject were studied. Finally, a questionnaire was drawn up and sent to each agency together with an explanatory letter.¹

¹ See Appendix, p. 33.
The different viewpoints expressed have been recorded and a great effort made to give as accurate a picture as possible of the trends in opinion among the settlements studied.

Definitions

The boundaries of social work are not fixed. No one of the numerous efforts to define its field has had general acceptance.¹ The field governed by social settlements is perhaps broader than the title suggests, since many types of activities may be carried on in a settlement. Which are and which are not settlement activities is not indicated. To draw the line would be to define "special activity", a task more appropriately undertaken by workers in the individual agency.

A questionnaire is a form which is prepared and distributed for the purpose of securing responses to certain questions.² The questionnaire is concerned with ascertaining the conditions which prevail in a group of cases chosen for study, and is essentially a method of quantitative description of the general characteristics of the group.

Normative research is directed towards ascertaining the prevailing conditions. It seeks to answer the question, "what are the real facts with regard to the existing conditions." "Normative-research" is applied to this method in order to suggest the two closely related aspects of this kind of study. The word "survey" indicates the gathering of data

³Ibid., p. 287.
concerning current conditions. The word "normative" is used because surveys are frequently made for the purpose of ascertaining what may be normal or typical condition, or practice.
CHAPTER II

ORIGIN AND DEVELOPMENT OF SOCIAL SETTLEMENTS

The settlement has been called "an English patent adapted to American conditions." ¹

Because the settlement is more a "way of life" than a program of activities it is not easily defined in words. Primarily it is a group of people resident in a neighborhood where community needs are obvious, discovering and developing— in local or wider spheres— opportunities and resources which may lead toward higher standards of living, broader cultural interests, social justice, and education for a better day. Through day by day neighborly contacts with individuals or groups, there has developed a settlement approach to many problems of community life, which has found expression in a changing and evolutionary program of work, and in interpretation, experimentation, and social action.²

The independence of the settlement and its closeness to family and individual life make it sensitive to problems and needs as they develop and allow a rare flexibility of activities which can be shaped to meet emergency situations or changing neighborhood or economic conditions. The settlement reaches out beyond its neighborhood, interpreting to a wider group its first hand knowledge of problems which ultimately effect the city as a whole.

A settlement cannot be defined by what it does. It represents a configuration of aims or ideals, the realization of which calls now for one kind of activity, now for another. It is a laboratory in social science whose function is to discover ways of raising the general level of civilization, particularly among the less well-to-do elements in the community.³

The forms of work carried on in a settlement at any time are those

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considered by the headworker to be specifically adapted either to the unmet but obvious needs of the local community or to testing yet unrecognized powers and capacities in individuals and neighborhoods. The program, by definition, therefore, is evolutionary. The service aspect of current activities is secondary to the obligation of venturing expert judgment as to what had best be undertaken, with a view to ultimate adoption or imitation by the municipality, other social agencies, or even commerce and trade. A settlement which is merely an institution for performing a stereotyped service, no matter how valuable, by that fact ceases to be a settlement.

The settlement idea originated in 1884, when Oxford students, under the guidance of Samuel A. Barnett, vicar of St. Judas, a parish in East London, endeavored to learn more about existing economic and political inequities through acquaintance with working people. Although the impulses and initiative were thus closely allied with university and church, the words over the fireplace in Toynbee Hall, "no propaganda but good will," have always motivated the typical settlements. They have developed a broad non-sectarian service in many communities throughout the English-speaking world.

The founders of the first settlements in the United States had lived at Toynbee Hall or had talked with Samuel A. Barnett. Neighborhood Guild (University Settlement), the first American settlement, was established August, 1886 on the lower East Side of New York by Stanton Coit and Charles B. Stover. The lapse of three years saw the opening not only of Hull House in Chicago by Jane Addams and Ellen Gates Starr but of the College Settlement in New York by Dr. Jane E. Robbins and Jean Fine. The first Boston settlement, Andover House, later South End House, was founded in 1891 by
So much depends on the personality of founders and headworkers that certain other names must be singled out from the list of those who have given distinction to the movement in New York City: Lillian D. Wald (Henry Street Settlement), Mark K. Simkhowitch (Greenwich House), John Lovejoy Elliot (Hudson Guild), and Gaylord S. White (Union Settlement).

Transplanted from England to the United States, neighborhood work became more flexible; it broadened out from its academic matrix, employing the term "social settlement," and then discarded the qualifying word entirely. Men and women were included in the same household, a departure which would have been impossible at the time in England. Emphasis shifted from class rapprochement to race relations, assimilation and mutual adventures in community growth. With immigration at its flood, the early American settlements were among the first to introduce classes in English and courses in citizenship for the immigrant, to encourage and conserve folk arts, and to experiment with other branches of adult education.

Starting with an old residence or rooms in a tenement, the early settlement has grown into a cluster of neighboring houses, a quadrangle covering an entire city block, or a tall modern building. Clubrooms, clinics, gymnasium, studios, social halls and theaters as well as summer camps outside the city find place in the scheme. Although frequently settlements are regarded as recreation centers, their larger purpose is apparent from the Hull House Charter: "to provide a center for a higher civic and social life, to institute and maintain educational and philanthropic enterprises, and to

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investigate and improve the conditions in the industrial district of Chicago."\(^1\)

In the pursuit of such aims American settlement workers gave their attention to all the aspects of neighborhood and community welfare—to conditions of sanitation, health, education, recreation, housing and industrial relations. They fought against sweatshops, unsanitary workroom, child labor, low wages, overwork of women and other civic and industrial evils. In some cases their agitation resulted in local improvement, in others they led way to remedial legislation.

CHAPTER III

ANALYSIS OF SELECTED AGENCIES’ FINANCING PRACTICES

East Side House

At East Side House the special activities contemplated in the general agency budget are: arts and crafts, athletics, dancing, music, dramatics, outdoor activities, water sports at camp, motion pictures, nursery schools, and children’s library.

None of the activities is on a self-sustaining basis. When there is a deficit in a given event, it is made up by the board through the general budget. Special activities are financed through the general budget by the Greater New York Fund pro rata grant, individual admission fees for movies, and through contributions from the city and state towards the nursery. Games of chance are not permitted at East Side House.

Grand Street Settlement

The Grand Street Settlement includes arts and crafts, athletics, dancing, music, dramatics, outdoor activities such as camping, miscellaneous activities such as motion pictures, and the nursery school. Photography, game rooms and a lending library are among those listed as "other" activities. Water sports, such as swimming and boating, are not included. Games of chance, raffles and lotteries are prohibited.

In this particular agency none of the special activities are on a self-sustaining basis. Where a given event is less than self-sustaining, the deficit is made up through the house budget.

Like most of the agencies studied, the Grand Street Settlement secures a part of its income from the Greater New York Fund, individual admission
fees, and membership fees. The income from these sources become a part of the general agency budget. Thus, the allotted expenditure for "special activities" was derived from the general budget.

Greenwich House

The purpose of Greenwich House is to prove that people of different backgrounds - people of different racial and religious and cultural heritages - can join in concerted community action to help themselves and the community win a better life.

Because Greenwich House's business is Democracy, it is concerned with civic improvement, the eradication of racial tension, housing, employment, veterans' rehabilitation, juvenile delinquency, child welfare, consumer problems, art and culture. Its social service and cultural activities are designed to fill neighborhood needs that are not met elsewhere.

The program is prepared to serve both sexes and all age groups. The nursery school serves the two-to-five age group. For the six-to-twelve age group there is the Greenwich House Play School, the workshops, the gymnasium, the game room, and pottery. To the teen-agers and seniors who are in school the House is an athletic center, a place to hold club and scout meetings, a place to learn arts and crafts, and a place where they can come for guidance and advice about school, vocations, homelife, and their innermost private troubles. At Greenwich House the old people find a place and purpose. Here they have social clubs, listen to guest speakers and work on community projects.

The Greenwich House Music School is one of the New York City music schools accredited by the Veterans Administration to give full-course
instruction. It offers a variety of courses starting with individual and

group instruction for beginners on all instruments - including a rhythm

band for the kindergartners - to advance study in composition, conducting

and preparation for the concert stage. The fees are moderate and within

the reach of all. The school serves also as a neighborhood music center

by offering free concerts by faculty, guest artists and students; the

opportunity to listen to phonograph records, to use its music library and

to take courses in music appreciation. This past year there were more than

800 registrations, including 50 veterans; moreover, an additional 700 were

turned away for lack of space.

Each Year Greenwich House's Camp Wannamaker helps build the body and

spirit of some of the city youngsters ranging from eight to twelve years of

age and provides such activities as ball games, hikes, swimming and picnics.
The camp is maintained largely by special "camp" contributions.

When a given event is less than self-sustaining the deficit is made up

through voluntary contributions. All special activities are on a partially

self-sustaining basis. The sources of finance for the agency are: the

Greater New York Fund, individual admission fees, membership fees, sale of

activity products, solicitations, and governmental aid.

Games of chance are not sanctioned by the agency.

Grosvenor Neighborhood House

Hundreds of youngsters, Italian, Jewish, Greek, Irish and of other

derivations, crowd into Grosvenor Neighborhood House because they have a

better time there than they would on the streets.

The program includes arts and crafts; athletics, dancing; plays;
camping and picnicking, and kindergarten. There are no water sports.

Grosvenor Neighborhood House does not permit or sanction games of chance or lotteries.

The special activities are on a partially self-sustaining basis. They are financed by the Greater New York Fund, individual admission fees, membership fees and solicitations. When a given event is less than self-sustaining the deficit is made up from the general budget.

Lenox Hill Neighborhood House

The Lenox Hill Neighborhood House, founded in 1894 by the alumnae of Hunter College, is a center for people of all ages, races and beliefs.¹

Among its services are all-day care for children of working mothers; hot lunches and supervised recreation for slightly older children; summer camp; swimming pool at the house; athletics; hobbies and wholesome evening fun for teen-agers; clubs, handicrafts and social groups for adults; health supervision and annual physical check ups for all ages, and help in solving family problems.

The House Council raises $4,500 each year towards the operating budget through bazaars, games and parties. This plus monies from the Greater New York Fund, admission fees, membership fees, and solicitations make up the sources of income for the House. All income is combined in the operating budget, except in the case of the nursery where help is received from the city and state.²


²Letter from Miss Jule T. Bouchard (Resident Director, Lenox Hill Neighborhood House, December 3, 1947).
All activities are on a partially self-sustaining basis. The agency does not sanction games of chance or lotteries.

Madison House

Madison House was founded in 1898 by young university students as a cooperative social settlement. It was at the outset largely Jewish. In recent years it has served an increasing number of Italians and Poles. Within the past 12 months the membership has acquired a liberal admixture of Negroes and Puerto Ricans.

It schedules afternoon and evening groups and recreational activities for all ages. Typically, these activities comprise arts and crafts, competitive sports, dancing, choral groups, dramatics, outdoor activities, swimming, motion pictures, a dental clinic, personnel counseling, a credit union, and a tenant group.

No activities are entirely self-sustaining. Competitive sports and the dental clinic are partially self-sustaining, and summer camp is about half self-sustaining.

Deficits for given events are handled as a part of the general agency budget. When a general deficit is incurred a special fund drive is usually held. Income from the Greater New York Fund goes into the general budget. Individual admission fees partially finance competitive sports and the dental clinic. Membership fees go for activity supplies in general. There is no sale of activity products. Solicitation of especially interested individuals and businesses helps to finance the summer camp and the play school. The play school is also partially financed by governmental aid in the summer. Games of chance and lotteries are not sanctioned.
Riverside Community House

The Riverside Community House contemplates the following special activities in the general agency budget: arts and crafts for children; athletics; social, modern and tap dancing; pageants; picnicking (but not camping), and kindergarten.

Special activities on an entirely self-sustaining basis are cooking and music lessons. Parties are partially self-sustaining. No special activity is financed by an independent or separate source. All special activities are financed through (1) the general budget, which is determined in part by the Greater New York Fund, (2) membership fees, (3) solicitations, (4) funds from foundations, (5) benefits, and (6) rummage sales. When a given event is less than self-sustaining, the deficit is made up from the program fund in the general budget.

Games of chance and lotteries are sanctioned but not recommended, and seldom as a method of fund raising except in a small way at an occasional bazaar-type program within the agency.

The Art Workshop of the Rivington Neighborhood Association

The Art Workshop of the Rivington Neighborhood Association offers opportunity for men and women who are employed during the day to join evening groups interested in creative art, craft activities, modern dancing and dramatics.

All the activities are on a partially self-sustaining basis in that fees are charged for each class activity. Where there is a deficit in a class an effort is made to secure such monies directly from the individuals involved.
There is a single budget. The Greater New York Fund pro rata grant is applied to the general budget. Registration and admission fees are charged for all class activities. There are no general membership fees. Activity products are not sold, and the agency receives no governmental aid. Solicitations are made of especially interested individuals. An annual theatre benefit is held each year; it nets approximately 25% of the budget. Games of chance and lotteries are not sanctioned.

Union Settlement

Union Settlement, like most of the agencies, includes arts and crafts, athletics, dancing, music, dramatics, and outdoor activities as part of the agency program. Motion picture showings and nursery school care are sponsored also. These are in addition to a block organization project.

Music classes, camping and the nursery are on a partially self-sustaining basis. No special activity is on an entirely self-sustaining basis. Some given events prove to be less than self-sustaining. Deficits are made up through the general agency budget.

No activity is sponsored entirely by the Greater New York Fund. Camping, music classes, nursery, and school age day care are financed primarily by individual fees. Membership fees are spread over all activities. Money from the sale of activity products (e.g., creative arts) left by the children each year is incorporated into the general agency budget. Funds secured from the solicitation of especially interested individuals and foundations are used to partially finance health, camping, block organization and music. The nursery and school-age day-care programs are contributed to by the government.
No games of chance or lottery are sanctioned by the settlement.

University Settlement

University, the first social settlement in America, was founded in 1886. Its club rooms, gymnasium, kindergarten, milk stations, shops, dance hall, game rooms, auditorium, lectures, patriotic assemblies, roof garden, theatre, concert hall, dental clinic, and summer camps have been a vital media for transforming youngsters as well as adults into able and upstanding citizens. Other special activities are film forums, radio dramas, and a recreation school.

The film forums support themselves. Summer camp is partially self-sustaining. When a deficit is incurred in a given event, it is made up through the general budget under the board of directors. There is no governmental aid, and activity products are not sold. The Greater New York Fund, individual admission fees, membership fees and solicitations are the sources of income. Otherwise funds are raised by the board. Games of chance and lotteries are not sanctioned.

The greater majority of the social settlements studied include all the special activities listed on the questionnaire except water sports. Likewise, a greater majority listed special activities as being on a partially self-sustaining basis. All settlements receive a pro rata grant from the Greater New York Fund. Individual admission fees, solicitations and membership fees are collected by a greater percentage of the agencies. Games of chance and lotteries are not for the most part sanctioned by the settlements. This can be attributed to the fact that such activities do not have the approval of the board of directors and community.

CHAPTER IV

THE CURRENT SITUATION

It is not a simple matter to obtain comparable figures for settlement houses in view of the wide diversity in the character of their fiscal years and also because a minority of settlements are financed in special ways which do not lend themselves to generalizations.

According to a recent study the trends indicated in this limited survey hold good for settlements as a whole.

The settlement houses represented in the Tamblyn-Brown study1 account for an aggregate annual budget of $2,500,000. (See Table 1) In every case, while income and expense are alike on the increase, the latter is increasing more rapidly than the former. The aggregate deficit of the thirty agencies was $72,962 in 1940-41 and $178,285 in 1945-46. During the years under consideration, it has been the rule rather than the exception for settlements to end the year with a deficit. Over the six year period an average of twenty settlements, or two out of three of those studied, have incurred a deficit each year.

Conditions resulting from the war greatly increased the need for settlements and resulted in a rapid extension their work. Thus during the two year period, between 1940-41 and 1942-43, before the full impact of war-created demands was felt, the total income of the thirty settlements increased only 2.6% and their total expenses only 2.3%. During the ensuing

three years income increased 60.3% and expenses 64.4%.

The sources of income of settlements are varied in nature and are effected in varying degrees by the inauguration of any kind of joint financial appeal. A review of these sources, item by item, together with an estimate of future possibilities in each case is appropriate at this point as a basis for further discussion of the nature and probabilities of a joint supplemental campaign.

Sources of Income

For purposes of convenience the sources of income have been roughly comprehended under the following four heads:

Group #1 - Public Funds
Group #2 - Endowment income and fees from participants
Group #3 - The Greater New York Fund, special - purpose funds and grants from foundations.
Group #4 - Benefits and contributions.

Group #1

Public Funds.-- During the war there was a great increase in the number of mothers working in war plants. This necessitated arrangements whereby children could be adequately cared for during the period of the mother's absence from home. Recognizing the problem as one of national importance, the Federal Government took the lead in enlisting the cooperation of state and municipal agencies in providing public funds to supplement the income of private agencies willing to provide these facilities.

Among such agencies were a number of New York City Settlements.

Agreements with the state and municipal government provided that public funds be made available for two thirds of the expenses incurred while fees from participants would provide the other third. However, in practice

Ibid., p. 4.
most of the participating settlements found it necessary to raise funds from disinterested private sources.

Whereas the thirty settlements received no grants from public funds in 1940-41 they received 14.1% of their total income in 1945-46 from this source. Now that the wartime emergency is over, the question arises as to what future support may be anticipated from public funds for child care program. Although the number of working mothers has decreased since the war, it is still high, due to the rising cost of living.

As part of the liquidation of war time programs, the New York State Legislature has voted to discontinue its financial support of child care agencies. There is a good prospect, however, that New York City will provide the necessary funds. Nevertheless, there is no reason to expect that the trend of giving to settlements from public funds will continue to increase from year to year as has been the case for the past two years. It would be prudent for the settlements to anticipate a levelling off or even a possible decline of funds from public sources during the coming year.

Group # 2

Endowment income.— Lumping the appeal-response of especially interested business enterprises together with investment and other endowment income it would appear that there has been practically no change in total income over the last five years. It may be assumed that income from these sources will remain relatively stable in the future.

Fees from Participants.— The total income from fees from participants increased from $295,151 in 1940-41 to $484,296 in 1945-46. It is noteworthy that in both these years this total comprised 20% of the total income
of the settlements. The steady rise of income from this source is indicative of the steadily increasing measure in which those who benefit from the settlement program are active participants in settlement financing. Income from this source has increased at almost exactly the same rate as the aggregate budget.

Group #3

The Greater New York Fund. — Contributions from the Greater New York Fund increased 159% over the past five years. This percentage of increase in gifts from the Fund is slightly in excess of the total increase in expenditures. During this same period these gifts consistently averaged approximately six per cent of the total income of the thirty houses.

Other Funds and Foundations. — Contributions from special funds and foundations amounted to three and three tenth per cent of the total income of the thirty houses. In 1945-46 the income from Group #3 comprised 24.4% of the total income of these settlements.

Group #4

Benefits. — In 1940-41 revenue from "benefits" represented five and nine tenth per cent of the total income of the thirty settlements. During the war they dropped. In 1945-46 they went up again.

Contributions. — There was an increase of 44.7% in contributions for the five year period.

In 1945-46 income from Group #4 comprised 31.3% of the total income of the thirty houses.

In view of the steadily rising costs, it is evident that the settlements of New York may well face a very substantial deficit in the year ahead. A corresponding increase in income will be needed in order to enable
## Table 1

### Budgetary Income\(^1\)

30 Settlements

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\(^1\)Ibid., pp. 3-4.
TABLE 1 Continued

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<td>.1170</td>
<td></td>
<td></td>
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<td>Number of Houses Showing Deficit</td>
<td>15</td>
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<td>20</td>
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the settlements to make both ends meet without cutting their programs. These additional funds will have to be secured primarily from special funds, foundations and individual contributions. However, before considering how additional funds may best be secured, it seems feasible to examine the possibilities of retrenchment in expenditure.

Possible Retrenchment

The basic question is whether the need for settlements and neighborhood houses is greater than, less than, or about the same as in the past. There is a widespread popular opinion that the day of the settlement is past, since the immigration problem which the settlements were founded largely to meet no longer exists, and since many needs which the settlements originally met have since been taken care of by public and other agencies.

The fact remains, of course, that the social settlement has changed with changing neighborhood needs. The emphasis today is on helping the community to unite for understanding and attacking its common problems. Attention is increasingly being focused on the preventive rather than the remedial. Since the houses are in close personal touch with individuals of all ages, they are in a strategic position to serve as a referral agency to and an interpreter of many other private and public social agencies.

The informed consensus is that the demands upon the houses are steadily growing and will continue to grow and that these demands must be met in a substantial measure if progress is to be made in combatting the social ills of the overcrowded sections of the metropolis. If the settlement movement were to meet its opportunity fully it would undertake to establish branches of existing settlements or entirely new houses in the newer thickly populated

\[1\text{Ibid., p. 6.}\]
neighborhoods.

Whatever the trend of public support for neighborhood house work in the future, there is no apparent prospect that the amounts for which the neighborhood houses will look to private sources can be decreased thru the abandonment of projects currently supported in part from public funds.

Present Fund Raising Methods

Any program for joint or simultaneous fund raising must necessarily take into account the prevailing methods of fund raising characteristic of the individual settlement together with the attitudes of board members, interested business executives, members of auxiliary bodies and others on whom the financing program devolves.

Twenty three of the thirty houses surveyed by Tamblyn and Brown yielded the finding that (1) at least nine agencies employ financial secretaries, (2) two agencies employ a professional fund-raising concern, (3) twelve agencies divide the burden between the headworker, members of the staff and board members.

On the average, four or five members in the majority of the houses do a certain amount of solicitation of funds through personal interviews. In some houses, the board members sign letters to friends and acquaintances appealing for funds. Taking the settlements as a whole, the largest proportion of the money raised is through direct-mail appeals before Christmas and before summer camping activities get under way with a direct-mail follow-up thirty or sixty days later. Direct-mail appeals are also made during the same month each year to individuals who contributed in that month the previous year.
One of the larger settlements has the following fund raising staff: a full-time director, a full-time record-helper, a secretary, and two clerks. In this settlement the headworker and the financial director are both members of the board; both meet with and speak before groups which do or may contribute to the work of the house and both sign letters appealing for contributions. Emphasis is placed on getting the larger contributors to visit the house and see it in operation. A particularly interesting phase of the fund raising of this settlement is the work of the alumni.

An alumni group of 600 has raised sufficient funds during the past two years to underwrite a substantial portion of the total budget.\footnote{Ibid., p. 7.}

A smaller settlement reports that the treasurer is the most active member in fund raising and works with the headworker, who spends at least half his time in fund raising, mostly through direct-mail appeals.\footnote{Ibid., p. 7.}

Taking the settlements as a whole, from 30\% to 60\% of the time of board meetings appear to be devoted to publicity reports and plans related to fund raising. Boards meet from 6 to 10 times yearly for periods ranging from 1\frac{1}{2} to 2\frac{1}{2} hours.\footnote{Ibid., p. 8.}

Costs of Present Fund Raising

An effort was made to form an estimate of the present cost of fund raising activities from available records. It is impossible to do this with any degree of accuracy due to the variety of accounting methods used by the
settlements, and also due to the fact that a great number of settlements do not keep separate records of the cost of fund raising but include them under the general heading of administrative expenses.

Records are available, however, for eight settlements which in 1945-46 raised a total of $539,816 in gifts and grants from private sources. Of this amount $446,359 came from individuals, $63,026 from the Greater New York Fund, and $31,431 from other funds and foundations. In order to raise this sum, $45,335 was spent on direct fund raising, and an additional $38,026 for publicity and printing. Together they total $83,361. Approximately $6.50 was spent to raise each $100 sum received.

Benefits:— Many board members gain considerable satisfaction from the promotion of benefit performances, fancy-dress balls, and the like. It can hardly be denied that countless people will contribute to the support of neighborhood houses through participation in "benefits," who would not otherwise make any contribution. In some instances, a benefit participant has become interested in the work and activities of the settlement and has later proceeded to make a substantial direct contribution.

Notwithstanding, still other board members and some professional workers are of the opinion that the returns from "benefits" do not justify the tremendous effort, expense and time necessary to make a "benefit" successful. Moreover, they feel that the energy devoted to "benefits" could be more profitably directed toward soliciting direct contributions. During 1945-46 an average of five per cent of the total income of the settlements was derived from "benefits."

Many benefits are well established social institutions with considerable
prestige and momentum behind them. The abandonment of such well-tested means of support could not be lightly recommended.

**Funds and Foundations.**—Roughly four per cent of the income of the houses comes from funds and foundations. There seems to be no opinion that the income from this source could be increased with each house appealing separately. The existing opinion is that a better case could be presented to funds and foundations by a joint approach of the majority of the neighborhood houses.

**Contributors.**—Only a guess can be ventured as to the total number of contributors to the settlements in New York City today. Any number taken would appear large but when considered in connection with the population of the city and the number of people served by these houses it is relatively small. Perhaps three-fourths of all contributions are in amounts under ten dollars a year. Thus the financial burden rests largely upon a small number of people, mostly board members and their immediate friends. A much larger section of the general public will have to be made aware of neighborhood houses if the present activities are to be continued. It is essential that the settlements develop a wider base of support.
CHAPTER V

SUMMARY AND CONCLUSION

This study was initiated to determine if the prevailing methods of financing social settlements in New York City are adequate and whether the future financial needs of these settlements can best be met by a continuance of the present method of competing solicitation or whether the settlements would gain more financially through some form of joint appeal.

The settlement movement began in England when Oxford students sought to become better acquainted with the economic and political inequities endured by working people. All settlement founders in the United States were influenced by the movement in England.

Notwithstanding, transplanted, the settlement quickly took on a distinctly American character, shifting the emphasis from socio-economic education of the college student to socio-economic betterment of the immigrant. This called for the raising of thousands of dollars in philanthropic funds. Some settlements selected for this study are among those with the largest budgets, while others are of distinctly limited scope. This writer has reason to believe that his sampling, small though it is, is fairly representative of at least the New York City settlement situation.

Of the special activities contemplated by the ten social settlements in the general agency budget arts and crafts activities, dancing, and dramatics were included in the program of all the settlements; athletics, outdoor activities and "others" as listed by the settlements, includes lending library, photography, home economics, tenant groups, block organization projects, and discussion groups.
In two settlements some of the special activities were entirely on a self-sustaining basis, two had some on such basis, and eight had special activities partially self-sustaining.

All settlements in this study receive a pro rata grant from the Greater New York Fund. Nine collect individual admission fees. Seven have membership fees. Eight use solicitation as a source of income. Two sell activity products. Five receive governmental aid for their nursery school program.

Games of chance and lotteries are not sanctioned by nine of the settlements. Only one settlement sanctioned such activity, and this was controlled.

The current situation indicates the following:

1. There is no special account on the settlements' book for the underwriting of special activities. All activities are provided for to some degree in the general agency budget.

2. The trend to date is one of expenditures increasing at a more rapid rate than receipts.

3. There is no reliable indication that grants to settlements out of public funds will continue indefinitely or increase in the near future. It would be wise to anticipate a decline in grants from public funds.

4. The present expenditures of the settlements cannot be substantially decreased at this time without serious loss to the welfare program of the city of New York. On the contrary, it would appear that much is to be gained by an enlargement of the existing settlement program.

5. The settlements need to lengthen their lists of benefactors. Sound financing requires that they broaden their base of support.

6. If new funds are to be secured they will have to come primarily from individuals, funds and foundations.
The question which the settlements must decide is whether the additional funds needed can best be raised (a) by improving the methods whereby each settlement finances its own work, (b) by some form of united appeal or (c) by a combination of both.
CHAPTER VI

RECOMMENDATIONS

Individual Improvement of Present Methods.-- It would seem advisable that a serious effort be made over a period of at least one year to strengthen the efficiency of the present fund-raising program of the individual settlements. The strength of any united movement depends upon the strength of its individual members. A period of rigorous self-examination by every board with a view to discovering possible ways and means of strengthening its own financial program could not fail to produce beneficial results.

The best result would be obtained if skilled professional counsel were retained to advise and guide the individual settlements in strengthening their publicity and fund-raising activities.

Individual Improvement Plus Joint Publicity.-- The program of self-improvement might well be supplemented by a one year period of joint publicity but without any form of joint appeal for funds.

The main feature of such an undertaking might be a large mass meeting staged by all the settlements jointly, at which the Neighborhood House movement could be effectively dramatized. Such an event might constitute the point of departure for an intensive period of publicity lasting from two to four weeks. During this period, newspapers could be required to write editorials calling the movement to the attention of the people of New York with a view to furthering the financial appeals of all the individual settlements.

The great advantage of this plan is that it would avoid the complicated and expensive procedure necessary in the building up of a list of new prospective donors not now contributing to any settlement as well as the cost in time,
effort and money in organizing even a limited joint appeal.

The disadvantage of this plan is that it provides no outlet for those interested persons who believe in joint movements and would like to feel that they are contributing to a city-wide attack on social evils rather than just a single settlement. Moreover, it does not provide for a well organized united approach on a personal basis to wealthy individuals not now giving to any settlement. Whereas almost everyone today deplores the amount of time and effort which has to be devoted to an effective volunteer fund-raising effort, there is no substitute for those activities in the raising of substantial funds.

**A Joint Supplemental Campaign.**—Finally, there would seem room for the joint solicitation of a list of prospects not now giving to any settlement. This would constitute a decidedly expensive, time-consuming venture, and professional assistance would be of essence. Such a campaign could be spread over a full fiscal year.
QUESTIONS

SUBJECT: A Study of the Methods of Financing Special Activities of Ten Selected Social Settlements in New York City.

1. What special activities are contemplated in the general agency budget? Please check:

A. Arts and Crafts
   - Art activities for children and adults
   - Handicrafts activities for children and adults

B. Athletics
   - Competitive sports
   - Other sports

C. Dancing
   - Social Dancing
   - Folk Dancing

D. Music
   - Choral groups
   - Instrumental groups

E. Dramatics
   - Plays
   - Pageants

F. Outdoor Activities
   - Camping
   - Picknicking

G. Water Sports
   - Swimming
   - Boating

H. Miscellaneous
   - Motion Pictures
   - Nursery Schools

I. Other

2. What special activities are on a self-sustaining basis?
   (a) Entirely?
   (b) Partially?

3. Where a given event is less than self-sustaining, how is the deficit made up?
4. What activities are financed by:

(a). The Greater New York Fund?
(b). Individual admission fees?
(c). Membership fees?
(d). The sale of activity products (e.g., art and crafts objects)?
(e). The solicitation of especially interested individuals and businesses?
(f). Governmental aid (municipal, state, or national)?
(g). Otherwise?

5. What is the agency's policy with regard to games of chance and lotteries? Are they at all sanctioned?

6. Remarks:
BIBLIOGRAPHY

Books


Bulletins, Monographs and Reports


Articles


