

THE CHRONICLE OF PHILANTHROPY

February 8, 2016

Why We Must Improve Nonprofit Advocacy

By Tim Delaney

Recent opinion pieces in the *Chronicle of Philanthropy* have decried the lack of capacity of foundation and nonprofit infrastructure groups to be strong policy advocates.

Community foundation leader Emmett Carson [suggested](#) that “To Strengthen the Nonprofit World, Independent Sector and the Council on Foundations Should Merge” (Dec. 4, 2015). In “Why the Nonprofit World Needs 2 Groups to Press Its Agenda” (Dec. 21, 2015), Pablo Eisenberg [disagreed](#), observing that “John Gardner, Independent Sector’s founding chairman, wanted the membership to be limited to nonprofit groups [because he] feared that if the organization also represented grant makers, nonprofits would be overshadowed by foundations and would lose power and influence within the organization.” In “5 Ways to Increase Nonprofit-Advocacy Clout” (Jan. 19, 2016), professor Alan Abramson [asked](#) whether it is “time to consider a closer alliance – or even merger – of Independent Sector and the National Council of Nonprofits.”

While they disagree on the solution, all are correct that honest dialogue is long overdue to identify how best to meet the urgent advocacy needs of the nonprofit and foundation communities. I write – as someone who has spent more than 30 years deeply entrenched in advocacy and public policy in the business, government, and nonprofit sectors, and now leading the nation’s largest network of charitable nonprofits – to share some key facts for consideration in the broader debate.

Fact: Nonprofits and foundations – and the people we serve – are being hurt by policy decisions.

Since the Great Recession began, government policymakers have been shifting more of their financial responsibilities onto the backs of charitable nonprofits and funders by:

- *Making deep funding cuts* (when governments cut funding, they don’t cut underlying human needs – leaving nonprofits and foundations to fill the gaps);
- *Attempting to take money away from nonprofit missions* (by trying to impose taxes, fees, and payments in lieu of taxes (PILOTs); revoke or revise tax exemptions; reclassify property as taxable; and eliminate/limit deductions for charitable contributions);

- *Failing to pay nonprofits for the full costs of contracted services they provide on behalf of governments* (binding nonprofits to the starvation cycle and imposing a “hidden tax” on private philanthropy to subsidize the shortfalls).

These actions and many others combine to hurt the individuals and communities that nonprofits and foundations jointly serve, increasing needs and making nonprofits less sustainable, less efficient, and less effective. And even if governments aren’t taxing foundations directly, they are tapping philanthropic resources indirectly by expecting private donors to pay the higher taxes, fees, and other costs imposed on nonprofits to fill government budget holes.

Harmful policy actions amount to death by a thousand cuts, with daily news reports about state cuts to food stamp eligibility, local attempts to rewrite property-tax exemptions, governments not paying contracts on time, and more. Research by the Center for Effective Philanthropy revealed that 76 percent of foundation executives surveyed reported that their [greatest barrier](#) to making progress was the “current government policy environment,” with most saying “it is a significant or an extreme barrier.” As one foundation leader observed, “federal and state legislation is debilitating the human services programs that are critical to our communities; even with our best efforts, philanthropy cannot fill the gap alone.”

Fact: Advocacy involves much more than just legislative lobbying.

Public policy is forged not only by legislation, but also by equally binding administrative regulations, executive actions, and judicial decisions, as well as public opinion, nonpartisan voter engagement, and lots more. Playing in just one dimension of a multi-dimensional game guarantees harmful losses. Effective nonprofit advocacy must engage in all forums.

Fact: Most policy action is in the states, not Washington, DC.

Policy threats and opportunities neither start nor stop at the DC Beltway. Consider the data: during its last two full terms (2011-2014), Congress passed only 579 total bills, while state legislatures passed almost 136,000. That’s why the National Council of

Nonprofits and our network of state associations of nonprofits focus primarily (but not exclusively) on policy issues erupting in the states. Advocacy is needed anywhere and everywhere there are threats to an organization's mission, not just in DC. A federal policy presence for foundations and nonprofits is still necessary, but fixating solely on Washington is unsafe when most policy action occurs in the states.

Fact: It's imperative to engage defensively.

The sports adage that defense wins championships is correct. Likewise, professional advocates representing businesses and governments spend the bulk of their time deflecting and defeating bad policy proposals, not trying to pass proactive bills. Nonprofits and foundations are not immune from the truth that for every good piece of legislation or regulation there are dozens of ill-conceived proposals that, if not prevented, could create needless duplication, burdensome restrictions, barriers to efficient service delivery, and enormous costs.

Fact: A team of teams is more effective than just one large organization.

At the National Council of Nonprofits, we operate through our network of state associations of nonprofits to gather, analyze, package, and distribute information about policy trends, analysis, framing, strategies, and tactics across state lines. Our networked approach leverages the advantage of our **more than 25,000 organizational members'** "boots on the ground" across the country with our policy team in DC supporting the work of those in the field.

We have learned that teamwork and coordination through a network pays dividends. For example, during the last three years, our network has generated or protected billions more in resources for the work of nonprofits in local communities by, among other things:

- [Securing a mandate](#) that any local, state, tribal, or federal government agency or nonprofit using federal funds to hire nonprofits must now pay their indirect costs;
- Defeating efforts in multiple states to limit charitable giving incentives; and
- Providing leadership for reform of government-nonprofit contracting practices at all levels of government – unglamorous, for sure, but vital when the nonprofit community earns 32 percent of its entire revenue from government contracts and improving efficiency of the complex system by just two percent will yield annual savings larger than the largest foundation grants globally.

We quietly accomplished these and other successes because of our engaged network, constant efforts to

build trusting relationships, ongoing work in developing additional collaborative partnerships, and the support of a small cadre of foundation mission partners that provide general operating support so we can nimbly respond to the policy threat *du' jour* somewhere in the country.

The network approach of rapidly exchanging policy information, with everyone learning from the experiences of others, works. Some have called it innovative and cutting-edge. We just call it necessary.

Fact: The sector is at risk because policy advocacy, particularly in the states, is grossly underfunded.

Alan Abramson correctly noted in his *Chronicle* article that the operations of many of the state associations of nonprofits within our network are small. Small does not equate to ineffective, as shown by the sampling above of our network's successes for the sector. But it has not been without sacrifice and severe strains. These groups that are on the front lines of policy battles at the state and local levels have been underfunded for years.

They are at a severe disadvantage in the policy arena given how much money corporate America pours into policy work at the state and local levels and how often the Governors, Attorneys General, legislators, county officials, mayors, council members and other elected and appointed officials gather nationally and regionally to exchange policy information, strategies, and techniques across state borders.

Unlike businesses or governments, nonprofits have neither profits nor a tax base to tap to fund their infrastructure groups for collective advocacy. Charging dues high enough to sustain the ability to consistently defeat harmful and uninformed policy proposals is insufficient when the vast majority of charitable nonprofits have income of less than \$1 million.

Conclusion

Mr. Abramson, Mr. Carson, and Mr. Eisenberg have lifted the veil to create space for robust discussions about the urgent need to re-examine the alignment of policy resources in the charitable and foundation communities. Considering the clear and present policy threats and opportunities that nonprofits and foundations face throughout the country, that critical communities-wide conversation must focus on the need to enhance and expand the advocacy presence of our communities.

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