

CHAPTER HIGHLIGHTS

THE STATE OF NONPROFIT AMERICA

LESTER M. SALAMON *editor*

Chapter 10 Highlights **INFRASTRUCTURE** **ORGANIZATIONS**

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Brookings Institution Press
Washington, D.C.

Published in collaboration with the Aspen Institute

INFRASTRUCTURE ORGANIZATIONS *

By Alan J. Abramson and Rachel McCarthy

In addition to the daycare centers, soup kitchens, hospitals, and universities with which most people are familiar, America's nonprofit sector also includes a variety of infrastructure organizations (IOs) that support these other organizations and seek to improve their effectiveness.

Beginning in the 1970s, the nonprofit infrastructure experienced a golden era of growth, and IOs now provide a broad range of membership, advocacy, research, management assistance, and other services to help strengthen the nonprofit sector and philanthropy, much as similar organizations do for the business and government sectors.

However, at the start of the new millennium, this growth era of nonprofit infrastructure organizations is drawing to a close, according to Alan J. Abramson and Rachel McCarthy of the Aspen Institute. Today, IOs face a major new challenge, the challenge of consolidating the gains of recent decades.

This analysis is part of a broader assessment of *The State of Nonprofit America* coordinated by Dr. Lester M. Salamon of The Johns Hopkins University and published by the Brookings Institution Press in collaboration with the Aspen Institute.

Rise of Sector-Wide Organizations. While a variety of "subsector" infrastructure organizations serving nonprofit organizations in particular fields has long existed, what is new in recent decades is the emergence of sector-wide infrastructure organizations such as Independent Sector, the Council on Foundations, state nonprofit associations, and a broad nonprofit management support structure that includes technical assistance providers and academic centers devoted to nonprofit training and research. These organizations have grown in recent decades to fend off policy attacks on the nonprofit sector and to advance the professionalization of the field.

Articulating a Vision. Despite this growth, however, nonprofit infrastructure organizations still face some formidable challenges. Most significant is the task of developing and communicating a cohesive and compelling vision for the nonprofit sector, one that can attract public support and provide a defining set of values for the field. This has become especially critical in view of the growing commercialization of the sector detailed elsewhere in the book in which the chapter by Abramson and McCarthy appears.

Gaps and Overlaps. In addition to the challenge of articulating a compelling vision for the nonprofit sector, IOs must also address a variety of gaps and overlaps in the nonprofit infrastructure. Thus, while IOs have been strengthened at the national level, the available infrastructure at the state and local level remains weak in numerous places. Technical assistance resources, while plentiful in some places, are lacking or are of doubtful quality in others. Similarly, the roles and relationships among some of the infrastructure organizations have yet to be clarified or rationalized.

Financing Challenge. Also problematic is the challenge of financing the sector's growing infrastructure. This is a classic challenge for intermediary organizations that generate benefits for members and non-members alike, inducing some to "free ride" on the dues paid by others. Some IOs, including Independent Sector, manage this situation by relying on a small group of foundation members to shoulder a disproportionate share of an IO's costs so that others can join for lower fees. Recent declines in stock market valuations, which have reduced foundation assets, make this strategy increasingly tenuous, however. Other IOs, such as the Council on Foundations, provide selective benefits to members only, including legal consultation and an annual conference that non-members must pay a significantly higher fee to attend. But this makes it essential to produce high-quality services, something that some IOs are struggling to provide.

Consolidation. Rather than continuing to expand as they have in recent decades, in coming years IOs must consider how to consolidate the gains of recent decades. Conceivably, some collaboration – or even merger – will be needed among the IOs themselves. The nonprofit infrastructure must find a way to articulate the special character of nonprofit organizations, present that vision effectively to policymakers and the public at large, and provide services that nonprofit organizations find useful enough to pay for. Fortunately, important progress has been made along all of these lines, but significant challenges still remain.

* Adapted from "Infrastructure Organizations" by Alan J. Abramson and Rachel McCarthy in Lester M. Salamon, editor. *The State of Nonprofit America*. Washington: The Brookings Institutions Press, 2002. Published in cooperation with the Aspen Institute.

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– Peter B. Goldberg, President and CEO, Alliance for Children and Families

Chapter highlights are from “Infrastructure Organizations” by Alan J. Abramson and Rachel McCarthy, a chapter in *The State of Nonprofit America*, edited by Lester M. Salamon and published by the Brookings Institution Press in collaboration with the Aspen Institute.

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