

The Nonprofit  
Contribution to  
Civic Participation  
and Advocacy

A DRAFT  
STATEMENT  
FOR PUBLIC  
DISCUSSION

## Nonprofit Sector Strategy Group

The Aspen Institute's Nonprofit Sector Strategy Group (NSSG) is a leadership forum that is addressing the most pressing issues facing the nonprofit sector in America. Formed in 1997, the NSSG convenes meetings to explore innovative ways in which the business, government and nonprofit sectors might work together to address shared concerns and promote a healthy civil society and democracy.

This pamphlet provides an introduction to the work of the NSSG, followed by the group's draft statement, "The Nonprofit Contribution to Civic Participation and Advocacy."

We welcome your comments on this publication. To share comments, request more information, or order NSSG publications, please contact:

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## Introduction: The Mission of the Nonprofit Sector Strategy Group

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*By carefully examining the most important challenges and opportunities facing America's private nonprofit organizations, the Nonprofit Sector Strategy Group is working to stimulate a new consensus about the nonprofit sector's roles and responsibilities, and offer practical recommendations to enhance policy, practice, research, and public education on this crucial set of institutions.*

America's private, nonprofit sector has long played a crucial role in American life.<sup>1</sup> Its 1.5 million organizations and associations provide services to meet an extraordinary range of human needs: ministering to the sick through visiting nurses associations, hospitals, clinics, and nursing homes; educating tens of millions in its schools and universities, as well as in community tutoring programs; providing human services such as day care, meals on wheels, adoption, job placement, domestic abuse prevention, and relief for the poor; strengthening spiritual life through churches and religious associations; and promoting arts and cultural activities of all kinds.

Nonprofit organizations also connect Americans to unique opportunities: to volunteer, to advocate for public policy, to promote democratic values, to participate in decision-making processes, and—in doing so—to shape a more just and prosperous democracy.

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### RESPONDING TO A CHANGING LANDSCAPE

In the past 15 years, the nonprofit sector, like business and government, has had to respond to a dramatically new social and political landscape.

The contours of this landscape include: a new and constantly evolving mix of peoples and cultures; instant and interactive technology in all arenas of life; downsized and devolved governments; a global marketplace; a commercial presence that reaches into almost every aspect of life; and a surging, volatile economy that is benefiting many but not all.

These new realities pose a complex mix of opportunities and challenges for nonprofit organizations. On the one hand, they open up the possibility of productive new partnerships between nonprofit organizations and businesses and new sources of revenues that nonprofit organizations can tap. On the other hand, however, they bring for-profit competitors into traditional nonprofit fields and create commercial pressures that can threaten the ability of nonprofit organizations to remain focused on their public-service missions.

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THE WORK OF THE NONPROFIT SECTOR  
STRATEGY GROUP

This changed environment gives rise to fundamental questions: What are the unique contributions of nonprofit organizations? What traditional nonprofit roles should endure and what new roles need to be imagined? What are the sector's major strengths and weaknesses? How can needed changes best be encouraged?

In 1997, The Aspen Institute, an international nonprofit educational institution headquartered in Washington, DC, organized the Nonprofit Sector Strategy Group (NSSG) to address these questions, to examine the sector's most important opportunities and challenges and bring constructive ideas and recommendations to public attention. Funded by grants from the W. K. Kellogg Foundation and The Ford Foundation, the NSSG focuses its attention primarily on the public-benefit portion of the nonprofit sector, which encompasses those organizations whose primary mission is to serve a broad public rather than their own members.

The NSSG convenes participants from a variety of backgrounds and institutions—including individuals from business, government, academia, nonprofit organizations, foundations, and the media. In addition to gathering participants for regular deliberations, the NSSG intends to share its findings with and seek comments from a broad range of opinion leaders, policy-makers, academic institutions, nonprofit and business groups, and journalists.

In the following pages are the results of the NSSG's deliberations on one of the core functions of the nonprofit sector: its role in promoting civic participation and advocacy. This draft document is being circulated in the hope that it will provide useful input for other discussions on this topic and helpful

suggestions for future action.

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## The Nonprofit Contribution to Civic Participation and Advocacy

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A Draft Statement for Public  
Discussion

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### B A C K G R O U N D

*America today confronts a new social and economic landscape.*

This changed landscape has enormous implications for all of America's institutions, government, business, and nonprofit. To help assess these implications as they relate to the nation's private, nonprofit organizations, particularly the public-benefit organizations eligible for tax-deductible gifts, The Aspen Institute, an international nonprofit educational institution dedicated to encouraging informed dialogue on important public issues, organized the Nonprofit Sector Strategy Group. The NSSG brings together a distinguished group of citizens with an interest in this sector and extensive experience in nonprofit organizations, foundations, academia, government, and business.

The present document summarizes the major conclusions that emerged from the first substantive meeting of this group, which focused on the role that nonprofit organizations play in promoting civic participation and facilitating citizen involvement in shaping public policy. NSSG members (see page 14 for a complete list of members; an asterisk indicates which members participated in this discussion) focused their discussion on the following questions:

- How important are the policy advocacy and civic participation functions of the nonprofit sector?
- How well are nonprofit organizations performing these functions? Are some perspectives not being represented as well as they should be? Are some points of view systematically under-represented or ignored?
- What barriers exist to more effective nonprofit involvement in policy advocacy? More specifically, are there significant legal, funding, or internal agency barriers? Are nonprofits on a level playing field vis-à-vis business and professional organizations with respect to advocacy and lobbying?
- What steps might be taken to reduce the barriers confronting

nonprofit involvement in policy advocacy and civic participation?

To examine these questions, participants had available several expert reports as well as the benefit of their own considerable personal experience.

This document identifies the areas of general agreement that surfaced during the discussion of these issues, some differences of opinion that also emerged, and the follow-up steps that participants felt deserving of attention.

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## I . P O I N T S O F A G R E E M E N T

The members of The Aspen Institute's Nonprofit Sector Strategy Group found themselves in general agreement on the following critical points:

1. *Advocacy: A Fundamental Function. Active participation in the policy process is a fundamental function of the nonprofit sector in a democratic society and one that must be encouraged in the future.*

Such participation is a right and, for many nonprofit organizations, also a responsibility that grows directly out of the constitutional right of citizens to petition the government. This process can best be effectuated in contemporary society through organized citizen action. Nonprofit participation in policy-making can advance society's interest in a high-quality, deliberative democracy responsive to a diversity of voices. In addition, nonprofit participation in the policy process takes advantage of the special insights, competencies, and perspectives that nonprofit organizations have by virtue of their involvement with important societal issues and their ties to a wide range of different social groups, including many that might otherwise be excluded from involvement in public affairs.

Active participation in the policy process thus can provide many benefits, such as:

- Focusing public attention on key social problems and solutions;
- Increasing the base of knowledge on which sound, innovative policy is formed;
- Ensuring access for new and unheard voices;
- Fostering governmental accountability to citizens;

- Promoting democratic values like freedom of expression, pluralism, and self-sacrifice shaped by a vision of the public good; and,
- Giving citizens a personal sense of efficacy and civic skills as players in the democratic process, as well as increasing their sense of attachment to community.

## 2. The Definition of Nonprofit Advocacy.

*Given the massive changes in communications and civic involvement that are now underway, nonprofit policy advocacy cannot be narrowly construed. Rather, such involvement appropriately takes a wide variety of forms and focuses on the full range of institutions, both public and private, whose actions affect the achievement of a just and equitable society.*

Among the acceptable forms that nonprofit advocacy can take are:

- Issue identification, research, and analysis;
- Education of the public on crucial issues;
- Lobbying for or against legislation;
- Voter registration and education;
- Litigation;
- Lobbying governmental agencies at all levels;
- Participation in referenda or initiative campaigns;
- Grassroots organizing and communication with local leaders; and,
- Testifying before governmental bodies.

Among the institutions that are appropriately targeted by nonprofit advocacy activities are:

- Government agencies
- Courts
- Legislative bodies
- Corporations
- The media
- The public
- Other nonprofit groups

## 3. Legal Protection for Nonprofit Advocacy.

*Because of its vital importance, nonprofit involvement in policy advocacy and civic affairs needs to be clearly and unambiguously protected in law.*



Current law appropriately provides substantial room for non-profit involvement in all the types of civic engagement noted above. However, it also imposes significant barriers to some kinds of nonprofit civic involvement, such as lobbying and participation in political campaigns, and many of these constraints are quite complex. This has caused considerable confusion among nonprofit organizations and may be having an unfortunate chilling effect on nonprofit and foundation involvement in these important activities.

4. *Financing Nonprofit Advocacy. To be maximally effective, nonprofit civic engagement must not only be legally protected but also adequately resourced.*

From the information available, it appears that significant disparities exist in the financing of nonprofit advocacy. In particular, business and professional groups are better equipped to support advocacy activity than are groups representing minorities and the poor.

5. *Buttressing Advocacy Within Nonprofit Organizations. For the nonprofit sector to fulfill its role as a promoter of democratic participation and policy involvement, the sector's civic engagement responsibilities must be emphasized within nonprofit organizations.*

As mission-oriented organizations, nonprofits are naturally advocates for their missions. Mission-related advocacy is therefore appropriately a central part of their operations. The link between advocacy and other agency activities is often not made effectively, however. Like other activities, nonprofit advocacy involves trade-offs for organizations in terms of human and financial resources, organizational self-perception, and external support. It is therefore sometimes downplayed or ignored. To maintain the advocacy focus that is an important part of the *raison d'être* of the sector, greater efforts are needed to incorporate advocacy into nonprofit strategic planning and training of boards and staff.

6. *Reducing Potential Abuses of Nonprofit Advocacy. For all its positive features, nonprofit policy advocacy also presents a number of challenges that must be addressed without infringing upon basic free speech rights.*

Nonprofit policy advocacy can broaden the base of knowledge and perspectives brought to bear on policy decisions. At the same time, however, it can also call attention to frag-

mented public opinion, thereby complicating the task of reaching consensus on complex public issues. Although prohibited by law, charitable institutions can also be misused to represent narrow economic interests rather than the public interest of a broader community. While encouraging non-profit advocacy, therefore, care must also be taken to preserve neutral arenas for policy analysis and deliberation and to avoid the misuse of the charitable nonprofit form for private interest advocacy.

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## II. POINTS OF DIFFERENCE

In addition to the broad areas of agreement noted above, the members of the Strategy Group also differed on a number of points. The most salient of these were:

1. *The Current Health of Nonprofit Advocacy.* *Although there was general agreement about the importance of nonprofit involvement in advocacy, there was considerable disagreement about the extent to which such advocacy is “in trouble.”*

- One group of participants argued passionately that nonprofit advocacy is far less extensive than it should be and that significant voices—particularly those of the poor and minorities—are not being effectively represented in the policy process as a consequence. Those holding this view pointed to a number of factors limiting the scope and effectiveness of nonprofit advocacy:
  - Complicated and overly restrictive legal provisions governing advocacy on the part of nonprofit charitable organizations, including a substantial bar against involvement in electoral activity and limitations on the extent of involvement in lobbying;
  - Limited funding of nonprofit advocacy by foundations and other sources of private giving because of fears about the legal restrictions and other reasons;
  - Devolution of policy decision-making to the state level, which is increasing the arenas in which advocates must mobilize resources for advocacy efforts; and,
  - Recent legislative threats to limit further the advocacy involvement of nonprofit organizations that receive government grants.

- Other participants questioned whether nonprofit advocacy is facing a serious challenge at the present time. Those holding to this view stressed the following:
  - The data on nonprofit advocacy do not convincingly demonstrate that there is too little of it, or that such advocacy is not effective. To the contrary, there is some evidence that public interest advocacy by nonprofit organizations representing the poor, minorities, consumers, and the environment has been quite effective in recent years;
  - There is also not enough data to judge whether nonprofit advocacy is insufficiently resourced, whether by foundations or other donors. Much of the funding that supports nonprofit advocacy may show up in other ways—for example, as funding for pilot projects, public education, or policy research; and,
  - Whatever the level of nonprofit advocacy, a major problem of our political system may be the lack of suitable vehicles for aggregating interests and representing the general public.

2. *Resourcing Advocacy. While there was general agreement that advocacy needs to be adequately funded, there was some disagreement about how this can best be accomplished.*

- One group of participants argued strongly:
  - That both public and private support for advocacy activities by nonprofit organizations should be expanded significantly;
  - That private foundations have a special obligation to finance nonprofit advocacy and that they have not been doing so adequately; and,
  - That special efforts need to be made to convince the “new wealthy” in America of the value of nonprofit advocacy efforts.
- Another group of participants questioned the extent to which nonprofit advocacy is under-funded and expressed strong reservations about the desirability of public funding of such activity. These participants argued:
  - That government funding of nonprofit advocacy can politicize the nonprofit sector and undermine public support for it;
  - That government funding of nonprofit organizations can actually weaken the advocacy impulse by making

nonprofit organizations financially dependent on the very agencies they might be lobbying against; and,

- That nonprofit organizations should be able to make the case for the funding they need to sustain their advocacy activities in the marketplace of ideas.

### 3. Dealing With Existing Regulation of Nonprofit Advocacy. *Disagreements also surfaced over the best way to deal with the potentially chilling effects of existing laws and regulations governing nonprofit advocacy.*

- Some participants urged a significant relaxation of the existing legal restrictions on nonprofit advocacy in order to position the nonprofit sector to play a more significant role in the promotion of civic engagement at the dawn of the new millennium. Adherents to this point of view argued:
  - That the existing prohibitions on political campaign activity and the complex restrictions on lobbying by nonprofit charitable organizations place confusing barriers in the way of citizen engagement in public affairs and thereby weaken citizen participation in American political life; and,
  - That a fresh approach is needed to deal with these problems, one that deregulates nonprofit advocacy and encourages rather than constrains the involvement of public-interest nonprofit organizations in all facets of civic life.
- Other participants questioned how restrictive existing limitations on nonprofit policy involvement really are and urged a more cautious approach to legal change on grounds:
  - That too little is known with any certainty about the impact of existing limitations on nonprofit advocacy;
  - That major changes may have unintended negative consequences that have not been fully explored; and,
  - That opening this issue more generally might lead to increased restrictions rather than reduced ones.

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### III. NEXT STEPS

Despite the areas of disagreement, participants generally agreed that a number of steps could usefully be taken to ensure that nonprofit organizations can continue to play

their critical role in the nation's policy process. These included:

1. *Legal Review. Assess the extent to which existing laws and regulations are having a negative effect on nonprofit civic engagement and advocacy and, to the extent such negative effects are found, identify changes that can be made to correct this. Such changes might include:*

- Eliminating or reducing inconsistencies among the various rules that apply to nonprofit charitable institutions by virtue of their tax-exempt status, their eligibility for tax deductible contributions, and their receipt of government grants and contracts at the federal, state, and local levels;
- Deregulating nonprofit involvement in civic affairs; and,
- Ensuring, at a minimum, that nonprofit organizations are not obliged to operate at a disadvantage in the policy arena vis-à-vis for-profit entities.

2. *Resourcing Nonprofit Advocacy. Expand the resource base for nonprofit policy advocacy by:*

- Educating nonprofit leaders and foundation officials about the importance of nonprofit involvement in civic affairs and the opportunities to expand support for this vital democratic function;
- Encouraging foundations to eliminate language where it exists in foundation commitment letters unnecessarily restricting use of funds for advocacy;
- Working with business organizations to enlist business support for nonprofit advocacy;
- Encouraging nonprofit organizations to reach out to America's "new wealthy" in a way that clarifies the importance of investment in nonprofit community-building and community empowerment work as ways to build healthy, self-reliant communities;
- Urging religious communities to further engage their faith missions to redress social ills; and,
- Promoting "safe spaces" for nonpartisan presentation of facts and analyses of pressing policy problems.

3. *Internal Agency Operations. Increase support for the advocacy function within nonprofit organizations by:*

- Expanding efforts to educate nonprofit leaders and their

stakeholders about their rights and responsibilities in the policy sphere;

- Encouraging agency staff and other stakeholders to regularly reassess agency missions and clarify the advocacy and civic engagement activity that flows from them;
- Providing regular training for staff and board on the importance of civic engagement and the methods for pursuing it effectively; and,
- Engaging the most effective “messengers” in nonprofit advocacy activities, which often means the organizations’ volunteer leaders.

4. *Improved Knowledge. Expand the base of knowledge on nonprofit policy advocacy by systematically examining:*

- The actual scale and breadth of nonprofit involvement in advocacy activity;
- The relative effectiveness of nonprofit policy advocacy;
- The factors encouraging or retarding nonprofit policy advocacy, both generally and in particular areas; and,
- The extent of support for nonprofit policy advocacy, by field and type of group.

## CONCLUSION

The changes underway in technology, demographics, and social life at the present time create enormous challenges, but also enormous opportunities, for the strengthening of American democracy.

Nonprofit organizations have long had a special role to play in keeping American democracy vibrant and responsive. Most of the major social movements of the past century have taken shape within this sector, and this set of institutions has been a seedbed as well for major policy changes. As we enter a new millennium, it is therefore essential that we keep this vital function of nonprofit organizations at the forefront of our concern and take steps to ensure its survival and growth. The future of our democratic experiment, as well as the continued vitality of this sector, may well depend on it.

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## Notes

1. The nonprofit sector consists of a broad range of organizations that qualify for exemption from federal income taxes under any of 26 different sections of the Internal Revenue Code. A common characteristic of these organizations is that they do not distribute any profits they might generate to those who control and/or support them. As noted below, the particular focus of the Nonprofit Sector Strategy Group, and hence of this statement, is on a subset of these tax-exempt organizations—namely, those that are eligible for exemption under either Section 501(c)(3) or 501(c)(4) of the tax code. For further detail on the definition of nonprofit organizations, see: Bruce Hopkins, *The Law of Tax-Exempt Organizations* (New York: John Wiley and Sons, Inc., 1992).

# The Aspen Institute

## Nonprofit Sector Strategy Group

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The Aspen Institute is a global forum for leveraging the power of leaders to improve the human condition. Through its seminar and policy programs, the Institute fosters enlightened, morally responsible leadership and convenes leaders and policy makers to address the foremost challenges of the new century.

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