

# Investing in Infrastructure for Impact

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The U.S. nonprofit sector is in many respects the envy of the world for its strength and diversity. And it continues to grow in scale and complexity. But investments in our shared infrastructure are not yet sufficient to meet the challenges ahead



"Like a body without a backbone, a sector without a strong infrastructure will crumble," wrote Cynthia Gibson, then of the [Carnegie Corporation](#), and *Nonprofit Quarterly* Editor-in-Chief Ruth

McCambridge in a 2008 [special issue of that magazine](#) dedicated to infrastructure. Eight years later, with the level of investment essentially flat, we are echoing that sentiment with a renewed call for foundations to invest in strengthening the sector.

Nonprofits and foundations have, among many achievements, helped citizens secure their human rights, responded to domestic and international crises, fed the hungry, cured diseases, offered a rich array of arts and cultural programming, and protected our environment.

Yet we all aspire to see the sector be much more effective tomorrow than it is today. That can only happen if we invest in strengthening it, and that's not happening to the degree that it could or should.

We need the data systems and technology platforms that fuel communication and learning. We need training programs that support the growth of staff and volunteers. We need the research to understand what works and what doesn't. And we need advocacy for new levels of excellence and for policies that support our work.

This work is being done, but not with the level of support it should have. The organizations we lead, [GuideStar](#) and the [Center for Effective Philanthropy](#), are among more than twenty "infrastructure organizations" that are formally calling

on foundations to step up their level of support for infrastructure. We ask them to consider dedicating at least 1 percent of their grantmaking budgets to strengthening the sector.

These organizations represent a diverse coalition that also includes [BBB Wise Giving/Give.org](#), [BoardSource](#), the [Center for High Impact Philanthropy](#), the [Council on Foundations](#), [D5](#), [Exponent Philanthropy](#), the [Forum of Regional Association of Grantmakers](#), [Foundation Center](#), [Global Giving](#), [Grantmakers for Effective Organizations](#), [Media Impact Funders](#), the [National Council of Nonprofits](#), the [Nonprofit Finance Fund](#), [Nonprofit Quarterly](#), the [Philanthropy Workshop](#), [Social Finance](#), [Stanford PACS](#), [Stanford Social Innovation Review](#), [TechSoup](#), and [VolunteerMatch](#).

All of us are very grateful to the handful of funders that have made significant investments in "infrastructure" organizations. But as Lindsay Louie, program officer at one such foundation, the [William and Flora Hewlett Foundation](#), [noted last year](#), citing Foundation Center data, "Philanthropy is growing, but infrastructure funding isn't keeping pace." (Disclosure: Hewlett has supported both our organizations and one of us used to work there.)

That needs to change. In [a letter the organizations sent this month](#) to all U.S. foundations making more than \$2.5 million in grants annually, we argue that "civil society needs infrastructure to ensure that nonprofits and foundations can act with integrity and impact." Because, while much has been achieved, much more can be done.

"Collectively, we waste hundreds of millions of dollars in a fundraising process that is full of duplication and confusion," we argue. "Nonprofits struggle to find the right staff with the right skills. The power imbalance between foundations and nonprofits dampens the honest conversations that are so critical to any partnership. Too often nonprofit leaders do not reflect the diversity of the communities they serve. Too few organizations admit failure; and, thus, few learn from it."

No one of our organizations is addressing all these issues. But, collectively, we're

working on them all. And we all believe that, while the sector has done much good, it can do much better. We won't get there without paying attention to strengthening the sector. Simply importing frameworks or approaches from business or government doesn't work. The challenge of nonprofit effectiveness is unique, requiring its own dedicated infrastructure.

We know foundations often hesitate to support infrastructure organizations because they see such grants as coming at the expense of support of the "core work" of their programs. But that's a false choice.

How does strong infrastructure make a difference? The lines are not actually hard to draw. Take VolunteerMatch, for example, which has connected more than ten million individuals to volunteering opportunities, providing nonprofits with crucial resources to help them achieve their goals. Or BoardSource, which has helped thousands of nonprofits improve their board governance. These organizations provide resources and insight that nonprofits need – and can't find elsewhere.

But we have come together not to make the case for specific, individual organizations. We have come together instead to seek a stronger network of infrastructure organizations that, working individually and collectively, can help strengthen the sector. That includes the signatories of the letter to funders, but also many, many other organizations. We don't speak for anyone but ourselves, but we also know we represent just a slice of the infrastructure.

Each foundation will make its own choices about what slices appeal to them. Some foundations may seek to target their infrastructure support to organizations working to increase diversity of leadership in the sector. Others may focus on improvements in technology to increase nonprofit efficacy. Others might focus on policy-oriented efforts. Still others might do a little of everything.

We're asking foundations to support organizations whose work is focused on creating the conditions in which nonprofits across programmatic areas and communities can thrive, making quicker progress toward the achievement of their goals. An investment in the right infrastructure really is an investment in

impact.

*Jacob Harold is president and CEO of [GuideStar](#) and Phil Buchanan is president of the [Center for Effective Philanthropy](#). (Ed note: PND is a service of Foundation Center, one of the signatories to the "investing in infrastructure" letter mentioned in Harold and Buchanan's post.)*