Description
The nonprofit sector has emerged as one of the cornerstones of American society, and yet remains very much a work in progress. The “third sector” faces unique and evolving pressures in areas such as social enterprise, philanthropy, mission focus, performance measurement, sector blur, and more. These challenges are magnified by the complex interdependencies among the nonprofit, for-profit, and public sectors.

In our class we will examine how some of these broad issues intersect with the day-to-day operation of domestic nonprofit organizations. By considering sector tensions from a management perspective, ultimately we will each develop our own informed view on the appropriate role and function of the nonprofit sector within society. Future policy makers and nonprofit managers alike will enhance their ability to formulate positions on policy issues that impact the sector.

Assignments
Four Short Assignments: A short paper (600 word maximum) will be due periodically throughout the semester. Students will often be able to choose among multiple topics.

Final Paper: A final paper (3,000 word maximum) will be due during the examination period. The topic for the final paper will be announced later in the semester.

Grading
40% short papers
30% participation
30% final paper

PART ONE: BASIC FRAMEWORK

Class 1: Introduction
A brief overview of the nonprofit sector, and discussion of our mutual learning goals for the class. We also explore our own perceptions of what a nonprofit is supposed to be, and what a nonprofit is supposed to do.

Background Reading (optional):
The Nonprofit Sector in Brief (2008), The Urban Institute’s Center on Nonprofits and Philanthropy

Class 2: Why Is There a Nonprofit Sector Anyway?
We examine the implications of the idea of “charity” (i.e., serving the underprivileged) as the basis for the nonprofit sector.

Readings for Class (25 total pages):
• Lester Salamon, “What Is the Nonprofit Sector and Why Do We Have It?” in J. Steven Ott (ed.), The Nature of the Nonprofit Sector
Class 3: Why Is There a Nonprofit Sector Anyway?
We expand on our discussions from the previous class by examining numerous economic and political rationales for the nonprofit sector.

Readings for Class (22 total pages):
• James Douglas, “Political Theories of Nonprofit Organization”, in J. Steven Ott (ed.), The Nature of the Nonprofit Sector
• Knight Foundation Press Release: "Knight Foundation to Support The Huffington Post Investigative Fund" (December 22, 2009)

Additional Background (optional):

Class 4: Legal and Regulatory Overview
Before we starting thinking ‘outside the box,’ we review the box itself - in this case, the legal and regulatory factors that empower and constrain the domestic nonprofit sector.

Readings (20 total pages):
• Harvard Law Review, Developments in the Law - Nonprofit Corporations, in Ott (ed.), Understanding Nonprofit Organizations

Additional Background (Optional):
• Reich, Dorn, and Sutton, "Anything Goes: Approval of Nonprofit Status by the IRS," October 2009

PART TWO: MANAGEMENT

Class 5: Mission and Management
There’s a “double bottom line” that distinguishes nonprofit management from the for-profit sector. We explore operational implications arising from this double bottom line, and extrapolate broader implications for the sector as a whole.
Readings for Class (24 total pages):

Additional Readings (optional):

Class 6: Performance Measurement and Accountability
Measuring the effectiveness and impact of nonprofits is a deceptively complex undertaking. We weigh the advantages and disadvantages of various frameworks for measuring success. We also explore how our choice of framework might affect issues of public accountability.

Readings for Class (30 total pages):

Additional Background (optional):

Class 7: Performance Measurement & Accountability (cont.), plus Human Resources
We dissect the recent Good to Great monograph to understand its appeal among many nonprofits. We debate whether or not this approach to performance measurement is useful for gauging impact and enhancing public accountability. We also use this text to illuminate human resource issues that are common to the nonprofit sector.

Readings (31 total pages):
- Jim Collins, Good to Great and the Social Sectors: A Monograph to Accompany Good to Great
Optional Readings

Class 8: Governance

Strong governance is a key to organizational success, and also critical to maintaining accountability between a nonprofit and the public. Yet nonprofit managers (and their trustees) commonly marginalize the governance function. We examine the benefits and challenges posed by current governance practices, and search for alternative policies and governance models that might encourage more robust governance of the sector.

Guest Lecturer: Diana Kern, Nonprofit Enterprise at Work

Readings (18 total pages):
• Sharon Oster, Strategic Management for Nonprofit Organizations, Chapter 6
• Klausner and Small, ‘Failing to Govern?,” Stanford Social Innovation Review, Spring 2005

Optional Readings:

Class 9: Policy Making

Policy-making is one of the few areas where the nonprofit sector frequently outperforms its for-profit counterparts. We examine the role of nonprofits in making policy, and brainstorm whether the competitive advantage in advocacy can be transferred to other areas.

Guest Lecturer: Tiffany Aurora, Michigan Nonprofit Association

Readings for Class (34 total pages):
• Elizabeth Boris and Jeff Krehely, “Civic Participation and Advocacy,” in Salamon (Ed.), The State of Nonprofit America
• Independent Sector, "Anyone Can Lobby"
• Independent Sector, "10 Reasons to Lobby for Your Cause"

Additional Background (optional):
• MNA Advocacy Handbook

Class 10: Scaling Up

We evaluate the challenges of expanding a nonprofit’s operations. We also examine how growth, even when achievable, isn’t always desirable.
Readings (19 total pages):
• Kelly Campbell and Rita Louh, “Managing Growth,” Stanford Innovation Social Review, Summer 2005

Additional Background (optional):

Class 11: Collaboration & Merger

Why are nonprofits expected to “play nice,” even with their competitors? Why is the public so quick to view mergers as the answer to nonprofit woes? We debate these questions and examine the continuum of collaborative options available to nonprofits.

Guest Lecturer: Maya Enista, CEO, Mobilize.Org

Readings for Class (27 pages):
• La Piana Associates, “Types of Strategic Restructuring,” http://lapiana.org/Strategic-Restructuring/FAQs/
• Jeffrey Solomon, “In Merging, Charities Do a Disservice to Clients,” Chronicle of Philanthropy, 2009

Class 12: Case Study - Examination of Nonprofit Enterprise at Work, Inc. (NEW)

We do a deep dive into NEW (Nonprofit Enterprise at Work) in order to illuminate the management issues we’ve discussed to date.

Readings for Class (14 total pages plus website):
• McKinsey & Company, Effective Capacity Building in Nonprofit Organizations, Introduction Section plus chart on page 36
• NEW, http://www.new.org/

Additional Background (optional):
• Cynthia Gibson and Ruth McCambridge, “Why Every Funder Should Fund Infrastructure,” The Nonprofit Quarterly, Special Issue 2004
PART THREE: FUNDING

Class 13: Funding Overview and Individual Philanthropy

We survey philanthropy in America, and focus on the financial and philosophical importance of individual philanthropy.

Readings for Class (35 total pages):

• Excerpt from Virginia Hodgkinson with Kathryn Nelson and Edward Sivak Jr., “Individual Giving and Volunteering,” in Salamon (Ed.), The State of Nonprofit America (pp.393-403)

Additional Background (optional):

• “Obama’s Budget Would Cut Charitable Deduction,” Nonprofit Times, February 27, 2009
• “Patterns of Household Charitable Giving by Income Group, 2005,” The Center on Philanthropy for Indiana University, Summer, 2007
• David Billett, "The War on Philanthropy,” Commentary, July/August 2009

Class 14: Institutional Philanthropy - Foundations

Foundations are a strong and influential voice for the nonprofit community, and annually distribute billions of dollars to charitable organizations. Yet they suffer from a love-hate relationship with nonprofits and the public. We sort through various realities and perceptions, and debate the appropriate role for foundations within the sector and in society.

Readings for Class (26 total pages):

• Kenneth Prewitt, “The Importance of Foundations in an Open Society,” Bertelsmann Foundation (Ed.): The Future of Foundations in an Open Society

Additional Background (optional):

Class 15: Institutional Philanthropy - Foundations (cont.)

We continue our examination of the foundation world.

Guest Lecturer: Phil D’Anieri, Ann Arbor Area Community Foundation

Readings for Class (27 total pages):


Additional Background (optional):


Class 16: Institutional Philanthropy - Corporations

We analyze the risks and rewards of aligning a nonprofit’s activities with corporate interests.

Readings for Class (23 total pages):


Additional Background


Class 17: Government Support

Government support fueled the nonprofit boom of the 60’s and 70’s. Furthermore, government activities continue to be outsourced in earnest, sometimes to the benefit of nonprofits, and sometimes to their detriment. We examine the evolving nature of government support and the challenges posed for the third sector.

Readings (25 total pages):

• Gronbjerg and Salamon, “Devolution, Marketization, and the Changing Shape of Government-Nonprofit Relations,” (pp. 447 - 461) in Salamon (Ed.), The State of
Class 18: Venture Philanthropy

High-engagement philanthropy is a new twist on individual and institutional funding. We evaluate the extent to which venture philanthropy is an appealing alternative to traditional fundraising relationships.

Readings for Class (28 total pages):
- Mario Morino and Bill Shore, “High-Engagement Philanthropy: A Bridge to a more Effective Social Sector,” 2004 (pp. 8-22)

Additional Background (optional):
- Sean Stannard-Stockton, "Providing the Capital Organizations Need to Run — and Grow," The Chronicle on Philanthropy, October 1, 2009
- Mario Morino, "Chairman's Corner: 'Social Outcomes': Missing the Forest for the Trees?,” January 2010

Class 19: Social Enterprise and Social Entrepreneurship

Nonprofits increasingly view earned income as the path toward true financial independence. We examine the many complex aspects of this growing movement.

Readings for Class (45 total pages):
- Kim Alter, “Social Enterprise Typology,” (pp. 1-44)

Additional Background (optional):
- Jacques Defourny, “From Third Sector to Social Enterprise,” in Carlo Borzaga and Jacques Defourny (Ed.), The Emergence of Social Enterprise
Class 20: Social Enterprise and Social Entrepreneurship (cont.)

We continue our examination of social enterprise through three case studies.

Readings for Class (24 total pages):

• CASE STUDY: Rubicon Programs, Inc. REDF, “New Social Entrepreneurs: The Success, Challenge, and Lessons of Non-Profit Enterprise Creation,” Chapter 1 (pp. 23 - 37), 1996

Additional Background (optional):

• Interview with Bill Drayton, Stanford Social Innovation Review, Spring 2004
• Interview with Robert Egger, Stanford Social Innovation Review, Summer 2004

Class 21: Social Enterprise and Social Entrepreneurship (cont.)

We conclude our examination of social enterprise.

Class Readings (31 total pages):

• Michael Shuman and Merrian Fuller, “Profits for Justice,” The Nation, Jan 24, 2005

Class 22: Social Enterprise and Corporate Social Responsibility

We examine how social value can be generated by the for-profit sector. The motivations for engaging in corporate social responsibility, and the implications of such activities for the nonprofit sector.

Guest Lecturer: Kevin Thompson, Senior Program Manager, IBM Corporate Service Corps

Readings for Class (22 total pages):


Optional Readings for Class (22 total pages):

PART FOUR: FUTURE

Class 23: Nonprofits and For-Profits

Nonprofits are acting more like businesses (social enterprise), and businesses are acting more like nonprofits (corporate social responsibility). We consider the implications of this “sector blur,” and debate whether form (e.g., nonprofit vs. for-profit) really matters if the desired function (e.g., public benefit) is preserved.

Readings for Class (27 total pages):
• Dees and Anderson, "Sector Bending: Blurring the Lines Between Nonprofit and For-Profit,” Society, May/June 2003

Additional Background (Optional):
• Stephanie Strom, “What’s Wrong with Profit?” New York Times, November 13, 2006
• Low Profit Limited Liability Informational Website: http://americansforcommunitydevelopment.org/about.html

Class 24: Nonprofits and Government

The public and nonprofit sectors have developed a range of dependencies. We examine the nature of the relationship and discuss some potential dynamics going forward.

Readings for Class (29 total pages):
• Gronbjerg and Salamon, Devolution, Marketization, and the Changing Shape of Government-Nonprofit Relations, (review through p. 461) in Salamon (Ed.), The State of Nonprofit America
• Carreyrou and Martinez, "Nonprofit Hospitals, Once for the Poor, Strike It Rich," The Wall Street Journal, April 4, 2008

Additional Background (optional):
• Nonprofit and Government: Clarifying the Relationship, the Aspen Institute’s Nonprofit
Sector Strategy Group

Class 25: Nonprofits and Civil Society

We explore how the nonprofit sector from a civil society perspective.

Reading for Class:
• Light, “Four Futures,” in The Nonprofit Quarterly, Winter 2008

Background (optional):
• Salamon, Sokolowski, and List, Global Civil Society - An Overview, 2003 (pp. 1-3 and 52 have some good intro/summary thoughts, the rest is quite interesting too!)
• Salamon, The Nonprofit Sector and Democracy: Prerequisite, Impediment, or Irrelevance? (2002) (nice overview of various perspectives on the nonprofit sector’s role in democratic societies)
• Atul Dighe, “Demographic and Technological Imperatives,” in Salamon (Ed.), The State of Nonprofit America (an interesting ‘futurist’ look at societal trends and how those might impact or involve the nonprofit sector)

Class 26: Why the Nonprofit Sector Rocks

After spending a semester exploring the challenges and inter-sector tensions faced by the nonprofit community, let’s discuss why the nonprofit sector rocks!

NO ASSIGNED READINGS