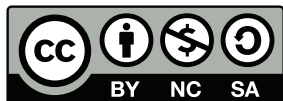




**SOCIAL IMPACT
COMMONS**

The Value of Shared Impact

Toward a Commons Impact Model for Fiscal Sponsors



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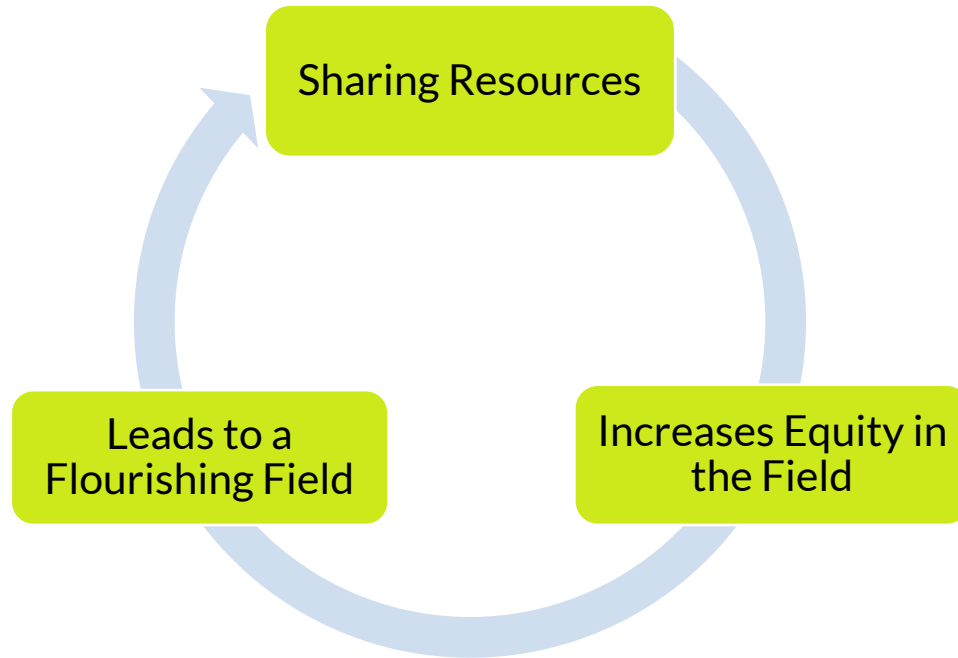


Key Questions for Today

- How do you describe your impact as a fiscal sponsor?
- What are some of the key measures/metrics you use?
- How do you ensure your metrics are not contributing to oppression or marginalization?
- How do you use impact information in your work?
- How might we overcome some of the challenges outlined in the post?
- Do you think a common impact model is possible for the field?



Shared Impact Model



Our impact model proposes that:

1. **Sharing** resources should lower the barriers to accessing resources for our Network Members, which increases...
1. **Equitable** access for all Network Members to essential supports (i.e., technology, tools, and peer coaching), and if more sponsors can access resources they need to support their communities...
1. **Flourishing** is the result. The fiscal sponsor's staff team will flourish in its work, and in turn the sponsor's Program Member staff will likewise *flourish* through the supports they receive.



Impact Assessment

We have developed what we consider a shared impact assessment model based on our theory of change. It entails three sets of metrics, corresponding to our proposed theory of change.

SHARING

- Program Membership
- Financial Activity Profile
- Shared Asset Profile
- Overhead Efficiency Optimization
- Direct Cost Center Savings
- Sourcing & Integration Savings
- Income Opportunity Value
- Innovation & Investment Value



EQUITY

- Listening & Feedback
- Membership Demographics
- Staff and Board Demographics
- Program Audiences & Service Areas
- Vendor/Partner Equity Profile
- Resource Accessibility
- Responsivity & Empathy
- Distributed Ownership & Authority



FLOURISHING

- Professional Trust
- Self-determination
- Intentional Practice
- Financial Security
- Hope, Purpose, & Grit
- Connection to Community
- Adaptability/Resilience
- Self-worth



Opportunity

The nonprofit sector performs a vast amount of social good work in our country.

- In 2018, the nonprofit sector represented \$2 trillion in total spending across all fields of charitable work.
- It employs more than 10% of the total private workforce in the US (12.3 million employees).
- Its spending is the equivalent to a quarter of the federal budget, or half of the budget *not* dedicated to defense (49% of \$4.1 trillion).

Source: Nonprofit Impact Matters, 2019, National Council of Nonprofits.

<https://www.nonprofitimpactmatters.org/site/assets/files/1/nonprofit-impact-matters-sept-2019-1.pdf>

The Balance: FY 2020 Federal Budget

<https://www.thebalance.com/fy-2020-federal-budget-summary-of-revenue-and-spending-4797868>

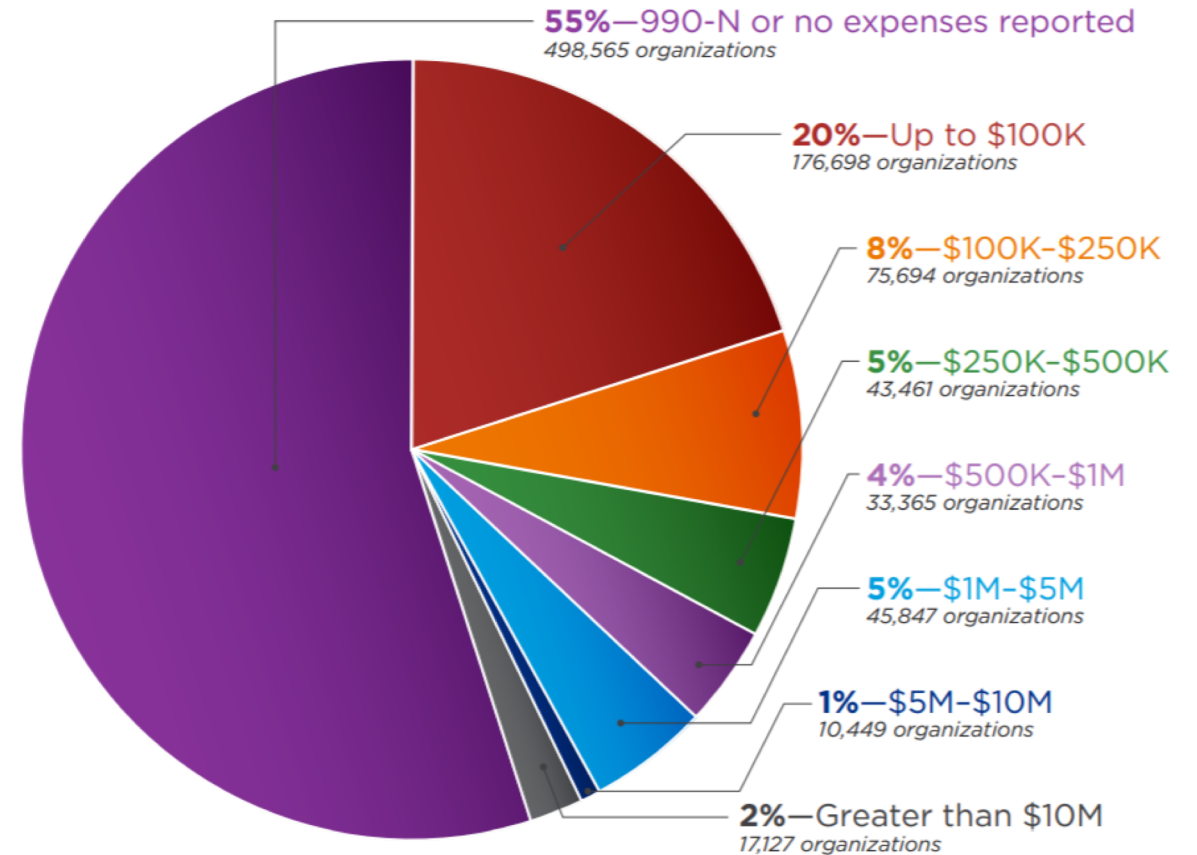


Opportunity

Most of the work of the sector is done by small, independent nonprofits, not counting the innumerable unincorporated, “informal” projects.

97% of all nonprofits operate with budgets below \$5M, but together represent 80% of total spending for the sector.

More than 500,000 nonprofits have been created since 2000, or 75% growth. And 88% operate below \$500k in annual expenses.



Source: Nonprofit Impact Matters, 2019, National Council of Nonprofits.

<https://www.nonprofitimpactmatters.org/site/assets/files/1/nonprofit-impact-matters-sept-2019-1.pdf>



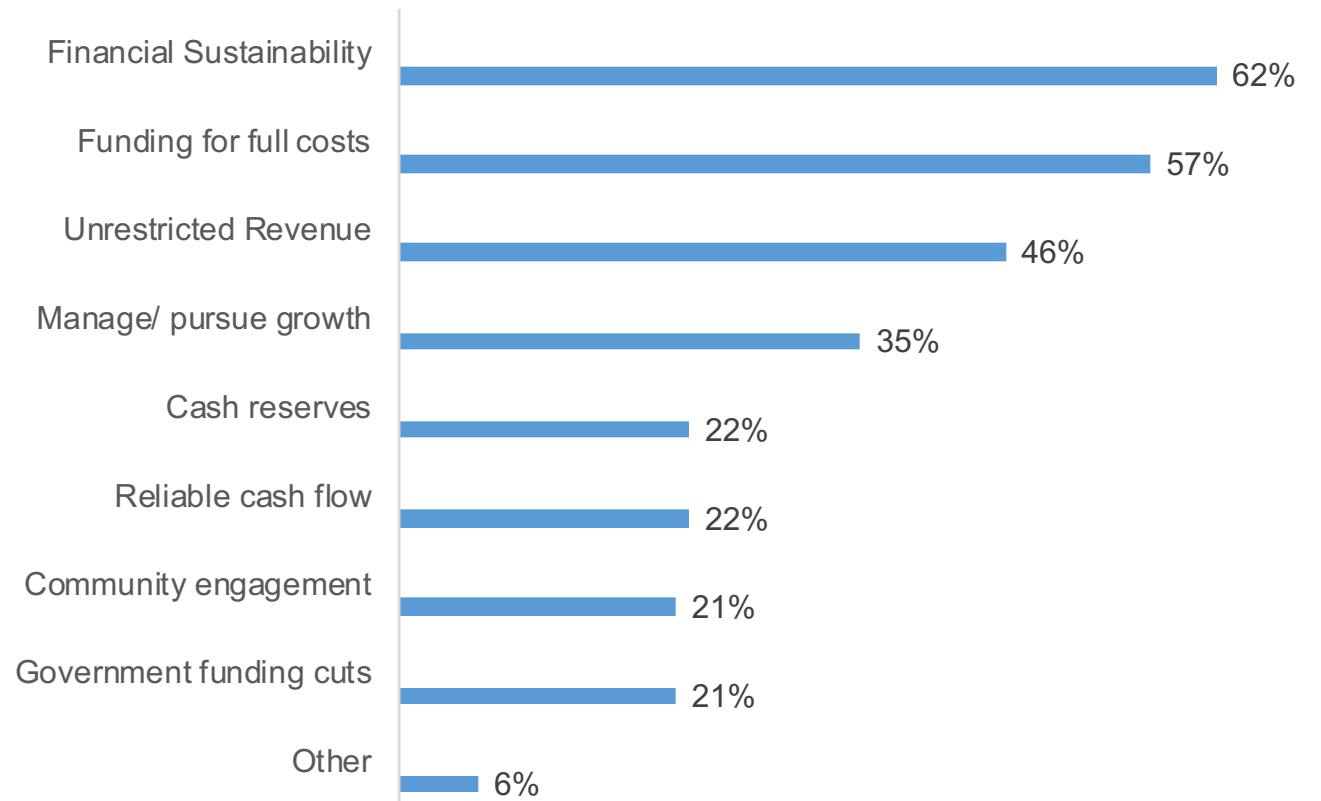
Problem

BUT...these small organizations that are doing most of the work are fragile and under capacity!

86% of nonprofits report increasing demand for services, yet 57% cannot meet demand.

62% report that financial stability is their top challenge; 50% have < 1 month of operating reserves.

Top Operational Challenges



Source: State of the Nonprofit Sector Survey, 2018, Nonprofit Finance Fund. <https://nff.org/surveydata>



Share backbone nonprofit infrastructure through fiscal sponsors. We can stabilize and build the capacity of these small and vital organizations and projects through regional, mission-focused comprehensive fiscal sponsors, organized around such areas as field, geography, or community identity.

A fiscal sponsor, or *commons manager* (our term), is a nonprofit backbone organization that provides shared corporate structure, finance, HR, legal, insurance, risk management and other resources among multiple semi-autonomous missions.

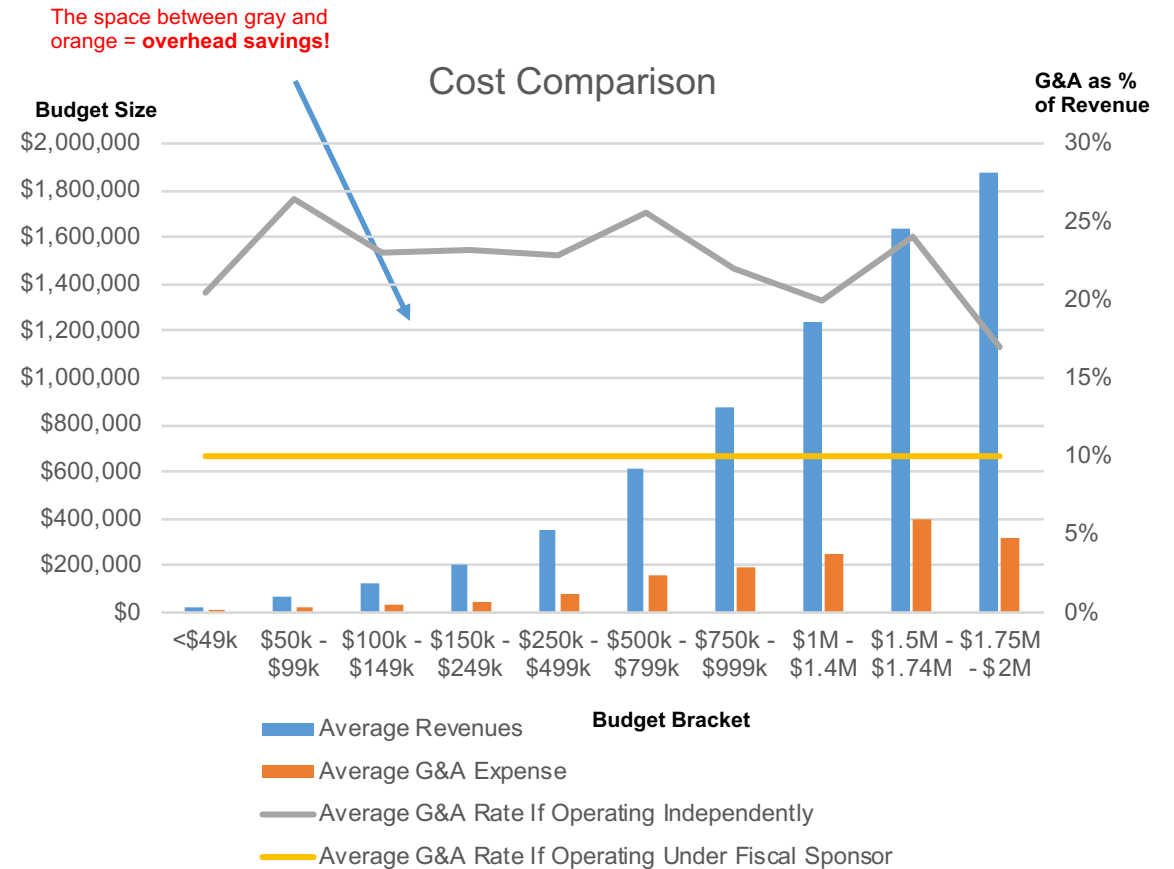


Solution

Fiscal sponsors create economies of scale through shared systems, staff, and other wrap-around support.

Arts and culture organizations operating below \$2M spend between 17% and 27% of their revenues on the same resources that a comprehensive fiscal sponsor can provide for between 9% and 12%: a “savings” of about 10%!*

If just 10% of PA arts organizations were fiscally sponsored, they could reallocate about \$5.3M to direct programs and services!



Source: (*) Research on 475 Pennsylvania cultural organizations with budgets less than \$2M completed in 2019 by Social Impact Commons in partnership with Accenture and SMU Data Arts, publication forthcoming.

Fiscal Sponsor Landscape

This map shows the distribution of 288 fiscal sponsors currently tracked by a directory maintained by the San Francisco Study Center.

It shows concentration of sponsors in mostly urban areas on the East and West coasts, leaving rural and interior states greatly underserved.





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and

