



**SOCIAL IMPACT  
COMMONS**

# The Economics of Justice

*How Fiscal Sponsors Can Support the Solidarity Economy*



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# What is the Solidarity Economy (SE)?

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**Pluralism**—Solidarity Economy is not a fixed blueprint, but rather acknowledges that there are multiple paths to the same goal of a just and sustainable world.

**Solidarity**—This includes a range of social interactions grounded in collective practices such as cooperation, mutualism, sharing, reciprocity, altruism, love, caring, and gifting.

**Equity**—Solidarity Economy opposes all forms of oppression: imperialism and colonization; racial, ethnic, religious, LGBTQIA+, patriarchy, and cultural discrimination.

**Sustainability**—Drawing heavily upon Indigenous perspectives of living in harmony with nature and with each other, Solidarity Economy upholds the principles of sustainability and regeneration.

**Participatory**—Solidarity Economy embraces participatory democracy by enabling decision making and action to be as local as possible, thereby providing ways for people to participate directly in decision making about their communities.

Source: Linares, Nati and Caroline Woolard. "Solidarity Not Charity: A Rapid Report." Grantmakers in the Arts (March 2021)



# Examples of Solidarity Economy Organizations

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**Non-Taxable**  
Defined but Open  
Stewardship

Cooperatives (all)  
Commons-centric Orgs  
Member-governed Orgs  
CDFIs  
Mutual Aid/Collective Orgs  
Peer-governed Fiscal Sponsors

**Commons**  
Defined but Open  
Stewardship

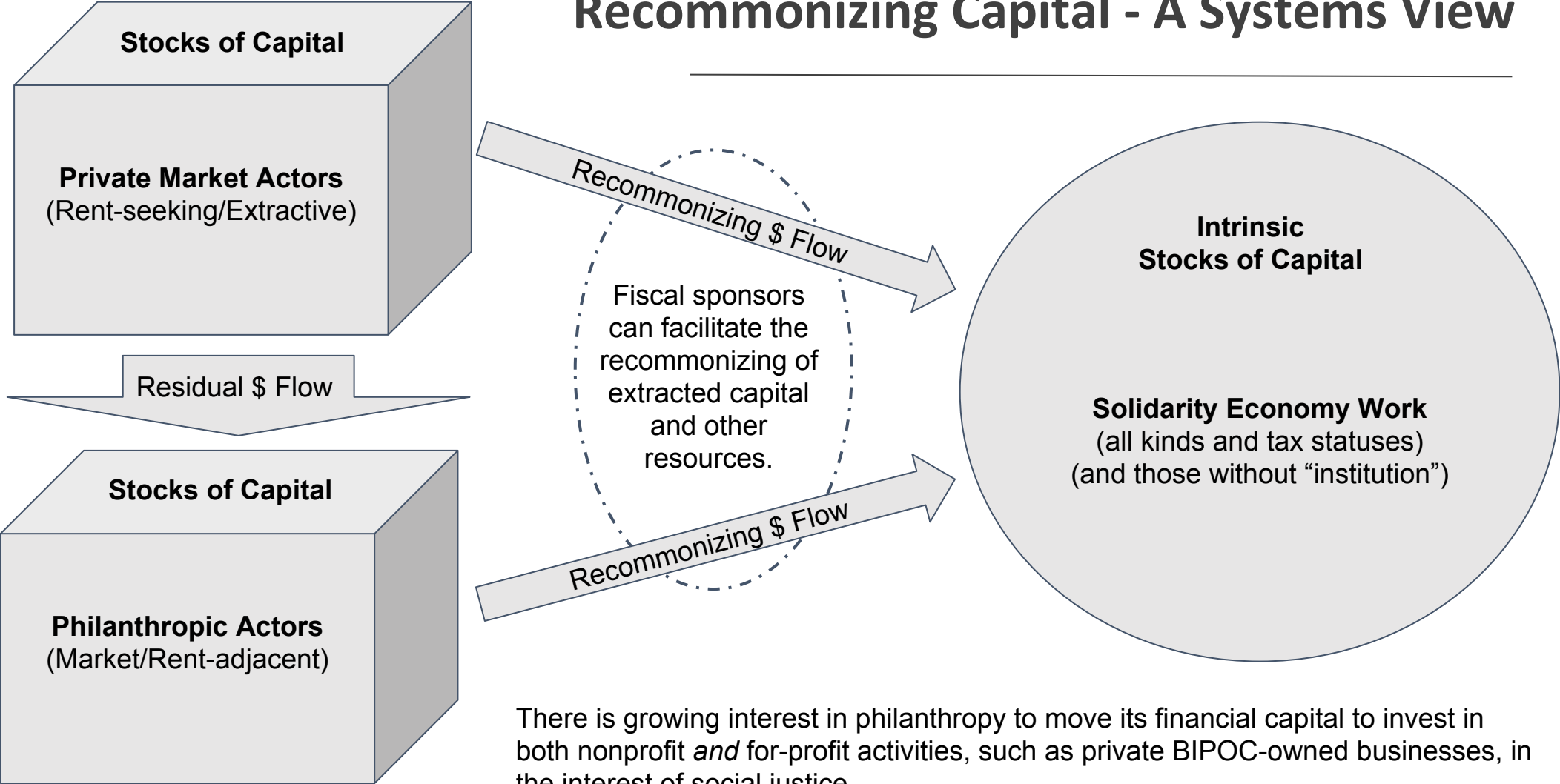
Peer-governed Fiscal Sponsors  
Unincorporated Commons  
Informal Alliances/Collectives

**Taxable**  
Defined but Open  
Ownership

Cooperatives (all)  
Mutual Aid Orgs  
Community Banks  
Credit Unions



# Recommonizing Capital - A Systems View



There is growing interest in philanthropy to move its financial capital to invest in both nonprofit *and* for-profit activities, such as private BIPOC-owned businesses, in the interest of social justice.



# What roles can fiscal sponsors play?

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- **“Model C” Fiscal Sponsors** can help move philanthropic (gifts/grants) resources from Foundations, DAFs, and government into SE initiatives (nonprofit or for-profit).
- **“Model A/L” Fiscal Sponsors** can be platforms for supporting new SE initiatives as they seek the right form/forum for their work, and serve as long-term homes for tax-exempt SE work.
- **Any Fiscal Sponsor** can structure its work and practices according SE values and principles, such as those at the core of Impact Commons’s framework.
- **All Fiscal Sponsors** should understand SE ideas and the evolving landscape and be advocates for work that is vital to advancing social justice.



# Equitable and accessible systems.

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Fiscal sponsors are platforms for building more equitable access to the resources of the nonprofit sector for historically marginalized groups and individuals—offering robust, flexible, and low-cost support in proportion to the changing needs of social good.

We have created a model that merges *fiscal sponsorship practices* with principles of *commoning* to create the next generation of practice: ***commons management***.

The field of commoning practice has a long history and is enjoying renewed interest, as it concerns more equitable and participatory management principles focused on mutual care and economic self-sufficiency.

## Commons Management





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and



# What is the right context for your SE work?

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## Public Trust (Nonprofit)

- Stewardship
- Public Trust/Non-Taxed
- Fees & Contributions
- Private Benefit Rules
- Funder/Public Interests
- Market Adjacent
- Protect from Market Forces



## Private (For-profit)

- Ownership
- Private Ownership/Taxed
- Fees & Shares
- Tax & Regulatory
- Investor/Owner Interests
- Market Integrated
- Unleash Market Forces

**Fiscal Sponsors can help navigate and balance solutions while being a Communicator, Educator, & Advocate**

