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SPEAK UP



Tips on Advocacy for Publicly Funded Nonprofits

THE CENTER FOR AN URBAN FUTURE

THE REBUILDING COMMUNITIES INITIATIVE

The Center for an Urban Future endeavors to create workable policy solutions to the critical issues facing our cities. We know that some of the best insight into how urban policy actually works can be found at the grassroots level, but we also know that community-based organizations and nonprofits are often unwilling to speak up because of fear of jeopardizing their government funding.

This project was inspired by the Annie E. Casey Foundation's Rebuilding Communities Initiative, a seven-year effort to empower community-based organizations to transform their local neighborhoods. The Casey Foundation's interest in nonprofit advocacy grew out of a recognition that the RCI groups would, over the long term, be dependent on government funding to provide a core set of services in their communities. At the same time, however, these groups were advocating on behalf of their constituents as part of their mission. The lessons from RCI sites in successfully bridging this tension have been instrumental in our research.

We give examples from three RCI sites in this report: the Marshall Heights Community Development Organization in Washington, D.C., Germantown Settlement in Philadelphia, and NEWSED in Denver.

SPEAK UP



Tips on Advocacy for Publicly Funded Nonprofits

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THE CENTER FOR AN URBAN FUTURE

INTRODUCTION

At the heart of it, the question simply is: If you don't do it, will anybody?

Sadly, the answer is probably no. When it comes to advising government agencies and elected officials on how to make policies that improve the lives of those in need, nonprofits are frequently the only game in town. Who but your organization has the knowledge or the mission to advocate on behalf of your constituents?

This is especially important considering the populations that most community organizations serve: the poor, immigrants, children, the disabled, the elderly. "People served by nonprofits receive less representation in the political process, and the only groups that will speak for them are nonprofits," says Jeff Berry, a professor researching nonprofits at Tufts University.

As community-based groups around the country have discovered, successful advocacy can change laws and regulations, allocate funding for needed programs, and improve how services are delivered. If that kind of influence sounds appealing, but you're worried that speaking out will take too much time and resources or even endanger your government contracts or nonprofit status, please read on. This manual lays out why you should consider advocacy—and how you can get beyond some common roadblocks.

The nonprofit sector has no peer in making life better for often neglected populations. Nonprofits provide hundreds of services in communities throughout the country: building subsidized housing, providing hospice services, running after-school programs, marshalling volunteers for neighborhood improvement projects, assisting entrepreneurs in setting up small businesses—the list goes on and on.

These groups often deal with people's immediate problems and concerns, usually on a one-to-one basis. But

individual problems are connected to larger social issues. If government money for childcare remains unspent while thousands of families languish on a waiting list, maybe the process for certifying new providers needs to be streamlined. When a homeless woman finds a job but then can't find an apartment, her situation may say something about a lack of affordable housing.

How're the Kids Doing?

When New York City's Administration for Children Services (ACS), which oversees the country's largest child welfare system, went forward recently with a major restructuring, the agency made sure to get input from the nonprofit agencies that provide most ACS services. New York City wanted to create a system in which children and families received services in their home neighborhoods, even when kids went into foster care. This was an almost 180-degree switch from the way things had been done for decades.

So ACS set up an advisory board to create a forum for input from the nonprofits. "[It gives] them the opportunity to influence policy direction and also counts on them as partners to keep it moving and in the direction that everyone has agreed upon," says Linda Gibbs, the agency's former deputy commissioner.

The restructuring is still in process, but both government officials and provider agencies can already point to some key places in which nonprofit feedback made for a better system, especially around the crucial (but often ignored) issue of ensuring a minimum of disruption to a child's education during foster care. With input from the nonprofit agencies, ACS has created a school attendance database, a handbook for foster parents on school enrollment, and a system to train child welfare workers on school enrollment.

Because nonprofits work directly with people and communities, they have a unique view of how policies play out—information that is needed by government decision makers. Berry's research has shown that in many cities and states, nonprofits play a crucial role in creating public policy in social services, education and health care. "[They] help us to really hear all the issues that are out there that we might not otherwise hear," says Linda Gibbs, commissioner of New York City's Department of Homeless Services and formerly with New York City's child welfare agency (see "How're The Kids Doing?"). In fact, Gibbs says she relies on consistent feedback from nonprofits to best do her job.

These days, making government more effective is more important than ever. Government funds support the great majority of education, social service and community development programs throughout the country, and the rules and regulations set by local, state and federal government agencies directly affect the lives of millions of citizens. Clearly, then, advocating for change to government agencies or lawmakers is critical to helping the communities and the issues you care about.

For many local organizations, however, one of the biggest hurdles to doing advocacy is the Catch-22 that comes from being involved *too* closely with government. Nonprofits have been increasingly funded by government grants over the last few decades. Today, for example, government funds pay for more than 50 percent of the entire budgets of nonprofits performing social and legal services.

Many agencies that use government money to provide services are concerned that speaking up will endanger their legal status or put philanthropic and government funding in jeopardy. And groups often find that expending the resources needed to service government contracts means less time, focus and funds to do advocacy.

So, advocacy is vitally important but can feel almost impossible. Is there a way out of this conundrum? With the help of a grant from the Annie E. Casey Foundation's Rebuilding Communities Initiative, the Center for an Urban Future has explored this question over the past year. We found that while many nonprofits aren't active in advocacy, everywhere we looked, some were. We interviewed

The Wide World of Advocacy

You may be confused by our example of New York's child welfare system. Why are we talking about attending an advisory meeting? Isn't advocacy doing things like lobbying a state senator, or holding a press conference? In its broadest sense, the term "advocacy" includes all sorts of actions aimed at benefiting your clients, your community and even your group itself (thereby allowing you to provide more effective services). Advocacy can be relatively innocuous, behind the scenes and quiet, or it can be radical and attention getting. The common factor is that the work translates the needs of your constituents into messages to people who make government policies. (For more on the levels of advocacy, see "Choose What's Right for You" on page 5.)

more than fifty experts, including many executives at nonprofits around the country that both hold government contracts and conduct advocacy. They have a lot to say about the importance of advocacy on behalf of their clients, communities and organizations, and offer many ideas about funding, strategy and mission that you can employ at your own agency.

While we want to be clear about the pitfalls surrounding nonprofit advocacy, you shouldn't feel that this work is a drag on your organization's effectiveness. "Advocacy strengthens you as an organization in the minds of the people you serve, and it gains you support in the broader community in that they see you more, know you exist and work with you more," says Grace Hou, executive director of the Chinese Mutual Aid Association of Chicago, which has been involved with many campaigns over the years, including joining a coalition that kept the State of Illinois from cutting 80 percent of a \$5 million budget for services to non-citizens.

In other words, advocacy is good for you, good for your constituents and good for society. That isn't to say that marshalling the time, resources or will to do advocacy is always easy. But we have some advice on how to make it easier.

SECTION ONE

Why You Should Care About Advocacy

We should be clear. Throughout this manual, when we talk about advocacy, we're referring to a wide array of actions, everything from lobbying for additional funding for your agency to helping organize neighborhood residents around an issue. "There is a tremendous amount of room for nonprofits to be involved in education and advocacy," says Carol Johnson at St. Mary's Center, a nonprofit providing social services to the elderly in Oakland.

For example, your group is doing advocacy if you:

- Speak with state legislators to support a bill establishing charter schools.
- Sit down with a local official to talk about how to improve the paper work to apply for public housing.
- Start a letter-writing campaign in favor of creating a new homeless shelter in your neighborhood.
- Hire a lobbyist to approach a government agency about resolving conflicting contracting rules.
- Testify in public forums about the value of after-school programs for teenagers.
- Allow a neighborhood coalition against crime to meet in your offices.
- Organize a group of constituents to come down to City Hall to lobby legislators against budget cuts.

Lobbying and advocacy are terms that get used interchangeably, but there is a legal difference you should understand. *Advocacy* refers to any activity that attempts to change government policy. *Lobbying* is a subset of advocacy that aims to influence specific legislation, which means it is aimed at a legislative body. If you write a letter to your city councilperson about more funds for job train-

ing, it's advocacy. If you're writing to support a bill about job training, it's lobbying. And if the letter is to the mayor—regardless of whether there's a bill involved—it's advocacy but not lobbying because your actions aren't directed to a legislative body.

The good news is that both lobbying and advocacy are legal for nonprofits. You may lobby for a particular type of housing that your agency has developed in the past, using your special expertise to explain its advantages. Or you may take up a cause that has nothing to do with the services you provide because it's important to the welfare of

Lobbying and advocacy are terms that get used interchangeably, but you should understand the legal difference.

your clients. You can even lobby for a legislative allocation that will directly result in more money for your agency's programs. Be aware, though, that there *are* limits to the amount a 501(c)(3) nonprofit can spend on lobbying, which we explain in "Understanding the Legal Framework" starting on page 17.

THE UNIQUE ROLE OF NONPROFITS

Why is getting involved so important? Frequently, nonprofit organizations are the only institutions with a view of both the concerns most important to their constituents and the day-to-day realities of how government programs function. "We discover very quickly that something doesn't work on the ground when a policy is implemented," says Eric Schwarz, executive director of Citizen Schools, a Boston-based nonprofit working with children and youth.

In 1995, the Fifth Avenue Committee, a community-based organization in Brooklyn that provides housing, job training and social services, was seeing a disturbing new trend. Apartment buildings for local low-income tenants were being abandoned and left without heat or services. With some investigation, they discovered the culprit: a bank in the neighborhood was offering "low-documentation mortgages" that couldn't be afforded by some landlords. When the owners went into foreclosure, the bank refused to take care of the buildings. "We knew what was happening in these buildings, and we knew that [the

bank's] low-doc loans were responsible," says Dennis Colon, a tenant organizer at the agency. "We believed that if we called enough attention to the situation, people would see what we saw and demand change."

After a two-year campaign with a few other local nonprofits that included stories in the local media and a neighborhood tour with bankers and regulators, the New York State Banking Department conducted its own study of the issue and confirmed the problems. The final result was new laws requiring banks to give borrowers more explicit and comprehensive information about their loans,

Choose What's Right for You

There's no official scale of the different kinds of advocacy for nonprofits. Below we've offered a rough guide to the intensity of involvement. As you read it, think about what kind of voice your community needs and what your group feels comfortable with. Don't forget, you can always get more involved with later projects.

Level 1

At its most basic, advocacy starts with learning more about an issue or initiating an informal dialogue with a government official who you already know. Examples might include:

- Allowing an advocacy group to meet in your building and sending a staff person to sit in.
- Having an honest discussion with your government contract monitor about some needed changes in a program he or she oversees.

Level 2

To become more involved, consider becoming active in an existing advocacy coalition or taking a public stand on an issue. Examples include:

- Contributing information and resources to a campaign on an issue that affects your neighborhood.
- Becoming a member of a coalition that itself does advocacy.
- Signing a letter supporting or opposing legislation or agency policies.

Level 3

More intense involvement means devoting more time and resources to advocacy efforts. At this level, advocacy is usually more than extracurricular; it's a part of your group's core mission. Examples could be:

- Attending regular meetings with elected and/or appointed officials to inform them about how government policies affect your community.
- Recruiting people to write letters to legislators.
- Helping lead a coalition of other nonprofits and/or community members.

Level 4

Groups that make advocacy a priority in their work don't just join coalitions, they lead them—and even create them when necessary. While this level of involvement requires more work (and a willingness to be known as outspoken), it can produce notable results. Examples would be:

- Designing and taking a lead role in a campaign to pass or defeat a legislative bill, or change a specific government policy or regulation.
- Organizing an annual lobby day at your state capitol with a set agenda of items and recommendations to legislators.
- Conducting research and sending the results to government officials to support a particular public policy.
- Hiring an experienced lobbyist to help you strategize and conduct advocacy at the local or state level.

The Growth of the Contract State

Over the last 100 years, the structure and role of nonprofits has changed dramatically. These institutions have taken more of a central role in ensuring society operates smoothly, but they are also increasingly reliant on government support to carry out their missions.

In the late nineteenth and early twentieth centuries, nonprofit organizations—child welfare agencies or neighborhood settlement houses for the most part—sprang up in significant numbers around the country, most with the mission of helping society’s poor and disadvantaged. Government support was a relatively small part of their budgets, if it was there at all. Even the New Deal in the 1930s, which established public subsidies to the poor, increased government funds for direct service nonprofits only temporarily.

Until the 1960s, yearly grants from government to nonprofits were atypical (exceptions included a few specific fields such as child welfare). The War on Poverty and the Great Society were a turning point in the relationship between nonprofits and government. In 1964, several major new federal initiatives poured hundreds of millions of dollars into both existing and newly established nonprofits to eliminate poverty and improve social services. From 1965 until 1970, the annual amount the federal government spent on social services went from \$812 million a year to \$2.2 billion, according to *Nonprofits for Hire* by Steven Rathgeb Smith and Michael Lipsky. And changes to laws and regulations made it more attractive for government to contract with nonprofits to provide these services.

As funding for services such as Head Start, foster care prevention, and community-based health, mental health and substance abuse treatment

grew in the 1970s, so did the size and number of contracts with nonprofits to deliver these services. Federal spending on community mental health went from \$143 million in 1969 to \$1.4 billion in 1979; federal funds for equal opportunity and community action initiatives rose from \$51.7 million in 1965 to \$2.3 billion in 1980; state spending on social welfare went from \$2.6 billion in 1975 to \$4.8 billion in 1980.

The politics and policies of the last 20 years have only accelerated the connection between government funds and nonprofit work. During the Reagan years, the federal budget for social issues was cut, but states to a great extent picked up the slack, and overall, spending still grew in the 1980s. And in 1996 welfare reform somewhat inadvertently gave nonprofit contracting a big boost. The new rules provided states a set amount of federal dollars even when there was a decrease in the rolls of welfare recipients, creating a large new pool of funds for services for the poor. One result was significant increases in contracted services, such as childcare, to assist people to find and keep jobs. Twenty-six of the 50 states now spend a majority of their welfare funds on services rather than cash assistance, according to a recent report by the U.S. General Accounting Office. In 1995, that wasn’t true in a single state.

Because of these trends, government is now a primary funder for nonprofit work in communities. For example, government contracts paid for 52 percent of all revenue received by nonprofits performing social and legal services in 2001, according to the Washington, D.C. group Independent Sector. In other words, if every nonprofit that had a government contract refused to do advocacy, there wouldn’t be many voices from the nonprofit sector.

delivering on their commitments; they are also responsible to the individuals, families or communities that they serve.

“If you don’t try to address systemic and societal issues, you’re not doing your work,” argues Nancy Wackstein, executive director of Lenox Hill Neighborhood House, a New York City agency providing a range of social and community services. Her group has been active on homelessness and housing issues, as well as advocating through coalitions of social service agencies and local settlement houses.

All this isn’t to say that all your advocacy work will

including information on New York City rent regulations that covered the buildings. For tenants, it has meant more stable ownership—and a much better place to live.

Nonprofits aren’t simply a type of government vendor with a quirky legal structure and a balance sheet that always adds up to zero. Private companies that have a government contract are responsible to government to deliver the product and responsible to their owners to make a profit. But organizing tenant councils or running a childcare facility isn’t the same as building a highway. Nonprofits are not only responsible for

always be a battle with government. Many officials recognize the role of nonprofits in communicating policy agendas, and they see advocacy as something that enhances their relationship with nonprofit contractors. “There has to be a constant dialogue between both partners in terms of what enhances the services, what is an obstacle to providing quality services, what will make

Many officials see advocacy as something that enhances their relationship with nonprofit contractors.

things work better,” says Lilliam Barrios-Paoli, who has run both New York City’s housing and public assistance agencies.

You may even find yourself making new friends by becoming involved. Veronica Barela, the executive director at NEWSED, a community development agency in Denver, says that when her organization pressured local banks to invest in low-income communities, government officials actually appreciated the group’s activist stance. Because of political and financial relationships with the banks, city officials were unable to push for more community investment. And in the end, those same banks invested in development projects sponsored by NEWSED, because they knew that the nonprofit had a thorough understanding of local needs.

ADVOCACY’S ROLE

Advocacy isn’t an intrusion into the government’s closed system of making decisions; lobbying is an integral part of every level of government. As political scientist Nelson Polsby wrote, “Policy [does not] appear out of the sea like Botticelli’s Venus—dimpled, rosy and complete on a clamshell.” It’s hammered out with research, discussions, compromise and, of course, political maneuvering. And at every stage, outside voices make recommendations and apply pressure to make particular changes.

The American political system is built for “special interests” to lobby for their constituents—and in a perfect world, both sides would present their input and the result

would be a balanced argument. But in reality, some special interests are more special than others. For example, according to the Center for Responsive Politics, health care interests spent \$197 million in 1997 to lobby the federal government (and tens or hundreds of millions more, presumably, for state and local decisions). How much of that, do you suppose, was spent to promote the interests of poor and uninsured patients?

“It’s important to build consent between citizens and their government. It may be basic political science, but that’s what a civic voice is all about—leveling the playing field by engaging civic action, voting, persuading, joining and volunteering. Then public policy begins to be more reflective of enlarged majorities,” says Elizabeth Reid, research associate at the Center for Nonprofits and Philanthropy, a project of the Urban Institute that recently co-sponsored a 10-part series on nonprofit advocacy and public policy.

But there is someone to speak for the other side: you. The nonprofit sector is large and still growing—there were more than 800,000 nonprofits registered in 2000, up 33 percent from just six years earlier. More than 10 million people now work for nonprofit organizations. In 1977, nonprofits had

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revenues of \$111 billion; by 1994, that sum had quintupled to \$568 billion, according to Independent Sector.

This massive cohort may not spend as much time or money lobbying as corporations and other business interests, but it has influence. “Nonprofits are very much involved in state and local policymaking, and they play a crucial role in both the formulation and implementation of an extensive range of social service, education, and health programs,” Jeff Berry of Tufts University notes. What’s more, initial results of his nationwide study of nonprofit

advocacy show that groups that organize themselves to do advocacy are four times more likely to be approached by government officials for their input than groups that don't have a staff person assigned to the task.

Whether you choose to have a quarterly meeting with your government liaison or bus hundreds of protesters to the state capitol, advocating on behalf of your constituents can bring notable results:

- In coalition with other agencies, Planned Parenthood of Lincoln, Nebraska, convinced the state's governor and legislature to supplement federal funds to educate Nebraska residents about their family planning options.
- Germantown Settlement, a nonprofit based in Philadelphia, has trained hundreds of community members to successful-

ly do their own advocacy around neighborhood issues such as safety, zoning and school reform. Their victories include turning a former mill into housing for elderly neighborhood residents rather than the condominiums planned by a developer and a successful campaign to bring a charter school to the neighborhood.

- Connecticut's Council of Family Service Agencies, a statewide trade association of social service providers, collected stories about families unable to support themselves as they transitioned off welfare. After a few years of sharing these tales with policymakers in reports, testimony and at meetings with government officials, their advocacy helped secure funding for new programs to work with the families having the greatest difficulties.

SECTION TWO

Barriers to Entry

It's clear that nonprofits of all stripes have a responsibility and a right to advocate on behalf of their constituents. And we hope you're convinced that this advocacy can have impressive results. Still, we recognize that moving into advocacy at whatever level can seem like a daunting task.

To successfully add advocacy to your agenda, you need to have a clear idea of what might lay ahead. We've paid special attention to groups that are funded at least in part with government money, because these organizations face specific challenges. Before you begin to get involved in advocacy (which we'll discuss in Section Three), you should be aware of what potential problems to avoid.

Money

Paying for advocacy is difficult. Government funds themselves don't cover it (except in very rare cases when it's actually included in the contract), and private foundations rarely fund it. Discretionary funds that are flexible enough spend on advocacy effort are becoming more rare—and nonprofits often already tap that money for other functions that are hard to raise money for.

"Many nonprofits' budgets are so restricted that there is no discretionary cash to engage. And often grant letters from private foundations will contain restrictive language that goes well beyond either the tax code or state definitions of lobbying," says David Arons, co-director of Charities Lobbying in the Public Interest at Independent Sector in Washington D.C. Lacking specific funds to pay for advocacy, even groups that are devoted to it can find themselves stretched.

"People don't fund for advocacy, and organizing is not a hot funding item. Funds are scarce, and it's difficult identifying resources," admits Patricia LeGrande at Germantown

Settlement in Philadelphia, which nonetheless has made advocacy a core function of the agency.

Concern Over Losing Nonprofit Status

Keeping 501(c)(3) status is a big concern for nonprofit service providers. Being a nonprofit exempts an organization from paying most taxes and gives those who donate money to the group a tax write-off. Most foundations will only give money to nonprofits. And the language of the Internal Revenue Service code that originally governed nonprofit lobbying is vague, saying that agencies can spend "no substantial part" of their funding on lobbying activities.

The language about nonprofits and their IRS status was better defined and clarified in a 1976 regulation, but some confusion does linger. And even with the new rules, groups must stay on the right side of the distinction between advocating on government policies and legislation and getting involved with candidates and elections. Even when groups are very involved in advocacy, they have to be careful and stay away from overt political partisanship and endorsements.

Time

In our years of experience with nonprofit agencies and during the dozens of interviews we did to create this manual, we haven't found a single nonprofit with extra resources on its hands. There's never enough money to accomplish everything that needs to be addressed, and there's never quite enough time in the day, either. Often groups don't become advocates because they simply haven't found the extra hours—sometimes even just to come up with a plan for how to begin.

The time crunch can be especially pronounced for agencies working with government money. In *Nonprofits*

SECTION THREE

To Get in the Game

for Hire, Smith and Lipsky note that more (and larger) government contracts translate into increased regulation. The end result is that agency staffs spend many more hours doing things like filing reports, writing funding proposals, gathering data on services provided and certifying staff qualifications.

Fear of Government Retribution

At times, agency executives hesitate to speak out on policy issues because they fear that public officials will respond punitively: taking away contracts or not awarding them in the first place. Kathy Goldman, at the Community Food Resource Center in New York City—which does everything from running programs feeding the elderly to assisting poor families that are in danger of losing their apartments—admits she’s quite aware of the possible consequences of the group’s advocacy. “Look at the fact that our staff saves 2,000 families from being evicted every year. Then you have to ask is it worth it to open your mouth and take the risk that the funding will be taken away and these families will be out on the street?”

Outright punishment for speaking out is against a group that does advocacy is relatively rare. Some nonprofit professionals say that negative responses on the part of government, when they do happen, are usually much more

Be Clean Before You Scream

To take a public stand about the policies of the government agencies you deal with, you need to hold to the highest operational and financial standards in spending government money. “Not-for-profits that want to criticize have to absolutely be as clean as they can,” says Kathy Goldman of New York’s Community Food Resource Center. Smart choices and meticulous records for spending and accounting give her group credibility with its funders and in the field. And with that comes a comfort level when it comes to taking advocacy positions—and no justifications or excuses for government agencies to sanction her group.

subtle. For example, we interviewed agency executives who said they’ve had government payment checks come notably late—months and occasionally even a year or more after the services were provided—after taking a particularly vocal opposing stance on an issue.

Mindset

Some nonprofit executives say doing government’s bidding can lead to a loss of perspective, to the point where you don’t even consider advocacy as an option or forget about its importance. “As we began to respond to government requests for services, I think our agency

Doing government’s bidding can lead to a loss of perspective, to the point where you don’t consider advocacy.

really began to neglect advocacy,” says Marilyn Miller, who runs Portland Impact, an Oregon social service and community development agency. “You get so caught up in funder requirements, it becomes more and more difficult to do advocacy. Because we were so focused on meeting contract requirements, we really lost sight of even being an independent agency that functioned apart from government.”

To meet government stipulations for funding proposals, reports on service provision and contract negotiations, more and more nonprofit staff become career administrators. And since the kinds of expertise needed for nonprofit staff to administer grants and for government officials to oversee the grants are closely related, it’s not unusual for people to move from working from a nonprofit to government, or vice versa. When a nonprofit professional has the same mindset about administration as a government representative—and if he or she might be interested in taking that job someday—it can be hard to put pressure on an agency or legislator, even if that pressure is applied to improve conditions for the community.

Don’t get too discouraged by the litany of problems in Section Two. Our interviews with nonprofit executives, academicians and foundation executives made clear that many nonprofits view public policy advocacy as a vital function. These groups aren’t only speaking up about how government rules and regulations can be improved, they’re bringing about important changes through their advocacy.

Agencies that have successfully integrated advocacy into their work have five specific recommendations:

1. Be clear about your organization’s mission.
2. Diversify your funding streams.
3. Be politically savvy.
4. Approach government as an equal partner.
5. Understand the legal ramifications.

By following these pointers, your group can address worries about legal status and potential payback from aggravated government officials, create an organizational culture that supports doing advocacy, and better ensure that you have the time, focus and resources needed to advocate. None is a silver bullet. But together, they represent a sound strategy to work with government to increase or improve services to your constituents.

1) Clarity of Mission

Deciding to advocate usually starts with having some discussions with your constituents, staff and board, testing the waters when advocacy opportunities come up to see what you’re comfortable with as an organization. It may seem like overly cautious behavior, but experienced hands say that the process is very important. People we interviewed who balance government funding and conducting

advocacy say they constantly use a game plan they’ve worked through as an organization to evaluate potential advocacy issues that arise.

Once you start to make advocacy part of your work, there will almost undoubtedly be many distractions. If you have clarity and general agreement within your agency about which issues you will consider tackling and how, you won’t get tied up in knots every time you’re presented with a new policy problem or asked to take an action. Instead, you can focus your energies on figuring out how to manage that specific situation most effectively.

When the Community Food Resource Center was founded 21 years ago, Kathy Goldman, her board and the agency’s

Deciding to advocate usually starts with having some discussions with your constituents, staff and board, testing the waters when opportunities come up.

first two staff members decided that advocacy would always be among the agency’s top priorities. Today, the organization has a hundred employees, which, Goldman says, means it has more to lose by taking strong policy positions. But having made a commitment to advocacy way back when makes it easier to see the right response to any given situation today. “Once we decide on the correct position on an issue, we’ve made a conscious decision not to take into account the potential impact of that decision on funding or on anything else,” she says.

Brad Lander, executive director of Brooklyn’s Fifth Avenue Committee, says the agency’s decision to do more

community organizing and be more outspoken about policy issues required a discussion with the agency's board and staff about the potential ramifications. "We basically said that we feel like this is important work to do, and we can imagine that there might be times when it would cost us government money," he says.

Lander adds, though, that the decision has allowed the group to affect government policies in a number of areas, including regulation of the cost of rental housing, more protection for bank loans to low-income individuals, and city policies on hiring and paying workers receiving welfare benefits. Their high profile on these important issues has also paid off in more active and engaged community members. And Lander's sense is that becoming more active hasn't actually decreased the organization's access to government funding.

TIPS

- *If you have no history of advocacy at your organization, start a discussion with staff and board members about the topic. You can give examples of recent issues with which your organization would be interested in becoming involved.*
- *Judge whether or not your organization's mission either explicitly or implicitly directs the organization to conduct advocacy. If it's unclear—or absolutely doesn't support advocacy—take up the possibility of modifying it with your board and colleagues.*
- *Regardless of what happens with your mission, the exercise of sitting down, thinking through the kinds of advocacy that are important to the agency and considering its implications for funding and daily operations is a valuable exercise.*

2) Money From Many

Having a wide range of funding sources is generally considered a good management practice at any nonprofit—no one wants to lose their organization or have to close a valuable program because of a decision made by a single government or private funder. But diversifying funding is even more important for a nonprofit's ability to advocate on policy issues, especially as you take more public positions. "If we didn't raise funds directly that are discretionary, we wouldn't be able to do the kind of advocacy or

Diversifying funding is even more important for a nonprofit that wants to advocate on policy issues.

public policy work that we do," says Catholic Charities of Denver's president, Jim Mauck.

Government money is rarely available to pay for advocacy, which leaves a few options—raising funds from individual donors, writing grants to foundations for general operating support and/or specific projects that include advocacy, and recruiting volunteers or staff members to donate their time when they're not working. People in the field acknowledge the difficulties involved in finding the resources to cover the costs of doing advocacy. But even in the most restrictive situations, there are ways to build it into your work that don't create problems with your funders.

For example, Catholic Charities of Denver talks about its advocacy in its appeals to individual donors for money to cover general operating expenses, and also brings in individual donations and grants to pay for specific advocacy projects. At one point, an individual gave money to conduct a study of how increasing public assistance payments would help local families and the local economy.

Denver's NEWSSED is extremely active on a range of advocacy issues, including housing discrimination, immigration

and citizenship issues, and police/community relations. All these projects are supported to a large degree by rent the organization collects from its business and residential tenants in property the agency owns. In the opinion of Veronica Barela, the agency's executive director, "The only thing that makes an agency self-sufficient is to have assets and to do bricks and mortar."

Of course, not all groups are willing or able to buy property to rent. But while a flexible, independent source of cash is nice, it isn't required. In fact, some nonprofit executives say that becoming more active in advocacy can actually make diversifying your funding easier, because it raises your organization's profile, increases its credibility and shows that you have a commitment to your constituents that goes beyond providing day-to-day direct services. Many people appreciate that an organization is willing to speak out on issues that they think are important.

Planned Parenthood of Lincoln, for example, has an entire group of individual donors who wouldn't support the agency if it didn't do advocacy, says executive direc-

Some nonprofit executives say that becoming more active in advocacy can actually make diversifying your funding easier.

tor Chris Funk. The ARC of Dallas, Texas, an agency that advocates for and provides services to the developmentally disabled, for many years chaired a committee on juvenile justice issues. When the committee eventually developed a plan for training court personnel how to interact with the developmentally disabled (whether offenders, witnesses or victims), the agency itself was the logical place for a new government-funded program to carry out the work.

If starting a whole new fundraising campaign is too much to tackle right now—or if you think your organization would like to do more low-impact advocacy—you can still

become involved. Few nonprofits are funded solely by government, so you probably could find room in your budget to pay for a trip to the legislature or to help out a campaign by printing and mailing materials. In situations where there isn't much funding or flexibility, David Arons, who counsels nonprofits on this issue, says, "We've talked about staff going to lobby on their lunch hour, doing a legislative breakfast off-hours, bringing on volunteers who aren't on your payroll." If you think advocacy is important, you can find a way.

TIPS

- *Lessen your advocacy costs by joining up and working with like-minded groups that have more resources or flexible funding.*
- *Investigate the private foundations in your area (the local Foundation Center is usually the best source), with an eye toward who funds programs and agencies in your field and who supports advocacy-related projects. Cultivate new relationships with these philanthropies and educate them about your agency.*
- *Look at the profile of your current individual donors and/or those you think might be interested in giving to your organization. Would these donors be more or less interested in giving money to your organization if they thought it would support advocacy? The answer should help you shape your strategy.*
- *For any pitch to raise money for advocacy—to foundations or individuals—be clear on what you hope to accomplish and how it will help your constituents. Let them know that you're not advocating just to be a gadfly; your goal is affecting critical changes to government policy.*

3) Politic About Politics

Regardless of the level of advocacy your group engages in, you have to exercise some political acumen if you want to raise your voice without jeopardizing your ability to provide services. The good news is, we found politically savvy organizations that are able to maintain their public sector contracts while being outspoken about views that are at times diametrically opposed to the government agencies that fund them.

In 1999, when police harassment of teenagers on the streets of Chicago became an issue in the youth advocacy community, there were different opinions regarding how to respond. The city had passed an ordinance saying that no more than three teenagers could congregate on the street together at a time, and the Chinese Mutual Aid Association frequently heard complaints about it from teens in its programs. The association got together with other local groups to figure out how to respond—one particularly activist group said it wanted to plan things like street protests and picketing. “(They) wanted to be really hard and strong and fight,” says Grace Hou, the association’s executive director.

But Hou took a more subtle approach. She didn’t want to jeopardize the government funds her agency counts on for its work with immigrants and refugees in the city. And just as importantly, she understood that the police department had a very conservative culture that would respond to loudmouth protests by digging in its heels instead of changing its behavior. So the organization invited the Chicago Police Superintendent to a meeting with the com-

munity and carefully scripted the session by writing testimony with young people about both good and bad experiences with the police. The superintendent agreed to come, Hou says, because of the restrained way in which he was approached. Once he got there, he was impressed by the nonprofit’s organizing ability and appreciated the opportunity to hear directly from community members, and even to have a dialogue with them.

“The relationship between youth and police has improved dramatically,” says Hou, because local police took a cue from how their boss responded to the meeting. And the Chinese Mutual Aid Association got an unanticipated benefit—a grant from the city to work on educating the police and the immigrant community to work together better.

When considering speaking up, also think about who you’re speaking against. Many say it’s easier to advocate with government agencies and elected officials who don’t directly fund you. Lenox Hill Neighborhood House in New York City is fighting the city’s decision to sell a former armory that now houses a homeless shelter to a private developer who wants to use the building for luxury housing. Nancy Wackstein, the group’s director, says her organization thought long and hard about how to come out publicly against the sale without jeopardizing programs. Their solution? Take the issue to the state level and convince state policymakers to exert pressure on city leaders, she says.

When it’s all said and done, sometimes the strategic decision is to not go public. The Cleveland Child and Family Service Agency sees its interest in combating gun violence as a natural

outgrowth of its work with children and families. But knowing the strong pro-gun mindset of the current Ohio state legislature, the agency is focusing its energies on research and education. “We really would like to be lobbying on this issue, but its just not politically viable for us to do so,” says Carrie Carpenter, the organization’s government affairs director. In the long term, they hope that by documenting the issue and showing the general public how guns affect domestic violence, home safety and other family issues, they can sow the seeds for change.

TIPS

- *When you choose the policy issues on which your agency wants to focus, hone in on the government agencies or officials with the power to change things. Then research the political reasons they may or may not take your advice. You may decide to take a stance even if you’re in for a tough battle, but at least you will have thought through the implications of what you’re doing—and have a better idea of what it will take to win.*
- *Make a practice of keeping in touch with the government officials overseeing the policy area you care about. That way, you’ll have an idea of how they’ll respond to any specific proposal, and they’ll never feel blindsided if you go over their heads or to the media with the problem.*
- *Be sensitive to the tone you use—know when and why you’re shouting. Grace Hou points out, “There is a huge difference between being belligerent and being strong.”*
- *If you feel like you don’t have the experience and confidence to judge whether to speak out on an issue or hold your tongue, consult some experienced people: board members, colleagues, community leaders or even paid lobbyists.*

4) Come to the Table as a Partner

Many organizations that both provide services and engage in advocacy see themselves as partners with government on issues of common concern. When they don’t agree with the government’s policies, these nonprofits start a discussion based on the assumption that they are dealing with their peers. “We’re equal partners—we’re arrogant enough to come to the table believing that,” says Loretta Tate, who heads the Marshall Heights Community Development Organization in Washington, D.C.

Sounds good, but how do they do it? In part, it’s simply a matter of presentation—some say that when they see their own group as equal to a government agency or official in stature and authority, government sees them that way as

Many organizations that both provide services and engage in advocacy see themselves as partners with government on issues of common concern.

well. As Tate points out, how you come to the table has an impact on the ensuing discussion itself.

This isn’t to suggest that you should be rude to the governor’s secretary, or that the commissioner’s knees will

Listen Before Talking

Much of the trick of interacting with government officials isn’t tricky at all—its simply exercising good common sense. For one thing, don’t automatically assume that an official is going to disagree with your organization. “I always said to the advocates when I was a commissioner—don’t call The New York Times before you see if I even agree with you on the issue,” says Lilliam Barrios Paoli. At the very least, show the agency or commissioner enough respect to tell them your position before making it public.

The Time Is Right

Consider all the factors that might have an impact on your advocacy. For Paige MacDonald, who runs Families Together in New York State—an organization of parents of children with serious mental health problems—the issue was timing. When the governor came out with a proposal to close down children’s psychiatric hospitals and send the kids to adult facilities, her group was strongly opposed. But the state mental health agency is her organization’s primary funding source. Still, she looked at the calendar and realized she could take the politically risky position. “I wasn’t worried about my funding. Next year is an election year and it wouldn’t be good politics for the Office of Mental Health to pull contracts based on the positions people take,” she says. “That was the reason I wasn’t too concerned.”

buckle when you present your demands. But don't feel like you're a supplicant while trying to help government do its job better. After all, your nonprofit organization actually does the work of providing services. You have the knowledge and understanding of your constituents' needs and have seen firsthand what works in the real world—that's crucial information for government officials who want to effectively set policy. "The fact that this agency provides services to 200,000 Coloradans in a variety of areas, that

Wise Counsel

In New York City, thousands of kids, mostly teenagers, live in foster care group homes run by nonprofit agencies. During the mid-1990s, the state trimmed the rate paid to these nonprofits, and several agencies had to close their homes because they couldn't raise enough private money to make up the difference. When the governor proposed another, larger, rate cut for foster care services in January 1997 to help close a budget deficit, some of the agencies' executive directors began meeting over deli sandwiches after work to come up with an advocacy strategy to ensure sufficient funding for quality care and to ensure the safety of teens and staff.

Several evenings and five trips to the state capitol later, the group emerged victorious. At a time when foster care services in general were getting cut, the executive directors succeeded in convincing state officials not to touch the budget for group homes. "Had that not happened, we would have seen the destruction of the group care system that we have," says Sr. Paulette LoMonaco of Good Shepherd Services, one of the primary strategists in the effort.

Why were they successful? It wasn't enough that they had a good argument on their side. The advocates all headed nonprofits that had been in the child welfare field for decades and had excellent reputations, so no one could dispute their expertise and credibility. And the fact that the group consisted completely of chief executives made a statement to legislators that the issue was important enough for them to take significant amounts of time out of their busy schedules.

gives us a level of credibility because we know from our firsthand experience what, in fact, is the situation," says

You may legitimately claim to represent and even speak on behalf of a community of voting constituents.

Catholic Charities of Denver's Jim Mauck. "The legislators may not agree with our conclusions, but they can't discount where we're coming from."

Don't ignore your group's other potential sources of power and authority. You may legitimately claim to represent and even speak on behalf of a community of voting constituents—whether from a particular neighborhood, ethnic group, age group or other affiliation. For example, Germantown Settlement in Philadelphia has formal, structured sources of constant feedback from the community, including a large community advisory board. The organization's allies have even fielded successful candidates for political office. In Denver, when NEWSED organized against the development of a university dormitory on Denver's West Side, residents allowed the nonprofit to put up signs on the issue in virtually every front yard. Ultimately, the group won that battle.

Moral authority is another source of power. Sr. Paulette LoMonaco, the executive director of Good Shepherd Services, a child welfare agency in New York City, freely admits that being a nun gives her leverage to get government officials to listen and respond when she lobbies. But just as important as her religious affiliation, she says, is that she represents a nonprofit agency with a solid reputation and a long history of working with poor and disadvantaged children and families in the city. "If I go down to City Hall the night before the budget is passed to lobby, it counts," she says. "When the City Council sees me there, it helps."

TIPS

- *Walk into meetings with government officials with your head held high. Because of the work you do and who you represent, you are qualified to be speaking on their behalf.*
- *Think through the sources of authority that your agency brings to the table and play to your strengths. If you work in a community with active voters, you might use a petition to let local elected officials know how their constituents feel. If your agency has a reputation for providing quality services, you could conduct credible research based on your agency's experience. If your board of directors is well-connected politically, a board member could call in a favor to get an important meeting scheduled.*

5) Understanding the Legal Framework

If your organization does advocacy, you need to know some basic information about government regulations, including the kinds of activities that are considered "lobbying" and the limits on how much money your nonprofit can spend on lobbying activities (which could be as much as \$1 million a year, depending on the size of your group's budget).

Many activities that fall within the bounds of public policy advocacy aren't actually considered lobbying at all, including:

- Telling legislators or government officials your opinion of an issue that isn't related to specific legislation.
- Educating your organization's membership about a piece of legislation.
- Publishing analysis of a legislative proposal.

On the other hand, sending a letter to people in your community that encourages them to contact a specific legislator about a bill is considered lobbying, as is taking out an advertisement about a specific bill.

Much of the confusion about nonprofit lobbying stems from language in the original 1934 Internal Revenue Service code, which stated that "no substantial part" of a nonprofit organization's activities could be taken up with lobbying. The term "substantial" was left undefined. A federal law passed in 1976 to help clarify this phrase set very specific rules about what does and does not constitute lobbying by 501(c)(3) nonprofits, giving organizations wide latitude to lobby within a specific regulatory framework and to spend a certain portion of their annual budgets on lobbying.

One slight complication: In order to fall under the definitions of lobbying in that law, you must fill out the one-page IRS Form 5768. If you don't, the vague "no substantial part" terminology still technically applies to your organization.

You should also be aware of any applicable lobby disclosure laws. Many states and municipalities have instituted rules that require anyone paid to influence legislation—on staff, as a consultant or even a volunteer reimbursed for expenses—to register and report the amount spent on lob-

Many activities that fall within the bounds of public policy advocacy aren't actually considered lobbying at all.

bying. These rules (and the IRS limits on lobbying) are not nearly as onerous as they might seem at first glance; the reporting requirements for most government contracts are much more time consuming.

The one thing you can't do—because it will jeopardize your organization's nonprofit status—is favor or endorse a candidate for political office by making a public statement in favor of that candidate's election, inviting him or her to address a public forum without

inviting other candidates, or in any other way acting partisan during an election.

TIPS

- *You don't need to become an expert on the legalities of lobbying, but it's good to have the basic information. We list several books and websites in the Resources Section (see page 19) that are excellent guides.*
- *File the short, simple IRS Form 5768 to register under the 1976 law. You'll be subject to a clear set of rules about what is allowable.*
- *If you get a legal opinion on your options, make sure the lawyer you're consulting knows the law and how other nonprofits have handled your situation, so he or she doesn't unnecessarily limit your activities.*

CONCLUSION

Nonprofits like the National Rifle Association and the Sierra Club are powerful voices in Washington, D.C., and state capitols. But you may be unfamiliar with the nonprofit advocacy done by community-based organizations. As you've seen, however, local groups can make a difference through a wide range of actions. And with some forethought and strategic planning, advocacy can allow your organization to better the lives of your constituents without doing any harm to your funding or legal status.

We hope that this manual has been persuasive about the opportunities that advocacy offers. Our goal was to show that you don't have to be a national organization or a lobbying powerhouse to make a difference. We also wanted to help your group plan on how and when to speak up for what you think needs to change. If you're ready to begin, we recommend you take some time to look at the resources listed on the next page. Not only will you get some great tips on how to do the best job possible, these websites and publications give examples of nonprofits doing advocacy in communities across the country.

SECTION FOUR

Resources

As you have read, nonprofit advocacy can be a powerful tool for change. It might take some work to get started, but there are a lot of excellent resources to help. Below are some of the best we've found, with research and debate about the role of nonprofits in society, advice on effective advocacy strategies, and detailed information about legal and regulatory issues.

"The Nonprofit Lobbying Guide" This excellent book by Bob Smucker at Independent Sector offers good general advice on how to lobby effectively, as well as clear concise information on the intricacies of federal regulations. Visit their website to buy the book or download an electronic version (clpi.org).

Lobbying Without Regrets The Grantsmanship Center posts this short and clear explanation of the IRS rules for lobbying, including a chart of the spending limits for groups of various sizes and exact boundaries for issues like grassroots lobbying and nonpartisan analysis (tgci.com/publications/96summer/lobbying.htm).

Charity Lobbying in the Public Interest Run by Independent Sector, this project's website provides all sorts of valuable information on public policy advocacy, legal and regulatory information, including tips on how to be effective with just three hours a week of work (independentsector.org/clpi/index.html).

"How—and Why—to Influence Public Policy: An Action Guide for Community Organizations" For a real grassroots guide on organizing around public policy issues (from an overtly leftist perspective), read this 60-page manual on the Center for Community Change website. Go to their site and look up the title on the Publications page (communitychange.org).

"The Big Idea: A Step-By-Step Guide to Creating Effective Policy Reports." Another publication of the Center for an Urban Future, this book gives nonprofits a step-by-step guide to conducting policy research and crafting effective reports with that information—all written with novices in mind (nycfuture.org).

Alliance for Justice This site includes a wide array of news on nonprofits and advocacy, including information on workshops and technical assistance and timely updates on regulatory and legislative issues (afj.org).

OMBWatch This group provides up-to-date information on federal actions that affect the ability of nonprofits to conduct advocacy (ombwatch.org).

"Nonprofit Advocacy and the Policy Process" Beginning in February, 2000, the Center on Nonprofits and Philanthropy ran this ten-part seminar series, which discussed issues from funding to international examples. The ideas are interesting, but tend to be presented in very academic language (urban.org/advocacyresearch/about_seminars.html).

The Center for an Urban Future is a New York City-based think tank that uses journalistic reporting techniques and traditional policy analysis to produce in-depth reports and workable policy solutions on a range of critical issues now facing our cities. For more information, visit www.nycfuture.org.

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