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?
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.
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
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).

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.

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.

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.
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.
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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