

THE THIRD SECTOR REPORT

## **Nonprofits: Now That The Trump Card Has Played**

*By Jeffrey R. Wilcox, CFRE*

The game started as a potential grand slam, but the bidding became aggressive, the conversation uncivilized, and, as each played their cards, someone lost count. In the end, there was one last trump and, with that play, the bridge to the White House forever changed.

Within moments of the election's outcome, reactions and predictions about the future of the American landscape began to unfold in dramatic ways. The leaders of nonprofit organizations of all sizes, and representing the broadest range of value systems possible in a capitalist democracy, published open letters to their boards, staff, communities and elected representatives. The common themes of these heartfelt communications: Use this election as a wake-up call to the severity of our fractured society, give voice to reason, and step up efforts to be a galvanizing force among diverse opinions where the campaign had failed.

The nonprofit sector is a collection of industries comprised of organizations, associations and congregations that run the gamut from the most conservative to the most liberal. The sector, however, leans heavily on the side of the most progressive and liberal ideologies in society despite the shared tax-status of their foes.

Despite the defeat, these nonprofits embraced their missions and continued their roles stepping in to help curb violence, facilitate conversation and encourage hope. In their open letters, most organizations issued a plea to get into the game and not run away from the reality that our society is a dangerously divided people.

There are critical questions that the outcomes of the election raise for the nonprofit sector. Many rely on substantial amounts of public funds to do their work. The sector, then, leverages those appropriated tax dollars against the generosity of private citizens through their acts of philanthropy to do their work in education, health care, the arts, environmental protection, and social service.

What will happen to both of those essential public and private sources of fuel is a toss-up. Taxation and the plight of the charitable deduction are, for example, two key decisions among many that will impact a new federal budget. During the campaign, The Tax Policy Center, warned nonprofits to brace for a reduction in individual giving from \$6 to \$26 billion depending on the winner.

Two important facts that community leaders involved with nonprofit organizations should never forget is that charitable giving by wealthy progressives, to which there are more than ever before, increases during conservative administrations. And, when Americans are asked about the impact of the charitable deduction in their giving decisions, the response, historically, has been low.

Unfortunately, both candidates decided to attack the philanthropic efforts of each other. The result is a potentially higher population of skeptics about how foundations manage their affairs in the name of doing good. The aftermath of the destructive rhetoric calls for foundations and other managers of charitable funds to become even more transparent and to strike a balanced portfolio of support to achieve a recognizable outcome of common good.

Changes in immigration and health care reform will require nonprofit organizations to be the voices of reason to policy-makers while simultaneously being the voices of compassion to those affected. Prior to the election year, the nonprofit sector had been wrestling with its role in advocacy. Following the election, there is now a movement afoot to repeal the Johnson Amendment that precludes charitable organizations from advancing their advocacy efforts into lobbying so the voices of marginalized people and communities can be represented and heard.

Whatever the outcome, the nonprofit sector will be reshaped. Its skills in advocacy, conflict resolution and community mediation, fundraising, outsourcing and inclusiveness must be honed. Any bad habits developed during the progressive years, like acting in a bubble, self-aggrandizing, entitlement, and not working well with other organizations, isn't going to unite deeply divided communities. The candidates, their comments, and the contest failed at that.

If the first days following the election are any indication, the nonprofit sector holds the highest potential to demonstrate how uniting a divided nation can be accomplished. Reasonable people owe the sector our increased time, talents and treasures, now, more than ever, to get the job of tackling differences underway. Washington cannot reunite broken communities, only we can; and, that's our trump card as a nation.

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