



The effects of perceived funding trends on non-profit advocacy

A national survey of non-profit advocacy organizations in the United States

The effects of
perceived
funding trends

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Abstract

Purpose – This paper seeks to examine executive directors' perceptions of the relationship between access to funding and an organization's programmatic and advocacy activities.

Design/methodology/approach – This study is based on data from a national survey of executive directors of non-profit advocacy organizations in the USA. The organizations were selected because they served minority and disadvantaged groups, and were heavily reliant on public funding.

Findings – The findings indicate that several factors are associated with how organizations balance their programmatic and advocacy activities. They include dependence on public funding, constituencies served, and perception of funders. Despite evidence for institutional pressures to reduce advocacy activities, the results indicate that such activities are sustainable in organizations with a strong individual donor base. In essence, a stable source of grassroots resources can counter institutional pressures to reduce advocacy.

Research limitations/implications – This study focuses on a specific subgroup of advocacy organizations. Although it offers insights into their perceptions, the findings do not necessarily reflect more general perceptions.

Social implications – The findings enhance understanding of impediments to non-profit advocacy that stem from trends in public funding and regulations related to non-profit lobbying and advocacy activities. The findings also enhance understanding of the extent to which the influences of the emerging non-profit industrial complex are offset by traditional grassroots support for non-profit advocacy.

Originality/value – This paper adds to the body of research on non-profit decision making in relation to the balance between programmatic and advocacy work. It adds to the understanding of how organizations interface with larger institutions in society and the constraints that institutional ties entail.

Keywords Non-profit organizations, Decision making, United States of America

Paper type Research paper



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Legal restrictions, devolution, and resource dependency

This article examines executive directors' perceptions of the relationship between access to funding and an organization's programmatic and advocacy activities. It is based on cross-sectional analysis using data from a national survey of executive directors of non-profit advocacy organizations in the USA. The findings from this research indicate that several factors are associated with how an organization balances its programmatic and advocacy activities. They include an organization's sources of funding, the constituencies it serves, and its perception of funders' expectations.

This article builds on a larger body of research focused on the relationship between the organizational environments of non-profits and the scope of their advocacy activities. Much of this literature focuses on three themes. The first examines the degree to which perceptions of legal restrictions on political and lobbying activities cause non-profits to restrict their advocacy activities. Non-profit organizations receive tax exempt status under various sections of the United States Internal Revenue Code (Vernick, 1999; Worth, 2009). In exchange for tax-exempt status many non-profits are prohibited from engaging in political campaign activity and endorsing candidates for political office. Under the United States Internal Revenue Code (26 U.S.C. §501(c)), many non-profits are also restricted from some forms of lobbying related to specific legislation or public policy decisions. However, there are few limitations placed on the scope of advocacy activities that non-profits can pursue. Non-profit advocacy can include a range of issue-oriented activities such as: public education campaigns, the dissemination of information, holding public events, voter registration, and related actions. These types of activities are considered constitutionally protected free speech.

Child and Gronbjerg (2007) surveyed non-profits in Indiana and concluded that most non-profits were ambivalent about advocacy. Although many of the organizations they studied engaged in some form of advocacy activities, it was not a core activity of these organizations. A recent national survey of non-profits conducted by Salamon *et al.* (2008) found that 73 per cent of organizations pursued some form of advocacy activities. However, only 2 per cent of non-profit budgets were committed to advocacy activities. Although many non-profits engaged in advocacy and lobbying activities, the scope of these activities was typically limited to contacting or responding to elected officials, and distributing information about salient public issues. Salamon *et al.* (2008) also found that worries about violating laws or losing public funding were factors in inhibiting lobbying, and advocacy to a lesser degree. They also found evidence that these concerns were overstated by a lack of understanding about restrictions on lobbying in the United States Internal Revenue Code. These findings are important since they represent one of the few empirical studies of this nature which suggest that non-profits curtail lobbying and advocacy due to perceptions of legal restrictions on these types of activities.

The second theme in the literature on non-profit advocacy examines the degree to which funding constraints in the public and non-profit sector hamper the scope of advocacy activities pursued by individual non-profit organizations. Much of this research focuses on the decline of public funding for non-profit organizations since the 1970s, and the inability of foundations and funding intermediaries to completely replace these lost resources (Keyes *et al.*, 1996; Liu and Stroh, 1998; Light, 2000; Gronbjerg, 2001; Salamon, 2002; Werther and Berman, 2001; Frisch and Servon, 2006). This shift in non-profit funding has produced an environment where organizations rely

on more diversified funding sources and face fiscal instability due to competition for declining resources (Gronbjerg, 1991, 1993).

Although the diversification of funding has allowed non-profits to attract new revenues, it has also resulted in new constraints on their staff and the pursuit of their organizational missions. The growing need for individual non-profits to rely on funding from multiple sources has reduced the time staff can commit to other activities. In the past, individual non-profits may have relied on a single source of funding for their activities and been able to match the goals of a funding source to an organization's mission relatively seamlessly. In the contemporary period, non-profits must identify multiple funding sources for the same activities, and multiple funders may have incompatible expectations which can cause a non-profit to experience goal displacement and mission drift. In addition, the logistics of maintaining funding across sectors can have a detrimental impact on a non-profit's ability to pursue advocacy and other activities. The diversification of funding entails the development of specialized grant and contract management skills in the public, private and non-profit sectors. It also entails the development of a separate professional fundraising apparatus. Increasingly, non-profits face pressure to engage in entrepreneurial and fee-for-service activities which require the development of requisite skills (Gronbjerg, 2001; Eikenberry and Kluver, 2004; LeRoux, 2005). For some non-profits, like fair housing organizations, legal expertise must be developed since civil settlements from litigation are a growing source of funding (Cheever and deLeon, 2001). Given this context, it is not surprising that a recent survey conducted by Salamon *et al.* (2008) found the lack of staff time and skills to be the most influential reason for non-profits not pursuing advocacy activities.

The third theme in the literature on non-profit advocacy examines the degree to which non-profits face pressure from funders to expand their emphasis on programmatic activities and reduce the scope of unrelated advocacy activities. One branch of this literature focuses on the relationship between government funding and non-profit advocacy. O'Regan and Oster (2002) studied the influence of government funding on non-profit board behavior and found that organizations receiving government contracts became more focused on fiduciary responsibilities and advocating for continued government support. While these non-profits became more focused on complying with regulatory requirements and advocating for sustained public funding, other board activities were deemphasized. Chaves *et al.* (2004) reached similar conclusions in their analysis of the relationship between government funding and non-profit advocacy activity. They found that government funding did not suppress the lobbying and advocacy activities of non-profits. Instead, it led to increased lobbying and advocacy for continued government support of non-profit programmatic activities. Leech (2006) found little direct support for a relationship between public funding and levels of non-profit lobbying after controlling for other organizational characteristics. As an extension of this line of analysis, scholars approaching this question from the resource dependency perspective argue that government funding reduces the overall scope of non-profit lobbying and advocacy. In their analysis of human service organizations, Schmid *et al.* (2008) argued that although non-profits receiving government funding may lobby and advocate for sustained government support, they may refrain from engaging in other forms of advocacy which could threaten continued good will from the public sector. This is

reminiscent of Gronbjerg's (1991, 1993) observation that political actors in local government would sometimes reduce funding allocations to non-profits in response to advocacy that threatened existing urban regimes.

Other scholarship has focused on the influence of foundations and funding intermediaries on the scope of non-profit advocacy. This literature has emphasized the degree to which philanthropic organizations and other funders in the non-profit sector shape the parameters for non-profit advocacy. Martin (2004) discussed this issue in her examination of how local foundations influenced agenda setting of community organizations in St Paul, Minnesota. Dependence on foundation resources constrained the scope of activities pursued by these community organizations and structured their programmatic activities. Silverman (2008) found evidence that foundations pressured local government to fund a subset of non-profits that were engaged in collaborative activities with non-profit funders. On a broader scale, Arnove and Pinede (2007) traced the history of the Carnegie, Rockefeller, and Ford Foundations' international initiatives. They describe how the philanthropic activities of the big-three foundations have served to maintain status quo relations and balk grassroots efforts to advocate for the transformation of social and economic relations. These critiques have crystallized around the concept of a "non-profit industrial complex" (INCITE!, 2007). The non-profit industrial complex is argued to be an emergent system composed of public agencies, private companies, philanthropic organizations, and non-profit social service organizations. This system is argued to emphasize the role of non-profits as service providers, while discouraging advocacy work and political activism. The narrowing of non-profit activities is considered to be compatible with neoliberalism and less threatening to the status quo. Thus, the non-profit industrial complex is argued to function as a tool to quiet dissent and institutionalize corporatist values in the non-profit sector. From this perspective, increased pressure to contain the scope of non-profit advocacy emanates from the growing influence of foundations, federated funders, intermediary organizations, and global philanthropy.

Methods and data

This research is based on a national survey of non-profit advocacy organizations.

The survey included 48 questions measuring the perceptions of non-profit advocacy organizations. Questions measured non-profits' programmatic and advocacy activities, staff and funding levels, perceptions of funding availability, perceptions of legal constraints related to advocacy, and perceptions of pressure from funders to increase or reduce advocacy activities. The survey was administered between September 2008 and January 2009. It entailed an initial mailing and a follow-up reminder sent electronically to survey recipients.

The research used a purposive sample of advocacy organizations in the USA composed of 501(c)3 and 501(c)4 organizations that served minority and economically disadvantaged groups. A cross-section of 1,489 advocacy organizations in the USA was surveyed. The population of organizations surveyed included: 502 African-American organizations, 255 Latino organizations, 70 fair housing organizations, 248 homelessness organizations, and 414 other advocacy organizations. Survey respondents were identified using directories posted on the web sites of their national affiliates and various national advocacy coalitions. At the end of that period a 7.3 per cent ($n = 109$) response rate was reached across all the

organizations surveyed. This response rate was consistent with past mail surveys involving minority respondents, potentially sensitive questions, and sampling from the general population of non-profit organizations (Schuman and Presser, 1996; Nardi, 2003; Sue and Ritter, 2007).

Although the overall response rate was low at 7.3 per cent, a closer examination of the cross-section of organizations that responded is worth discussing. This data is summarized in Table I.

Distinctions can be made between the different types of advocacy organizations that were surveyed which help explain variations in response rates. African-American organizations were primarily composed of voluntary organizations, such as local affiliates of the National Association for the Advancement of Colored People (NAACP). These organizations were distinct since they typically did not have paid staff. This subgroup of African-American advocacy organizations made up 80.0 per cent of all African-American organizations surveyed. The remaining 20.0 per cent of African-American advocacy organizations were drawn from affiliates of organizations like the National Urban League which tend to have paid staff and greater capacity at the local level. The response rates for the subgroup of voluntary African-American organizations were 2.5 per cent, while other African-American advocacy organizations had a 7.0 per cent response rate. That large number of voluntary African-American advocacy organizations may have suppressed the response rate for this group.

In contrast, Latino, fair housing, and homelessness advocacy organizations had the highest response rates. Each of these groups of organizations was composed of social welfare and other advocacy oriented non-profits with paid staff. These organizations were affiliates of national organizations like the National Council of La Raza, the National Fair Housing Alliance, the National Alliance to End Homelessness, and other organizations. These surveys were typically addressed to an organization's executive director. The presence of paid staff may have contributed to the higher response rates for these groups.

Finally, the advocacy organizations that were grouped into the "other" category were primarily composed of affiliates of national advocacy organizations like the National Congress for Community Economic Development (NCCED), the Association of Community Organizations for Reform Now (ACORN), and the Industrial Areas Foundation (IAF). The response rate (2.9 per cent) for this group of organizations was the lowest of all groups surveyed. In part this response rate is explained by acute instability that some of the parent organizations to local affiliates surveyed experienced in recent years. For instance, the NCCED closed its organization and office

Type of advocacy organization	Total number surveyed	Respondents	Per cent responding
African-American	502	17	3.4
Latino	255	29	11.4
Fair Housing	70	11	15.7
Homelessness	248	40	16.1
Other	414	12	2.9

Note: $n = 1,489$

Table I.
Response rates by the
type of advocacy
organization

in August of 2006 due to a lack of financial support. Many of the local organizations affiliated with the NCCED may have experienced a similar fate. In addition to suppression of the response rates being caused by the failure of national parent organizations, response rates were also suppressed by the volatility in the national political climate during the survey's administration.

Some organizations, like ACORN, fell under heavy media scrutiny during the 2008 presidential election. Just weeks after surveys were mailed out, ACORN became the focus of national media coverage about voter registration fraud. This was unanticipated at the time that the study was designed. However, the advent of an election where the frontrunner for the presidency was a former community organizer and endorsed by various grassroots advocacy organizations may have resulted in lower than expected response rates. Organizations like ACORN that were under media scrutiny may have been less inclined to return the survey. In other cases, some of the organizations surveyed may have directed resources toward activities linked to voter education and mobilization in anticipation of the presidential election. This historic event could have reduced response rates.

Finding resources for programmatic and advocacy activities

A total of 109 non-profit advocacy organizations returned surveys. These non-profits include a cross-section of African-American, Latino, fair housing, homelessness, and other advocacy organizations. Table II summarizes the annual budget, staff, salary, and information about the geographic location of the survey respondents. It is important to note some of the distinctions between the types of non-profit advocacy organizations surveyed. For example, the annual budgets for African-American advocacy organizations were noticeably lower than those for all survey respondents. This was a reflection of the bias toward organizations relying on voluntary staff in this group[1]. Fair housing organizations also had lower annual budgets and fewer staff. Yet, these non-profit advocacy organizations did not rely on large pools of volunteer workers. They simply had fewer resources to pursue their missions and resultantly lower staff capacity. In contrast, Latino non-profits had noticeably higher annual budgets, larger staff, and slightly higher salaries than other organizations.

Some of the distinctions identified across the groups of non-profit advocacy organizations in Table II add to our understanding of their activities. Table III summarizes the amount of time non-profits committed to programmatic and advocacy activities. This table also displays T-Test results comparing the overall scores for respondents to those of the groups examined in the sample. Overall, the respondents reported that 73.8 per cent of their organizations' time was committed to programmatic activities and 25.2 per cent of their time was focused on advocacy. The remainder of non-profits' time was committed to other activities. This was an interesting finding, since all of the non-profits surveyed were identified as affiliates of national advocacy organizations. Despite this emphasis, the bulk of their time was focused on programmatic activities. This may reflect the need to secure programmatic dollars in order to support other aspects of an organization's core mission. It may also be a reflection of a mismatch between funder priorities and the missions of non-profit advocacy organizations.

Two groups of non-profits, African-American and Latino organizations, diverged from the rest of the respondents in relation to the time committed to programmatic and

	All respondents	Black non-profits (<i>n</i> = 17)	Latino non-profits (<i>n</i> = 29)	Fair housing organizations (<i>n</i> = 11)	Homelessness organizations (<i>n</i> = 40)	Other non-profits (<i>n</i> = 12)
Median annual budget	\$800,000	\$60,000	\$1,200,000	\$442,500	\$793,068	\$797,000
Median number of staff	10	17.5 ^a	22	6.5	7	13.5
<i>Medians for annual salaries</i>						
Highest salary	\$65,000	\$65,000	\$75,000	\$64,500	\$62,600	\$60,000
Second highest salary	\$52,000	\$54,000	\$55,000	\$49,500	\$49,500	\$53,500
Third highest salary	\$45,000	\$50,000	\$40,000	\$40,560	\$46,750	\$41,500
<i>US census region</i>						
Northeast (%)	18.9	25.0	10.7	18.2	17.5	36.4
Midwest (%)	26.4	31.2	25.0	45.5	27.5	–
West (%)	20.8	25.0	28.6	27.3	7.5	36.4
South (%)	33.0	18.8	32.1	9.1	47.5	27.3
	0.9	–	3.6	–	–	–

Table II.

Annual budgets, staff, salary and region of respondents

Note: ^a The mode for this group was 0 with 41.1 per cent of African-American advocacy organizations falling in the mode; *n* = 109

	All respondents	Black non-profits (<i>n</i> = 17)	Latino non-profits (<i>n</i> = 29)	Fair housing organizations (<i>n</i> = 11)	Homelessness organizations (<i>n</i> = 40)	Other non-profits (<i>n</i> = 12)
Programmatic activities	73.8	61.3*	85.9***	73.2	69.8	74.8
Advocacy activities	25.2	37.2*	14.9**	25.0	30.0	18.8

Table III.

Independent sample T-test results comparing the per cent of an organization's time committed to programmatic and advocacy activities

Notes: * *p* < 0.10, ** *p* < 0.01, *** *p* < 0.001; *n* = 109

advocacy activities. African-American advocacy organizations committed less time to programmatic activities and more time to advocacy activities than the other groups. This difference was significant at the 0.10 level. In contrast, Latino advocacy organizations committed more time to programmatic activities and less time to advocacy activities than the other groups. This difference was significant at the 0.01

and 0.001 levels respectively. These outcomes reflect the possibility that these two types of non-profits have adopted different strategies for achieving their missions. African-American non-profits appear to have adopted a strategy of remaining small, volunteer-based organizations focused on pursuing their core advocacy activities through political mobilization. On the other hand, Latino non-profits appear to have adopted a mobilization strategy based on building large organizations that deliver services to their core constituencies. Using this approach, advocacy activities are sustained through the delivery of tangible resources to constituents. It is noteworthy that the data suggest that identity based groups adopt divergent strategies to sustain advocacy activities. The adoption of these divergent strategies may be a reflection of the historic experiences of the two groups, the nature of their advocacy activities, perceptions of legal restrictions, access to funding, pressure from funders, and other factors.

Legal restrictions

The United States Internal Revenue Code (26 U.S.C. §501(c)) places restrictions on political activities and some forms of lobbying by non-profit organizations. However, there are few restrictions on the scope of non-profit advocacy activities, since they are considered constitutionally protected free speech. Nevertheless, it is possible that non-profits perceive a more restrictive legal context in relation to their programmatic and advocacy activities. In order to assess the presence of such perceptions, two questions were included in the survey that specifically focused on this issue. One question asked respondents how restrictions on lobbying and political activities in the United States Internal Revenue Code impacted the scope of their organizations' programmatic activities. The other question asked respondents how these restrictions impacted the scope of their organizations' advocacy activities.

For the first question, 82.2 per cent of respondents reported that restrictions on lobbying and political activities had no effect on the scope of their organizations' programmatic activities. Yet, 11.2 per cent of respondents perceived restrictions on lobbying and political activities as contributing to a decreased scope of programmatic activities. For the second question, 68.3 per cent of respondents reported that restrictions on lobbying and political activities had no effect on the scope of their organizations' advocacy activities. However, 26.9 per cent of respondents perceived restrictions on lobbying and political activities as contributing to a decreased scope of advocacy activities[2]. Overall, these data suggest that perceived legal restrictions do not influence the scope of programmatic and advocacy activities for the vast majority of non-profits. However, a substantial per cent of these organizations (26.9 per cent) indicated that they curtail the scope of their advocacy activities due to these perceptions. This finding supports prior research which has indicated that non-profits hold misconceptions about the scope and breadth of legal restrictions on advocacy activities.

Retrenchment, devolution and funding diversification

In addition to perceived legal restrictions, it has been argued that the need for greater funding diversification has reduced the scope of non-profit advocacy activities. This has been a by-product of government retrenchment and the devolution of non-profit funding to private sector and nongovernmental agencies. The need to seek funding

from a broader spectrum of sources has stretched the resources of many non-profits, forcing them to reallocate staff toward revenue generating efforts and away from advocacy activities. Table IV summarizes the per cent of an organization's total annual budget by source. This table also displays T-Test results comparing the overall scores for respondents to those of the groups examined in the sample. Overall, government was the largest source of revenue for non-profit advocacy organizations, accounting for 43.7 per cent of funds. This source of revenue was followed by membership dues and individual contributions at 13.3 per cent, and foundations at 12.8 per cent. No other source of revenue was above 10 per cent for non-profits as a whole.

Several groups of non-profits diverged from the rest of the respondents when the source of annual budget revenue was examined more closely. African-American advocacy organizations received significantly less revenue from government, foundations, membership dues and donations, and fees for services. These differences were consistent with the relatively low overall budgets identified for these organizations in Table II. Fair housing organizations received significantly more revenue from government, private corporations, and fees for services. These differences seemed to be reflective of the types of programmatic and advocacy activities in which these organizations engaged. Fair housing organizations often contract with various levels of government for fair housing education and enforcement activities. In some instances they also provide education to real estate and others in the private sector for fees. Similarly, homelessness organizations received significantly more revenue from private corporations, banks and financial institutions, and membership dues and individual contributions. These differences were reflective of the

	All respondents	Black non-profits (n = 17)	Latino non-profits (n = 29)	Fair housing organizations (n = 11)	Homelessness organizations (n = 40)	Other non-profits (n = 12)
National advocacy organizations	1.1	0.7	3.4	–	–	0.5
Government (federal, state and local)	43.7	19.4***	48.4	66.1*	51.2	16.7**
Foundations	12.8	5.8***	10.6	9.1	17.6	13.9
Private corporations	7.1	16.7	10.1	3.4**	3.8****	1.2****
Banks and financial institutions	5.3	5.3	7.6	6.3	2.8***	8.0
Membership dues and individual contributions	13.3	30.1*	7.7	10.6	7.9**	28.6
Fees for services	6.9	2.2****	8.0	3.7**	7.2	12.4
Other sources	9.8	16.9	3.5****	3.8****	9.7	21.5

Notes: * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; **** $p < 0.001$; $n = 109$

Table IV.
Independent sample
T-test results comparing
the per cent of an
organization's total
annual budget by source

institutional environment in which this group of non-profit advocacy organizations operated.

Despite the differences across the groups examined in Table IV, it is clear that funding for non-profit advocacy organizations is diversified. No group of organizations is dependent on a single source of revenue and the loss of any source of revenue could impact the stability of an organization. Aside from the African-American organizations and non-profits in the "other" category, the other three groups remained heavily dependent on government for revenue. Moreover, the second largest source of revenue for Latino and homelessness organizations was foundations. For these groups, and non-profit advocacy organizations generally, questions about resource dependence warrant further consideration.

Resource dependency

A number of questions were included in the survey to measure various aspects of resource dependency. In one group of questions, non-profit advocacy organizations were asked about the degree of pressure they perceived to alter the scope of their programmatic activities by funding source. In another group of questions, non-profits were asked about the degree of pressure they perceived to alter the scope of their advocacy activities by funding source. For each group of questions, the vast majority of respondents indicated that there was no pressure to alter the scope of programmatic or advocacy activities. The most variation in responses across all of these measures corresponded with three revenue sources: government, foundations, and individual contributors.

For the questions measuring pressure to alter the scope of programmatic activities, 44.7 per cent of respondents reported perceiving no pressure from government, 59.0 per cent reported perceiving no pressure from foundations, and 68.0 per cent reported perceiving no pressure from individual contributors. For the same questions, 45.7 per cent of respondents reported perceiving pressure to increase the scope of programmatic activities from government, 36.2 per cent reported perceiving pressure to increase the scope of programmatic activities from foundations, and 26.2 per cent reported perceiving pressure to increase the scope of programmatic activities from individual contributors. Across all three sources of funding respondents perceived pressure to expand programmatic activities.

For the questions measuring pressure to alter the scope of advocacy activities, 53.9 per cent of respondents reported perceiving no pressure from government, 74.0 per cent reported perceiving no pressure from foundations, and 71.0 per cent reported perceiving no pressure from individual contributors. For the same questions, 30.4 per cent of respondents reported perceiving pressure to decrease the scope of advocacy activities from government, 12.0 per cent reported perceiving pressure to decrease the scope of advocacy activities from foundations, while 25.0 per cent reported perceiving pressure to increase the scope of advocacy activities from individual contributors. In reference to advocacy activities, non-profits perceived conflicting pressures. The main pressure to reduce the scope of advocacy activities was perceived to come from government. Individual contributors countered this pressure, pushing non-profits to pursue more advocacy activities. For the most part, foundations took a neutral position, remaining on the fence.

In addition to questions about perceived pressure to alter the scope of their programmatic activities, respondents were asked a series of questions about their experience in obtaining funding for various types of activities. In one group of questions, non-profit advocacy organizations were asked about their experience funding a number of programmatic activities. In another group of questions, non-profits were asked about their experience funding a number of advocacy activities. Table V summarizes scores for non-profits' experiences funding programmatic activities. This table also displays T-Test results comparing the overall scores for respondents to those of the groups examined in the sample. Overall, non-profit advocacy organizations reported a moderate degree of success in finding funding for programmatic activities. The greatest degree of success was in funding education and youth, and health and wellness programs. The least successful effort was in funding programs related to voting and civic engagement. These results are telling, given the uniformity of pressure for non-profits to increase the scope of programmatic activities. Although there is pressure to expand programmatic activities, funding is not readily available for programs, like voting and civic engagement, that complement the missions of advocacy organizations.

Table V highlights some statistically significant differences between the groups of non-profit advocacy organizations identified in this research. African-American advocacy organizations had less success obtaining funds for programs focusing on housing. This was statistically significant at the 0.10 level. Latino advocacy organizations had less success obtaining funds for programs focusing on neighborhood and community services. This was statistically significant at the 0.05 level. Homelessness advocacy organizations had more success obtaining funds for

	All respondents	Black non-profits (n = 17)	Latino nonprofits (n = 29)	Fair housing organizations (n = 11)	Homelessness organizations (n = 40)	Other non-profits (n = 12)
Voting and civic engagement	3.0	3.7	3.1	2.0	2.5	3.0
Housing	4.9	3.9*	4.3	3.9	5.8***	4.9
Economic literacy	4.8	4.5	5.2	6.5	4.6	3.7
Education and youth	6.2	6.6	6.0	4.5	7.1***	4.1**
Adult education and employment	5.1	5.3	5.4	6.0	5.8	2.2***
Health and wellness	5.7	6.0	5.8	6.0	6.5	3.3**
Neighborhood and community services	5.0	5.8	4.3**	5.2	5.2	4.4
Other programs	4.4	5.3	4.2	3.0	4.7	3.8

Notes: * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; Scale of 1 = "extremely difficult to find funding" to 10 = "extremely easy to find funding"; $n = 109$

Table V.
Independent sample
T-Test results comparing
the average score for an
organization's experience
in funding programmatic
activities

programs focusing on housing and for education and youth. These were statistically significant at the 0.01 levels.

Table VI summarizes scores for non-profits' experiences funding advocacy activities. This table also displays T-Test results comparing the overall scores for respondents to those of the groups examined in the sample. Overall, non-profit advocacy organizations reported a low degree of success in finding funding for advocacy activities. The greatest degree of success was in funding advocacy for education and youth, and health and wellness. The least successful effort was in funding advocacy related to criminal justice reform, affirmative action, immigration reform, and international development and human rights. These results are illuminating for a few reasons. Overall, the respondents indicated that there is a dearth of funding for advocacy activities. Difficulties in securing funding for advocacy activities were uniform across the different groups of non-profits, with few statistically significant differences to report. Advocacy funding that was accessible appeared to be tied to related programmatic activities. Finally, issues specifically impacting identity groups were the most difficult type of advocacy activities for which to obtain funding.

These data provide some support for the presence of resource dependency. Across the board, funders were either perceived as being neutral or pressuring non-profits to

	All respondents	Black non-profits (n = 17)	Latino non-profits (n = 29)	Fair housing organizations (n = 11)	Homelessness organizations (n = 40)	Other non-profits (n = 12)
Voter rights and civic engagement	3.4	4.4	3.3	1.0	3.0	2.6
Fair housing	3.5	4.4	2.7	3.4	3.8	2.0***
Economic literacy	3.5	4.0	3.4	3.0	3.5	2.4
Education and youth	4.7	5.1	4.7	2.0	5.3	2.6**
Adult education and employment	3.7	4.0	3.8	–	4.0	1.8****
Health and wellness	4.5	5.1	3.5	6.0	4.9	2.8
Criminal justice reform	2.9	3.2	2.4	–	3.2	2.0
Affirmative action	2.9	2.8	2.7	8.0	3.2	1.8*
Women's issues and rights	3.3	3.3	3.7	2.0	3.2	3.0
Immigration reform	3.0	3.1	3.1	3.7	3.0	2.3
International development and human rights	3.0	3.1	2.8	5.0	3.0	1.5**
Other activities	3.2	3.9	2.8	2.8	3.0	3.4

Table VI. Independent sample T-Test results comparing the average score for an organization's experience in funding advocacy activities

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; **** $p < 0.001$; Scale of 1 = "extremely difficult to find funding" to 10 = "extremely easy to find funding"; $n = 109$

pursue programmatic activities. The perception was that funders expected to see social programs and other tangible results grow out of the resources non-profits received. In contrast, non-profits received mixed messages about advocacy activities from funders. Many funders were perceived as adopting a neutral stance or preferred to sit on the fence concerning advocacy activities. Non-profits perceived the most pressure from government to decrease the scope of advocacy activities, and foundations were perceived as indifferent. In contrast, pressure to increase advocacy activities was perceived from individual contributors. At the same time, there was a moderate amount of funding available to support select programmatic activities, while funding for advocacy activities was difficult to come by. The tendency for non-profit advocacy organizations to focus on programmatic activities seems to have grown out of: pressures from funders to pursue programmatic activities, mixed messages from funders about advocacy, and a dearth of funding for advocacy activities.

Promoting advocacy as a core value in policy

Although exploratory, the results from this research suggest that there is limited institutional support for non-profit advocacy activities in the USA. In particular, executive directors of non-profit advocacy organizations perceive government as a dissuasive force in relation to advocacy activities. In contrast, these non-profits perceive their core constituents and individuals who contribute to their organizations as the main source of support for expanded advocacy activities. Although this is testament to the grassroots origins of advocacy in general, it is also disconcerting to find that non-profits perceive low levels of support for such activities from larger institutions in society. To some degree this suggests that the values imbued by the non-profit industrial complex have permeated not just the non-profit sector in general, but some of its most advocacy oriented organizations.

The findings from this study also elaborate on prior research. In the past, scholars have speculated on the degree to which restrictions on lobbying and political activities in the United States Internal Revenue Code have diminished the scope of non-profit advocacy. Despite the lack of restrictions on advocacy activities in the Code and their protection under the First Amendment of the Constitution, 26.9 per cent of non-profits still perceived restrictions on lobbying and political activity as impediments to undertaking advocacy activities. On the surface, this is evidence of the general misunderstanding among non-profits about laws related to restrictions on political, lobbying, and advocacy activities. At a deeper level, this suggests that ambiguities and a dearth of information from public agencies about existing legal restrictions have a chilling effect on advocacy work. Given these circumstances, it is incumbent on the Internal Revenue Service to better educate funders in the public, private, and non-profit sectors about actual policy as it relates to these issues. With this information in hand, funders might begin to view advocacy as a core component of all non-profit activities and become more proactive about funding opportunities for non-profits to engage in advocacy.

Past scholarship has examined the role of retrenchment and devolution in the development of non-profit funding strategies. One of the main outcomes of retrenchment and devolution has been the increased emphasis on the diversification of funding in the non-profit sector. Funding diversification poses many risks to the scope of advocacy in non-profits. Among these is the risk of organizations being

compelled to shift resources away from advocacy in order to sustain funding from multiple sources. This strategy can bring additional revenue to a non-profit, but this can sometimes come at the expense of the organization's mission. This study found some evidence of funding diversification among non-profit advocacy organizations. However, government remained the predominant source of revenue for most organizations, accounting for 43.7 per cent of revenues. Although retrenchment and devolution has been the trend during the past four decades, the full effects of this shift have not been realized.

Moreover, the second largest source of revenue for advocacy organizations (13.3 per cent) was from membership dues and individual contributions. This was followed by revenue from foundations at 12.8 per cent. This indicates that the initial response to retrenchment and devolution has been as much from grassroots supporters of advocacy organizations as it has from institutions in the private and philanthropic sectors. The presence of a noticeable block of funding from grassroots supporters counteracts institutional pressures to emphasize programmatic activities at the expense of advocacy work. Consequently, the replacement of government philanthropy with a non-profit industrial complex is not a forgone conclusion. Grassroots interests still claim a stake in the future of non-profit advocacy organizations. Despite hypotheses forwarded by non-profit industrial complex theorists, the current composition of funders that advocacy organizations draw resources from indicates that the future is not yet set. What is known is that the diversification of funding places added demands on non-profits. If advocacy work is to be sustained, or even expanded in the non-profit sector, several changes are required. Non-profits need to identify ways to mobilize and expand individual contributions and other resources that are generated at the grassroots level. The presence of a grassroots resource base is a critical ingredient to offset the most detrimental influences of the non-profit industrial complex. The presence of a vocal grassroots base can also influence institutional funders to make more of their resources available for advocacy work as opposed to programmatic activities. This would ensure a more equitable balance between funding for community organizing versus service provision. To further support the development of autonomous non-profits, funders in the public, private and non-profit sectors need to include greater levels of operational resources in the grants and contracts made available to them. In addition to operational resources, funders need to focus more on capacity building so the requisite training and skills to administer grants and contracts are accessible to non-profits.

Past scholarship has also examined the issue of resource dependency in the non-profit sector. There has been mixed evidence for resource dependency, with some studies indicating that non-profits can be co-opted by funders and others finding that organizations enjoy a relative degree of autonomy. This study also found mixed evidence for resource dependency. The non-profits surveyed perceived pressure from government to reduce the scope of advocacy, but this pressure was counteracted to some degree by perceived support for advocacy from individual contributors. Foundations were also perceived as somewhat neutral about the advocacy activities of non-profits. Yet, non-profit advocacy organizations were constrained due to the lack of actual funding for advocacy programs. The dearth of funding for advocacy activities structured the environment non-profits functioned in and added to the penchant for pursuing programmatic activities. As noted earlier, there is a need for a more equitable

balance between advocacy work and programmatic activities in the non-profit sector. It is incumbent that the public sector, which is the largest single funder of non-profits, takes the lead in carving out additional space for advocacy work. If government were more proactive about funding advocacy activities, private corporations and philanthropic agencies would have incentives to follow suit. This would especially be the case given growing levels of cross-sector collaboration among funders (Hopkins, 2005). Public, private and non-profit sector funders need to nurture a culture of advocacy by integrating advocacy activities into the programs they currently fund. On top of expanding funding for advocacy activities, funding organizations need to institutionalize safeguards to insulate non-profit advocacy organizations in the funding process. In order to reduce the possibility that the advocacy activities of non-profits will detrimentally impact funding decisions, all funders should professionalize their grant administration processes. In essence, this would entail the adoption of practices like double blind peer review of grant proposals, independent evaluations of program outcomes, and the administration of funding activities by professional administrators rather than by board members, trustees, and elected officials.

There is a need for increased advocacy in the non-profit sector. In addition to implementing social welfare and other programs in a policy environment shaped by retrenchment and devolution, non-profits can serve as incubators for policy innovation and a means to connect grassroots interests with policymakers. This role of the non-profit sector in policy formulation should not be underestimated. Reforms that shift status quo relations tend to come from outside of dominant institutions. The encouragement and legitimization of advocacy activities within the broader policymaking process could serve as an effective mechanism for institutionalized change. Without a strong advocacy dimension, non-profits run the risk of being reduced to a contingent force of subcontractors for funders in the public, private and non-profit sectors. An alternative view would entail the promotion of advocacy as a core value in a new social compact based on expanded grassroots access to the policy process.

Notes

1. African-American advocacy organizations reported 17.5 for the median number of staff, however the mode for this group was 0 staff with 41.1 per cent of African-American advocacy organizations falling in the mode.
2. Chi-Square tests for significant differences between the types of nonprofit advocacy organizations on these measures could not be conducted due to insufficient cell counts in the cross-tabulation tables.

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