

If I Had a Hammer

Reflections, September 2006

By Jan Masaoka

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If I had a hammer . . .
I'd hammer out justice, I'd hammer out freedom . . .
--Lee Hays & Pete Seeger

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*This essay was included in the program book at Jan Masaoka's farewell event,
A CompassPoint Community Gathering in Honor of Jan Masaoka*

CompassPoint has been a great "hammer" for me through which to work on changing the world - for justice, for freedom, for community. It has been immensely rewarding to work with so many people to build CompassPoint into a tool that nonprofits use to build, strengthen and expand the sector's "houses" and "public buildings." But the song goes on ...

If I had a bell . . . I'd ring out danger I'd ring out a warning . . .

As I leave CompassPoint and prepare for my next adventure, I want to ring out a warning to all staff and volunteer leaders in the nonprofit community about four critical areas within the sector. I hope that all of us will continue to work on these key areas:

1. Nonprofit capital markets

Tom Tierney of Bain Consulting likes to say that nonprofits need three things: money, leadership, and strategy, and that money is the most important, strategy the least¹. (Nonprofit literature and discussion usually put these in the reverse order.) By "nonprofit capital markets" I mean the markets through which nonprofits obtain money, such as grants, contracts, and donations. And of course nonprofits need money: money for outputs and services (working capital), money for research, experimentation, and preparing to grow (investment capital), money for cash flow (debt capital), and money with which to make a mistake once in awhile (retained earnings - or net worth).

¹ Tom Tierney, "High Impact Philanthropy," 2004

Imagine a world where banks were allowed to operate in only one county, and furthermore, they made business loans only to businesses headquartered in the same counties. The result would be many, many small banks, each with little to lend or invest, and many, many small businesses, each with little ability to research, experiment, grow. And from the perspective of market efficiency, it would be a market with too many different bank policies and procedures, and with an overinvestment by banks in loan officers, and by businesses in time spent going from bank to bank.

This is the capital market in which we nonprofits operate - with county governments distributing federal, state and local funding, and with nearly all foundations funding locally. Contrary to conventional wisdom, the main obstacles to nonprofit innovation, sustainability and growth are not a lack of imagination or talent, the main obstacles are the absence of significant capital, and the inefficiencies of obtaining capital at all.

One by one, banks can improve their choices in lending, and one by one, foundations and county government agencies can nurture the rich and diverse ecology of nonprofits that communities need. But we also need to change the banking industry.

I don't know how to do this. All I know is that our current strategies - very slightly improving the decisions of foundations one at a time, bringing foundations together to discuss improving individual decision-making, executive directors complaining about foundations and government agencies - aren't working. If you have a good, big idea, fax it to me and I'll work on with you!

2. Volunteerism

Volunteerism is an enormously powerful economic force, a leading economist commented a few years ago, but it is one that is never discussed by economists or in business schools². How sad it is that we have to add, "or by foundations, in staffed nonprofits, among technical assistance providers, or by nonprofit boards."

On a conceptual level, volunteerism is broken. It is scorned as "licking envelopes." Staff in nonprofits often see volunteers, at best, as a poor excuse for paid staff. Executive directors are careful to distinguish between "board members" and "volunteers." Volunteers themselves often say, "I'm just a volunteer." And perhaps most damaging of all to the nonprofit sector is that leaders in all-volunteer organizations say, "We're not a nonprofit; we're all volunteers."

What if we no longer said, "We don't have very many staff, so we have to use a lot of volunteers." What if we said instead, "Because we have so many volunteers, we don't need a lot of paid staff"? What if mayors held receptions at city halls every year for the "Presidents of our

² Walter Hoadley, Chief Economist, Bank of America

city's nonprofit boards"? What if, when we honor "community leaders," we meant people who have exercised community leadership through the boards they serve on, rather than people who gave a lot of money?

What if Congress, when thinking about the 1 million American nonprofits, thought first about the 700,000 all-volunteer organizations that hold our communities together, rather than the tax-shelter foundations and the large nonprofit bureaucracies?

What if I stopped asking these annoyingly constructed questions? I'd like to suggest a few action items to begin to transform how the nonprofit sector thinks about volunteerism. Here are four initial steps I would like to take - and I urge others to join me

1. I would start a national association called "Board Members for Kids." As an example, it was always possible for bright young professionals to teach in poor schools before TeachAmerica, but TeachAmerica made it a movement, a social force much greater than one's own, individual actions. Similarly, Board Members for Kids would enroll, place, train, and support board members to lead preschools, youth programs, cancer support organizations, civil rights groups, dance troupes, and museums. It would also, crucially, teach executive directors to support board members and boards in serving as community leaders.
2. I would urge foundation, corporate and government funders to learn about an organization's volunteerism as part of the grantmaking or contracting process. Ask to meet with board members - without staff present - to demonstrate your belief in community leadership and to build it at the same time. Ask about how volunteers do the organization's work (not how volunteers support the organization's [i.e. the staff's] work), and how board members are community leaders, not just overseers and advisors to staff.

Nonprofits respond to our capital markets. When society wants to increase investment in solar energy, society provides tax incentives. When foundations give grants based on and for volunteer leadership and contribution, nonprofits will respond.

3. I would start a temporary staffing agency where people would volunteer to serve in temporary staff assignments at nonprofits. Retiring baby boomers want to stay active and we want to contribute to the world, but we won't take a paying job as a receptionist, and we aren't qualified to be nonprofit CFOs. But we will take a volunteer job as a temporary receptionist for someone on maternity leave at the wildlife center, and we are more often qualified to be Interim CFOs, accountants, fundraisers, and COOs. (Here's what I'd like to call it: Seniors for a Democratic Society.)

Nonprofits have deep needs for talent - for qualified permanent and temporary staff. The for-profit world has found that temporary staffing agencies help make the talent market more efficient - for individual employers as well as for individual workers. Innovative agencies for people with disabilities have stopped trying to convince employers to take one or two workers with disabilities; instead they serve as temp agencies and place workers with disabilities - companies are more willing to take the risk when they know they won't have to fire anyone, and they frequently discover that the individual can work successfully on a permanent basis. For individuals, temporary agencies and internships are great ways to learn; for nonprofits they are great ways to train and develop the workforce. (How many more nonprofits will we see crash after hiring an executive fresh from the business sector?)

4. I would urge staffed nonprofits to support and ally with all-volunteer organizations. Sweet Alice Harris of Parents of Watts recently commented at a Women Executive Directors of Color Conference³, "When you get big, you've got to give money to and help the small ones. They've got the people, the votes, the touch. You think you have it because you're big now, but you don't. You only have it if you stay in there with the small ones."

3. Role of organizations in communities of color

We've all heard the statistics: California (for instance) is increasingly a "minority" state: 54% of the population is Latino, Asian, or African American, and only 45% Anglo⁴. History teaches us that new and growing populations need institutions through which to build assets and cohesiveness that will help individuals and families prosper. These institutions include congregations, hometown associations, business associations, and sports clubs.

In communities of color, nonprofits are more than service providers. They are the institutions through which the community organizes itself to take care of its members; they are the vehicles through which the community seeks power and exercises power.

In the old days, when asked to name the leaders in a community, people might have named the priest, the head of a prominent family, the owner of a big nightclub or restaurant, or the community association that ran the bowling or softball league. Today, they are likely to name the executive director of the nonprofit housing corporation, the executive director or the board chair of the community center, the head of the biggest family foundation in the community.

If we want to strengthen communities of color - these communities' capacity to both contribute to

³ Alice Harris, Parents of Watts, at the Women Executive Directors of Color conference, Oakland, May, 2006

⁴ U.S. Census Bureau, 2004

and benefit from the economy, to build social justice movements and benefit from social justice - we need to strengthen the nonprofit institutions in these communities. Funders can do this by giving significant, multi-year, unrestricted grants to nonprofit organizations in communities of color. Leaders can help strengthen nonprofit institutions in communities of color, whether you are a person of color or not, by volunteering in these organizations, serving on their boards and connecting institutions run by and for communities of color with other organizations, new funders, and a broad spectrum of volunteer leadership. Community members - all of us - can donate to community organizations, volunteer, serve on their boards, use their services, encourage our children to work there, and work for communities of color organizations ourselves.

Finally,

I am very happy, satisfied, and proud of what we at CompassPoint have accomplished in my 14 years as executive director. Here are a few of the things that I am most proud of the CompassPoint team having accomplished.

First, we have distinguished ourselves by developing management tools for community service and social change organizations. These are not the same as "generic" management tools. Fundraising strategies, human resource systems, board roles, technology, and impact strategies are different in community organizations, not just smaller.

Second, we have built not just an organization that serves the community, we have built an organization that rests in the arms of its community. Community leaders trust us not just because they took a workshop from us at some point and found it critically helpful to them, but because they know us - they've served on a board with one of our staff, they've worked for one of our board members, they volunteer on the AIDS Walk or a film festival with one of our staff, they're the friends and neighbors of our staff or board members. Our commitment to community goes beyond a professional, business one, and it shows in the results of our work.

Third, early in my tenure as executive director, I was asked: What is the one thing you want to see this organization become in the next five years? My answer: I want it to be a place people are proud to work at, a place where people say "Oh you work at CompassPoint" with a sense of respect. I think we've done that. (And in order to do that, of course, we've had to insist on technical excellence, hire the best, and be ready to add, drop, and change programs.)

Fourth, we have not only helped organizations and individuals one by one, and twenty by twenty, we have had a part in influencing the nonprofit sector through our research, public speaking, and writing.

Fifth, CompassPoint stands for something. We believe in the power of community organizations. We are coaches to Olympic-potential nonprofit staff, volunteers and organizations. We celebrate and cheer on community nonprofits, and we stand with them in taking care of the vulnerable in our communities and in championing social justice. And we know, and speak out for, the heroes of social change that are the volunteers and staff in community.

My thanks to all of you for listening, for criticizing, for encouraging, for supporting, for making CompassPoint a vehicle through which you contribute to social change.

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