Memo: An Important Message About Infrastructure

To: All Foundation Presidents
As you know, foundations have played—and continue to play—an important role in providing needed financial resources to the nonprofits they support. And, in recent years, foundations have increasingly realized the importance of providing more funding to help their nonprofit grantees obtain services or assistance that will help build the capacity of these organizations to endure over the long-term.

The increasing number of foundations providing support for building the capacity of their individual grantees is a trend that is not only long overdue but one that we hope continues indefinitely. Yet, it has not been accompanied by a parallel level of interest in supporting the organizations providing this
capacity-building assistance: the intermediaries working at the local, state, regional, or national levels that offer management support, advocacy, training, technical assistance and other services to grantees and thousands of other nonprofits that benefit from them.

These intermediary organizations are the nonprofit sector's infrastructure. Like a back without a backbone, a sector without a strong infrastructure will crumble; yet, the nonprofit sector’s infrastructure—its role and what it contributes to society—is still a mystery to many funders. This lack of awareness threatens the stability of our nation’s nonprofit sector, particularly whether it can continue to serve, along with the public and private sectors, as one leg of the three-legged stool of a healthy democracy.

In recent years, for example, two of the largest funders that supported infrastructure development pulled out of this area, eliminating nearly one-third of the financial investment needed to meet the nonprofit sector’s rapidly growing capacity-building needs. And while a few other funders have stepped in to help fill the gap, this is not nearly enough to meet these increasing needs, nor does it provide the consistency the sector needs to grow and flourish.

That is why, as some of the funders who have supported the development and growth of the nonprofit sector’s infrastructure for many years, we are asking that all funders consider allocating at least some portion of their grant dollars to support this infrastructure at the local, state, regional or national levels. If every funder dedicated one to five percent of their giving to infrastructure, we would not only make up the gap we currently face in ensuring the stability of this infrastructure, we would be ensuring its stability and, in turn, that of the nonprofit sector over the long-term.

Why should funders do this? Because each time funders contribute to an infrastructure organization, they are leveraging their investment several times over since that organization may not only be providing capacity-building services to an individual grantee but to several other grantees as well. Because that infrastructure organization may also be working with larger groups of nonprofits, funders' contributions may be helping to build the capacity of larger nonprofit subsectors. The more funders support nonprofit sector infrastructure development, the more such support will be automatic and part of a philanthropic ethos that helps ensure that the nonprofit sector—of which philanthropy is a part—remains viable, strong, and healthy.

We ask that you take a few minutes to read over the attached case statement and special edition of the Nonprofit Quarterly, which provides an easy-to-read map of the national and regional infrastructure and that we hope will convince you of the importance of supporting the nonprofit sector infrastructure. With your help—and the help of all funders—we can ensure that this infrastructure is vigorous, powerful, and strong enough to meet the needs of the 1.6 million nonprofits that depend on it—now and in the future.