

# **Advocacy by Nonprofits: Roles and Practices of Core Advocacy Organizations and Direct Service Agencies**

SARA E. KIMBERLIN

*University of California at Berkeley, Berkeley, California*

*Advocacy in its many forms, whether outright lobbying or more indirect education and agenda-setting, is an important activity for nonprofit organizations in the United States. Thus understanding the definitions of nonprofit advocacy, the prevalence of advocacy among nonprofits, and the organizational characteristics that influence advocacy participation is important. Most advocacy by nonprofits is conducted by organizations with a core mission of advocacy. However, organizations focused on direct service can also play an important role in advocacy, though they face special challenges in practicing advocacy as a secondary organizational function. Areas for future research are also identified in this literature review.*

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## INTRODUCTION

Advocacy and nonprofit organizations are concepts that are closely associated in the United States. Many nonprofit organizations in the

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Address correspondence to Sara E. Kimberlin, Mack Center on Nonprofit Management in the Human Services, Center for Social Service Research, School of Social Welfare, University of California, Berkeley, 16 Haviland Hall #7400, Berkeley, CA 94720–7400. E-mail: skimberlin@berkeley.edu

U.S.<sup>1</sup> engage in advocacy, whether as a core organizational mission or as a secondary activity supporting a mission of direct service. Given the importance of advocacy as a role for nonprofit organizations, research on this topic is surprisingly limited. Nonetheless, studies of nonprofit advocacy have been conducted through various disciplinary lenses, including political science, sociology, and the interdisciplinary field of nonprofit research (Andrews & Edwards, 2004).

## DEFINING NONPROFIT ADVOCACY

Nonprofit advocacy can be defined in many ways. Many nonprofit organizations that provide human services regularly advocate on behalf of individual clients (e.g., to help an injured worker obtain disability benefits or to secure mental health treatment for a child in foster care). More frequently, however, nonprofit advocacy refers to collective rather than individual advocacy by nonprofit organizations.

One of the most frequently cited definitions of advocacy within the nonprofit field is provided by Jenkins, who states that advocacy is “any attempt to influence the decisions of an institutional elite on behalf of a collective interest” (Jenkins, 1987, p. 297). Others have offered definitions that focus on the conflict inherent in advocacy, suggesting that “advocacy organizations make public interest claims either promoting or resisting social change that, if implemented, would conflict with the social, cultural, political, or economic interests or values of other constituencies and groups” (Andrews & Edwards, 2004, p. 481). Some researchers call for distinguishing self-interested organizational advocacy (e.g., advocacy to protect agency funding contracts) from “progressive advocacy,” defined as “advocacy that (1) seeks to address underlying structural and power inequities . . . and (2) applies strategies that meaningfully engage . . . constituents in all aspects of the advocacy process” (Donaldson, 2008, p. 26). Under this definition, “progressive advocacy” seeks to advance the interests of a nonprofit’s constituents, rather than the organization’s interests, and fully engages constituents in the advocacy process.

When defining nonprofit advocacy, another important issue is the array of organizations included in the term “nonprofit” for the purpose of advocacy research. Some advocacy scholars define the universe of nonprofit organizations as organizations registered as 501(c)3 “charitable organizations” with the IRS. Others expand the definition to include organizations registered as tax-exempt “social welfare organizations” under IRS Sections 501(c)4-6 (including

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<sup>1</sup> Advocacy is also conducted by international nongovernmental organizations (NGOs), and by U.S.-based nonprofit organizations working abroad on global issues. These forms of nonprofit advocacy, while important, are not the focus of this analysis.

lobbying organizations, unions, and professional and trade groups) as well as Section 527 “political organizations” (including PACs and other organizations focused on influencing elections) (Reid, 2006). Several researchers assert that the study of nonprofit advocacy should also include small organizations that are not required to register with the IRS, groups that are not incorporated as formal organizations, and/or organizations with collective structures such as coalitions that include multiple nonprofit organizations (Foley & Edwards, 2001; Andrews & Edwards, 2004; Krehely, 2001).

Definitions of which organizations qualify as “advocacy organizations” also vary. Advocacy organizations can include interest groups, social movement organizations, and traditional direct service nonprofit agencies (Andrews & Edwards, 2004). Some advocacy researchers focus on organizations whose core mission comprises advocacy (e.g., Reid, 2006; Rees, 1998), while others focus on direct service organizations that engage in advocacy as a secondary organizational activity (e.g., Donaldson, 2008; Gibelman & Kraft, 1996). Still others consider advocacy across both types of nonprofit organizations, those that focus primarily on advocacy and those that participate in advocacy as a secondary function (e.g., Salamon, 2002; Bass, Arons, Guinane, & Carter, 2007).

Nonprofit advocacy can also include a wide range of activities. The narrowest definition limits the concept of advocacy to lobbying, or attempting to influence legislation by directly communicating with government officials or urging constituents to contact their elected representatives (Avner, 2002). However, a broader view of advocacy includes more indirect efforts to influence policies such as increasing civic participation, providing opportunities for disempowered constituents to be heard by decision makers, and building social capital (Boris & Mosher-Williams, 1998), as well as public education, research on community needs, and monitoring policy implementation (Reid, 2000). Furthermore, advocacy activities can be targeted at legislatures, political campaigns, businesses, judges, or the general public (McCarthy & Castelli, 2002).

## THE ADVOCACY ROLE FOR NONPROFIT ORGANIZATIONS

Many political theorists have argued that advocacy is one of the most important roles played by nonprofit organizations in a democracy. By representing the viewpoints of minorities and disempowered groups, and by critically monitoring and pushing for changes in public policies, nonprofit organizations serve as vital intermediary institutions that help maintain the quality of a democratic government and its responsiveness to the needs of all its constituents (Salamon, 2002; Boris & Krehely, 2002). Thus advocacy has been described as “the quintessential function of the voluntary sector” and “a unique organizational competence of the voluntary agency” (Kramer, 1981, quoted in Salamon, 2002, p. 1).

Much nonprofit advocacy is conducted by core advocacy organizations, but there is also an important advocacy role for direct service organizations, particularly human services nonprofits. Human service agencies often serve populations that receive public social services such as affordable housing, welfare, subsidized health and mental health care, and disability income. Thus the constituents of human service organizations are disproportionately reliant on and affected by the design, funding, and implementation of public policies. Furthermore, nonprofit human service organizations frequently possess both a large base of direct service recipients as well as access to policymakers through relationships between executive staff or board members and government administrators or elected officials. As a result, direct service organizations are often in a unique position to make connections between policymakers and the constituents who are affected by policies but frequently lack direct channels to make their interests heard (Donaldson, 2008). Advocacy by direct service organizations may fill a particularly important role in providing a voice for marginalized groups, because most core advocacy organizations do not represent the interests of poor and disenfranchised individuals, but rather those of middle-class and more privileged groups (Berry, 2001). In addition, from the perspective of organizational self-interest, both devolution and chronic reductions in public funding for social services increase the importance of advocacy by nonprofit service organizations to ensure their financial survival (Gibelman & Kraft, 1996).

Various professional codes and standards reflect the importance of advocacy as a nonprofit role. For example, the voluntary standards of the Council on Accreditation of Services for Families and Children (COA) specify that agencies should have procedures in place to gather information about and advocate for client and community needs (Gibelman & Kraft, 1996). Many nonprofit organizations are staffed by social workers, and the professional code of ethics for the National Association of Social Workers (NASW) also includes a mandate to engage in advocacy (Donaldson, 2008).

Within the context of constitutional law, advocacy can be described as a protected First Amendment right for nonprofit organizations (Reid, 2006). However, this type of institutional speech has been awarded less protection than might be expected (Tushnet, 2003). In fact, over the past few decades there have been several attempts at the federal level to substantially restrict nonprofit participation in advocacy, particularly targeting nonprofit organizations that receive public funding. Proponents of such limitations have argued that advocacy by publicly-funded nonprofit organizations constitutes an improper public subsidy of partisan political agendas (Reid, 2006).

The most prominent attempt to restrict nonprofit advocacy activities was the Istook Amendment, first introduced in the House of Representatives in 1995 by Representative Ernest Istook (R-OK) and fellow conservatives as a rider to an appropriations bill. The amendment would have expanded the

existing prohibition on using federal funds for lobbying to prohibit the use of federal funds for any “political advocacy” activities, broadly defined. More important, the amendment would have prohibited nonprofit organizations from receiving federal funds if they spent 5% or more of their *private* funding on “political advocacy” activities, or if they associated with other nonprofit organizations that dedicated 15% or more of their funds to advocacy (Bass et al., 2007). The Istook Amendment was ultimately defeated, after intensive lobbying by nonprofit organizations throughout the United States. However, its introduction and the significant support it received reflect the ongoing ambivalence in the U.S. policy arena about the proper role of nonprofit organizations in advocacy. Existing restrictions on the permitted lobbying and electioneering activities of various types of tax-exempt organizations similarly reflect this ongoing tension between the view of nonprofit advocacy as a constitutional right related to social justice versus advocacy as an unacceptable use of public funds for partisan action.

### PREVALENCE OF NONPROFIT ADVOCACY

A number of researchers have attempted to determine what proportion of nonprofit organizations participate in advocacy and to what extent. However, certain challenges arise in measuring the scope of advocacy among nonprofit agencies, particularly because of the differing definitions of “nonprofit advocacy.” For example, most research on the prevalence of advocacy has examined advocacy in the broad population of nonprofit organizations, without distinguishing between advocacy by direct service organizations and advocacy by organizations whose primary mission is advocacy. Also, little research on nonprofit advocacy has distinguished between advocacy focused on organizational self-interest versus “progressive advocacy” that emphasizes constituent interests and addresses underlying inequities (Donaldson, 2008).

Advocacy may be a nonprofit organization’s primary mission, but advocacy activities are also conducted by nonprofit organizations with non-advocacy missions, including direct service organizations. However, most widely-used classification systems for nonprofit organizations, including the National Taxonomy of Exempt Entities (NTEE) and the North American Industry Classification System (NAICS) categorize nonprofits on the basis of primary mission rather than activities (Boris & Mosher-Williams, 1998), making it particularly challenging to track advocacy by organizations whose core missions and primary purposes are not advocacy. Some information about primary, secondary, and tertiary organizational activities related to advocacy is self-reported by organizations applying to the IRS for tax-exempt status (Boris & Mosher-Williams, 1998), but the codes do not represent all advocacy activities conducted by organizations. Furthermore such

data reflects only organizational activities at the time of initial application for tax-exempt status, whereas many organizations launch new activities, such as advocacy, and shift their mix of activities as they mature over time (McCarthy & Castelli, 2002).

Moreover, many forms of advocacy are not tracked in widely available data about nonprofit organizations. For example, an organization might conduct any one or a combination of the following advocacy activities: “public education and influencing public opinion; research for interpreting problems and suggesting preferred solutions; constituent action and public mobilizations; agenda setting and policy design; lobbying; policy implementation, monitoring, and feedback; and election-related activity” (Reid, 2000, p. 1). Of these, only lobbying is reported on the IRS Form 990 that all nonprofits with revenues over \$25,000 are required to file annually. Even this limited data about advocacy is not available for small organizations with revenues under \$25,000, which are not currently required to file the IRS Form 990, nor for many coalitions and other groups without formal organizational status (Boris & Mosher-Williams, 1998; Krehely, 2001). As a result, most research emphasizes large organizations at the expense of smaller and more informal groups (Foley & Edwards, 2001). Some researchers have attempted to address these limitations in national nonprofit datasets by using state data and/or community surveys to capture a broader population of nonprofit organizations and organizational activities (e.g., Salamon, 2002; Chaves, Stephens, & Galaskiewicz, 2004; Child & Gronberg, 2007; Bass et al., 2007).

Given the limitations of the available data on nonprofit advocacy, it is difficult to definitively ascertain the extent of advocacy by nonprofit organizations. In fact, research findings on the prevalence of advocacy are mixed. Research using national administrative datasets has generally found that only a small proportion of nonprofit organizations participate in advocacy, and those that do usually participate infrequently and dedicate limited resources to advocacy activities. For example, in 1998, only 1.5% of public charities filing the IRS Form 990 reported lobbying expenditures (Boris & Krehely, 2002), and these organizations spent only 1.2% of their total revenues on lobbying (Krehely, 2001). Lobbying was also geographically concentrated in organizations based in a small number of states, including Washington, DC, Virginia, Maryland, New York, Massachusetts, Illinois, California, and Washington State (Krehely, 2001). The percentage of charitable organizations reporting lobbying expenses has remained fairly constant over the past several years. In 2002, only 1.9% of organizations filing the Form 990 reported any lobbying expenses, and 99% of these spent less than 15% of their total expenditures on lobbying, thus not even approaching the permissible maximum expenditure limits (Reid, 2006).

Since these figures reflect only lobbying activities conducted by organizations filing the IRS Form 990, they do not capture the full spectrum of

nonprofit organizations and advocacy activities. Thus survey data presents a valuable alternative perspective on nonprofit advocacy.

Some survey data shows relatively broad participation in advocacy by nonprofit organizations. In one national citizen political participation survey, individuals reported that more than 60% of the organizations with which they were affiliated had taken a stand on political issues, and almost a third of individuals had been encouraged by an organization to vote or act politically (Verba et al., 1995, as cited in McCarthy & Castelli, 2002). Similarly, a national survey of 1,728 nonprofit organizations conducted in 2000 (Bass et al., 2007) found that most organizations had participated in some type of advocacy, and that nonprofit executive directors felt strongly that advocacy was a critical component of achieving mission-based goals. Nonetheless, a substantial minority of organizations had not participated significantly in advocacy activities:

- 37% had never or only rarely encouraged members to contact policymakers
- 31% had never or only rarely lobbied for or against a proposed bill or policy
- 23% had never or only rarely testified at legislative or administrative hearings

Other survey findings have shown much less participation in advocacy by nonprofit organizations. A survey of 3,400 public benefit organizations in 16 regions throughout the United States in the early 1980s found that only 16% of organizations had spent any funds on advocacy activities, and that half of the agencies reporting advocacy expenses spent less than 10% of agency operating funds on advocacy (Salamon, 2002). Similarly, a study based on a large survey of nonprofit organizations in Indiana found that most were ambivalent about advocacy, with only 27% meeting a broad definition of substantial participation in advocacy (Child & Gronberg, 2007).

## ORGANIZATIONAL CHARACTERISTICS THAT INFLUENCE PARTICIPATION IN ADVOCACY

Some researchers have studied organizational characteristics associated with greater or lesser participation in advocacy by nonprofit organizations and have proposed several theories to predict differing levels of advocacy participation. The first of these theories addresses the relationship between nonprofit organizations and government:

- *Resource dependency*: According to this theory, nonprofit organizations receiving revenues from the government face two types of pressure that may influence participation in advocacy. First, they may become reluctant

to “bite the hand that feeds them” by taking controversial positions opposed by the government agencies on which they rely for funding. Second, government funding often requires increased organizational activities related to accounting and data management, thus diverting resources from other activities such as advocacy. A related factor is the complex legal restrictions on advocacy activities, as publicly-funded organizations are restricted in terms of how much and which funds can be used for lobbying and other advocacy activities. Furthermore many nonprofit organizations find the legal restrictions confusing and unclear, and may avoid advocacy activities for fear of violating legal mandates that could compromise their funding or tax-exempt status. Thus nonprofit organizations with larger proportions of government funding may be *less* likely to participate in advocacy (Chaves et al., 2004; Child & Gronberg, 2007).

- *Perceived conflict between nonprofit organizations and the state*: This theory posits that the government perceives nonprofit organizations as competitors, and seeks to suppress their advocacy in order to maintain government’s dominant societal position. According to this theory, nonprofits receiving more government funding should demonstrate *less* participation in advocacy (Salamon, 2002).
- *Perceived partnership between nonprofit organizations and the state*: In contrast to the theory of conflict, the theory of partnership proposes that nonprofits and government have a complementary and cooperative relationship, dominated by the drive to work together to bolster support for policies and secure resources (Salamon, 2002). On the one hand, nonprofits dependent on government funding have an incentive to advocate to preserve and increase their government funding. Furthermore, as government increasingly contracts with nonprofits to provide essential social services, government becomes dependent on nonprofit organizations, creating an incentive for government to be receptive to advocacy and help organizations secure ongoing support, an alternative form of resource dependency (Chaves et al., 2004). According to the partnership theory, then, nonprofits receiving more government funding should show *more* participation in advocacy.

Several studies have tested the ability of these theories to predict the advocacy participation of nonprofits that have relationships with government. A study by Salamon (2002), based on a survey of 3,400 organizations throughout the United States, provided support for the perception of partnership over the perception of conflict as well as for resource dependency of government toward nonprofits. Organizations receiving more government funding were more likely to participate in advocacy (as were organizations receiving more private support).

Another study by Chaves et al. (2004) that examined the influence of government funding on nonprofit advocacy had similar findings. Analyzing



both a national sample of religious congregations and a longitudinal sample of nonprofit organizations in Minneapolis-St. Paul, researchers found that increased government funding had a neutral or positive association with advocacy activity. These results similarly provide support for the partnership and resource dependency of government toward nonprofits theories.

Finally, Child and Gronberg (2007), in a study of Indiana nonprofits, found that there was no relationship between receipt of government funding and participation in advocacy. However, organizations receiving more than half of their funding from the government were more likely to conduct advocacy as a secondary rather than core agency activity. This finding may reflect the general funding structure of different types of nonprofit organizations, as agencies receiving a majority of funds from the government may be more likely to be direct service agencies, which typically participate in advocacy as a secondary agency function.

Another set of theories about nonprofit characteristics that might influence advocacy relate to organizational size and maturity:

- *Bureaucratization of nonprofit organizations*: This theory suggests that as nonprofit organizations become larger and more professionalized, their organizational self-interest in maintaining status and growing will tend to outweigh their interest in directly promoting constituent well-being. Thus larger and more established organizations would tend to show *less* participation in progressive advocacy (Salamon, 2002).
- *Resource mobilization theory*: This line of argument recognizes that an organization requires personnel, financial, and other resources (such as access to technology) in order to build the infrastructure and carry out the activities required to sustain advocacy as an agency activity. As a result, larger and more established organizations, which have greater resources and stronger infrastructure, should show *more* participation in advocacy (Salamon, 2002; Child & Gronberg, 2007).

A few studies have tested these theories as predictors of nonprofit participation in advocacy. In the study by Salamon (2002), both large and small, grassroots and professionalized organizations participated in advocacy at similar levels. These results suggest that growth and professionalization do not greatly inhibit advocacy, but rather increased organizational resources may promote participation in advocacy, providing support for resource mobilization theory. Another study of a large sample of Indiana nonprofits (Child & Gronberg, 2007) also found that larger organizations and those with greater access to technology resources were more likely to participate in advocacy, providing further support for resource mobilization theory.

## CORE ADVOCACY NONPROFIT ORGANIZATIONS

Most advocacy by nonprofit organizations is conducted by organizations whose core mission is advocacy. Many large national nonprofit advocacy organizations conduct highly visible lobbying and other advocacy activities, and are perceived to be highly effective in impacting policy and public opinion (Boris & Krehely, 2002; Rees, 1998; 2001).

In terms of organizational structure, many core advocacy organizations have multiple affiliates with different legal statuses in order to provide flexibility in carrying out policy advocacy and electoral activity within the restrictions laid out by IRS regulations. For example, IRS rules permit nonprofit organizations registered as 501(c)3 “charitable organizations” to receive tax-deductible contributions, but prohibit their participation in partisan election activity and limit their lobbying activities to no more than approximately 20% of organizational expenditures. In contrast, tax-exempt organizations registered as 501(c)4 “social welfare organizations” are not eligible for tax-deductible contributions, but have greater leeway in advocacy activities, with unlimited lobbying expenditures allowed and partisan electoral communication allowed with members (but not with the general public). Rules are similar for 501(c)5 unions and 501(c)6 professional and trade organizations. Finally, organizations registered with the IRS as “political organizations” under Section 527, including political action committees (PACs), are permitted broad participation in partisan election activities; in fact, electioneering must be the primary activity for these organizations, and lobbying and issue advocacy activities are not tax-exempt for such organizations. Section 527 organizations are required to publicly disclose their donors and expenditures. To accommodate these complex regulations, a common configuration for a core advocacy nonprofit organization is a 501(c)3 charity affiliated with a 501(c)4 lobbying organization and connected to a 527 PAC. The affiliated organizations must have separate management of day-to-day operations, but are permitted to collaborate on strategies, have overlapping board members, and coordinate the management of financial and other resources. Having multiple affiliates with different legal statuses enables core advocacy organizations to legally and efficiently participate in the full range of advocacy activities while benefiting from tax exemption (Reid, 2006).

While legal, efficient, and creative, these complicated organizational structures are criticized for lacking transparency. Regulators and the public cannot easily view the web of individual donors and flow of financial resources to and among the affiliates of a core advocacy organization comprised of multiple entities with different IRS statuses (Reid, 2006; Herrnson, 2000). Moreover, the complexity of such legal arrangements raises other questions, in terms of effectiveness in achieving organizational mission as well as the fairness of requiring such structures for nonprofit advocacy organizations, as noted by Boris and Krehely (2002):

Is the separation of advocacy functions into affiliated organizations cost-effective? Does it lead to better representation of the public interest? Do business and industry groups also have to develop complicated organizational structures to advocate and lobby to achieve their missions? (p. 324)

Further research into these complex organizational structures is needed to clarify their costs and benefits.

Funding is another important organizational challenge for core advocacy nonprofits. Government funding for such organizations is typically limited. While private foundations are more likely to fund the activities of core advocacy nonprofit organizations, such grants comprise less than 2% of all foundation outlays (Jenkins, 2001). Philanthropic funding for core advocacy organizations has also been criticized for being too rigidly structured by program area, resulting in “policy silos” that limit the ability of core advocacy organizations to develop broader policy reform initiatives that cross multiple policy areas (Bothwell, 2001). Nonetheless, private foundation support for core advocacy organizations is an important source of funding and has had a significant impact on political advocacy (Jenkins, 2001). Awards from litigation, specifically lawsuits asserting illegal diversion of financial resources and obstruction of organizational missions, are another emerging source of funding for some core advocacy nonprofits (Cheever & deLeon, 2001).

In terms of strategies employed by core advocacy nonprofits, such organizations are active in a variety of stages in the policymaking process. Sidel (2001) describes the impact of advocacy organizations in three overlapping phases of political engagement: (1) activation of individuals to consider participating in political action; (2) mobilization of coordinated individuals and resources; and (3) political participation, or translating activation and mobilization into action in the political arena. Andrews and Edwards (2004) provide an alternative framework that describes advocacy efforts as targeted at five different policy-making components:

1. agenda setting (establishing the issues considered for policy development or change);
2. gaining access to decision-making arenas;
3. achieving favorable policies (the most commonly recognized advocacy goal);
4. monitoring and shaping implementation of policies; and
5. shifting the long-term priorities of political institutions to reflect the long-term goals and perspectives held by advocacy organizations.

Several researchers have analyzed the activities of core advocacy organizations to identify effective practices in achieving advocacy goals.

One study of twelve national organizations that were recognized as highly effective by policy makers identified several common organizational strategies and characteristics. These organizations built personal relationships with individual policy makers and their staff members, and engaged in ongoing efforts to connect policymakers directly to the advocacy organization's grassroots constituents. In addition, these organizations employed their policy expertise strategically, often distributing concise explanations of legislative proposals. They framed the pros and cons of such proposals in terms of:

1. economic costs or benefits,
2. resulting equity among different groups of political constituents,
3. related public opinion and legal precedent, and
4. impact on program quality and effectiveness.

Finally, these effective advocacy organizations maintained a strong focus on a small number of core issues (Rees, 1998; 2001). A slightly different set of best practices was identified by Berry (2001), namely long-term commitment to work on chosen issues, acquisition of solid policy expertise, and allocation of resources to staff development and other organizational investments that enhance the effectiveness of advocacy activities. A study of established state-level core advocacy organizations resulted in yet another set of practice recommendations that partially parallel the findings above. Organizations seeking to implement effective advocacy should:

- Use groups rather than individuals and focus on the high-level issue in order to attract participants;
- Focus on insider tactics by building relationships with individual legislators and agency officials;
- Be proactive about approaching decisionmakers and building coalitions, and
- Set realistic goals. (Hofer, 2000, pp. 90–91)

Other researchers have examined the practices of core advocacy organizations in specific fields, including children's issues (Gormley & Cymrot, 2006), youth services (Scott, Deschenes, Hopkins, Newman, & McLaughlin, 2006), and poverty (Imig, 1992).

#### SERVICE-ORIENTED NONPROFITS: ADVOCACY AS A SECONDARY FUNCTION

While advocacy by core advocacy nonprofit organizations is highly visible and often recognized as effective (Berry, 2001; Boris & Krehely, 2002), there is also an important advocacy role for nonprofit direct service organizations that conduct advocacy as a secondary organizational activity (Donaldson,

2008; Berry, 2001; Gibelman & Kraft, 1996). Despite the important and unique role such organizations can play in advocacy, they appear to participate in advocacy at relatively low levels. Human service organizations comprised 34% of the 501(c)3 nonprofit organizations with annual expenditures of \$25,000 or more (and thus required to file Form 990 with the IRS) in 1998, but they represented only 12% of the total lobbying dollars reported that year (Boris & Krehely, 2002). This low level of advocacy activity could be due to the challenges faced by nonprofit direct service organizations when implementing an advocacy agenda.

Direct services nonprofit organizations must consider several logistical questions when structuring their advocacy practice. For example, should the organization hire dedicated advocacy staff, thus allowing advocacy staff to fully focus on advocacy activities? Or should the responsibility for advocacy be dispersed among program staff, based on their direct contact with constituents and in-depth knowledge of community needs and issues? Should the organization conduct advocacy related to its core mission only (e.g., a homeless shelter advocating on homelessness policy)? Or should the organization pursue a broader social justice agenda (e.g., a homeless shelter advocating on living wage employment as a broad issue that affects their homeless constituents)? What level of involvement in advocacy should be undertaken by staff versus board members versus constituents? Should the organization hire professional lobbyists or advocates? How should technology be incorporated into advocacy efforts? What level of financial resources should be dedicated to advocacy activities? (BANNHSA, 2008; Gibelman & Kraft, 1996)

Donaldson (2008) recommends the following practices for nonprofit human services agencies that seek to include progressive advocacy as part of their organizational agenda:

- *Reflect on the social and policy context of services* in order to motivate advocacy and develop the direction of advocacy efforts.
- *Leverage the knowledge of constituents* who are the experts on the real-world problems and consequences of public policies that need to be created or changed.
- *Leverage knowledge of program staff* who are knowledgeable about the issues and can articulate the experience of constituents collectively and over time.
- *Work in coalitions* to become oriented to advocacy and to gain political cover for positions that are unpopular with agency funders and supporters.
- *Maintain focus on an area of expertise* in order to generate the greatest impact.
- *Dedicate full-time staff* to ensure that advocacy activities are given high priority and not set aside by staff who are busy with competing responsibilities.

- *Diversify funding* in case controversial advocacy activities result in reduced funding from any single source.
- *Ensure full support by organizational leadership* from both staff and board leadership to commit financial and personnel resources.

Together, these practices are designed to help a human services organization successfully implement effective advocacy that can be sustained over the long term.

A variety of practical and philosophical barriers exist to implementing effective and sustained advocacy activities in a direct services nonprofit (Donaldson, 2008; Gibelman & Kraft, 1996). Philosophical barriers relate to the reluctance of some service-oriented nonprofits to fully empower constituents as advocates, viewing constituents as service recipients more than active organization representatives (Donaldson, 2008). Within an organization's leadership, staff and board members may also have differing views about the appropriate extent and focus of advocacy activities. For example, a governing board comprised of leaders from business or government may be more reluctant to engage in advocacy than staff who have a background as grassroots social advocates (BANNHSA, 2008).

In addition to these philosophical barriers, a number of practical barriers can prevent direct service organizations from undertaking a substantial advocacy program. The most obvious barrier could be the lack of funding to support advocacy. Most government funding received by nonprofit direct service organizations is restricted to direct program services and cannot be used for advocacy activities. Many foundations do not fund advocacy activities, and those that do often fund such activities on a small scale and inconsistently (Bass et al., 2007). Nationally, foundation funding for advocacy comprises only 1 to 2% of total foundation grantmaking, and it is typically directed to core advocacy organizations rather than to grassroots advocacy efforts by service-oriented nonprofits (Jenkins, 2001).

The complex restrictions of tax law and IRS regulations comprise another barrier to advocacy by nonprofit direct service organizations. Nonprofit direct service agencies with annual revenues over \$5,000 that are registered with the IRS as 501(c)3 "charitable organizations" are allowed to receive tax-deductible contributions but must also comply with restrictions on advocacy activities. Such organizations are prohibited from electioneering, or attempting to influence the outcome of an election. These organizations are also only permitted to conduct an "insubstantial" amount of lobbying. Most 501(c)3 organizations (excluding private foundations and religious congregations) are eligible to elect to operate under a specific set of rules (outlined in Sections 501(h) and 4911 of the Tax Reform Act of 1976) which lay out clear definitions for the level of lobbying considered by the IRS to be "insubstantial." Generally, these rules allow organizations to spend up to 5% of total expenses on grassroots lobbying (asking the public to support or oppose legislation by contacting

their government officials) and up to 20% of total expenses on lobbying overall (both grassroots lobbying as well as direct communication with government officials about legislation). (Avner, 2002).

These rules limit the advocacy activities of 501(c)3 nonprofit service organizations in terms of grassroots and direct lobbying, but still clearly permit organizations to participate in lobbying up to the specified limits. Furthermore, beyond the lobbying and electioneering restricted by IRS rules, a variety of other advocacy activities are permitted without restrictions, such as “to call attention to overlooked public problems, to engage in grassroots lobbying to generate public interest in these problems, to communicate their concerns to elected officials, and to report to their members on efforts to generate governmental responses to these problems” (Salamon, 2002, pp.4-5). Unfortunately, many service-oriented nonprofits find the IRS rules confusing and are unsure about what types and what extent of advocacy activities are permitted and prohibited (Salamon, 2002; Chaves et al., 2004; Bass et al., 2007). Tracking lobbying expenditures separately can present an accounting challenge as well, particularly for small organizations. As a result, many nonprofit organizations avoid advocacy and lobbying activities out of fear that conducting such activities, or unintentionally failing to track them correctly, will jeopardize their tax-exempt status (Bass et al., 2007; Chaves et al., 2004).

Some direct service organizations also avoid advocacy activities out of fear of retribution from key organizational funders, particularly government funders. This pressure can be especially intense in the context of devolution, in which government funding is increasingly allocated at the local level, where nonprofit organizations have close personal contact with government officials who make funding decisions (Bass et al., 2007). However, government funding does not always serve as a deterrent to advocacy; in fact, a number of researchers have found no association between level of government funding and participation in advocacy activities, although those these studies were not limited to direct service organizations (Chaves et al., 2004; Salamon, 2002; Child & Gronberg, 2007).

A final practical barrier to implementing effective advocacy in nonprofit human service organizations can be limited advocacy skills among staff, board members and other volunteers, and constituents. Agencies that have traditionally focused exclusively on direct service provision may not have paid or unpaid personnel with the appropriate communication skills to carry out advocacy activities (Bass et al., 2007).

To address the practical barriers encountered by service-oriented nonprofits and thus encourage greater participation in advocacy, Bass et al. (2007) call for several remedies:

- Enhanced education about legal restrictions on advocacy by nonprofits;
- Simplification of rules about nonprofit public policy participation; and

- Capacity-building for nonprofit constituents, staff, and board members to improve the skills needed to conduct effective advocacy.

Increased foundation funding for advocacy activities, particularly for grassroots advocacy and activities by organizations other than large professional core advocacy agencies, would also promote increased participation in advocacy by direct service organizations (Jenkins, 2001). More encouragement of constituent participation in advocacy would foster more effective advocacy by empowering those who experience the direct impact of problematic policies.

Finally, to truly bolster advocacy among nonprofit direct service organizations, advocacy would need to be redefined as part of the standard practice and core responsibility of nonprofit direct service organizations. Nonprofit service organizations would need to come to believe that advocacy, including lobbying, is not only a permissible activity, but in fact is an expected activity for responsible and socially-engaged organizations (Bass et al., 2007).

## CONCLUSION

Advocacy in its many forms, whether outright lobbying or more indirect public education and agenda-setting, is an important activity for nonprofit organizations. Many view nonprofit organizations as playing a critical role in sustaining democracy through advocacy, and advocacy is also important to the organizational self-interest of publicly funded nonprofit organizations.

While some research has been conducted on this important topic, more is still needed. The scope of advocacy by nonprofit organizations is still not well-understood, due to limitations in the data available and methods used. Some organizational characteristics associated with participation in advocacy have been identified, but research in this area has been limited. In addition, while significant research has examined the practices and effectiveness of core advocacy nonprofit organizations, little research to date has specifically examined advocacy in direct service organizations. Given the important advocacy role that such organizations can play, and their low levels of current participation in advocacy, more research in this area could help identify best practices and practical strategies for facilitating advocacy efforts in organizations that conduct advocacy as a secondary rather than core organizational activity. Finally, advocacy by nonprofit organizations needs to be considered in the larger context of advocacy by all types of organizations, including especially advocacy by business and industry groups, which typically enjoy more financial resources and fewer restrictions on advocacy activities (McCarthy & Castelli, 2002; Boris & Krehely, 2002). Considering nonprofit advocacy within the full context of all



organizations that strive to influence policies and public opinion is important for understanding the impact of nonprofit advocacy on both specific issues and the broad public agenda.

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