



Nonprofit Survey Series
Report #3

INDIANA NONPROFITS: IMPACT OF COMMUNITY AND POLICY CHANGES

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III. INVOLVEMENT IN ADVOCACY

Just over one-quarter of Indiana nonprofits are involved in some form of advocacy. Such involvement is particularly prevalent among health and environment/animal protection nonprofits, among larger ones, and among those that rely primarily on government funding and are therefore closely tied to the public service system. However, very few Indiana nonprofits engaged in advocacy see it as one of their primary purposes. Moreover, many do not devote staff time, volunteer time, or financial resources to it. Only a minority of nonprofits that advocate have access to useful technology tools, such as computers, e-mail, access to the Internet, or a web site.

Nonprofit advocacy and political activities: As indicated by the findings presented above, Indiana nonprofits are directly affected not only by a variety of regulatory policies, but also a broad range of community conditions. They have, therefore, a deep stake in the broader policies that governments pursue. Indeed, policy advocacy is a principal function of the nonprofit sector and a major contribution of nonprofits to American society. One of the great strengths of the American democratic system is the freedom it affords individuals to come together to promote the common good through pressuring government to respond to disadvantaged groups or attend to unresolved problems, whether they exist in the local community or the world.

Although IRS-registered charities are prohibited from engaging in partisan politics, they may undertake public interest and grass roots lobbying as long as these activities do not exceed specified limits on spending.²⁹ Many do so as part of their service programs. Congregations generally have greater latitude. Advocacy nonprofits are free to undertake such political activities as influencing legislation. For some this is their major activity. They may engage in partisan politics, e.g., support a candidate for public office, but this cannot be their primary activity and they must pay a tax on related expenditures. Mutual benefit nonprofits have greater latitude in the range of political activities they are allowed to undertake although they are also subject to tax on political expenses.

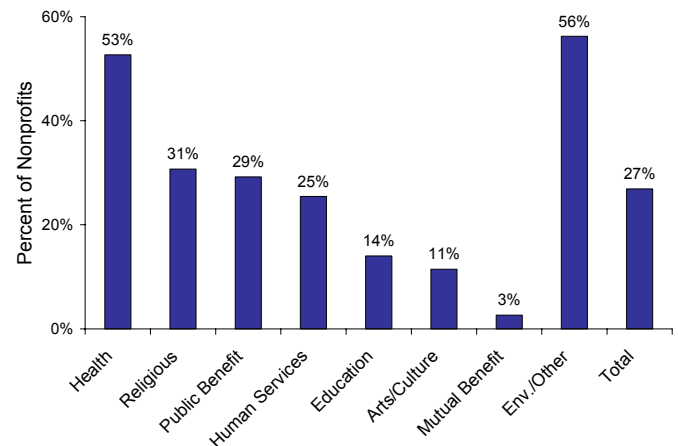
- **Nonprofit involvement in advocacy:** Relatively few Indiana nonprofits are involved in advocacy ac-

²⁹ Bruce R. Hopkins, *The Law of Tax-Exempt Organizations*, 7th edition (New York: John Wiley & Sons, 1998), chapter 21.

tivities, although advocacy is far more prevalent among certain types of nonprofits than others.³⁰

- Overall, just over one-quarter (27 percent) of Indiana nonprofits engage in some form of advocacy, including promoting positions on certain policy issues (18 percent), positions relevant to the interests of certain groups (14 percent), or certain political groups (3 percent).³¹ However, only 3 percent (of all Indiana nonprofits) view advocacy as one of their three most important programs or activities.
 - **Nonprofit field:** There is significant variation among the fields of activity in the percentage of nonprofits that participate in advocacy. Thus health nonprofits are more likely to engage in some form of advocacy than their counterparts, with 53 percent doing so, twice the average for the sector as a whole. See Figure 93. “Other” nonprofits also have a disproportionately high percentage because this group includes environmental and animal protection nonprofits, of which 64 percent participate in advocacy.

Figure 93: Percent of nonprofits participating in advocacy, by major field of activity (n=1,962)



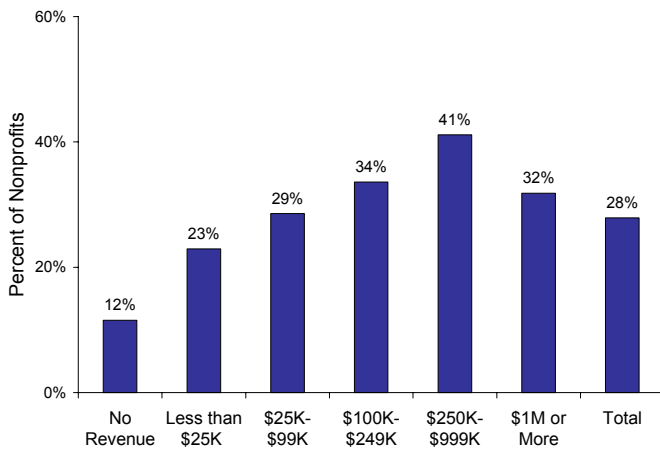
- At the other extreme, only 3 percent of mutual benefit nonprofits, 11 percent of the arts, culture and humanities nonprofits, and 14 percent of the education nonprofits engage in advocacy.

³⁰ For the purposes of this report, the basis for determining whether a nonprofit participated in advocacy was question 22 from the survey (see Appendix B). We coded organizations as “advocating nonprofits” if they checked any of the first three boxes of this question.

³¹ These percentages do not sum to 27 percent because many groups are involved in more than one form of advocacy.

- Religious, public and societal benefit, and human services nonprofits fall in the middle, with 31, 29, and 25 percent, respectively, involved in some form of advocacy.
- *Size*: Nonprofits of different sizes vary in their degree of advocacy involvement, with larger nonprofits more likely than smaller ones to participate in advocacy. The percent increases from 12 percent for the very smallest nonprofits (those with no revenues) to 32 percent for the largest ones (revenues of \$1 million or more). Mid-sized nonprofits are the most likely to engage in advocacy (41 percent of those with revenues between \$250,000 and \$1 million). See Figure 94.

Figure 94: Percent of nonprofits participating in advocacy, by size (n=1,581)



- *Primary source of funding*: Almost two-fifths (37 percent) of nonprofits that depend primarily on government funding engage in advocacy, more than those that receive a majority of their funding from other sources. Only one-fifth (19 percent) of nonprofits that depend on funding from special events participate in advocacy, less than any other group of nonprofits, except for those with no revenues. See Figure 95.
- Neither the age of nonprofits nor the region in which they are located is significantly related to their involvement in advocacy.

- **Advocacy issues**: Indiana nonprofits that advocate focus on a wide range of issues. Nearly one-quarter (23 percent) advocate according to group interests,

such as for senior citizens or veterans. Slightly more than one in ten advocate for health care (14 percent), pro-life (12 percent), and/or environmental (11 percent) issues, and less than 10 percent advocate for youth, religious principles, or low income, organizational, work force, and/or public safety issues. See Table 7.

Figure 95: Percent of nonprofits participating in advocacy, by primary source of funding (n=1,821)

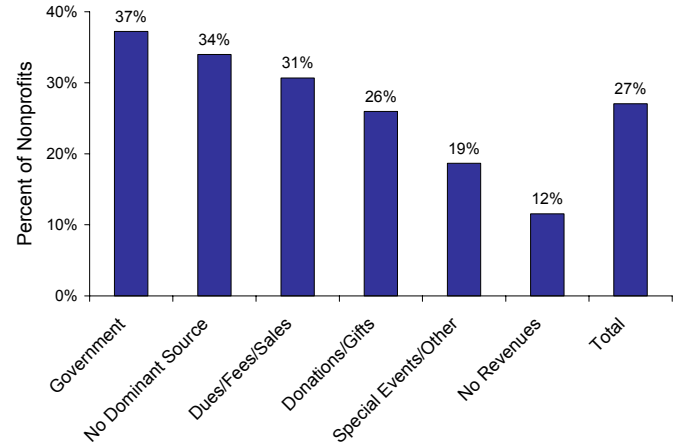


Table 7: Percentage of advocating nonprofits that advocate for particular issues (n=525)³²

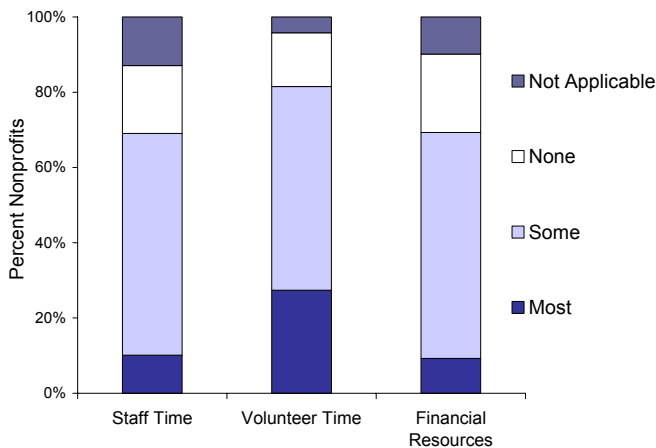
Advocacy Issues	Percent of Advocating Nonprofits*	Examples
Group Interests	23	Race; gender; senior citizens; HIV-positive individuals; veterans
Health care	14	Health care for children; care for elderly; health and life insurance
Pro-life	12	Right to life; family planning birth control; alternatives to abortion
Environment	11	Conservation and wildlife issues; hazardous landfills; hunting/fishing
Youth	9	Preventing child abuse and neglect; adoption; standards for child care
Religious principles	9	Christian teaching/rights; general morality issues; faith-based beliefs
Low income	7	Feeding the poor; poverty-related issues; single-parent families
Organizational	7	Council of clubs; nonprofit organizations; fraternal clubs
Work force	6	Labor issues; union organizing; working women
Public safety	6	Safety issues; criminal justice system; law enforcement
Other	25	Agriculture; housing; gambling, death penalty; church-state; taxes

* These percentages do not add to 100% because organizations can advocate for multiple issues

³² See Appendix D for more details on these issues.

- Use of human and financial resources:** Relatively few nonprofits involved in advocacy dedicate substantial human or financial resources to these efforts. Although seven out of ten Indiana nonprofits that engage in some form of advocacy devote at least some staff time (69 percent), financial resources (69 percent), or volunteer time (82 percent) to it, only a minority devote most of their staff (10 percent), volunteer (27 percent), or financial (9 percent) resources to it. Moreover, nearly one in five do not devote any staff time (18 percent) or financial resources to it (21 percent). Slightly less (14 percent) do not devote any volunteer time to advocacy. See Figure 96.

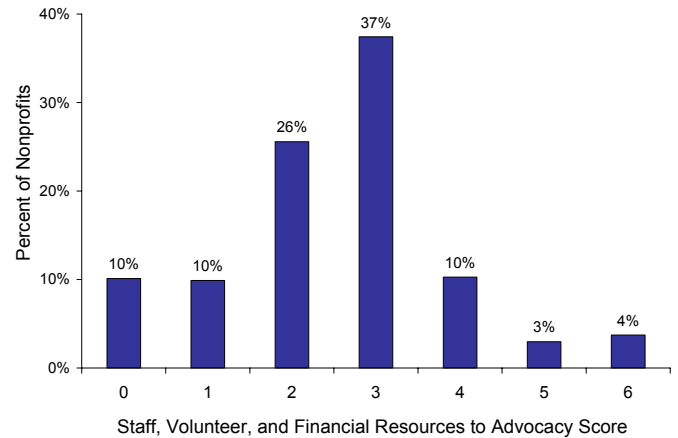
Figure 96: Resources devoted to advocacy, advocating nonprofits (n=487-536)



- These results parallel our earlier finding that nearly all of the Indiana nonprofits that participate in advocacy do not see it as their primary purpose or mission.
- To examine how Indiana nonprofits use combinations of financial, staff and volunteer resources, we assigned each nonprofit that participates in advocacy a score of 0, 1 or 2 depending on whether it devoted none, some, or most of a given resource to advocacy. We then summed these scores for all three types of resources so that the scores ranged from 0 (i.e. the nonprofit did not devote any of the three resources to advocacy) to 6 (i.e. the nonprofit devoted most of each resource type to advocacy). The intermediary scores of 4 or 5 are also telling in that they indicate that the nonprofit devoted most of at least one type of resource to advocacy. At the other extreme, a score of 1 indicates that the organization devoted

only some of one resource to advocacy and did not commit any of the other resources to it. See Figure 97.

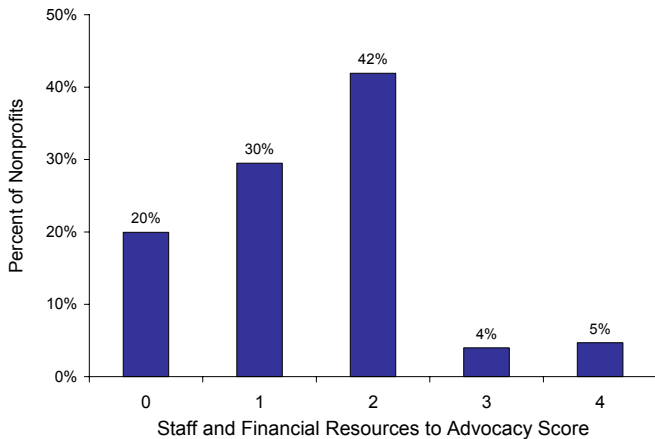
Figure 97: Percent reporting devoting combinations of staff, volunteer, and financial resources to advocacy, advocating nonprofits (n=465)



- The distribution of this score reemphasizes the findings noted above: Many nonprofits involved in advocacy do not devote substantial resources to it. One-tenth devotes no resources to advocacy and another 10 percent devote only some resources of one type (staff, finances or volunteers) to advocacy. Nearly two-thirds (63 percent) scored a 2 or 3 on our scale. Relatively few (17 percent) scored higher, including only a small minority (4 percent overall) that devote most of their staff, volunteer, and financial resources to advocacy.
- Because allocating staff and financial resources to advocacy requires a more substantial commitment than devoting volunteer resources, we created a scale that considered only the staff and financial resources devoted to advocacy.³³ Figure 98 shows that one in five (20 percent) Indiana nonprofits involved in advocacy do not devote any staff or financial resources to it. An additional 30 percent say that they devote some of one and none of the other.

³³ A score of zero indicates that the organization devotes neither staff nor financial resources to advocacy; 1 that it devotes some of one and none of the other resource to advocacy; 2 that the nonprofit devotes some of both resources to advocacy or most of one resource and none of the other; 3 that the nonprofit devotes most of one resource and some of the other; and 4 that the nonprofit devotes most of both resources to advocacy.

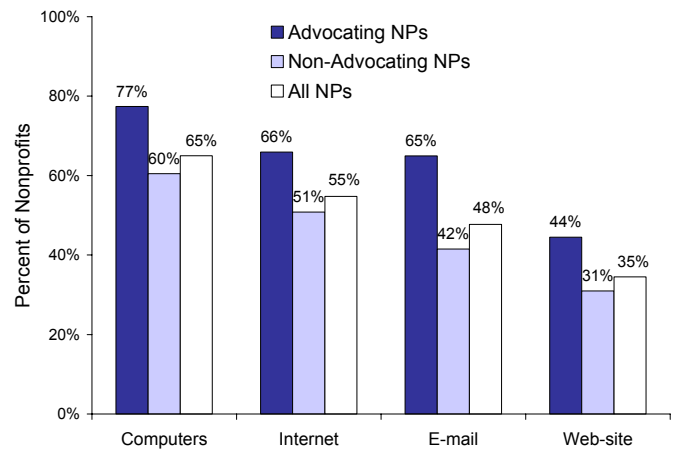
Figure 98: Percent devoting combinations of staff and financial resources to advocacy, advocating nonprofits (n=465)



- **Access to technology tools:** In order for nonprofits to effectively advocate positions on policy issues or promote group interests, they must be able to communicate with various stakeholders and mobilize support. We highlight four tools that are particularly relevant to advocating organizations: a web site, an e-mail address, computer availability, and direct internet access for key staff or volunteers. We asked nonprofits to indicate whether they have any of these tools.³⁴

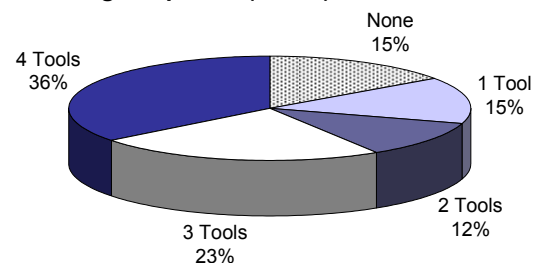
- **Computers:** Three-quarters (77 percent) of Indiana nonprofits that participate in advocacy have computer accessibility for key staff and volunteers. They are more likely to have computers than nonprofits that do not advocate.
- **Internet tools:** Nonprofits that participate in advocacy are significantly more likely than other nonprofits to have a web site, e-mail, or Internet service. See Figure 99.
- Two-thirds of Indiana nonprofits that engage in advocacy have Internet access (66 percent) and/or an organizational e-mail address (65 percent), while less than one-half (44 percent) have their own web site.
- Although the percentage of advocating nonprofits that possess these technological components is significantly higher than for their non-advocating counterparts, there is still a considerable proportion of advocating nonprofits that do not have these basic technological tools. Thus one-third of advocating nonprofits do not have access to the Internet. A similar percentage does not have the capacity to communicate electronically with policy-makers or constituencies through e-mail.

Figure 99: Percent of nonprofits possessing technological components, by advocacy status and technology tool, advocating nonprofits (n=1,834-1,869)



- **Number of technology tools:** We examine these organizational components in more detail by totaling the number of these tools that each advocating nonprofit possesses. This score provides a rough indication of the organization's technological capacity. A nonprofit scoring 4 possesses each of the components while a nonprofit scoring zero does not possess any. See Figure 100.

Figure 100: Total number of technological tools, advocating nonprofits (n=568)



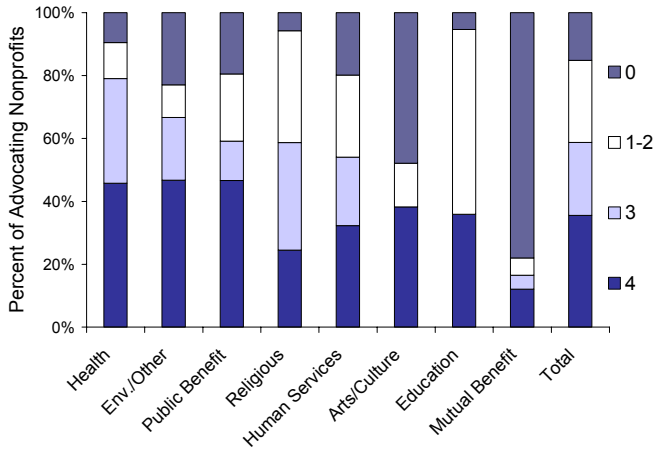
- On average, nonprofits that advocate have 2.5 technological tools. Four in ten (41 percent) have 2 or

³⁴ We have no information about the quality of these technological tools, e.g., type of operating system or speed of internet connections.

less, including 15 percent without any of the four tools. Only 36 percent have all four tools.

- *Nonprofit field:* Advocating nonprofits vary in the extent to which they possess technological tools according to their primary field of activity. See Figure 101.

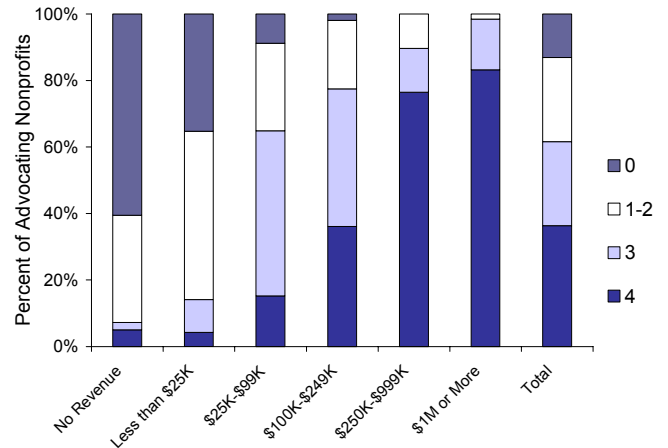
Figure 101: Percent with technological components, by number of tools and major field of activity, advocating nonprofits (n=568)



- Health nonprofits are the most likely to have the technological resources to engage in effective advocacy, with 79 percent of those involved in advocacy possessing at least three tools.
- Mutual benefit nonprofits involved in advocacy, in contrast, are least likely to have technological capacities, with 78 percent having none of the four tools.
- The public and societal benefit field, while showing a large percentage (47 percent) with all four of the tools, also has a large percentage (41 percent) with less than three tools, including 19 percent (overall) with none of them. The same is true for education nonprofits.
- *Size:* There is a very clear relationship between the total revenue size of Indiana nonprofits involved in advocacy and the likelihood that they have technological tools for advocacy. See Figure 102.
- Nearly all nonprofits without revenues that advocate have less than three tools, including more

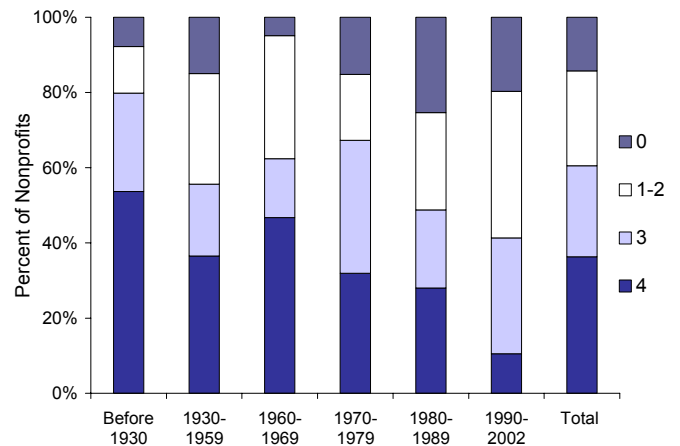
than half with none of them. The percentage with no or very few tools declines changes dramatically for each increasing revenue category.

Figure 102: Percent with technological components, by number of tools and total revenue, advocating nonprofits (n=470)



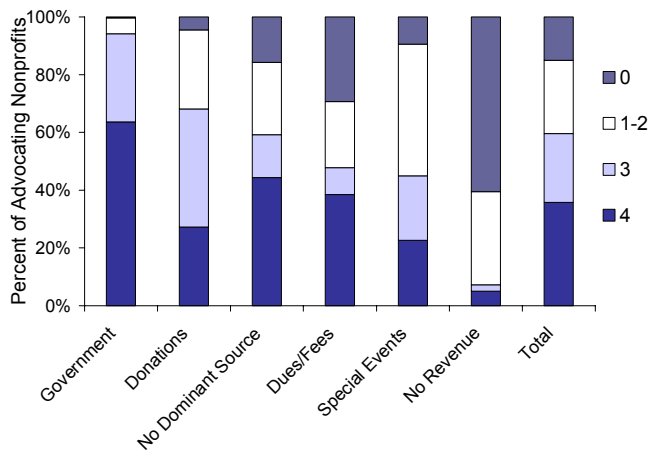
- *Age:* Younger nonprofits are less likely than older ones to hold any of the four tools. While more than half (54 percent) of advocating nonprofits established prior to 1930 have all four advocacy tools, very few (11 percent) of those established since 1990 do. See Figure 103.

Figure 103: Percent reporting technological components, by number of tools and age, advocating nonprofits (n=539)



- *Primary source of funding:* Advocating nonprofits that receive more than one-half of their funding from government sources clearly stand out as the most likely to have all four of the tools. See Figure 104.

Figure 104: Percent reporting technological components, by number of tools and primary funding source, advocating nonprofits (n=535)



Conclusions and implications: Several conclusions and implications stand out from our analysis of the advocacy activities of Indiana nonprofits.

- **Advocacy not a primary activity:** The majority of nonprofits that participate in advocacy are not advocacy nonprofits per se. Instead, most view advocacy as ancillary to their primary missions. Only a small minority (less than 3 percent) of Indiana nonprofits report that advocacy is one of their three most important activities.
- **Nonprofit field matters:** Not only are health nonprofits the most likely to report that public policies impacted them, they are also the most likely to indicate that they seek to influence public policy through advocacy activity. In contrast, mutual benefit nonprofits are the least likely to participate in advocacy.
- **Limited resources devoted to advocacy:** Although approximately one-quarter of Indiana nonprofits report that they engage in some form of advocacy, many of these organizations devote very limited resources to it. In fact, 18 percent of nonprofits involved in advocacy do not dedicate any staff to it, 21 percent allocates no financial resources to it. Only 4 percent indicate that they commit most of these resources to it.
- **Lack of technology tools:** Many nonprofits do not have a full complement of technological and communication tools to undertake advocacy. These tools, such as computers, Internet capability, e-mail, and

web sites provide, among other things, a forum for mass communication and the ability to mobilize supporters or communicate with community leaders. Although these may seem like standard organizational components, large percentages of Indiana nonprofits that participate in advocacy do not possess them. One-quarter do not have a computer, one-third do not have the Internet access or e-mail, and two-thirds do not have a web site. Such deficiencies seriously undermine their ability to successfully advocate.

- **Size matters:** Across the entire sector, large organizations are more likely than smaller ones to participate in advocacy. They are also more likely to have sufficient technological tools to do so.
- **Primary source of funding matters:** Nonprofits that receive most of their revenues from government are significantly more likely to be involved in advocacy and to have all four technological tools.