

PUBPOL 750 007 WN 2023

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PubPol 750.007: Policy and Management in the Nonprofit Sector Winter, 2023 (First Half of Semester)

Overview

The nonprofit sector has emerged as one of the cornerstones of American society, and yet remains very much a work in progress. The “third sector” faces unique and evolving pressures in areas such as impact, philanthropy, mission focus, performance measurement, sector blur, and more. These challenges are magnified by the complex interdependencies among the nonprofit, for-profit, and public sectors.

Course Objectives

In our class we will examine some fundamental topics where policy intersects with the day-to-day operation of domestic nonprofit organizations. By considering sector tensions from both societal and management perspective, we will each develop our own informed view on the appropriate role and function of the nonprofit sector within society. Future policy makers and nonprofit managers alike will enhance their ability to formulate positions on policy issues that impact the sector.

Class Format

One lecture per week based on 25 - 50 pages of reading. Some classes may incorporate collaborative group work.

Instructor Contact Information and Office Hours

Neel Hajra

Email: nhajra@umich.edu (I check email most evenings)

Phone: I do not check my office phone!

Office: Weill Hall Room 4212

Office Hours: Fridays 3 - 4 PM and by appointment throughout week

Please note that office hours will vary from time to time - changes will be announced in class.

Graded Assignments

This class is designated as a "Satisfactory/Unsatisfactory" course. Student performance will be assessed through two short papers as well as class participation. Students will receive paper assignments at least two weeks prior to due dates with clear guidance on what constitutes a "satisfactory" paper.

Grading

- 30% short paper (300 words)
- 30% in-class participation
- 40% final paper (600 words)

Office Hours

Students are encouraged to take advantage of office hours not only for guidance on assignments, but also to discuss supplemental nonprofit and management topics of interest not addressed in the syllabus below. It's an excellent opportunity to broaden the scope of what you can gain from this course.

Course Syllabus

- *Please note that these initial course readings will be updated throughout the semester. Changes will be communicated in class as well as through class announcements.*
- *All articles in this syllabus can be viewed and downloaded in the Files section of this course.*

Class 1: Why is There a Nonprofit Sector?

We start a broad examination of why we have a nonprofit sector through a range of perspectives.

ASSIGNED READINGS

1. **A snapshot overview of the modern nonprofit sector:** Abramson, Alan, "Today's Charitable Sector and Its Roots and Challenges," Stanford Social Innovation Review (2018)
2. **A broad summary of the functions of the nonprofit sector:** Lockwood, Lester, The Stakes: What Is the Nonprofit Sector and Why Do We Need It?, in Lockwood, Lester M., The Resilient Sector

Revisited: The New Challenge to Nonprofit America (2015) [read pages 7-8, 14-17]

3. **A celebration and examination of the nature and diversity of the nonprofit sector:** Lester Salamon, "What Is the Nonprofit Sector and Why Do We Have It?" in J. Steven Ott (ed.), The Nature of the Nonprofit Sector (2011)
4. **A classic, ahead-of-its-time, critique arguing for a more focused nonprofit sector:** William Diaz, For Whom and For What? The Contributions of the Nonprofit Sector, in Salamon (Ed.), The State of Nonprofit America (2002) [read pages 524-533]

OPTIONAL ARTICLES

- **A deeper treatment of economic theories underlying the nonprofit sector:** Henry Hansmann, "Economic Theories of Nonprofit Organization," in Walter Powell (ed.), The Nonprofit Sector (2006) [recommend pages 27-35]
- **A deeper treatment of political theories underlying the nonprofit sector:** James Douglas, "Political Theories of Nonprofit Organization", in J. Steven Ott (ed.), The Nature of the Nonprofit Sector (2001)
- **Recent nonprofit sector general facts and figures:** [The Nonprofit Sector in Brief 2019](https://nccs.urban.org/publication/nonprofit-sector-brief-2019)  (<https://nccs.urban.org/publication/nonprofit-sector-brief-2019>) (web article), Urban Institute
- **Recent nonprofit employment data:** The 2019 Nonprofit Employment Report, Johns Hopkins Center for Civil Society Studies
- **A map of of the "nonprofit economy":** [Illustrated Nonprofit Economy](https://nonprofitquarterly.org/infographics/npqs-illustrated-nonprofit-economy/)  (<https://nonprofitquarterly.org/infographics/npqs-illustrated-nonprofit-economy/>), Nonprofit Quarterly (web chart)

Class 2: Legal and Regulatory Framework

We transition from theoretical frameworks to the legal underpinnings of the US charitable nonprofit sector.

ASSIGNED READINGS

1. **Core legal definitions and concepts of "charity":** Hopkins, Bruce R., Chapter 6: Concept of Charitable, in Hopkins, Bruce R., The Law of Tax-Exempt Organizations (2019) [read pages 109-117; stop at Section B]
2. **The regulatory framework governing nonprofit accountability:** James Fishman, Wrong Way Corrigan and Recent Developments in the Nonprofit Landscape: A Need for New Legal Approaches, 76 Fordham Law Review 2007-08 [read pp. 567-598; stop at Section D]
3. **The basics of the charitable tax deduction:** [Charitable Contribution Deduction: Rules and Changes for 2022](https://www.investopedia.com/articles/personal-finance/041315/tips-charitable-contributions-limits-and-taxes.asp)  (<https://www.investopedia.com/articles/personal-finance/041315/tips-charitable-contributions-limits-and-taxes.asp>) (web article), Investopedia

OPTIONAL ARTICLES

- **The rules of charitable tax exemption and more:** Harvard Law Review, *Developments in the Law – Nonprofit Corporations*, in Ott (ed.), *Understanding Nonprofit Organizations* (2012) [recommend pp. 67 - 74]

Class 3: Mission

There's a “double bottom line” of mission and financial performance that distinguishes nonprofit management from the for-profit sector. We explore operational implications arising from this double bottom line and extrapolate broader implications for the sector as a whole.

ASSIGNED READINGS

1. **The Importance of a strong mission statement:** Jonker and Meehan, "Mission Matters Most," *Stanford Social Innovation Review* (2014)
2. **An overview of the tension between mission and finance:** Sanders, M 2015, 'Being Nonprofit-Like in a Market Economy: Understanding the Mission-Market Tension in Nonprofit Organizing', *Nonprofit & Voluntary Sector Quarterly*, vol 44(2), pp. 205-222 [read pp. 205 - 209; stop at the 'Contradiction' section]
3. **The dangers of "mission creep":** Jonker and Meehan, "Curbing Mission Creep," *Stanford Social Innovation Review*, Winter 2008
4. **Implications of the "double bottom line":** Silverman and Taliento, "What Business Execs Don't Know – but Should – About Nonprofits," *Stanford Social Innovation Review*, Summer 2006

OPTIONAL ARTICLES

- **Crafting a strong mission statement:** Barnhart, Erica, "Great Mission. Bad Statement.," *Stanford Social Innovation Review* (2016)

Class 4: Governance

Volunteerism, particularly voluntary governance structures, set the nonprofit sector apart from the public and for-profit sectors. Strong governance is a key to organizational success, and also critical to maintaining accountability between a nonprofit and the public. Yet nonprofit managers (and their trustees) commonly marginalize or misconstrue the governance function. We examine the benefits and challenges posed by current governance practices, and consider alternative policies and governance models that might encourage more robust governance of the sector.

ASSIGNED READINGS

1. **The core responsibilities of a nonprofit board:** BoardSource: Six Essential Ingredients to Good Governance (2016)
2. **National trends in nonprofit governance:** BoardSource: Leading with Intent - 2021 Index of Nonprofit Board Practices [read page 5]
3. **Current trends in board composition and board diversity (or lack thereof):** Jenkins, Garry, "The Wall Street Takeover of Nonprofit Boards," Stanford Social Innovation review, Summer 2015
4. **A simple lens for optimal board impact:** William Ryan, "Briefing Note - Distinguishing a Board's Steering & Rowing Work" (2008)

OPTIONAL ARTICLES

- **A comprehensive catalog of board practices:** Boardsource Recommended Governance Practices (2016)
- **A still-relevant explanation of what causes board ineffectiveness:** Masaoka and Allison, "Why Boards Don't Govern," Compasspoint Nonprofit Services (2008)
- **Good overview of the importance of strong governance:** Jonker & Meehan, "A Better Board Will Make You Better," Stanford Social Innovation review (2014)

Class 5: Performance Measurement

Measuring the effectiveness and impact of nonprofits is a deceptively complex undertaking. We weigh the advantages and disadvantages of various frameworks for measuring success. We also explore how our choice of framework might affect issues of impact, sustainability, and public accountability.

ASSIGNED READINGS

1. **The spectrum of impact measurement approaches:** Reynolds, Cox, Fritz, Hadley, and Zadra, "A Playbook for Designing Social Impact Measurement," Stanford Social Innovation Review, December 2018
2. **The classic and predominant "logic model" method:** W.K. Kellogg Foundation Logic Model Development Guide (2004) [read pages 1 - 7; stop at "Simple Logic Model Basics"]
3. **A broad synthesis of research on nonprofit performance methods:** Lee, Chongmyong & Nowell, Branda 2015, 'A Framework for Assessing the Performance of Nonprofit Organizations', *American Journal of Evaluation*, vol 36 no. 3, pp. 299-319 [read the "Core Perspectives" section pp. 3 - 11]
4. **A case for not always measuring impact:** Gugerty & Karlan, "Measuring Impact Isn't for Everyone," Stanford Social Innovation Review (2014)

OPTIONAL ARTICLES

- **A proposed "bounded flexibility" approach for the field of social impact measurement:** Ruff & Olsen,. "The Next Frontier in Social Impact Measurement Isn't Measurement at All," Stanford Social Innovation Review (2016)
- **A case study in changing metrics for greater impact:** John Sawhill and David Williamson, "Measuring What Matters in Nonprofits," McKinsey Quarterly, 2001
- **The downside of funder-imposed metrics:** Schoenberger, "The Alienation of Impact Reporting," Stanford Social Innovation Review, Fall 2019
- **Examples of when and when not to measure impact:** Mary Kay Gugerty & Dean Karlan, "Ten Reasons Not to Measure Impact – and What to Do Instead," Stanford Social Innovation Review, Summer 2018
- **Donors don't care about metrics as much as we think:** Katie Cunningham & Marc Ricks, "Why Measure," Stanford Social Innovation Review, Summer 2004
- **Rethinking what we mean by measurement in the social sector:** Jim Collins, Good to Great and the Social Sectors: A Monograph to Accompany Good to Great (2005)

Class 6: Philanthropy and Government Support

We examine domestic philanthropy from three angles: individual philanthropy as the primary driver of nonprofit sector dynamics, foundation philanthropy as an outsized influence on nonprofit policy despite its relatively modest scale, and corporate philanthropy as a balancing act for nonprofits. We also examine government support as a growth engine for the nonprofit sector and also a threat to the very nature of the nonprofits.

ASSIGNED READINGS

1. **Overview of individual philanthropy and its myths:** Lilly School Faculty, "Eight Myths of US Philanthropy," Stanford Social Innovation Review, Fall 2019
2. **Philanthropy (individual and foundational) as a reflection of growing income inequality and plutocracy:** Rob Reich, "Philanthropy in Service of Democracy," Stanford Social Innovation Review, Winter 2019
3. **The unintended harm of "strategic" foundation philanthropy:** Ann Goggins and Don Howard, "The Nonprofit Starvation Cycle," Stanford Social Innovation Review, Fall 2009
4. **A classic piece on corporate strategic philanthropy that also implies its pitfalls:** Bruch and Walter, "The Keys to Rethinking Corporate Philanthropy," MIT Sloan Management Review, Fall 2005
5. **The role of government funding in the nonprofit sector:** Young, "Third Party Government," in Ott (ed.), The Nature of the Nonprofit Sector (2001)

OPTIONAL ARTICLES

- **Snapshot of domestic giving:** Charitable Giving in the USA (2019), Charities Aid Foundation
- **Why foundations matter:** Kenneth Prewitt, "The Importance of Foundations in an Open Society," Bertelsmann Foundation (Ed.): The Future of Foundations in an Open Society (1999)
- **A critique of corporate philanthropy:** Burstyn, "Hidden Agenda," Stanford Social Innovation Review, Spring 2005
- **An examination of self-serving interests underlying philanthropy by the wealthy:** Osei, Zipporah, "Elite Philanthropy Mainly Self-Serving," The Academic Times, March 26, 2021

Recorded Classes: Mini-Lectures on Nonprofit Micro and/or Macro Topics

Due to our opportunity to focus on January 16 MLK Day activities in lieu of classes, this class will convene a total of six times before it concludes at Spring Break. To supplement the core curriculum, we'll identify other areas of interest by students relating to nonprofit sector policy, management, and leadership. Based on areas of common interest, several additional, supplemental "mini-lectures" will be offered along with related literature.

Important Ford School Policies Applicable to This Course

Ford School Inclusivity Statement: Members of the Ford School community represent a rich variety of backgrounds and perspectives. We are committed to providing an atmosphere for learning that respects diversity. While working together to build this community we ask all members to:

- share their unique experiences, values and beliefs
- be open to the views of others
- honor the uniqueness of their colleagues
- appreciate the opportunity that we have to learn from each other in this community
- value one another's opinions and communicate in a respectful manner
- keep confidential discussions that the community has of a personal (or professional) nature
- use this opportunity together to discuss ways in which we can create an inclusive environment in Ford classes and across the UM community

Ford School Public Health Protection Policy: In order to participate in any in-person aspects of this course--including meeting with other students to study or work on a team project--you must follow all the public health safety measures and policies put in place by the State of Michigan, Washtenaw County, the University of Michigan, and the Ford School. Up to date information on U-M policies can be found [here](https://campusblueprint.umich.edu/)  (<https://campusblueprint.umich.edu/>). It is expected that you will protect and enhance the health of

everyone in the Ford School community by staying home and following self-isolation guidelines if you are experiencing any symptoms of COVID-19

Student Mental Health and Wellbeing: The University of Michigan is committed to advancing the mental health and wellbeing of its students. We acknowledge that a variety of issues, both those relating to the pandemic and other issues such as strained relationships, increased anxiety, alcohol/drug problems, and depression, can directly impact students' academic performance and overall wellbeing. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available. You may access counselors and urgent services at [Counseling and Psychological Services](https://caps.umich.edu/) (CAPS) and/or [University Health Service](https://www.uhs.umich.edu/mentalhealthsvcs/) (UHS). Students may also use the Crisis Text Line (text '4UMICH' to 741741) to be connected to a trained crisis volunteer. You can find additional resources both on and off campus through the [University Health Service](https://uhs.umich.edu/stressresources/) and through [CAPS](https://caps.umich.edu/article/um-mental-health-resources/).

Accommodations for Students with Disabilities: If you believe you need an accommodation for a disability, please reach out to U-M [Services for Students with Disabilities \(SSD\)](https://ssd.umich.edu/) office to help determine appropriate academic accommodations and how to communicate about your accommodations with your professors. Any information you provide will be treated as private and confidential.

Academic Integrity: The Ford School academic community, like all communities, functions best when its members treat one another with honesty, fairness, respect, and trust. We hold all members of our community to high standards of scholarship and integrity. To accomplish its mission of providing an optimal educational environment and developing leaders of society, the Ford School promotes the assumption of personal responsibility and integrity and prohibits all forms of academic dishonesty, plagiarism and misconduct. Academic dishonesty may be understood as any action or attempted action that may result in creating an unfair academic advantage for oneself or an unfair academic advantage or disadvantage for any other member or members of the academic community. Plagiarism involves representing the words, ideas, or work of others as one's own in writing or presentations, and failing to give full and proper credit to the original source. Conduct, without regard to motive, that violates the academic integrity and ethical standards will result in serious consequences and disciplinary action. The Ford School's policy of academic integrity can be found in the [MPP/MPA](https://www.dropbox.com/s/oxbgig3kw5dwjzy/FINAL%202022%20Masters%20Handbook.pdf?dl=0), [BA](https://www.dropbox.com/s/i3eiituwsblsncc/FINAL%202022%20BA%20Handbook.pdf?dl=0), and [PhD Program](https://www.dropbox.com/s/31d5lihoviiloqs/FINAL%202022%20PhD%20Handbook.pdf?dl=0).

handbooks. Additional information regarding academic dishonesty, plagiarism and misconduct and their consequences is available at: <http://www.rackham.umich.edu/current-students/policies/academic-policies/section11#112> ↗ (<http://www.rackham.umich.edu/current-students/policies/academic-policies/section11#112>)

Use of Technology: Students should follow instructions from their instructor as to acceptable use of technology in the classroom, including laptops, in each course. All course materials (including slides, assignments, handouts, pre-recorded lectures or recordings of class) are to be considered confidential material and are not to be shared in full or part with anyone outside of the course participants. Likewise, your own personal recording (audio or video) of your classes or office hour sessions is allowed only with the express written permission of your instructor. If you wish to post course materials or photographs/videos of classmates or your instructor to third-party sites (e.g. social media), you must first have informed consent. ***Without explicit permission from the instructor and in some cases your classmates, the public distribution or posting of any photos, audio/video recordings or pre-recordings from class, discussion section or office hours, even if you have permission to record, is not allowed and could be considered academic misconduct.***

Please review additional information and policies regarding academic expectations and resources at the Ford School of Public Policy at: <https://intranet.fordschool.umich.edu/academic-expectations> ↗ (<https://intranet.fordschool.umich.edu/academic-expectations>)

Course Summary:

Date	Details	Due
Sat Feb 27, 2021	 Paper #1 (https://umich.instructure.com/courses/603001/assignments/1913923)	due by 12pm
Sat May 1, 2021	 Final Paper Assignment (https://umich.instructure.com/courses/603001/assignments/1913922)	due by 1am
Mon Jan 9, 2023	 Class (https://umich.instructure.com/calendar?event_id=1632207&include_contexts=course_603001)	5:30pm to 7:20pm
Fri Jan 13, 2023	 Office Hours (https://umich.instructure.com/calendar?event_id=1650715&include_contexts=course_603001)	11am to 12pm

Date	Details	Due
Fri Jan 20, 2023	 office hours https://umich.instructure.com/calendar?event_id=1654413&include_contexts=course_603001	3pm to 4pm
Mon Jan 23, 2023	 Class https://umich.instructure.com/calendar?event_id=1632268&include_contexts=course_603001	5:30pm to 7:20pm
Fri Jan 27, 2023	 office hours https://umich.instructure.com/calendar?event_id=1654414&include_contexts=course_603001	2pm to 3pm
Mon Jan 30, 2023	 Class https://umich.instructure.com/calendar?event_id=1632270&include_contexts=course_603001	5:30pm to 7:20pm
Fri Feb 3, 2023	 Office Hours https://umich.instructure.com/appointment_groups/9305	3pm to 4pm
Mon Feb 6, 2023	 Class https://umich.instructure.com/calendar?event_id=1632320&include_contexts=course_603001	12am
Fri Feb 10, 2023	 Office Hours https://umich.instructure.com/appointment_groups/9306	3pm to 4pm
Mon Feb 13, 2023	 Class https://umich.instructure.com/calendar?event_id=1632322&include_contexts=course_603001	12am
Fri Feb 17, 2023	 Office Hours https://umich.instructure.com/appointment_groups/9307	3pm to 4pm
Mon Feb 20, 2023	 Class https://umich.instructure.com/calendar?event_id=1632323&include_contexts=course_603001	12am
Fri Feb 24, 2023	 office Hours https://umich.instructure.com/appointment_groups/9308	3pm to 4pm