

(19) Social sector (non-profits)

- o Social needs will grow in two areas
 - s They will grow, first, in what has traditionally been considered charity: helping the poor, the disabled, the helpless, the victims.
 - s And they will grow, perhaps even faster, in respect to services that aim at changing the community and at changing people.
- o Strengthening non-profits
 - s America needs a new social priority: to triple the productivity of the non-profits and to double the share of gross personal income—now just below 3 percent—they collect as donations.
 - s Otherwise the country faces, only a few years out, social polarization.
 - s Moreover, government has proved incompetent at solving social problems.
 - s Virtually every success we have scored has been achieved by non-profits.
 - s The non-profits spend far less for results than governments spend for failures.
 - s The non-profits have the potential to become America's social sector—equal in importance to the public sector of government and the private sector of business.
 - i The delivery system is already in place: There are now some 900,000 non-profits, the great majority close to the problems of their communities.
 - i And about 30,000 of them came into being in 1990 (the latest year for which figures are available)—practically all dedicated to local action on one problem: tutoring minority children; furnishing ombudsmen for patients in the local hospital; helping immigrants through government red tape.
 - i Where twenty years ago the American middle class thought it had done its social duty by writing a check, it increasingly commits itself to active doing as well.
 - i Increasingly these volunteers do not look upon their work as charity; they see it as a parallel career to their paid jobs and insist on being trained, on being held accountable for results and performance, and on career opportunities for advancement to professional and managerial—though still unpaid—positions in the non-profit.
- s For the non-profits' potential to become reality, **three things are needed.**
 - i First, the average non-profit must **manage itself** as well as the best-managed ones do.
 - H The majority still believe that good intentions and a pure heart are all that are needed.
 - H They do not yet see themselves as accountable for performance and results.
 - H And far too many splinter their efforts or waste them on non-problems and on activities that would be done better—and more cheaply—by a business.
 - i Second, non-profits have to **learn how to raise money.**
 - H The American public has not become less generous—there is little evidence of the “compassion fatigue” non-profit people talk about.
 - H Unfortunately, a great many non-profits still believe that the way to get money is to hawk needs.
 - H But the American public gives for results.
 - H It no longer gives to “charity”; it “buys in.”
 - H Of the charitable appeals most of us get in the mail every week, usually just one talks of results—the one that gets our check.
 - i Finally, we need a change in the **attitude of government and government bureaucracies.**
 - H ... Instead of such a policy, however, we have the IRS making one move after the other to penalize and to curtail donations to non-profits—and the tax

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collectors of the big states are all doing the same.

- H Each of these moves is presented as “closing a tax loophole”; in fact, none has yielded a penny of additional revenue and none is likely to do so.