



***Forward Together:*
An Action Agenda for America's Economic Recovery**

Historically our nation's greatest asset has been its people. From before the Revolutionary War through today, the American people have gathered through nonprofit groups to solve common problems. Americans came together through abolitionist societies to defeat slavery, suffrage associations to secure the right to vote for women, and civil rights groups to obtain equal rights. The nonprofit sector – along with the business and government sectors – is a required third leg of the stool on which American communities depend. Yet too often in recent years, the nonprofit sector has been ignored, overlooked, and taken for granted.

Recognizing the need for the nonprofit sector to speak out in a unified voice about its special abilities to help our nation in this time of great need, some concerned Americans crafted a special declaration. Unlike the Declaration of Independence that proclaimed the need for dividing, this Declaration emphasizes interdependence and our need for uniting.

Styled as an action document, the Declaration offers concrete ways nonprofits can help America's economic recovery and calls for a reinvigorated partnership between the government and nonprofit sectors to address our country's economic challenges and improve the quality of community life.

The Declaration also serves as an awakening document, encouraging individuals in nonprofits to declare to ourselves, the general public, and our natural partners in local, state, and federal governments that the nonprofit sector adds value, contributes enormously, and won't be taken for granted anymore. This document presents a significant opportunity for our sector to step forward collectively to reclaim our proper space as the recognized third vital leg of the stool.

Nonprofit leaders from Hawaii to Maine are among the initial local, state, and national nonprofit leaders who already have signed this Declaration. You can join in this effort by signing today.

Sign the Declaration Today

1. **Learn.** Read the Declaration, which is attached to this Special Report.
2. **Sign.** To sign your name to the Declaration, go to the website created by the Johns Hopkins Listening Post Project (which organized the retreat where the Declaration was conceived) <http://www.jhu.edu/listeningpost/forward>
 - By signing, you add your name to this list as an individual; organizational names are listed for identification purposes only.
3. **Spread the word.** Please encourage others – your friends, office colleagues, board members, volunteers, and others who care about the nonprofit sector – to sign as well, by spreading news about the Declaration.
4. **Join the dialogue.** <http://forwardtogether.uservoice.com/pages/general/filter/top>

Forward Together

Empowering America's Citizen Sector for the Change We Need

A Call to Action. As concerned leaders in the nonprofit, or citizen, sector, we have come together in this time of national crisis to renew our commitment to serve as partners in public service in addressing the challenges our nation faces. We invite our colleagues in the nonprofit sector, in organized philanthropy, in government, in the business world, and in academia, to join us in this effort so that together we can use the present crisis as an occasion to rededicate our nation to the principles of joint responsibility and concerted action that have long been the source of our strength.

Why Now? We issue this call now because of the magnitude of the problems that confront us, but also because of the opportunity the present moment offers to address them. The problems extend beyond a collapsing economy to include persistent poverty, disappearing jobs, strained families, failing schools, continuing environmental degradation, under-performing and overly costly health care, collapsing infrastructure, and many more.

Citizen Sector Capabilities. Serious though these problems are, however, we also feel confident about our nation's ability to solve them if we act together. This confidence arises in important part from our knowledge of the strength, commitment, and resilience of our nation's "citizen sector," our private, nonprofit organizations. From earliest time, these institutions have functioned as agents of change, incubators of innovation, and crucibles for some of our boldest experiments and highest ideals. Today as well they function as partners in public service sheltering the homeless, training the unemployed, educating our youth, building affordable housing, counseling families, delivering health care, giving voice to the powerless, enriching our lives with arts and culture, and serving uniquely as vehicles for citizen initiative in support of the common good. In the process, they contribute powerfully to our economy, employing 11 million paid workers--more than the construction industry (7.2 million), finance (5.2 million), transportation (5.1 million), real estate (2.1 million), and, with volunteers, more than all branches of manufacturing (14.4 million).

The Need. But America's citizen sector can no more solve the country's problems on its own than can government or business. Realizing this, our country has forged elaborate partnerships between government and the citizen sector in almost every policy sphere. But these partnerships were cobbled together in ad hoc fashion and are far from achieving their potential. What is more, our nonprofit organizations face a variety of other fiscal and operational strains. In this time of testing for our nation, when America needs its citizen sector more urgently than ever, we believe it is time to renew and reinforce America's compact with this crucial set of institutions.

This renewal process will involve work for all of us:

- For citizens,** it will require greater commitment to service and community, to giving and volunteering;
- For government at all levels,** it will require flexibility and new approaches, investment in nonprofit capacity, a nonprofit seat at the policy table, heightened responsiveness to citizen-sector innovations, and greater protection of the distinctive functions such as advocacy that make the citizen sector so vital;
- For business,** it will require strengthened partnerships with citizen sector organizations and continued integration of socially responsible objectives into central business operations;
- For organized philanthropy,** it will require greater commitment to leveraging, as opposed to preserving, assets, to fostering innovation, and to taking risks;

For nonprofit leaders and organizations, it will require effective management, continuous innovation, recommitment to mission, broadened engagement of citizens, and attention to measurable results; and

For everyone, it will require a recognition that no one set of institutions has all of the answers or all of the resources needed to address the problems we face, and that cooperative action by all of our institutions—government, business, and nonprofit—holds the real key to the progress we need.

Time to Act. The time for action is now and we call on our fellow citizens, and our partners in public service, to respond. The Action Agenda that follows identifies some of the concrete steps we feel are needed.

Forward Together: *The Action Agenda*

To improve our nation's ability to address the serious challenges our country faces, America needs to take fuller advantage of the important asset represented by its "citizen sector," our country's vast network of private, nonprofit organizations. Two sets of actions in particular are especially needed: first, a set of immediate actions designed to equip the citizen sector to engage fully in America's economic recovery; and second, a broader set of actions designed to enable the citizen sector to function more effectively as a partner in public service in addressing our country's enduring problems.

I. The Immediate Agenda

Equip the Citizen Sector to Engage Fully in America's Economic Recovery

America's nonprofit organizations have a crucial role to play in the immediate effort to help with our nation's economic recovery. In fact, as the Katrina recovery has shown, the road to recovery will ultimately pass directly through them. To help them with this task, steps such as these should be considered:

- 1) *Take advantage of existing mechanisms (such as the Emergency Food and Shelter Program) to channel significantly expanded assistance to families in need through the existing network of nonprofit organizations offering food, clothing, and housing.* To encourage citizen involvement in dealing with this crisis, any matching requirement attached to any of the existing mechanisms used to convey these funds could be met by mobilizing volunteers as well as money.
- 2) *Enlist America's sizable network of nonprofit housing, community development finance, and related organizations to help solve the mortgage crisis by re-working problem loans.* These organizations already manage billions of dollars of mortgage loans in low-income areas with delinquency rates far below those in the general sub-prime market.
- 3) *Make "build-ready" nonprofit facilities for youth, the homeless, the aged, and community betterment through arts and education eligible for stimulus infrastructure investments.* This would not only create jobs but produce needed community assets that could be used productively for decades.
- 4) *Rally giving and volunteering for recovery assistance.* Tax and other changes over the past eight years have steadily undermined the incentives to give and volunteer. To help mobilize private resources for recovery assistance, steps such as these should be considered: expand support for AmeriCorps and related service programs, allow non-itemizers to deduct their charitable contributions, incentivize foundations to exceed their required 5 percent payout rate to support recovery relief; and further extend provisions to allow retirees to make tax-exempt IRA withdrawals for charitable contributions.

II. The Longer Term Agenda

Renew America's Compact with the Citizen Sector

America's nonprofit organizations have been left to fend for themselves in the face of a variety of recent challenges: lack of public understanding, declining government support, inadequate growth of private giving, unequal access to investment capital, difficulties recruiting and retaining talented staff, and an imperfect capital market for scaling up promising innovations. To remedy these and related problems and allow our citizen sector to make the contributions to our national well-being of which it is capable, America needs to renew its compact with the citizen sector. This will involve a variety of steps.

1) Improve Government-Nonprofit Partnerships—at all levels. Nonprofit organizations have emerged as the crucial delivery system for much that government is attempting to do in the fields of health, environmental protection, social services, higher education, research, worker re-training, disaster assistance, international aid, and dozens more. Yet, the relationships between government and the nonprofit sector have evolved in ad hoc fashion, with too little attention to their operational inefficiencies or to their tendency to put valued characteristics of the citizen sector at risk.

An important first step to renewing our compact with the citizen sector and improving the performance of government's own programs must therefore be to rationalize and strengthen the critical partnership relationships between the citizen sector and government. This can be done by:

- Establishing a public-private Commission on Cross-Sector Partnerships for America's Progress;
- Empowering this Commission to articulate a set of Partnership Principles for a New America,
- Identifying changes needed to align existing programs with these principles and mechanisms to ensure these changes are made; and
- Creating a permanent institutional presence for the nonprofit sector at all governmental levels.

2) Invest in Citizen-Sector Capacity to Innovate and Perform. Given the crucial role that citizen-sector organizations have come to play in the delivery of government-funded services, government has acquired a huge stake in the efficiency, effectiveness, and capacity of its nonprofit partners. Given the formidable obstacles nonprofits face in attracting and retaining personnel, undertaking strategic planning, investing in staff development, scaling up innovations, and staying on the cutting edge of technological change, it is past time for government to acknowledge this stake by launching a *Citizen Sector Capacity-Building Initiative*, ideally in cooperation with the country's charitable foundations. Key components of such an initiative could include the following:

- Staff development and technical assistance grants, student loan forgiveness, health benefit aid, and other measures to help nonprofit organizations attract quality workers and improve performance;
- Investment tax credits, loan guarantees, or other incentives to boost nonprofit access to private investment capital for new technology, facilities and strategic planning;
- A *Social Innovation Grant Program* to seed and grow innovative approaches to public problems; Improvements in federal data needed to track nonprofit performance and economic health.

3) Support New Models of Nonprofit Finance. Given the long-standing limits on private giving and the growing limits on government support, America's nonprofit organizations are also in need of new models of finance. Fortunately, such new models may already be emerging in the form of

new mechanisms for attracting private capital into social ventures and new forms of business-nonprofit partnerships. To help promote these new models while sustaining and enhancing the existing streams of nonprofit revenue, a three-fold strategy is needed.

- Encourage private investment in citizen-sector initiatives thru tax and credit incentives, possible new social-venture legal arrangements, and incentives for leveraging foundation assets;
- Preserve and expand government's existing support for nonprofit organizations and establish a flexible funding mechanism to help scale up promising social innovations;
- Help push giving, volunteering, and service to new levels through such measures as a pilot charitable contribution tax credit, significant expansion of AmeriCorps and other service programs, augmented deductions for volunteer expenses, and full or partial restoration of the estate tax.

Conclusion

One hundred and seventy-three years after Alexis de Tocqueville reminded us that “nothing is more deserving of our attention” than America’s private, nonprofit organizations, our country faces an historic opportunity to bring our celebrated nonprofit institutions at last fully into the circle of national policy—not merely as alternatives to government action, but as full-fledged partners in public service working side-by-side with the public sector and with the business community to address our most serious public problems.

To grasp the enormous potentials this opportunity holds, however, changes are needed in the existing partnership arrangements and in the capabilities and resources of the citizen sector itself. The ideas presented here suggest a road-map toward this goal.

At the end of the day, America needs its citizen sector and cannot realize its aspirations, keep alive its central values, or tackle the problems it faces without them. But the citizen sector also needs America—to recognize the sector’s value, to understand its challenges, and to encourage and support its work through both public and private means. The task for us all today is to act on this knowledge.

Signatories

The individuals listed below have either participated in the development of this Declaration or reviewed the document and endorse its basic message. Others interested in signing onto this Declaration can do so by visiting www.jhu.edu/listeningpost/forward/.