RESEARCH REPORT

An Overview of the Financing of National Social Sector Infrastructure Providers

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Executive Summary

The social sector—which consists of private organizations (nonprofit, for-profit, and hybrids of the two), groups, and individuals acting to advance social missions as their primary purpose—needs a strong infrastructure, or support system, to thrive.

In researching the social sector infrastructure in 2021–22, financial insecurity emerged as a key theme. In a companion report, *The State and Future of the National Social Sector Infrastructure*, we addressed components of financial insecurity; in this report we dive deeper by examining the financial health of a subset of social sector infrastructure providers: national infrastructure providers incorporated as nonprofits that primarily serve philanthropic and nonprofit organizations. We do this through a literature review, focus groups with funders of infrastructure, interviews with leaders of infrastructure organizations, a survey of infrastructure users, and analysis of Form 990 data from infrastructure providers incorporated as nonprofits that spans the period 2014–19, which constitutes the most recent six-year data released by the Internal Revenue Service (IRS). Specifically, we explore the following research questions and arrive at the following statistically significant findings:

- **What are the overall size, revenue structure, and financial health of our sample of infrastructure providers from 2014 to 2019?** In our sample, infrastructure providers' annual revenue, expenses, and assets did not change during that time period. Their revenue structures relied heavily on contributions and grants, followed by program service revenue. While they had about three months of spending on hand, which is the recommended amount, they operated on margins that were close to 0 percent during the six-year period.
- **Do we see size, revenue structure, and financial health differences among infrastructure providers based on the following characteristics?**
    - » **Size of organization:** In our sample of infrastructure providers of all sizes (measured by annual expenses), the revenue structures did not differ from each other from 2014 to 2019. However, the quartile with the largest providers (those with median annual expenses of $5.4 million or more) had both median operating margins and median months of spending on hand that exceeded financial health benchmarks, and smaller providers did not. This indicates that the largest providers fared better than smaller providers.
    - » **Audience served**: Providers in our sample that primarily serve nonprofits (nonprofit-serving) and those that primarily serve philanthropy (philanthropy-serving) were smaller in terms of annual revenue from 2014 to 2019 than two other groups of infrastructure

providers; philanthropy-serving providers were smaller in terms of annual expenses than one other group of infrastructure providers. We also saw diversity in revenue structures based on whom the infrastructure providers primarily served. And we found disparities in the median operating margins and median months of spending on hand of nonprofit-serving providers and philanthropy-serving providers, with nonprofit-serving providers faring less well than philanthropy-serving providers.

  - **Those with and without dues-paying members:** Infrastructure providers with dues-paying members in our sample were smaller in terms of annual revenue and expenses than those without dues-paying members from 2014 to 2019. Infrastructure providers with dues-paying members had revenue structures that were less diverse than those of infrastructure providers without dues-paying members. Providers with dues-paying members had median months of spending on hand that exceeded the benchmark of three months, while providers without dues-paying members did not. Conversely, providers without dues-paying members had a median operating margin that exceeded 0 percent, while providers with dues-paying members did not. Therefore, the financial health metrics of the two categories were mixed.
  - **Age of organization:** We saw that the second-youngest group of infrastructure providers (those formed between 1999 and 2006) had (1) higher median annual expenses than the youngest group (those formed between 2007 and 2019); and (2) a median operating margin that was higher than 0 percent, while providers formed in other years did not.

- **What initial observations can we make about MacKenzie Scott's gifts to national infrastructure providers in 2021?** MacKenzie Scott's gifts to infrastructure providers increased attention to these organizations, but there is little indication so far that they have either inspired or depressed additional giving to infrastructure. Her commitment to shifting power is clear both in the number of infrastructure organizations she funded that target people identifying as Black, Indigenous, and people of color (BIPOC) or lesbian, gay, bisexual, transgender, and queer or questioning (LGBTQ) and in the no-strings nature of her gifts. So far, many recipients of her gifts have used the funding for capital investments, to accelerate or increase the scale of existing strategic plans, or to give their staffs breathing room from the hustle of perpetual fundraising.

Overall, the national infrastructure providers in our sample are surviving but not thriving financially, and in interviews we heard that many individual providers feel financially insecure. Our Form 990 analysis revealed that nonprofit-serving providers are less financially healthy than philanthropy-serving providers and providers with less than $5.4 million in annual expenses are less financially healthy than those with $5.4 million or more in annual expenses. With the ultimate goal of helping infrastructure providers to support the social sector, these findings indicate that the financial health of infrastructure providers in our sample, especially nonprofit-serving providers and small providers, would benefit from larger operating margins and more months of spending on hand. A surplus and a financial cushion can help providers invest in their growth, pursue new opportunities, make their services more affordable and accessible, and withstand financial downturns.

There are steps infrastructure providers, funders, and users can take to increase operating margins and months of spending on hand. For example, infrastructure providers can try to increase earned revenue. They can also pursue grants that cover the full costs of services, make services more affordable for infrastructure users, and allow flexibility to respond to the needs of the social sector. Infrastructure funders can provide these grants along with multiyear, general operating support and help providers establish other means of ongoing and steady support, such as from endowment income. And infrastructure users can support the infrastructure providers they value by paying dues and fees for services. These efforts can improve the financial security of national infrastructure providers so they can continue to help the social sector thrive.

An Overview of the Financing of National Social Sector Infrastructure Providers

The social sector—which consists of private organizations (nonprofit, for-profit, and hybrids of the two), groups, and individuals acting to advance social missions as their primary purpose—needs a strong infrastructure, or support system, to thrive. As Cynthia Gibson wrote in *Nonprofit Quarterly*, "Like a body without a backbone, a sector without a strong infrastructure will crumble."[1] (For definitions of "social sector" and "social sector infrastructure," see box 1 on page 3.)

This report is a companion to a more extensive study that sought to (1) develop a broad definition of social sector infrastructure, (2) gain an understanding of the current state of national social sector infrastructure and its financing, and (3) offer recommendations for the future of philanthropic and nonprofit organizations and networks within the national social sector infrastructure.[2] Here, we explore the financial health of national social sector infrastructure providers incorporated as nonprofits primarily serving philanthropic and nonprofit organizations (referred to as infrastructure providers throughout the report). (See box 1 for our definition of "social sector infrastructure providers.") We selected this segment of the infrastructure for two reasons: first, to mirror the focus of our larger study on social sector infrastructure; and second, because of our hypothesis that infrastructure providers incorporated as nonprofits likely have more complex revenue models than infrastructure providers incorporated as for-profits that primarily rely on earned revenue.

In focusing on national infrastructure providers incorporated as nonprofits that primarily serve philanthropic and nonprofit organizations, we recognize that we do not cover the financial health of (1) state and local providers, (2) providers that are not incorporated as nonprofits, and (3) providers that serve social sector users beyond philanthropic and nonprofit organizations. We end our report with suggested areas for future research. We briefly look at three national providers incorporated as for-profits and two national providers that are unincorporated groups to begin identifying future research questions to explore. We hope that future studies will examine the financial health of infrastructure providers not covered in our research.

In recent years, six studies have undertaken similar efforts to examine nonprofit and philanthropic infrastructure financing (Abramson and McCarthy 2012; Bokoff et al. 2018; Boris et al. 2009; Dillon et al. 2015; Knight and Ribeiro 2017; Liu 2022). From these studies, we know that infrastructure providers face numerous financial obstacles. They cite financial sustainability as a major challenge (Abramson and McCarthy 2012; Knight and Ribeiro 2017), as few foundations support them (Abramson and McCarthy 2012; Bokoff et al. 2018; Boris et al. 2009; Dillon et al. 2015), and foundation giving to infrastructure has not kept pace with foundation giving overall (Bokoff et al. 2018). The foundations that support infrastructure providers often fund a small number of providers (Bokoff et al. 2018; Boris et al. 2009), and they tend not to provide general operating or multiyear support (Boris et al. 2009). Funders often pressure infrastructure providers to increase their earned revenue streams, even when this type of funding does not make sense for their organizations (Boris et al. 2009). Additionally, some types of revenue, such as donations, can be volatile, and some types of revenue, such as government grants, can have high transaction costs (Liu 2022).

Building on the findings from these previous studies, our goal was to explore the financial health of infrastructure providers incorporated as nonprofits by examining new research questions:

- What are the overall size, revenue structure, and financial health of our sample of infrastructure providers?
- Do we see size, revenue structure, and financial health differences among infrastructure providers based on the following characteristics?
    - size of organization
    - audience served
    - those with and without dues-paying members
    - age of organization
- What initial observations can we make about MacKenzie Scott's gifts to national infrastructure providers in 2021?

We hope our findings will help social sector funders, providers, and users who wish to learn more about infrastructure financing. Funders, including private and public funders, may use this study to better understand the financial needs of national infrastructure providers incorporated as nonprofits and how to support their financial health. Providers may use this research to learn about trends among other providers to determine how best to strengthen their institutions' finances. Users may also gain a better understanding of the financial challenges that providers face, as well as gaps in resources that may require collective advocacy to address.

BOX 1

Definitions of Social Sector, Social Sector Infrastructure, and Social Sector Infrastructure Providers

The US social sector consists of private organizations (nonprofit, for-profit, and hybrids of the two), groups, and individuals acting to advance social missions as their primary purpose. This definition includes incorporated organizations as well as unincorporated groups and movements, and institutions as well as individuals.

The social sector infrastructure is the support system that helps the social sector thrive. It is an ecosystem of providers that offer services focused on sustainability, learning, relationships, and influence to social sector organizations, groups, and individuals.

Social sector infrastructure providers serve and support the sustainability, learning, relationships, and influence of at least one of the sector's core constituencies. For more detail on these definitions, see our report, *The Social Sector Infrastructure: Defining and Understanding the Concept*,[a] and interactive feature, Exploring the Social Sector Infrastructure.[b]

Notes:

[a] Available at https://www.urban.org/research/publication/social-sector-infrastructure-definition.

[b] Available at https://socialsectorinfrastructure.urban.org/.

Overview of Methods

We analyzed Form 990 data from infrastructure providers incorporated as nonprofits, interviews with leaders of infrastructure organizations, literature, focus groups with funders of infrastructure, and findings from a survey of infrastructure users. This section contains an overview of our Form 990 analysis, interviews, and literature review. For information about our focus groups and survey, refer to appendix C.

Form 990 Analysis

Our team conducted an analysis of Form 990 data (see box 2 for an explanation of Form 990) from national infrastructure providers incorporated as nonprofits from 2014 to 2019. This analysis involved several steps: developing the list of national infrastructure providers incorporated as nonprofits, coding the list, creating the infrastructure providers dataset, and conducting the analysis. This analysis does not include for-profit organizations, unincorporated groups, or public sector agencies because these types of providers do not file Form 990.

BOX 2

What Is Form 990?

The IRS requires incorporated nonprofit organizations to file an annual return, called Form 990. There are different versions of Form 990 for organizations of different sizes and types. Organizations with gross receipts less than or equal to $50,000 can file the simplified Form 990-N (also known as the e-Postcard) or the full Form 990. Organizations with gross receipts under $200,000 and total assets under $500,000 can file the simplified Form 990-EZ or the full Form 990. Larger organizations must file the full Form 990. Regardless of size, private foundations must always file the Form 990-PF.[a]

The IRS has required Form 990-N filers to electronically file (e-file) their returns since tax periods beginning after December 31, 2006. Still, until recently, the IRS accepted paper and e-filed returns from other filers. The Taxpayer First Act, enacted on July 1, 2019, requires all nonprofits to e-file their returns. For Form 990-EZ filers, returns must be e-filed for tax periods ending July 31, 2021, and later. For Form 990 and Form 990-PF filers, returns must be e-filed for tax periods ending July 31, 2020, and later.[b]

This study uses financial data from Form 990 and Form 990-EZ e-filers, which by definition are nonprofit organizations.

Notes:

[a] "Form 990 Series Which Forms Do Exempt Organizations File Filing Phase In," IRS, accessed September 20, 2022, https://www.irs.gov/charities-non-profits/form-990-series-which-forms-do-exempt-organizations-file-filing-phase-in.

[b] "E-file for Charities and Non-Profits," IRS, accessed September 20, 2022, https://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

DEVELOPING THE LIST OF NATIONAL INFRASTRUCTURE PROVIDERS INCORPORATED AS NONPROFITS

When we began developing this list, we looked for a code within the National Taxonomy of Exempt Entities (NTEE)—the system that the IRS uses to classify nonprofits—that describes the services of infrastructure providers.[3] If we had found such a code, we could have filtered the Form 990 data to generate a list of infrastructure providers incorporated as nonprofits. However, we learned that no such code exists, and so we could not use the Form 990 data to generate our list. Ultimately, the providers in our final list spanned 93 out of 655 NTEE codes (see appendix D).[4]

We merged existing lists of infrastructure providers, including organizations listed in Renz (2009), organizations listed in appendix B of Bokoff and colleagues (2018), the Council on Foundations' list of philanthropic infrastructure organizations,[5] the Stanford Center on Philanthropy and Civil Society's Philanthropist Resource Directory,[6] and United Philanthropy Forum's list of members.[7] We added to these lists by gathering names of infrastructure providers during focus groups in January, February, and

March 2022; from the Urban/GMU Social Sector Advisory Committee and the Infrastructure Research Collaborative advisory group, hosted by New Venture Fund (see appendixes A and B); and from our project team.

Then, we cleaned that list of infrastructure providers by removing organizations that do not file a Form 990, organizations that routinely make grants (because their revenue models might look different from those of other infrastructure providers), organizations that serve a local or regional audience (because this project focuses on infrastructure organizations that serve a national audience), organizations that do not meet our definition of infrastructure providers (see box 1 on page 3), and universities and think tanks that have one or more centers or offices that meet our definition of infrastructure providers (since Form 990 does not separate data by centers or offices).

CODING THE LIST

We coded our list of providers by the primary audience they serve and by whether they have dues-paying members.

Primary audience. Using the providers' websites, we reviewed their mission statements and their lists of partners or clients to determine if they primarily serve nonprofits, philanthropy, nonprofits and philanthropy, movements and civic engagement, or corporations and social enterprises.[8] For a description of our five categories, see box 6 on page 21.

Dues-paying members. We also reviewed providers' websites to determine whether to code them as "has dues-paying members" or "does not have dues-paying members." We coded a provider as "has dues-paying members" if its website has information about becoming a member by paying dues and as "does not have dues-paying members" if its website does not have information about becoming a member by paying dues. A few websites have information about becoming a member by signing up for a free membership; in these cases, we coded the provider as "does not have dues-paying members" since people do not need to pay dues to become members.

Appendix E contains our final list of national infrastructure providers incorporated as nonprofits in our sample, including their primary audience served and whether they have dues-paying members.

CREATING THE INFRASTRUCTURE PROVIDER DATASET

Once we had our list of infrastructure providers incorporated as nonprofits, we created the dataset by matching the Employer Identification Numbers (EIN) of organizations on our list with data compiled from e-filed Form 990 and Form 990-EZ for 2014–19 by the Nonprofit Open Data Collective. We used 2014–19 data because the IRS has not yet released newer data for many organizations. As mentioned in box 2, the IRS did not require Form 990 and Form 990-EZ filers to e-file their annual returns until after this time period. Therefore, our final dataset contained only 165 of the 177 in our list because the other 12 did not e-file their returns. We cleaned the financial variables[9] and converted these financial variables to 2019 dollars, adjusting for inflation by using Consumer Price Index data from the US Bureau of Labor Statistics.[10]

CONDUCTING THE ANALYSIS

We calculated each organization's total revenue, total expenses, and total assets to assess size. Then we assessed revenue diversity and financial health using the methods outlined in boxes 3 and 4 on pages 8 and 9. Appendix F contains the Form 990 and Form 990-EZ lines that correspond to the variables and formulas used in this report. We ran a combination of linear regressions, analysis of variance (ANOVA), Kruskal-Wallis rank sum tests, t-tests, Wilcoxon rank sum tests, and bootstrap confidence intervals to determine statistical significance at alpha=0.05.

Interviews

Our team conducted interviews from May through August 2022 with 31 people representing 29 national infrastructure providers (table 1). Nineteen of these people represented 18 nonprofit organizations, 5 represented 5 for-profit organizations, and 7 represented 6 unincorporated groups, although our findings focus on the interviewees who represented nonprofit organizations. We did not interview anyone from public sector agencies. During the interviews, we asked providers to comment on the value of and gaps in the existing infrastructure, answer questions related to equity, and share thoughts about how the infrastructure might need to change in light of existing trends.

In 15 of the interviews, we asked supplemental questions about financing to better understand providers' revenue models, including what is and is not working well and how their finances have changed over the past five years; their observations about how other infrastructure providers are doing financially; and what would be most helpful to their finances. Each of these interviews involved one interviewee. Of these 15 interviewees, 10 represented nonprofit organizations, 3 represented for-profit organizations, and 2 represented unincorporated groups. We asked 6 of the interviewees representing nonprofit organizations two additional questions about receiving donations from MacKenzie Scott, including the best part of receiving the donation and the biggest challenge to receiving it.

TABLE 1

About Our Interviewees

Infrastructure provider type	Number of interviewees and organizations or groups	Number of interviewees asked supplemental financial questions	Number of financial supplement interviewees who received MacKenzie Scott donations
Nonprofit organization	19 people from 18 organizations	10 people from 10 organizations	6 people from 6 organizations
For-profit business	5 people from 5 organizations	3 people from 3 organizations	0
Unincorporated social sector group	7 people from 6 groups	2 people from 2 groups	0
Public sector agency	0	0	0
Total	31 people from 29 organizations/groups	15 people from 15 organizations/groups	6 people from 6 organizations

Literature Review

To deepen our understanding of the financing of national infrastructure providers, we began by reviewing existing literature on this topic. We included the major academic and nonacademic studies on social sector infrastructure financing in appendix G. Additionally, to develop the framework for our Form 990 analysis, we reviewed academic papers on nonprofit fiscal health metrics and revenue diversification strategies.

Findings

In this section, we examine the research questions for this report:

- What are the overall size, revenue structure, and financial health of our sample of infrastructure providers?
- Do we see size, revenue structure, and financial health differences among infrastructure providers based on the following characteristics?
  - » size of organization
  - » audience served
  - » those with and without dues-paying members
  - » age of organization
- What initial observations can we make about MacKenzie Scott's gifts to national infrastructure providers in 2021?

Exploring these questions will help us understand (1) the overall financial state of infrastructure providers in our sample, (2) whether certain infrastructure providers in our sample are facing different or greater financial challenges than others, and (3) what positive or negative impacts MacKenzie Scott's gifts have had on national infrastructure providers. These findings will equip infrastructure funders, providers, and users with information to improve the financial health of these organizations.

We explore the first two research questions using our literature review and data from our focus groups, interviews, survey, and Form 990 analysis; we answer our third research question using our literature review and interview data. When examining the first two questions, we use Form 990 data to assess revenue diversity and financial health. See boxes 3 and 4 for more information about how we assess revenue diversity and financial health.

BOX 3

How We Assess Revenue Diversity

We assess revenue diversity by examining the mean proportion of total revenue from contributions and grants, program service revenue, investment income, and other revenue. The category of contributions and grants includes support from government, foundations, other nonprofits, and individuals, including membership dues. Program service revenue includes funding that an organization receives in exchange for providing services (e.g., tuition, admissions, fees). Investment income consists of money earned from interest and dividends on equity, debt, and bond securities. Other revenue includes all other sources of revenue not included in the other categories.[a]

We use Form 990 data to assess revenue diversity, understanding that these data do not provide a complete picture of organizations' revenue diversity for two major reasons. First, nonprofits do not complete the Form 990 in a consistent manner. For example, some nonprofits with dues-paying members report this revenue as contributions and grants from membership dues, some report it as other contributions and grants, and others report it as program service revenue. Second, although the Form 990 data tell us that infrastructure providers rely heavily on contributions and grants, they do not tell us the number of funders from which they receive contributions and grants. For example, a provider that gets 80 percent of its revenue from contributions and grants derived from a single funder has a much less diverse revenue structure than a provider that gets 80 percent of its revenue from contributions and grants from multiple funders.

Notes:

[a] The IRS defines contributions and grants as "cash and noncash amounts received as voluntary contributions, gifts, grants or other similar amounts from the general public, governmental units, foundations, and other exempt organizations" (Internal Revenue Service 2021, 37).

The IRS defines program service revenue as "income earned by the organization for providing a government agency with a service, facility, or product that benefited that government agency directly rather than benefiting the public as a whole…[,] tuition received by a school, revenue from admissions to a concert or other performing arts event or to a museum; royalties received as author of an educational publication distributed by a commercial publisher; interest income on loans a credit union makes to its members; payments received by a section 501(c)(9) organization from participants or employers of participants for health and welfare benefits coverage; insurance premiums received by a fraternal beneficiary society; and registration fees received in connection with a meeting or convention" (Internal Revenue Service 2021, 39).

The IRS defines investment income as "the gross amount of interest income from savings and temporary cash investments, dividend and interest income from equity and debt securities (stocks and bonds), and amounts received from payments on securities loans, as defined in section 512(a)(5), as well as interest from notes and loans receivable," "all investment income actually or constructively received from investing the proceeds of a tax-exempt bond issue, which are under the control of the organization," and "the gain or loss" of "all sales of securities" and "sales of all other types of investments (such as real estate, royalty interests) and all other non-inventory assets (such as program-related investments and fixed assets used by the organization in its related and unrelated activities)" (Internal Revenue Service 2021, 40–41).

Lastly, the IRS defines other revenue as "all other types of revenue" (Internal Revenue Service 2021, 42).

BOX 4

How We Assess Financial Health

We assess financial health by examining two measures: months of spending on hand and operating margin. In the section Providers in Our Sample, we look at each year separately; in the subsequent sections, we take the average across the six years.

We calculate months of spending on hand with the following formula:

$$12 * \frac{\text{unrestricted net assets} - (\text{land, buildings, and equipment} - \text{tax-exempt bond liabilities} - \text{mortgages and notes payable})}{\text{total expenses} - \text{depreciation}}$$

This measure indicates how many months a provider could maintain its current spending on operations if it suddenly lost all of its revenue. According to Bowman (2011), researchers recommend that nonprofits maintain at least three months of spending. Organizations without at least three months of spending on hand are not considered financially healthy because if they suddenly lost all of their revenue, they would have a small window of time to maintain their current level of operations while seeking new revenue sources.

We calculate operating margin with the following formula:

$$\frac{\text{total revenue} - \text{total expenses}}{\text{total revenue}}$$

Organizations with negative operating margins are not financially healthy because this indicates the organizations are spending more money than they are earning (i.e., they have a deficit); they will likely have to reduce their operations because they will not have enough money to continue at the current level. Conversely, organizations with positive operating margins, especially larger operating margins, are considered financially healthy because it means the organizations are earning more money than they are spending (i.e., they have a surplus); they can save money to invest in their growth, pursue new opportunities, or withstand a financial downturn (Tuckman and Chang 1991).

Providers in Our Sample

In this section, we examine our sample of infrastructure providers' overall size, revenue structure, and financial health over a six-year period. We do not provide comparisons to the overall nonprofit sector for two reasons: First, our sample of infrastructure providers is limited to national organizations, and we do not have a way to generate a sample of nonprofits that are national in scope. Second, our sample of infrastructure providers does not include the entire universe of national infrastructure providers, so a sample of nonprofits that is national in scope would still contain some national infrastructure providers. This means we would not necessarily be able to compare infrastructure providers to nonprofits that are not infrastructure providers.

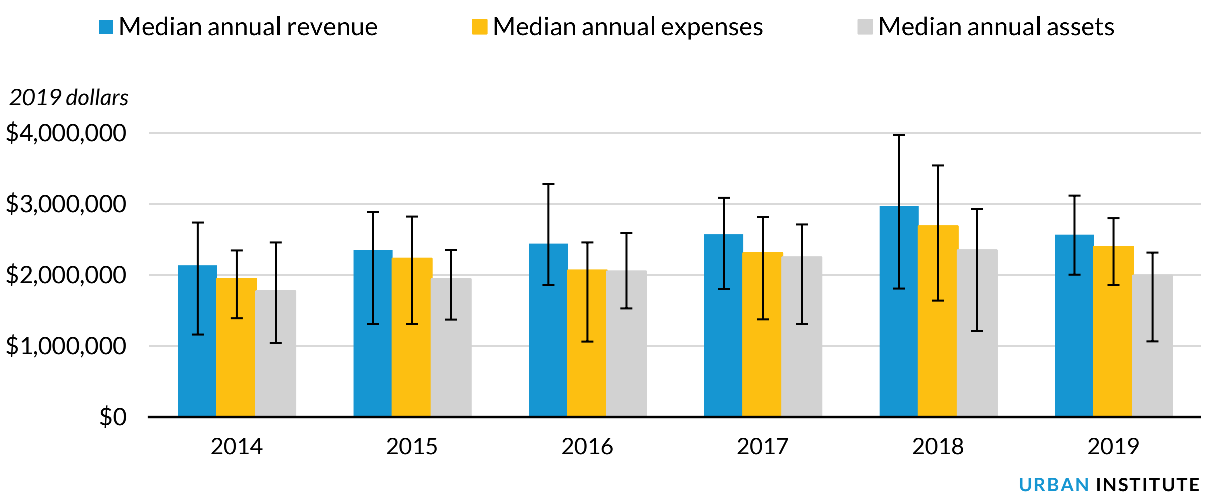
SIMILAR REVENUE, EXPENSES, AND ASSETS OVER TIME

For the period 2014–19, in our sample, infrastructure providers' median annual revenue ranged from \$2.1 million to \$3 million, their median annual expenses ranged from \$1.9 million to \$2.7 million, and their median annual assets ranged from \$1.8 million to \$2.3 million, adjusted for inflation to 2019 dollars (figure 1).[11]

FIGURE 1

Infrastructure Providers' Median Annual Revenue, Expenses, and Assets Did Not Increase by a Statistically Significant Amount

Infrastructure providers' median annual revenue, expenses, and assets, 2014–19



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We adjusted dollar amounts to 2019 dollars, accounting for inflation. See table H.1 in appendix H for the bootstrap confidence interval values, which are represented in this figure by the vertical lines overlying the bars. Number of providers included in each year for this figure: 2014 (123), 2015 (131), 2016 (140), 2017 (144), 2018 (149), 2019 (143).

These providers' median annual revenue, expenses, and assets did not increase by a statistically significant amount during this period. In upcoming sections, we look at how revenue, expenses, and assets vary by primary audience, whether the infrastructure provider collects membership dues, and the age of the organization to see if we can identify any differences in our sample.

However, it is important to note that our sample of infrastructure providers is limited to organizations that are national in scope, so they may be larger than infrastructure providers that are regional or local in scope. Additionally, many of the infrastructure providers in our sample came from existing lists of infrastructure providers, which may have been biased toward large providers. Therefore, readers should not generalize these revenue, expenses, and assets sizes to all infrastructure providers incorporated as nonprofits but instead use them to understand the infrastructure providers in our sample.

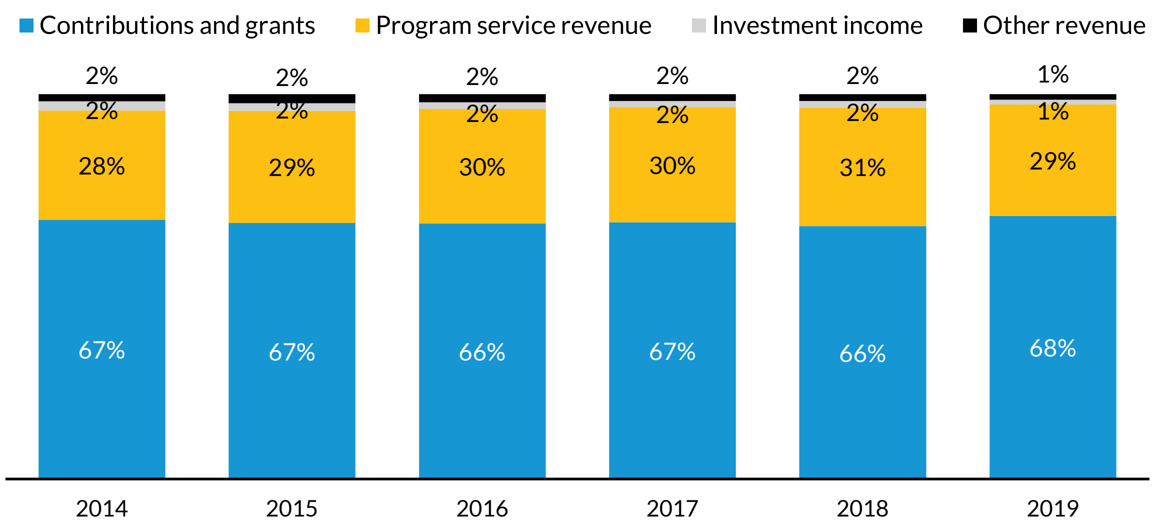
HEAVY RELIANCE ON CONTRIBUTIONS AND GRANTS

During this period, our sample of infrastructure providers had revenue structures that relied heavily on contributions and grants (figure 2).

FIGURE 2

Infrastructure Providers Had Revenue Structures That Relied Heavily on Contributions and Grants

Infrastructure providers' average revenue structure, 2014–19



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Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Note: Number of providers included in each year for this figure: 2014 (123), 2015 (131), 2016 (140), 2017 (144), 2018 (149), 2019 (143).

These providers did not experience statistically significant change in their revenue structures in 2014–19. On average, about two-thirds of revenue came from contributions and grants, with just under one-third from program service revenue. Given the limitations of the Form 990 data for assessing revenue diversity, we supplemented this analysis by asking questions in our financing interviews about revenue diversity. (See box 3 on page 8 for more information about how we assess revenue diversity.) Interviewees did not have their financial information in front of them during the interviews, so they answered based on memory. However, these interviews offer valuable insights that can add color to the Form 990 data.

The 10 infrastructure providers we interviewed about finances have a variety of revenue sources, but like the providers in our Form 990 dataset, they rely heavily on contributed revenue. Of the 9 interviewees that estimated the percentages of revenue they receive from different sources, 7 said that contributions and grants—mostly from foundation grants and membership dues—make up over 50 percent of their revenue. The other 2 providers rely mostly on program service revenue through earned income.

Three providers commented on the topic of revenue diversity. Two of these interviewees' organizations have diversified their revenue in recent years. The first interviewee's organization previously relied on grants from a small number of foundations, which would have created financial vulnerability for the organization if one of the foundations stopped funding or dramatically decreased funding to the organization. Recognizing this vulnerability, the organization made an intentional effort to increase its membership and membership dues. This interviewee expressed a sense of relief about this diversification. The second interviewee's organization previously relied more heavily on foundation grants but increased its earned income streams in recent years to diversify its revenue. The third interviewee's organization gets all of its revenue from foundation grants. This interviewee expressed a concern about the organization's lack of revenue diversification and thinks it will face challenges growing and achieving its mission without finding other sources of revenue. The interviewee believes that organizations with diverse revenue streams have the best financial strength. However, this organization does not have the staff capacity to pursue other funding sources because the current staff spends so much of its time managing the grants they receive from foundations, and because managing diverse revenue sources requires additional administrative time.

While we cannot draw conclusions about the ideal revenue structure of infrastructure providers from three interviews, these comments suggest benefits to pursuing diverse revenue streams where possible. Our Form 990 data showed that infrastructure providers in our sample relied heavily on contributions and grants in 2014–19, but as box 3 on page 8 describes, these data provide a limited picture of revenue diversity.

In our financing interviews, interviewees also discussed the benefits and challenges of receiving contributions and grants, program service revenue, and investment income (see box 5).

BOX 5

Benefits and Challenges of Receiving Contributions and Grants, Program Service Revenue, and Investment Income

Contributions and Grants

All 10 of the infrastructure providers we interviewed about financing receive at least some revenue from contributions and grants, including foundation grants. Previous studies found that foundations play a crucial role in funding infrastructure (Abramson and McCarthy 2012; Clough and Brown 2009; Knight and Ribeiro 2017), and interviewees agreed. However, several interviewees brought up challenges they experience with foundation grants. Five of our 10 interviewees brought up difficulties related to receiving restricted grants that do not cover operational costs and do not allow them to respond to the changing needs of those who use their infrastructure services. Previous social sector infrastructure financing studies identified infrastructure providers' desire for general operating support (Bokoff et al. 2018; Boris et al. 2009). Our focus group participants, who are funders of infrastructure themselves, also brought up the need for funders to provide more general operating support to infrastructure providers. Three interviewees brought up challenges related to receiving one-year grants that require them to reapply for the same funding every year. The interviewees prefer to spend that time applying for new funding or working toward their mission. They also noted that uncertainty about whether a foundation would renew a one-year grant made planning difficult. For example, one interviewee said these challenges prevent the organization from hiring additional staff, because it does not know if it will be able to pay them after the current grant ends. And without additional staff, the organization cannot increase the marketing of its earned revenue activities, which would ultimately make the organization more sustainable. Boris and colleagues (2009) also identified the desire for multiyear funding. Two interviewees noted that foundation requirements to complete burdensome application and reporting requirements take time away from other work.

Six of our 10 interviewees' organizations collect membership dues. Three of these interviewees cited the unrestricted funding from membership dues as a major benefit, as did Cohen (2009). However, one interviewee noted that membership dues do not scale quickly because it takes a long time to increase a membership base. Another interviewee discussed the challenge of determining the appropriate amount to charge for membership dues because, as researchers have pointed out, smaller organizations find the high membership dues of some infrastructure providers unaffordable (Abramson and McCarthy 2012). Similarly, in our survey of infrastructure users, 78 percent of respondents reported cost as the biggest obstacle in obtaining infrastructure supports. After this interviewee's organization realized that its high dues prohibited some organizations from joining, it created a dues structure tailored to organizational size, with smaller organizations paying less. While the provider described maintaining the dues structure as time-consuming, the effort was ultimately worthwhile because it increased the number of members and allowed the organization to reach members who otherwise would not have joined.

Program Service Revenue

Seven of our 10 interviewees' organizations receive revenue from program service revenue. This proportion aligns with Knight and Ribeiro's (2017) finding that 70 percent of global philanthropic infrastructure providers receive funding from "sales of services and goods" (Knight and Ribeiro 2017, 25). One significant benefit of earned revenue is that it provides unrestricted funding. However, three interviewees brought up the challenge of determining the appropriate amount to charge for services to ensure their sustainability and financial accessibility. One of these interviewees said the organization's earned revenue activities operate at a loss, because it cannot charge prices high enough to cover the cost of the time that staff spend providing the services. The second interviewee said the organization charges sliding scale fees and uses the surplus generated by those at the top of the scale to offset the losses generated by those at the bottom of the scale. The third interviewee said that foundations give the organization grants to subsidize the cost of providing services to nonprofits that cannot afford to pay for them. However, this interviewee emphasized that this practice can create inequities when foundations will only subsidize the cost of services provided to *their grantees* specifically.

These examples show the challenges of balancing sustainability for providers and financial accessibility for users. Providers cannot sustain activities that operate at a loss. Still, our survey of infrastructure users highlights the importance of financial accessibility: 78 percent of user respondents reported cost as their most significant obstacle in obtaining infrastructure supports. Our focus group participants also emphasized the importance of financial accessibility, noting that there are "stellar" infrastructure services available, but only to those who can afford them. Boris and colleagues (2009) also identified the challenges that providers face in balancing sustainability and financial accessibility, noting that focusing too heavily on earned revenue can cause providers to limit their services to those that return a profit—such as trainings and consulting—at the expense of less lucrative, but essential services—such as research and advocacy.

Investment Income

Only 1 of the 10 infrastructure providers incorporated as nonprofits that we interviewed about finances mentioned having investment income, and the interviewee described it as a very small portion of the organization's revenue. Similarly, few of the providers in Clough and Brown's (2009) study said their organizations had much investment income. The interviewee whose organization has a small amount of investment income did not specify the type of investment income. However, when asked to describe the characteristics of financially strong infrastructure providers, two interviewees brought up the importance of endowments, commenting that providers with investment income from their endowments benefit from the stable and ongoing support.

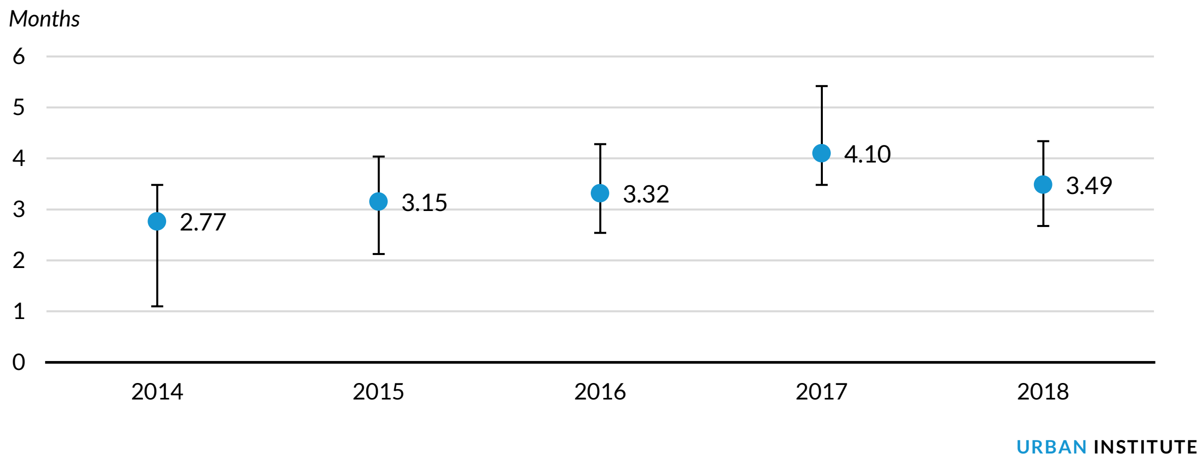
ABOUT THREE MONTHS OF SPENDING ON HAND AND MARGINS CLOSE TO 0 PERCENT

In our sample, infrastructure providers' median months of spending on hand did not increase by a statistically significant amount between 2014 and 2018. Their median months of spending on hand was 2.77 in 2014, which was slightly below the benchmark of three months but not statistically significantly below it. In other years, providers' median months of spending on hand was slightly above the benchmark, but they only exceeded the benchmark by a statistically significant amount in 2017 (figure 3). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 3

Infrastructure Providers Had about Three Months of Spending on Hand

Infrastructure providers' median months of spending on hand, 2014–18



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. See table H.2 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers included in each year for this figure: 2014 (119), 2015 (125), 2016 (134), 2017 (134), 2018 (143).

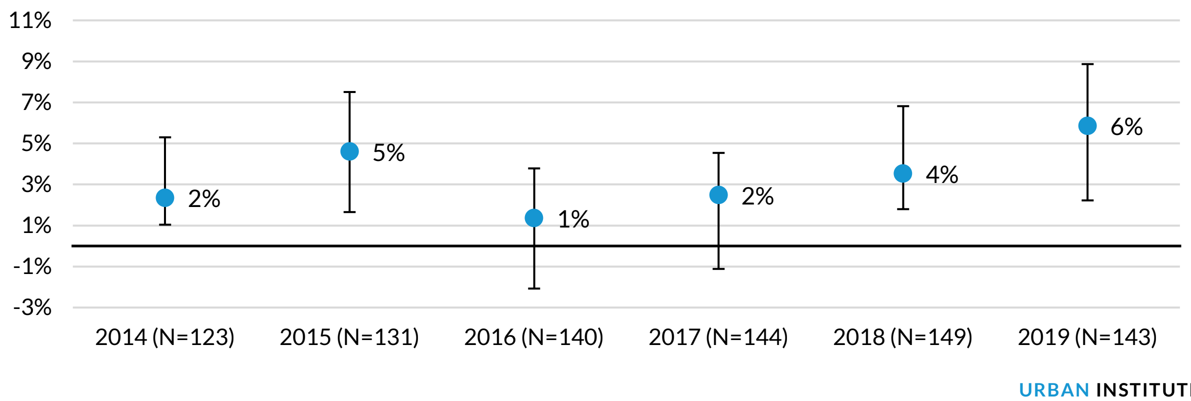
This means that if these providers had suddenly lost all their revenue in 2014, 2015, 2016, or 2018, they would have had about three months to maintain operations while seeking new revenue sources; starting in 2017, they would have had longer than three months to do so. However, we heard in our interviews that providers would benefit from more months of spending on hand. Interviewees said that having additional months of spending on hand would allow them to plan for the future and give them a break from the constant pressure of fundraising.

Additionally, in our sample, infrastructure providers' median operating margins did not see statistically significant growth in 2014–19. Their median operating margins ranged from 1 to 6 percent, which means they operated at a small surplus. But these medians only exceeded 0 percent by a statistically significant amount in 2014, 2015, 2018, and 2019 (figure 4). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 4

Infrastructure Providers Operated on Margins Close to 0 Percent

Infrastructure providers' median operating margin, 2014–19



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: See table H.3 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers included in each year for this figure: 2014 (123), 2015 (131), 2016 (140), 2017 (144), 2018 (149), 2019 (143).

This means that in 2016 and 2017, they had a lower ability to strengthen their organizations than in other years. Further, in our interviews, even leaders whose organizations' average operating margins in 2014–19 exceeded 0 percent (10 and 4 percent, respectively) described challenges, which indicates that exceeding this benchmark does not guarantee strong financial health or allow organizations to grow and sustain their operations in the ways they need. One of these leaders described needing to add staff capacity but not having the reserves or consistent funding necessary to do so, and the other explained that the organization's earned revenue activities have negative operating margins.

One factor that may contribute to providers' low operating margins is inadequate foundation funding. Some interviewees perceived a decrease in foundation funding for infrastructure; others expressed concerns that not enough foundations support infrastructure and/or that the foundations that do support infrastructure do not provide adequate funding. They worry that foundations want to fund nonprofits that provide direct services to communities rather than the infrastructure providers that support those nonprofits. In our focus groups with funders of infrastructure, participants also expressed concerns that foundations underfund infrastructure. Previous studies have recommended that foundations increase their financial support of infrastructure (Abramson and McCarthy 2012; Boris et al. 2009). Boris and colleagues (2009) recommended "a campaign to encourage all foundations to tax themselves or tithe a percentage of their grant money to infrastructure" (71), and in 2016, leaders of several infrastructure organizations wrote a letter to foundations that made the same request.[12] The Form 990 does not separate out foundation funding from other types of contributions and grants, so we cannot analyze whether foundation funding changed in the 2014–19 period.

Lack of government funding may also contribute to providers' low operating margins. Previous studies have identified the lack of government funding for infrastructure providers as a barrier to infrastructure sustainability (Abramson and McCarthy 2012; Clough and Brown 2009). Only one of the infrastructure providers we interviewed received government grants on a regular basis. The Paycheck Protection Program, launched in the early months of the COVID-19 pandemic, demonstrated the value of government funding for infrastructure by providing Small Business Administration–backed loans to nonprofits.[13] Interviewees and focus group participants expressed a desire for regular government funding of nonprofit organizations beyond emergency situations like COVID-19, similar to how the government provides ongoing and regular support to small businesses. Following the Great Recession of 2008, some nonprofits that provide infrastructure services received support through the Strengthening Communities Fund of the American Recovery and Reinvestment Act of 2009 (Abramson and McCarthy 2009), but the program lasted only two years (De Vita et al. 2013). Form 990 separates out government grants from other contributions and grants but combines government contracts with other program service revenue, so it does not provide a complete picture of the total amount of funding a nonprofit receives from government. For that reason, we did not analyze whether government funding changed in 2014–19.

Increased funding to infrastructure providers, whether from philanthropic or public resources, could increase providers' operating margins, which in turn could provide many benefits to providers and the social sector. For example, providers could expand their services at discounted rates to communities in the social sector that cannot afford expensive services. Making services more affordable without causing infrastructure providers to operate with low or negative margins would benefit the social sector through increased accessibility and benefit providers by ensuring financial sustainability. Providers could also use increased operating margins to hire sufficient staff and offer policies that promote staff well-being and lower the risk of burnout.

Providers by Size

In this section, we examine whether the size of infrastructure providers in our sample is correlated with their revenue structures and financial health. We split our sample of infrastructure providers into four groups, using a quartile split based on their average total expenses in 2014–19, with the smallest providers in the first quartile and the largest providers in the fourth quartile (figure 5).

We hypothesized that larger providers might have different revenue structures and better financial health than smaller providers. As expected, we found that the quartile with the largest providers had better financial health metrics than the three other quartiles. However, contrary to our hypothesis, we noted similar revenue structures across the four size groups.

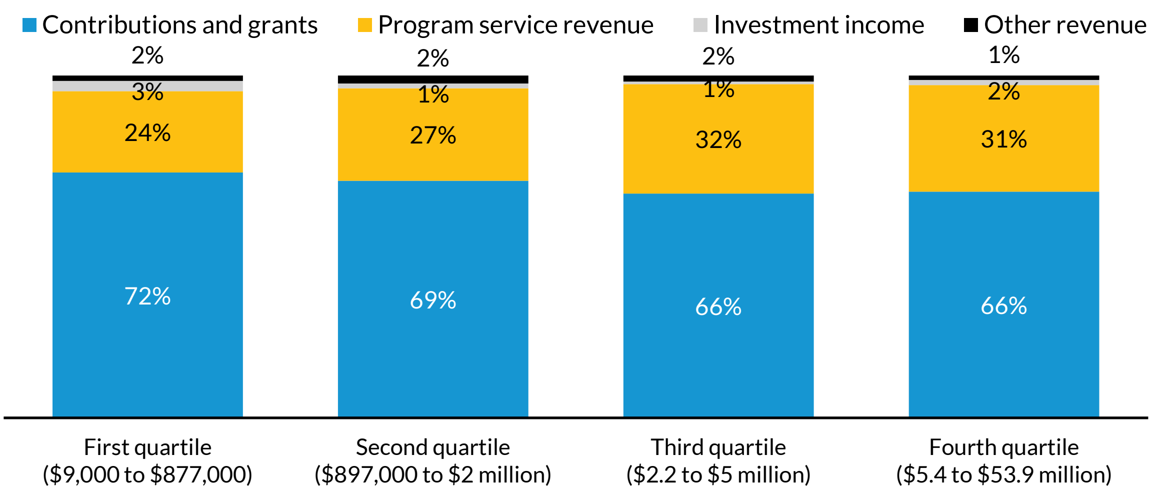
SIMILAR REVENUE STRUCTURES BY SIZE

Infrastructure providers of all sizes in our sample had revenue structures that were not statistically significantly different from each other in 2014–19 (figure 5). (See box 3 on page 8 for more information about how we assess revenue diversity.)

FIGURE 5

Infrastructure Providers' Revenue Structures Did Not Differ by Size

Infrastructure providers' average revenue structure, 2014–19, by size



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Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We categorize size using a quartile split on average total expenses. We define "average revenue structure" as the average of infrastructure providers' average revenue structure in 2014–19. Number of providers in each quartile for this figure: first quartile (42), second quartile (41), third quartile (41), third quartile (41).

Researchers offer mixed arguments about the importance of revenue diversification for nonprofits,[14] but this finding indicates that providers across the four size groups in our sample had revenue structures that were no more or less diverse compared with each other. Therefore, organizations in our sample of infrastructure providers are no more or less likely to experience the benefits or drawbacks of revenue diversification by size.

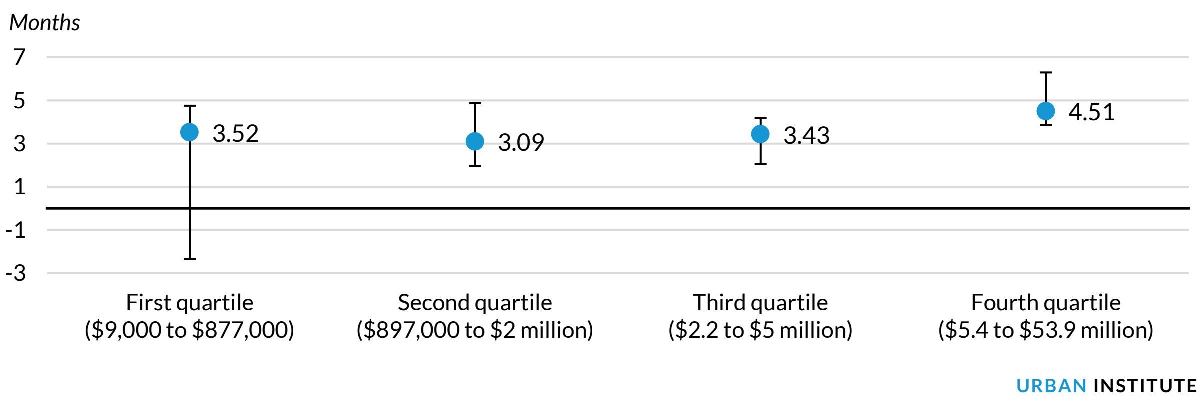
THE LARGEST PROVIDERS HAD THE BEST FINANCIAL HEALTH

Providers across the four size groups in our sample had months of spending on hand that were not statistically significantly different from each other in 2014–18. However, the quartile with the largest providers had median months of spending on hand that were statistically significantly higher than the benchmark of three months, while the three quartiles of smaller providers did not (figure 6). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 6

The Quartile with the Largest Infrastructure Providers Had Median Months of Spending on Hand That Exceeded the Benchmark

Infrastructure providers' median months of spending on hand, 2014–18, by size



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We categorize size using a quartile split on average total expenses. We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. See table H.4 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers in each quartile for this figure: first quartile (30), second quartile (40), third quartile (40), third quartile (41).

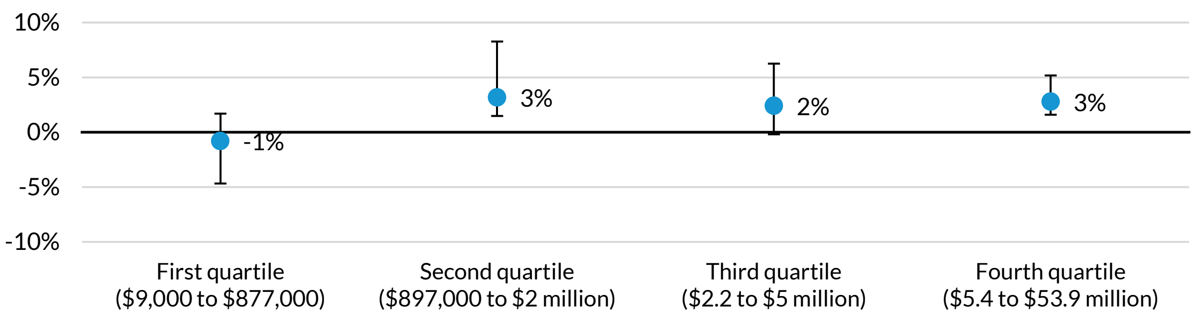
This means that if the quartile of the largest providers had suddenly lost all their revenue, they would have had longer than three months to maintain operations while seeking new revenue sources, while the smaller providers would have had less time to do so. Therefore, larger providers were in a better financial position, in terms of months of spending on hand.

Additionally, in 2014–19, providers across the four size groups in our sample had operating margins that were not statistically significantly different from each other. However, the second and fourth quartiles of providers (the group with the second-smallest annual expense size and the group with the largest annual expense size) had median operating margins that were statistically significantly above 0 percent, while the other two quartiles of providers did not (figure 7). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 7

The Second and Fourth Quartiles of Infrastructure Providers Had Median Operating Margins That Exceeded the Benchmark

Infrastructure providers' median operating margin, 2014–19, by size



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Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We categorize size using a quartile split on average total expenses. We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. See table H.5 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers in each quartile for this figure: first quartile (42), second quartile (41), third quartile (41), third quartile (41).

This means that the second and fourth quartiles of providers were financially healthier than the other two quartiles of providers with respect to operating margins. However, all groups had median operating margins that were close to 0 percent, which means that they had limited ability to strengthen their organizations. Higher margins could allow infrastructure providers of all sizes to improve their programs or services to better meet the needs of the social sector and reach new social sector audiences.

Providers by Primary Audience

In this section, we examine whether the primary audience that infrastructure providers serve is correlated with their size, revenue structures, and financial health. (See box 6 for information about how we categorized providers by primary audience.)

BOX 6

Using providers' websites, we reviewed their mission statements and their lists of partners or clients to determine if they primarily serve nonprofits, philanthropy, both nonprofits and philanthropy, movements and civic engagement, or corporations and social enterprises. For information about how our coding system differs from the one developed by Bokoff and coauthors (2018), see endnote 8.

Nonprofit-serving. We coded providers as nonprofit-serving if they primarily serve nonprofits or people who work for nonprofits, excluding philanthropic entities that are incorporated as nonprofits. For example, we included the Association of Fundraising Professionals in this category because the majority of its members work for nonprofits.[a] We also included 501 Commons in this category because the majority of its current and former clients are nonprofits. Some of its clients are public sector agencies, and some of them are philanthropic entities that are incorporated as nonprofits, but overall, the majority are nonprofits that are not philanthropic entities.[b]

Philanthropy-serving. We coded providers as philanthropy-serving if they primarily serve foundations, individual donors, impact investors, and other philanthropic entities—or people who work for them. For example, we included CFLeads in this category because it serves community foundations.[c] We also included Asian Americans / Pacific Islanders in Philanthropy (AAPIP) in this category because it serves foundations and other grantmaking entities, donors, and people who work for foundations and other grantmaking entities.[d]

Nonprofit/philanthropy–serving. We coded providers as nonprofit/philanthropy–serving if they primarily serve both nonprofits and philanthropy, or people who work for them. For example, we included BBB Wise Giving Alliance in this category because it offers services to nonprofits that want to build donors' trust, and it offers services to donors who want to find information about nonprofits.[e] We also included the Bridgespan Group in this category because it offers consulting services to nonprofits, philanthropists, and foundations.[f]

Movement/civic engagement–serving. We coded providers as movement/civic engagement–serving if they primarily serve social movements and the civic engagement field, or people who work for them. Nielsen (2020, 10) defines social movements as "individuals engaged in some form of collective action to create social and/or political change." One example of social movements is the racial justice movement, and we coded the Advancement Project as movement and civic engagement–serving because it serves this movement.[g] Nielsen (2020, 2) defines civic engagement as "an umbrella term for the collection of nonpartisan ideas, activities, and field building interventions that serve to promote reform in the areas of social attitudes and behaviors, public policy, and politics." One example of civic engagement is voting, and we coded Democracy Works as movement and civic engagement–serving because it serves voters.[h]

Corporation/social enterprise–serving. Lastly, we coded providers as corporation/social enterprise–serving if they primarily serve people who work in corporate social responsibility, for-profits that seek volunteering opportunities at nonprofits, or social enterprises or other for-profit businesses whose primary purpose is to achieve a social mission. For example, we included the Association of Corporate Citizenship Professionals in this category because it serves people who work in corporate social responsibility.[i] We included Common Impact in this category because it serves for-profits that seek volunteering opportunities at nonprofits.[j] And we included B Lab in this category because it serves for-profit organizations whose primary purpose is to achieve a social mission.[k]

Notes:

[a] "AFP Vision, Mission and Guiding Principles," Association of Fundraising Professionals, October 22, 2016, accessed November 8, 2022, https://afpglobal.org/afp-vision-mission-and-guiding-principles.

[b] "Client List," 501 Commons, accessed November 8, 2022, https://www.501commons.org/about-us/client-list.

[c] "Mission, Vision and Values," CFLeads, accessed November 8, 2022, https://cfleads.org/who-we-are/mission-vision-and-values/.

[d] "Institutional Membership," Asian Americans/Pacific Islanders in Philanthropy, accessed November 8, 2022, https://aapip.org/membership/institutional-membership/; "Individual Membership," Asian Americans/Pacific Islanders in Philanthropy, accessed November 8, 2022, https://aapip.org/membership/individual-membership/.

[e] "Helping Donors Give Wisely," BBB Wise Giving Alliance, accessed November 8, 2022, https://www.give.org/.

[f] "Our Clients," The Bridgespan Group, accessed November 8, 2022, https://www.bridgespan.org/about-us/our-clients.

[g] "Mission and Vision," Advancement Project, accessed November 8, 2022, https://advancementproject.org/about-advancement-project/.

[h] "About Us," Democracy Works, accessed November 8, 2022, https://www.democracy.works/about.

[i] "Our Community," Association of Corporate Citizenship Professionals, accessed November 8, 2022, https://accp.org/about-accp/our-community/.

[j] "How We Help Companies," Common Impact, accessed November 8, 2022, https://commonimpact.org/companies/.

[k] "About B Lab," B Lab, accessed November 8, 2022, https://www.bcorporation.net/en-us/movement/about-b-lab.

Of the 165 infrastructure providers in our sample, 36 (22 percent) primarily serve nonprofits, 57 (35 percent) primarily serve philanthropy, 29 (18 percent) primarily serve both nonprofits and philanthropy, 34 (21 percent) primarily serve movements and civic engagement, and 9 (5 percent) primarily serve corporations and social enterprises. Our sample contains more philanthropy-serving organizations than nonprofit-serving organizations. Three of the five lists we merged to create our initial list of infrastructure providers mostly contained philanthropy-serving providers, and the other two mostly contained philanthropy-serving, nonprofit-serving, and nonprofit/philanthropy–serving providers. Because we have so few providers that primarily serve corporations and social enterprises, we could not include them in our analyses below.

It is important to note that our sample of infrastructure providers does not include the entire universe of national infrastructure providers, nor is it representative of these four audience categories.

Based on prior studies comparing philanthropy-serving and nonprofit-serving providers, we hypothesized that philanthropy-serving providers might be larger and have better financial health than nonprofit-serving providers. While we did not find that philanthropy-serving providers were larger than nonprofit-serving providers, we found that philanthropy-serving providers had better financial health metrics than nonprofit-serving providers.

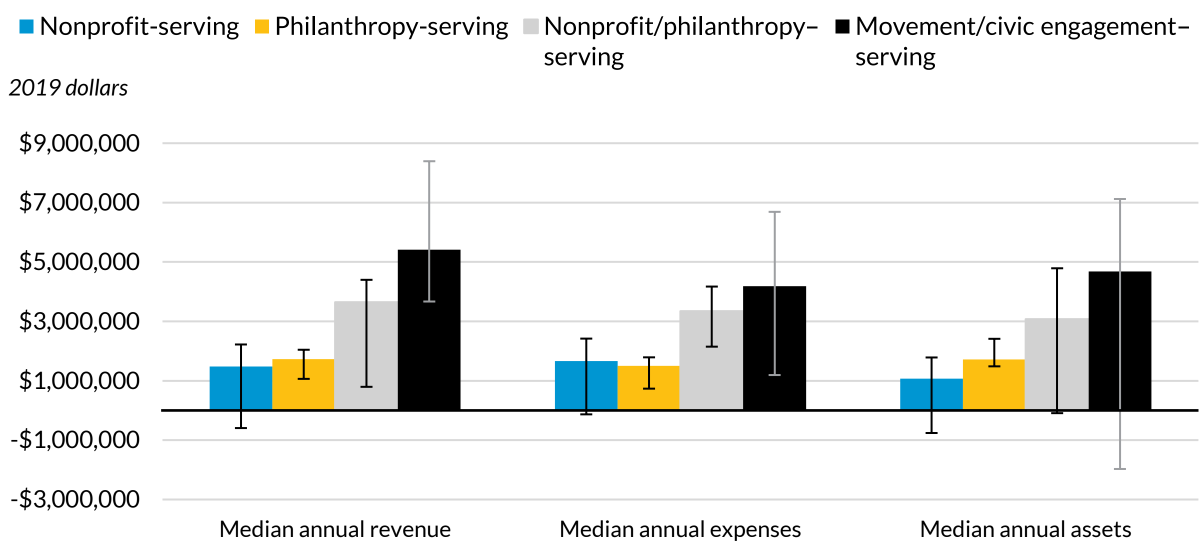
DIFFERENCES IN REVENUE BY PRIMARY AUDIENCE

Nonprofit-serving providers and philanthropy-serving providers in our sample were statistically significantly smaller than nonprofit/philanthropy–serving providers and movement/civic engagement–serving providers in terms of annual revenue in 2014–19 (figure 8).

FIGURE 8

Nonprofit-Serving Providers and Philanthropy-Serving Providers Were Smaller than Nonprofit/Philanthropy–Serving Providers and Movement/Civic Engagement–Serving Providers in Terms of Annual Revenue

Infrastructure providers' median annual revenue, expenses, and assets, 2014–19, by primary audience



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median annual revenue," "median annual expenses," and "median annual assets" as the median of infrastructure providers' average annual revenue, expenses, and assets in 2014–19. See table H.6 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines overlying the bars. Number of providers in each category for this figure: nonprofit-serving (36), philanthropy-serving (57), nonprofit/philanthropy–serving (29), movement/civic engagement–serving (34).

While other bars in figure 9 appear to be very different from one another, the vertical lines overlying the bars (which represent a method of statistical analysis known as bootstrap confidence intervals) indicate that we cannot say that one group of providers' median is statistically significantly larger than another's. For example, while the size of the median annual assets bar for movement/civic engagement–serving providers appears larger than those of the other three groups, the lines overlying the bars show that in similar samples of infrastructure providers, movement-serving providers could actually have lower median annual assets than other providers. Thus, we cannot conclude that this group had higher median assets than the other groups.

One possible explanation for the size differences we do see could be that organizations serving a more specific audience have fewer places from which to draw revenue or incur expenses than organizations serving multiple audiences. A second possibility could come from our data collection methods. The movement/civic engagement–serving providers in our sample mostly come from our focus groups, from the Urban/GMU Social Sector Advisory Committee and the Infrastructure Research Collaborative advisory group (see appendixes A and B), and from our project team. This data collection process could have biased our sample of movement/civic engagement–serving providers toward larger providers because larger, more prominent providers may have been more likely to come to mind when we asked people to think of providers. (See "Overview of Methods" for more details about how we created our list of infrastructure providers.) Therefore, readers should not generalize these size differences to all providers serving these audiences but instead use them to understand the providers in our sample.

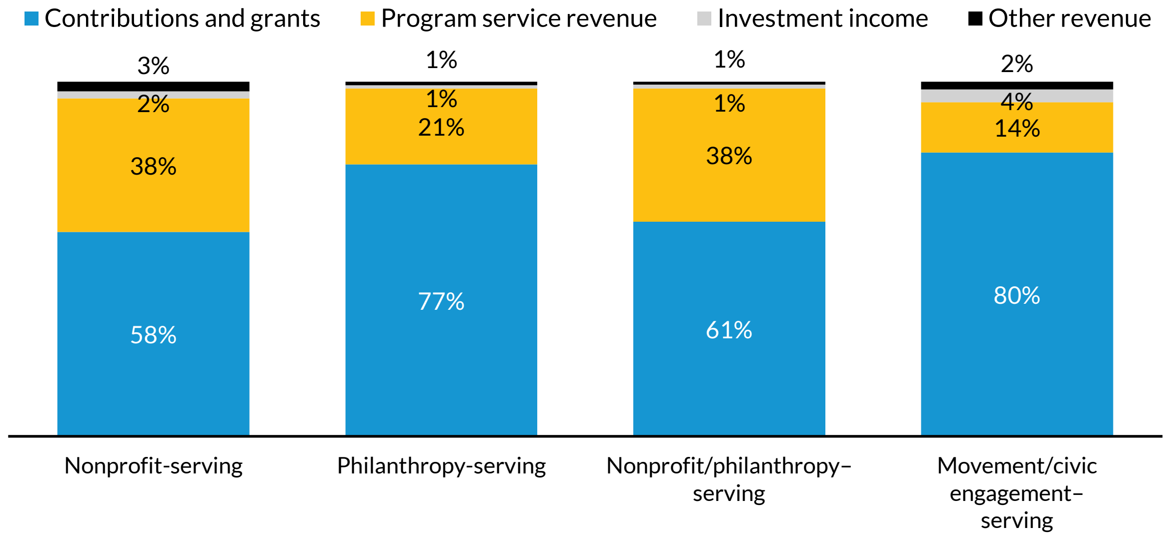
DIFFERENCES IN DIVERSITY OF REVENUE STRUCTURES BY PRIMARY AUDIENCE

In addition to differences in size, we see differences in the revenue structures of providers in our sample by primary audience. Philanthropy-serving providers and movement/civic engagement–serving providers relied heavily on contributions and grants, while nonprofit-serving providers and nonprofit/philanthropy–serving providers had more balanced revenue structures between contributions and grants and program service revenue (figure 9). (See box 3 on page 8 for more information about how we assess revenue diversity.)

FIGURE 9

Nonprofit-Serving Providers and Nonprofit/Philanthropy–Serving Providers Had More Diverse Revenue Structures than Philanthropy-Serving Providers and Movement/Civic Engagement–Serving Providers

Infrastructure providers' average revenue structure, 2014–19, by primary audience



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "average revenue structure" as the average of infrastructure providers' average revenue structure in 2014–19. Number of providers in each category for this figure: nonprofit-serving (36), philanthropy-serving (57), nonprofit/philanthropy–serving (29), movement/civic engagement–serving (34).

Nonprofit-serving providers and nonprofit/philanthropy–serving providers in our sample received a statistically significantly lower proportion of their revenue from contributions and grants than philanthropy-serving providers and movement/civic engagement–serving providers in 2014–19, and they received a statistically significantly higher proportion of their revenue from program service revenue than the other providers. Conversely, philanthropy-serving providers and movement/civic engagement–serving providers received a statistically significantly higher proportion of their revenue from contributions and grants than nonprofit-serving providers and nonprofit/philanthropy–serving providers, and they received a statistically significantly lower proportion of their revenue from program service revenue than the other providers.

Philanthropy-serving providers may appear to rely more heavily on contributions and grants than they actually do because, when foundations pay them for services, they may record the payments on their Form 990 under contributions and grants rather than program service revenue. Movement/civic engagement–serving providers likely do rely heavily on contributions and grants—perhaps because they often do not charge organizations, groups, and people for their services. The differences we see in the percentages of providers' revenue received from program service revenue in 2014–19 highlights the balancing act between sustainability for providers and financial accessibility for users that interviewees mentioned (see box 5 on page 13): providers that serve movements and the civic engagement field have to rely more heavily on contributions and grants if charging fees for services does not fit their business model.

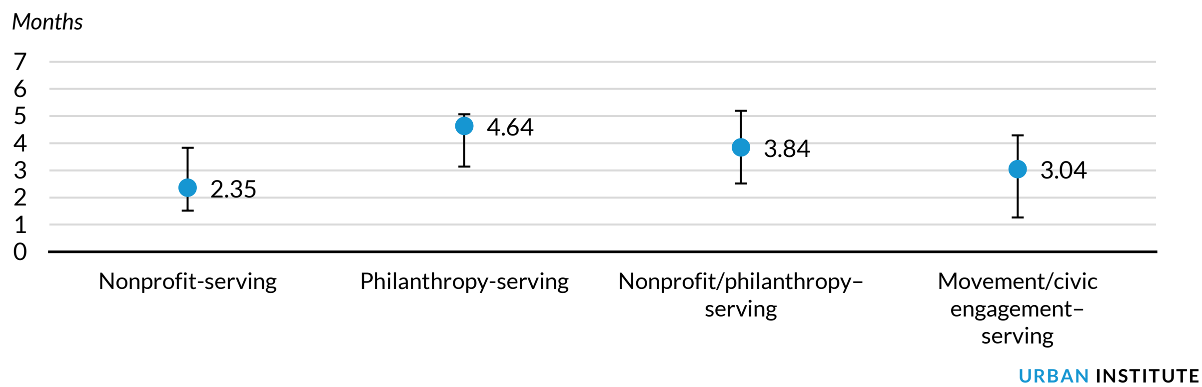
DISPARITIES BETWEEN NONPROFIT-SERVING PROVIDERS AND PHILANTHROPY-SERVING PROVIDERS

Infrastructure providers in our sample had median months of spending on hand that were not statistically significantly different from each other by primary audience in 2014–18. However, philanthropy-serving providers' median months of spending on hand exceeded the benchmark of three months by a statistically significant amount, while other providers' medians did not (figure 10). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 10

Philanthropy-Serving Providers Had Median Months of Spending on Hand That Exceeded the Benchmark

Infrastructure providers' median months of spending on hand, 2014–18, by primary audience



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. See table H.7 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers in each category for this figure: nonprofit-serving (32), philanthropy-serving (52), nonprofit/philanthropy–serving (26), movement/civic engagement–serving (33).

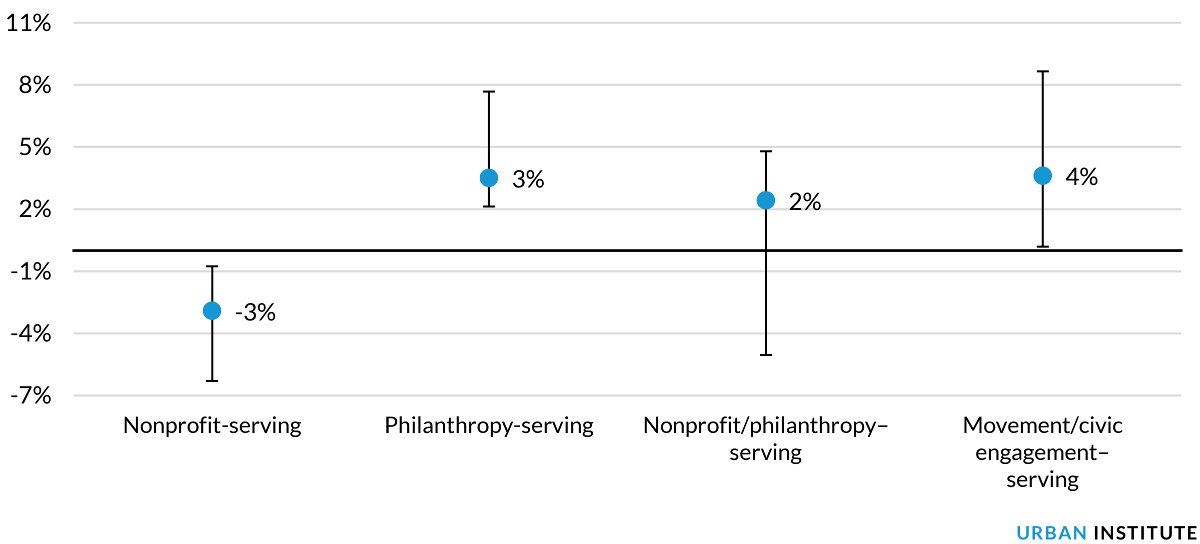
This finding suggests that philanthropy-serving providers were financially healthier than other providers in our sample with regard to months of spending on hand.

Additionally, nonprofit-serving providers in our sample had a statistically significantly lower median operating margin than philanthropy-serving providers and movement/civic engagement–serving providers in 2014–19. Nonprofit-serving providers' median operating margin was negative 3 percent in 2014–19, which is statistically significantly below 0 percent and means they were operating at a deficit. Additionally, philanthropy-serving providers and movement/civic engagement–serving providers had median operating margins that were statistically significantly higher than the benchmark (3 and 4 percent, respectively), which means they were operating at a surplus (figure 11). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 11

Philanthropy-Serving Providers and Movement/Civic Engagement–Serving Providers Had Median Operating Margins That Exceeded the Benchmark, While Nonprofit-Serving Providers Had a Median Operating Margin below the Benchmark

Infrastructure providers' median operating margin, 2014–19, by primary audience



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. See table H.8 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers in each category for this figure: nonprofit-serving (36), philanthropy-serving (57), nonprofit/philanthropy–serving (29), movement/civic engagement–serving (34).

This finding suggests nonprofit-serving providers in our sample were less financially healthy than philanthropy-serving providers and movement/civic engagement–serving providers with respect to operating margins. Overall, this analysis of financial health metrics by primary audience indicates that nonprofit-serving providers—which operated at a deficit—did not fare as well as philanthropy-serving providers—which operated at a surplus and had more than three months of spending on hand.

Disparities between nonprofit-serving providers and philanthropy-serving providers came up in our interviews. One interviewee stated the belief that foundations more commonly support philanthropy-serving infrastructure providers rather than nonprofit-serving infrastructure providers because foundations tend to understand the work of philanthropy-serving providers better. Our focus group participants shared this concern, and previous studies on social sector infrastructure financing reported it as well. Dillon and coauthors (2015) found that from 2004 to 2012, foundation funding to philanthropy-specific infrastructure increased at a far greater rate than foundation funding to nonprofit-specific infrastructure. In fact, following the Great Recession in 2008, foundation funding to philanthropy-specific infrastructure increased, while foundation funding to nonprofit-specific infrastructure decreased (Dillon et al. 2015). Following the publication of that report, Tim Delaney, president and CEO of the National Council of Nonprofits, expressed great concern about the underfunding of nonprofit-specific infrastructure: "Nonprofit infrastructure is vital to the entire nonprofit community—charities and foundations—and cannot be left behind without serious consequences falling on everyone, including foundations."[15] He argued that without a strong nonprofit-specific infrastructure, foundations will lose money, freedom, time, and impact.[16] A few years later, Bokoff and coauthors (2018) found that from 2004 to 2015, philanthropy-focused infrastructure organizations received more foundation funding per organization than nonprofit-focused infrastructure organizations. Addressing disparities between nonprofit-serving and philanthropy-serving providers is important because, as the National Council of Nonprofits argues, "Every person in the United States benefits from the work of nonprofits in one way or another, whether they realize it or not," and these nonprofits need infrastructure services from strong providers.[17]

Providers with and without Dues-Paying Members

In this section, we examine whether collecting membership dues is correlated with infrastructure providers' size, revenue structures, and financial health. (See "Overview of Methods" for information about how we determined whether providers have dues-paying members.) Of the 165 infrastructure providers in our sample, 59 (36 percent) have dues-paying members and 106 (64 percent) do not.

We hypothesized that providers with dues-paying members might have better financial health than those without this steady source of income. We found mixed results in that providers with dues-paying members had better financial health with respect to months of spending on hand, but providers without dues-paying members had better financial health with respect to operating margins.

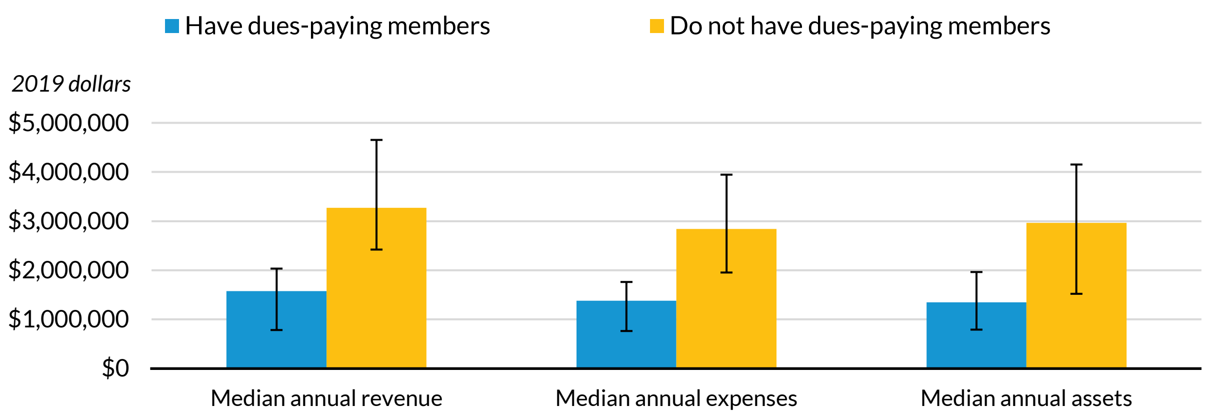
PROVIDERS WITH DUES-PAYING MEMBERS WERE SMALLER

In the period 2014–19, infrastructure providers in our sample with dues-paying members were statistically significantly smaller in terms of annual revenue and expenses than those without dues-paying members (figure 12).

FIGURE 12

Infrastructure Providers with Dues-Paying Members Were Smaller in Terms of Annual Revenue and Expenses

Infrastructure providers' median annual revenue, expenses, and assets, 2014–19, by dues-paying membership



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Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median annual revenue," "median annual expenses," and "median annual assets" as the median of infrastructure providers' average annual revenue, expenses, and assets in 2014–19. See table H.9 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines overlying the bars. Number of providers in each category for this figure: have dues-paying members (59), do not have does not have dues-paying members (106).

These size differences may be because, as interviewees suggested in box 5 on page 13, membership dues do not scale quickly. Increasing a membership base can take a long time, and determining how much to charge for membership dues can be challenging given the need to balance sustainability for providers and financial accessibility for members. However, it is important to note that our sample of infrastructure providers does not include the entire universe of national infrastructure providers. It is possible that our sample happens to exclude large providers with dues-paying members and small providers without dues-paying members that, if included, would change these size differences. Therefore, readers should not generalize these size differences to all providers with and without dues-paying members, but instead use them to understand the providers in our sample.

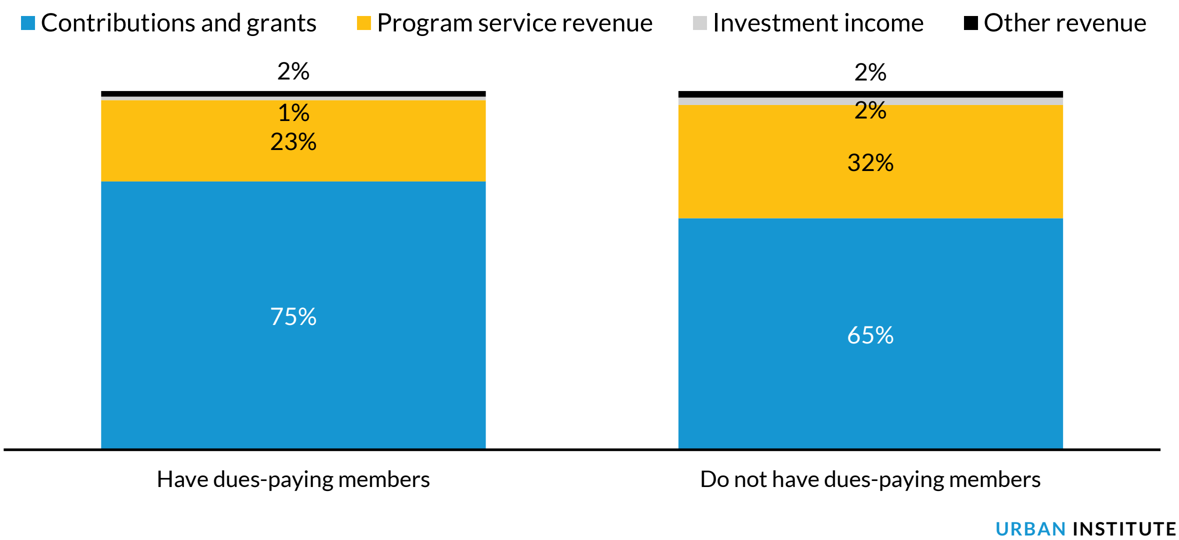
PROVIDERS WITH DUES-PAYING MEMBERS HAD LESS DIVERSE REVENUE STRUCTURES

In 2014–19, infrastructure providers in our sample with dues-paying members received a statistically significantly higher proportion of their revenue from contributions and grants and a statistically significantly lower proportion of their revenue from program service revenue than providers without dues-paying members in our sample (figure 13). (See box 3 on page 8 for more information about how we assess revenue diversity.)

FIGURE 13

Infrastructure Providers with Dues-Paying Members Had Revenue Structures That Were Less Diverse

Infrastructure providers' average revenue structure, 2014–19, by dues-paying membership



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.
Notes: We define "average revenue structure" as the average of infrastructure providers' average revenue structure in 2014–19. Number of providers in each category for this figure: have dues-paying members (59), do not have does not have dues-paying members (106).

These differences between contributions and grants and program service revenue likely result from the IRS classification of membership dues as contributions and grants—although, as we noted in box 3 on page 8, some nonprofits report revenue from membership dues as program service revenue.

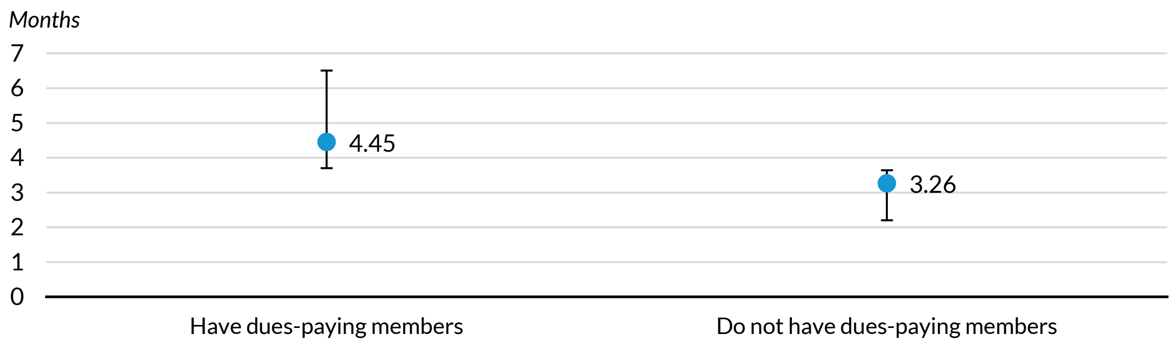
MIXED FINANCIAL HEALTH METRICS BY DUES-PAYING MEMBERSHIP

Despite these differences in size and revenue structure, the median months of spending on hand of the infrastructure providers in our sample—with and without dues-paying members—were not statistically significantly different from each other in 2014–18, although the difference looks sizable (figure 14). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 14

Infrastructure Providers with Dues-Paying Members Had Median Months of Spending on Hand That Exceeded the Benchmark

Infrastructure providers' median months of spending on hand, 2014–18, by dues-paying membership



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. See table H.10 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers in each category for this figure: have dues-paying members (50), do not have does not have dues-paying members (101).

However, providers with dues-paying members had median months of spending on hand that were statistically significantly above the benchmark of three months, while providers without dues-paying members did not. This suggests that providers with dues-paying members experienced stronger financial health, in terms of months of spending on hand, than providers without dues-paying members.

In 2014–19, infrastructure providers in our sample with and without dues-paying members had median operating margins that were not statistically significantly different from each other (figure 15). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 15

Infrastructure Providers without Dues-Paying Members Had a Median Operating Margin That Exceeded the Benchmark

Infrastructure providers' median operating margin, 2014–19, by dues-paying membership

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. See table H.11 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines beneath the dots. Number of providers in each category for this figure: have dues-paying members (59), do not have does not have dues-paying members (106).

However, providers without dues-paying members had a median operating margin that exceeded 0 percent by a statistically significant amount, while providers with dues-paying members did not. This suggests that providers without dues-paying members experienced stronger financial health, in terms of operating margins, than providers with dues-paying members—the opposite of what we found in terms of months of spending on hand. These mixed financial health metrics may be due to not knowing what percentage of providers' revenue came from dues. These financial health metrics might look different for providers that significantly relied on dues for revenue compared with those that did not.

Providers by Age of Organization

In this section, we examine whether the age of an infrastructure provider is correlated with its size, revenue structure, and financial health. We split our sample of infrastructure providers into four groups: those formed between 1909 and 1987, those formed between 1988 and 1998, those formed between 1999 and 2006, and those formed between 2007 and 2019.

We hypothesized that the oldest providers might have the most resources, including more investment income than the most recently formed providers, and have the strongest financial health of all the groups. We did not find these hypotheses true. The only two differences we saw were that the second-youngest group of infrastructure providers (those formed between 1999 and 2006) had (1) higher median annual expenses than the youngest group (those formed between 2007 and 2019), and (2) a median operating margin that was statistically significantly higher than 0 percent, while providers formed in other years did not.

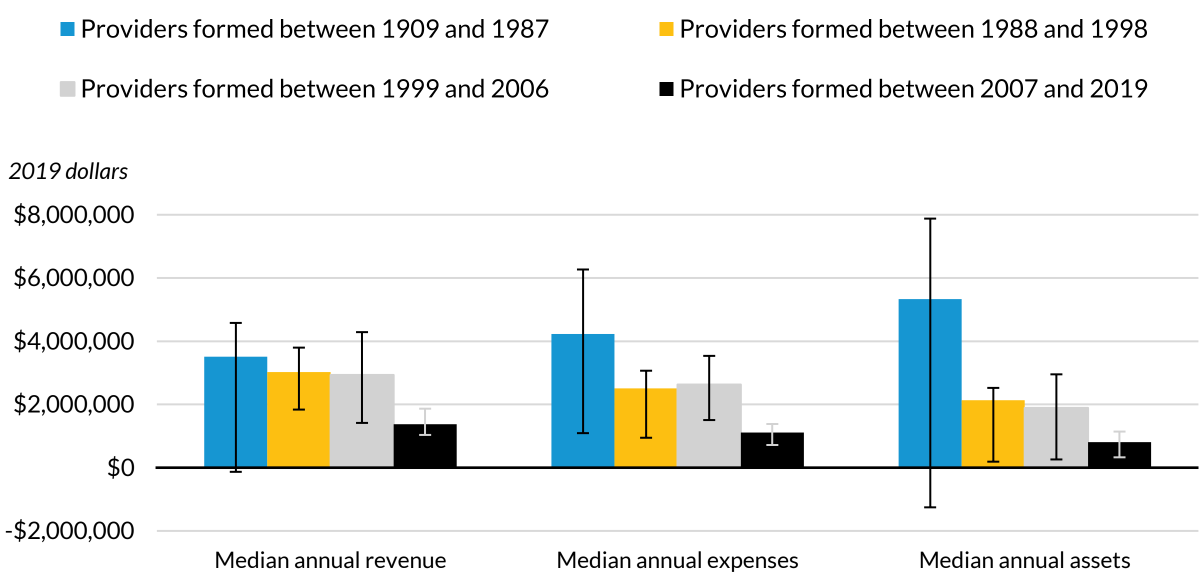
FEW SIZE DIFFERENCES BY AGE OF ORGANIZATION

In 2014–19, infrastructure providers in our sample formed between 1999 and 2006 had higher median annual expenses than those formed between 2007 and 2019 (figure 16).

FIGURE 16

Infrastructure Providers Formed between 1999 and 2006 Had Higher Median Annual Expenses than Those Formed between 2007 and 2019

Infrastructure providers' median annual revenue, expenses, and assets, 2014–19, by age of organization



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Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median annual revenue," "median annual expenses," and "median annual assets" as the median of infrastructure providers' average annual revenue, expenses, and assets in 2014–19. See table H.12 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines overlying the bars. Number of providers in each category for this figure: providers formed between 1909 and 1987 (39), providers formed between 1988 and 1998 (40), providers formed between 1999 and 2006 (41), providers formed between 2007 and 2019 (36).

There were no other statistically significant differences by age of organization, despite appearances in figure 18, due to the large bootstrap confidence intervals, as represented by the lines overlying the bars. For example, from the bars, providers formed between 1909 and 1987 appear to have larger median annual assets than younger providers. However, the bootstrap confidence interval for these providers' median annual assets shows that in similar samples of infrastructure providers formed between these years, the median may be negative.

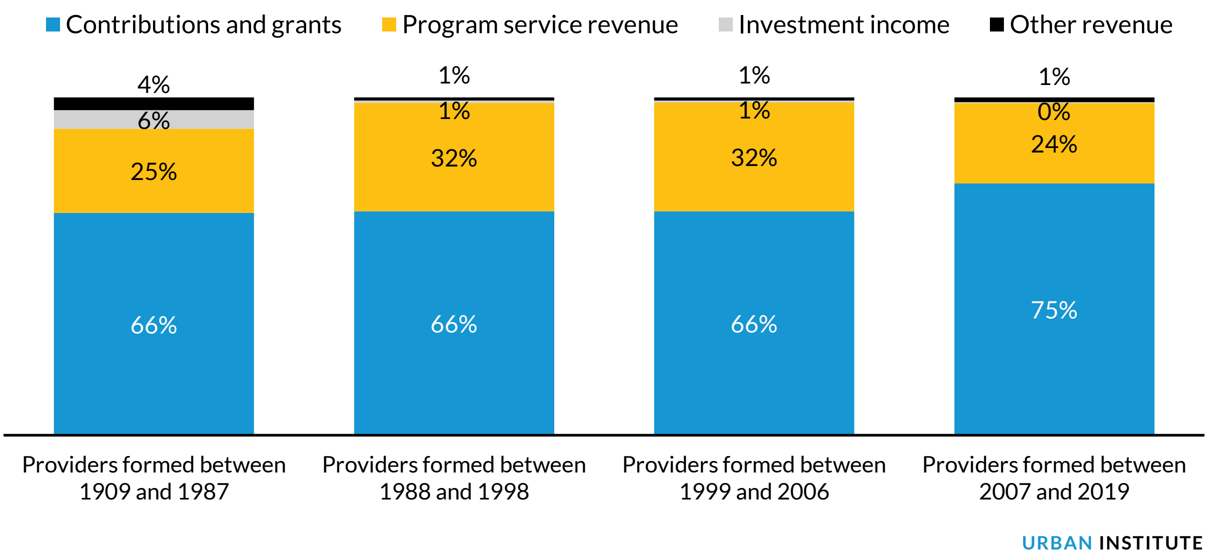
SIMILAR REVENUE STRUCTURES BY AGE OF ORGANIZATION

Infrastructure providers in our sample had average revenue structures that were not statistically significantly different from each other by age of organization in the time period we examined, 2014–19 (figure 17). (See box 3 on page 8 for more information about how we assess revenue diversity.)

FIGURE 17

Infrastructure Providers' Average Revenue Structures Did Not Differ by Age of Organization

Infrastructure providers' average revenue structure, 2014–19, by age of organization



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "average revenue structure" as the average of infrastructure providers' average revenue structure in 2014–19. Number of providers in each category for this figure: providers formed between 1909 and 1987 (39), providers formed between 1988 and 1998 (40), providers formed between 1999 and 2006 (41), providers formed between 2007 and 2019 (36).

All four groups of infrastructure providers relied heavily on contributions and grants, and the 8 percentage point difference between the 74 percent reported for the group of youngest organizations and the 66 percent for the other three groups is not statistically significant. Similarly, infrastructure providers in the oldest group did not receive a statistically significantly greater percentage their revenue from investment income compared with the other three groups.

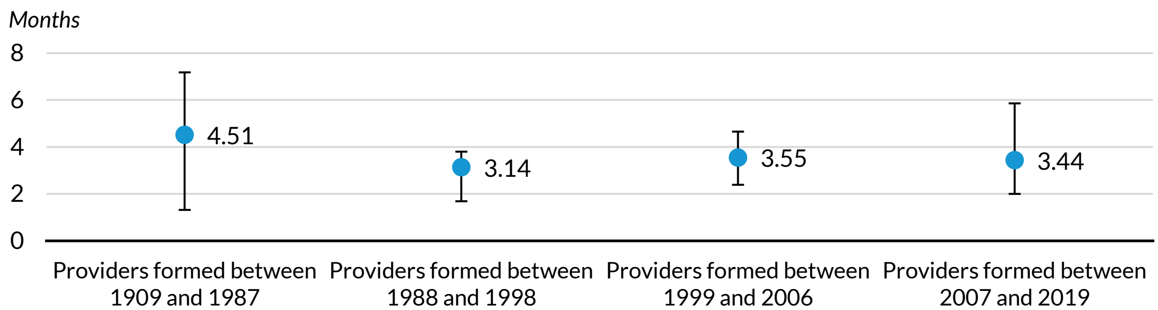
FEW DIFFERENCES IN FINANCIAL HEALTH METRICS BY AGE OF ORGANIZATION

In 2014–18, infrastructure providers in our sample had median months of spending on hand that were not statistically significantly different from each other by age of organization and were not statistically significantly different from the benchmark of three months (figure 18). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 18

Infrastructure Providers' Median Months of Spending on Hand Did Not Differ by Age of Organization

Infrastructure providers' median months of spending on hand, 2014–18, by age of organization



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. See table H.13 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines overlying the bars. Number of providers in each category for this figure: providers formed between 1909 and 1987 (39), providers formed between 1988 and 1998 (40), providers formed between 1999 and 2006 (40), providers formed between 2007 and 2019 (32).

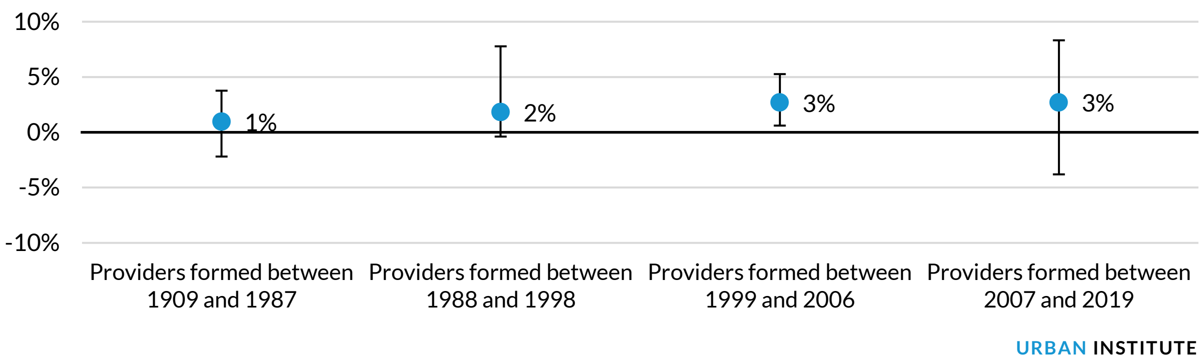
This means that older providers were not financially healthier than younger providers, in terms of months of spending on hand. Infrastructure providers of all ages could benefit from additional months of spending on hand to weather any unexpected downturns or have resources to launch a new line of infrastructure services.

Additionally, in 2014–19, infrastructure providers in our sample had median operating margins that were not statistically significantly different from each other by age of organization (figure 19). (See box 4 on page 9 for more information about how we assess financial health.)

FIGURE 19

Infrastructure Providers Formed between 1999 and 2006 Had a Median Operating Margin That Exceeded the Benchmark

Infrastructure providers' median operating margin, 2014–19, by age of organization



Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. See table H.14 in appendix H for the bootstrap confidence interval values, which are represented in the figure by the vertical lines overlying the bars. Number of providers in each category for this figure: providers formed between 1909 and 1987 (39), providers formed between 1988 and 1998 (40), providers formed between 1999 and 2006 (41), providers formed between 2007 and 2019 (36).

The second-youngest group of providers (those formed between 1999 and 2006) had a median operating margin that was statistically significantly higher than 0 percent, while the three other groups of providers did not. However, even this group's median operating margin (3 percent) was close to 0 percent. Infrastructure providers across all four groups having median operating margins close to 0 percent, indicating that the financial health of infrastructure providers of all ages would benefit from increasing their operating margins.

Observing MacKenzie Scott's Support for Infrastructure

When examining our first five research questions, we looked at Form 990 data for the period 2014–19 because the IRS has not yet released newer data for many organizations. However, it is important to recognize that important developments in social sector infrastructure financing have occurred since then. Chief among these is the funding that MacKenzie Scott has directed to infrastructure providers over the past three years. To better understand the effects of that funding, we reviewed literature and asked six of our interviewees—who had received funding from Scott—two additional questions: what was the best part of receiving the donation and what was the biggest challenge to receiving it. The

Center for Effective Philanthropy is conducting a three-year study on MacKenzie Scott's gifts that will provide more in-depth insights[18] than our initial findings here.

In 2020, MacKenzie Scott made two rounds of large-scale giving, exceptional both in their scale (totaling nearly $6 billion) and in their commitment to a no-strings-attached approach. In June 2021, she followed up with a third round of donations.[19] In a Medium post published that month, Scott announced gifts to 286 nonprofit organizations, totaling $2.74 billion.[20] Among the causes she favored in this round of giving were social sector infrastructure organizations. The *Chronicle of Philanthropy* counted "roughly 70 local, regional, and national 'infrastructure' organizations" on the list and reported that the "26 national [infrastructure] groups that disclosed how much they had received got a total $146 million, with contributions ranging from $2 million to $15 million."[21] By the broad social sector infrastructure definition adopted for this project, we count 96 national social sector infrastructure organizations that received funds from Scott in June 2021 (see appendix I).

INCREASED ATTENTION TO INFRASTRUCTURE BUT LITTLE INDICATION OF INSPIRED OR DEPRESSED GIVING

This was not the first time Scott included social sector infrastructure organizations among her grantees. In July 2020, Scott gave Independent Sector $6 million, and Hispanics in Philanthropy and Nonprofit Finance Fund were among her December 2020 tranche of grantees.[22] But in the June 2021 Medium post, Scott made the commitment explicit, naming social sector infrastructure as a key philanthropic focus area in a way that no other mega-donor has done in recent years.[23] The exceptionality of that focus emerged as one of the key themes of the coverage of that summer 2021 round of grants. As the *Chronicle of Philanthropy* wrote, Scott's gifts "shined a light" on "an unsexy part of the charitable world."[24]

Scott picked up the same theme in her Medium post. Like many of the other grantees to which she directed her giving, infrastructure organizations, she claimed, were "historically underfunded"—a claim that previous studies on social sector infrastructure financing back up (Bokoff et al. 2018; Boris et al. 2009).[25] Scott intended for the grants to address this deficit not merely directly, but also indirectly, by encouraging others to give to infrastructure organizations. Scott wrote that she meant for the large size of the gifts (several of the infrastructure organizations reported the gifts were the largest they ever received) to serve as "a signal of trust and encouragement, to [the grantees] and to others."[26]

According to interviews our team conducted and their own public statements, Scott's infrastructure grantees seemed to appreciate this dynamic. They understood the gift's public meaning as an "affirmation"[27] and "validation"[28] of their worth and communicated to others that Scott's team had done “due diligence” and that these grantees—and perhaps infrastructure organizations more generally—were worthy of additional support.[29] In her Medium post, Scott underscored that giving to social sector infrastructure organizations had a multiplier effect, since these organizations could in turn encourage additional (and more effectual) giving and service by other donors. But she also suggested her own giving might have a similar amplifying effect, inspiring more giving to these infrastructure organizations.[30]

This possibility ran counter to a fear initially expressed by some of Scott’s infrastructure grantees (as well as some of her grantees in other areas): that the very size of her gifts, and the publicity they attracted, would lead other donors to assume that the organizations she funded no longer required any additional financial assistance. Scott’s giving in that case would not encourage but could depress additional giving to social sector infrastructure (Buteau et al. 2022).

There is little indication so far of a depressing effect, to any significant extent, either from the existing reporting on infrastructure grantees in particular or from Scott’s grantees more generally.[31] Neither does there seem to have been a wave of financial support directed to social sector infrastructure organizations in the wake of Scott’s announcement, though one organization that received funding from Scott in June 2021 reported to the *Chronicle* that Scott’s giving did spark interest among other donors.[32]

What is indisputable is that Scott’s announcement directed an unprecedented level of *attention* to social sector infrastructure organizations, which could bear fruit in terms of increased fundraising sometime in the future. To cite perhaps the most dramatic example, the head of Native Americans in Philanthropy appeared on Good Morning America to talk about the gift.[33] As the CEO of the organization told the *Chronicle*, that attention allowed him to have conversations with people “who don’t know much about our work or even the philanthropic sector…but they know enough about MacKenzie Scott and what she’s up to that it starts a conversation about our work in a different way and with a broader audience than I was able to reach before.”[34] Infrastructure grantees were able to leverage the increased attention brought by the Scott gift to educate the public about their own work and the importance of infrastructure more generally. For instance, a year after receiving $15 million from Scott, Candid issued an “open grant report,” which acknowledged the heightened public interest in how the organization would spend the funds and which sought “to illustrate the transformative potential of general operating support.”[35]

Scott has made clear that grantees cannot expect additional funding (Buteau et al. 2022). This means that there are a significant number of infrastructure organizations that have scaled up their work in the last year and that will require more revenue to continue that level of activity into the future, either from additional funders or alternative sources. Whether that funding can be found and current levels of capacity can be sustained and augmented, or whether sufficient funding will be more difficult to secure, and Scott's infrastructure grantees will have to scale down their operations and ambitions, will be a crucial question to address in the near future.

COMMITMENT TO SHIFTING POWER THROUGH EFFORTS TO AID BIPOC AND LGBTQ PEOPLE AND IN NO-STRINGS-ATTACHED GIFTS

A related theme that runs through Scott's announcement of her infrastructure grants is worth citing: she envelops her support for social sector infrastructure within the broader context of her stated commitment to shifting power in the philanthropic sector—"seeding by ceding," as she titled her Medium post.[36] This commitment is evident in both the types of organizations she funded—by our project's counting, 32 of the social sector organizations funded by Scott in June 2021 target BIPOC or LGBTQ people—and the no-strings-attached nature of the funding itself. The latter shifts power from donors to grantees and, according to many of the infrastructure organizations our team consulted, is a key demand for funders. Indeed, some infrastructure organizations compared Scott's embrace of unrestricted giving to their own efforts to shift power in the sector. As Borealis Philanthropy, a social justice intermediary, explained, "Ms. Scott's gift differs from much of traditional grantmaking, and aligns with our own grantmaking values of minimizing barriers and maximizing impact through community-led change."[37]

Yet some observers viewed Scott's support for social sector infrastructure as an illustration of the weakness of that commitment or of the contradictions within it. In these depictions, social sector infrastructure was largely understood as a force resisting the diffusion of power. "If we removed the rose-colored lenses from our glasses," wrote philanthropy critic Tim Schwab in the Nation, "we might even see Scott's philanthropy as self-serving at times—like her decision to give large sums of money to buttress the wealthy, professional class of advisers, consultants, and media outlets that advance and defend the special interests of Big Philanthropy."[38] Schwab associates Scott's support for social sector infrastructure entirely with her funding of philanthropy-serving organizations (without any consideration of philanthropy-serving organizations that focus on funders from marginalized communities, or of organizations that support nonprofits or social movements), which in turn he cites to challenge "her claimed commitment to helping the 'underfunded and overlooked.'"[39]

Because several of these philanthropy-serving organizations have opposed legislative reforms that seek to curtail the prerogatives of philanthropy, Schwab portrays Scott's support of infrastructure as essentially self-serving and self-protective. "Scott's funding of these groups—what might be called the philanthropy-industrial complex—effectively expands the institutional power of Big Philanthropy, which is also expanding her own influence."[40] Schwab's suspicion of social sector infrastructure reflects more general attitudes toward infrastructure in certain precincts of the social sector that still associate it largely with organizations that serve philanthropy and wealthy donors. Will Scott's support for social sector infrastructure organizations exacerbate or allay such suspicions? Likewise, will creating a grantee cohort that combines philanthropy-serving organizations and nonprofit-serving organizations solidify an understanding of social sector infrastructure that straddles both camps? These will be some of the key questions to follow in assessing the impact of Scott's giving program in the years to come.[41]

RECIPIENTS USE THE FUNDING FOR CAPITAL INVESTMENTS, ACCELERATING OR INCREASING THE SCALE OF EXISTING PLANS, OR GIVING THEIR STAFFS BREATHING ROOM

Of course, the impact of Scott's giving will also be determined by how infrastructure grantees spend the funds. Nearly a year and a half after the grants were announced, a few preliminary observations are possible. First, according to statements issued by the grantees, media reporting, and our own interviews, many of the grantees are using Scott's funds to make long-needed capital investments, including in organizational technological capacities. Second, many grantees, upon receiving the funds, explained how the money would accelerate and increase the scale of *existing* strategic plans. As Borealis Philanthropy announced, "With this support, Borealis will be able to do more of what we do."[42] Many grantees also made clear that the funding would allow them to renew attention to programs or ambitions that had been put on hold during the COVID-19 pandemic. In other words, although grantees frequently referred to the funding as "transformative," and several did suggest that the funds would allow them to conduct some experimental work, to a striking extent the grantees also made clear that the funds would *not* significantly transform their organizations' plans.[43] This suggests that many infrastructure organizations were, in a sense, "shovel ready," primed to absorb large-scale funding infusions, if and when such funds became available. Finally, several social sector infrastructure organizations indicated that the funding gave their staffs badly needed breathing room and would allow their leaders some respite from the hustle of perpetual fundraising—even as they acknowledged that their long-term funding needs were not fully met—by building up financial reserves (Buteau et al. 2022). This note of appreciation was a reminder that many of these important organizations had been running for quite a while on thin margins and that the expansion of those margins could provide an added dividend of psychological relief.

Our team heard repeatedly about the importance of infrastructure funders attending to the well-being of social sector organization staff and leadership, including their mental and emotional health.

Scott seems exceptional among mega-donors in the priority she places on that factor as a key component of her commitment to unrestricted giving. As she said in her June 2021 Medium article, she chose to fund "people who have spent years successfully advancing humanitarian aims, often without knowing whether there will be any money in their bank accounts in two months. What do we think they might do with more cash on hand than they expected? Buy needed supplies. Find new creative ways to help. Hire a few extra team members they know they can pay for the next five years. Buy chairs for them. Stop having to work every weekend. Get some sleep."[44]

Areas for Future Research

This report focuses on the financial health of national infrastructure providers incorporated as nonprofits. We looked at three questions about the size, revenue structure, and financial health of these providers; differences by size, audience served, whether providers collect membership dues, and the age of the organization; and the impacts of MacKenzie Scott's support for infrastructure. We also conducted a handful of interviews with leaders of five infrastructure organizations beyond those incorporated as nonprofits—including three for-profits and two unincorporated groups—to get a glimpse into what financial challenges they face and to identify opportunities for future research. Given the small number of interviews we conducted, readers should not generalize what we heard in these interviews to all national social infrastructure providers that are incorporated as for-profit organizations or are unincorporated groups, but should instead use this information to develop ideas for future research. In this section, we offer ideas for future research based on these interviews and other ideas that arose as we conducted this research project.

National Infrastructure Providers Incorporated as For-Profit Organizations

We interviewed leaders of three infrastructure organizations incorporated as for-profit organizations, one of which gets all of its funding from earned revenue and two of which get most of their funding from earned revenue and small shares from foundation grants (one through a fiscal sponsor and the other through a donor-advised fund). All three interviewees reported good financial health.

However, like the nonprofit interviewees, two of these interviewees discussed the challenge of balancing sustainability for providers and financial accessibility for users. The first interviewee explained that smaller entities cannot afford to pay for the organization's products. During the pandemic, this interviewee's organization received grants from foundations to cover the costs of their products so they could provide them for free, and as a result, more people from more diverse geographic areas (i.e., not just the East and West Coasts) used them. This interviewee would like to see foundations continue to subsidize the cost of infrastructure services.

The other interviewee mentioned the difficulty of serving the social sector, especially nonprofits. This interviewee has found that nonprofits have a lot of infrastructure needs but insufficient budgets to afford the services they need. The interviewee said it would be helpful for foundations to provide nonprofits enough funding to get the infrastructure services they need and to train staff on how to find those services.

Those interviews led us to the following research questions for future studies to explore:

- How does the reliance on earned revenue between infrastructure providers incorporated as for-profit organizations compare with providers incorporated as nonprofit organizations? What impact does this reliance have on their ability to provide infrastructure services?
- Do infrastructure providers incorporated as for-profits and as nonprofits charge similar rates for their services, or is one group's services significantly more expensive? Is one of these types of providers more readily able to provide subsidies to infrastructure users of their services? Do they tend to serve the same audience in the social sector (e.g., nonprofits) or does their typical audience served differ?
- How often do infrastructure providers incorporated as for-profits receive grants from foundations? Do they receive these grants directly, through a fiscal sponsor, through a donor-advised fund, or via another route?
- Do we see differences in access to and use of debt financing among infrastructure providers incorporated as for-profit and nonprofit organizations? Does access to equity financing greatly benefit providers incorporated as for-profits?

National Infrastructure Providers That Are Unincorporated Groups

We interviewed leaders of two infrastructure organizations that are unincorporated groups. The first group, which receives fiscal sponsorship, can receive foundation grants. Most of its funding comes from foundation grants, though it also earns some revenue through event sponsorships. The second group gets all of its funding from membership dues. The first group has full-time staff, and the second group does not. The first group primarily serves foundations, and the second group primarily serves individuals who work at social sector organizations.

Despite these differences, the interviewees who represented these groups both expressed a desire for the same thing: assistance establishing revenue models that balance sustainability for providers and financial accessibility for users—just like the nonprofit and for-profit interviewees. The first interviewee expressed anxiety about the future given the group's dependence on foundation grants and lack of a plan to fundraise beyond those grants. The second interviewee described struggling to balance sustainability with inclusivity in their revenue model, as not all of the group's members currently pay dues. The group has considered supplementing dues with sponsorships and marketing, but it also wants to maintain independence. Grappling with these questions has been challenging without full-time staff. Both interviewees said it would be helpful for foundations to provide them financial planning assistance.

These interviews led us to the following research questions for future studies to explore:

- Do we see differences in revenue streams and financial health metrics of infrastructure providers that are unincorporated groups based on whether or not they have fiscal sponsorship?
- Do we see differences in the revenue streams and financial health metrics of infrastructure providers that are unincorporated groups based on whether or not they have full-time staff?
- Do we see size, revenue structure, and financial health differences among unincorporated infrastructure providers that collect membership dues and those that do not?

Additional Areas for Future Research

As we conducted this research project, we identified the following additional research questions for future studies to explore:

- **Recent financial trends:** How have the overall size, revenue structure, and financial health of infrastructure providers incorporated as nonprofits changed since 2019? Our Form 990 analysis includes data through 2019 because the IRS has not yet released newer data for many organizations. When the IRS releases newer data, it will be useful to examine those data to understand the impact of the COVID-19 pandemic on infrastructure providers incorporated as nonprofits.
- **Comparison with similar nonprofits:** How does the overall size, revenue structure, and financial health of infrastructure providers incorporated as nonprofits compare with a similar sample of nonprofits? Are infrastructure providers in better or worse financial health than similar nonprofits (i.e., operating at the same geographic level and conducting similar activities)?

- **Geographic area served:** How does the overall size, revenue structure, and financial health of national infrastructure providers compare with regional, state, and local infrastructure providers? Do we see differences based on region served or whether they predominately serve an urban, suburban, or rural area?
- **Demographics of leaders:** Do overall size, revenue structure, and financial health differ for infrastructure providers based on the demographic characteristics of their leaders? Research has shown that nonprofits led by people of color have smaller endowments and get less funding than nonprofits with white leaders (Emergent Pathways 2019).[45] Determining whether this finding is true of infrastructure providers would be useful, as would determining the impact on these organizations over time. Finally, are there other differences by leaders' demographic characteristics?
- **Demographics of population served:** Do overall size, revenue structure, and financial health differ for infrastructure providers based on the demographic characteristics of the populations they serve? Research has shown that only small percentages of foundation funding go to nonprofits that explicitly serve people of color (Bond et al. 2019; Emergent Pathways 2019; Kan 2021; McAllister, Mukai, and Shah 2011; Philanthropic Initiative for Racial Equity in partnership with Race Forward and Foundation Center 2017).[46] Determining whether this finding is true of infrastructure providers would be useful. Also, are there other differences by the demographics of the populations that providers serve?
- **Types of infrastructure supports provided:** Do overall size, revenue structure, and financial health differ for infrastructure providers based on the types of supports they provide? See our January 2023 report *The Social Sector Infrastructure: Defining and Understanding the Concept* for descriptions of each type of support.
- **Government resources:** Do overall size, revenue structure, and financial health differ for infrastructure providers that regularly receive government grants and contracts?
- **Foundation funding:** Do we see changes in the amount of grant funding since the 2016 campaign to increase foundation support for infrastructure providers? Have certain types of infrastructure providers, such as those that primarily serve nonprofits or philanthropy or both, received more or less grant funding in recent years?
- **Membership dues:** Is the proportion of revenue that infrastructure providers receive from membership dues correlated with their size and financial health metrics? Is there an optimum percentage of revenue from membership dues that infrastructure providers should aim for?

The social sector infrastructure landscape is complex, and generalizing about its overall financial health is difficult. All the pieces of the infrastructure need to be examined. Answering these research questions, many of which would involve going beyond Form 990 data, would provide a more detailed overview of the financing of the infrastructure.

Conclusion

In this report, we build on previous studies of social sector infrastructure financing through a literature review, focus groups with funders of national infrastructure, interviews with leaders of national infrastructure organizations, a survey of infrastructure users, and analysis of Form 990 data from national infrastructure providers incorporated as nonprofits. We arrive at the following statistically significant findings:

- In our sample, infrastructure providers' annual revenues, expenses, and assets did not change from 2014 to 2019. Their revenue structures relied heavily on contributions and grants, followed by program service revenue. While they had about three months of spending on hand, which is the recommended amount, they operated on margins that were close to 0 percent during the six-year period.
- In our sample of infrastructure providers of all sizes (measured by annual expenses), the revenue structures did not differ from each other from 2014 to 2019. However, the quartile with the largest providers (those with median annual expenses of $5.4 million or more) had both median operating margins and median months of spending on hand that exceeded financial health benchmarks, and smaller providers did not. This indicates that the largest providers fared better than smaller providers.
- Providers in our sample that primarily serve nonprofits (nonprofit-serving) and those that primarily serve philanthropy (philanthropy-serving) were smaller in terms of annual revenue from 2014 to 2019 than two other groups of infrastructure providers; philanthropy-serving providers were smaller in terms of annual expenses than one other group of infrastructure providers. We also saw diversity in revenue structures based on whom the infrastructure providers primarily served. And we found disparities in the median operating margins and median months of spending on hand of nonprofit-serving providers and philanthropy-serving providers, with nonprofit-serving providers faring less well than philanthropy-serving providers.

- Infrastructure providers with dues-paying members in our sample were smaller in terms of annual revenue and expenses than those without dues-paying members from 2014 to 2019. Infrastructure providers with dues-paying members had revenue structures that were less diverse than those of infrastructure providers without dues-paying members. Providers with dues-paying members had median months of spending on hand that exceeded the benchmark of three months, while providers without dues-paying members did not. Conversely, providers without dues-paying members had a median operating margin that exceeded 0 percent, while providers with dues-paying members did not. Therefore, the financial health metrics of the two categories were mixed.
- We saw that the second-youngest group of infrastructure providers (those formed between 1999 and 2006) had (1) higher median annual expenses than the youngest group (those formed between 2007 and 2019); and (2) a median operating margin that was higher than 0 percent, while providers formed in other years did not.
- MacKenzie Scott's gifts to infrastructure providers increased attention to these organizations, but there is little indication so far that they have either inspired or depressed additional giving to infrastructure. Her commitment to shifting power is clear both in the number of infrastructure organizations she funded that target people identifying as Black, Indigenous, and people of color (BIPOC) or lesbian, gay, bisexual, transgender, and queer or questioning (LGBTQ) and in the no-strings nature of her gifts. So far, many recipients of her gifts have used the funding for capital investments, to accelerate or increase the scale of existing strategic plans, or to give their staffs breathing room from the hustle of perpetual fundraising.

Overall, the national infrastructure providers in our sample are surviving but not thriving financially, and in interviews we heard that many individual providers feel financially insecure. With the ultimate goal of helping infrastructure providers to support the social sector, these findings indicate that the financial health of infrastructure providers in our sample, especially nonprofit-serving providers and small providers, would benefit from larger operating margins and more months of spending on hand.

There are steps infrastructure providers, funders, and users can take to increase operating margins and months of spending on hand. For example, infrastructure providers can try to increase earned revenue. They can also pursue grants that cover the full costs of services, make services more affordable for infrastructure users, and allow flexibility to respond to the needs of the social sector. Infrastructure funders can provide these grants along with multiyear, general operating support and help providers establish other means of ongoing and steady support, such as from endowment income.

And infrastructure users can support the infrastructure providers they value by paying dues and fees for services.

Without a strong social sector infrastructure, we cannot have a strong social sector. We hope that readers will find this report useful as they reflect on the financial health of national social sector infrastructure providers incorporated as nonprofits.

Appendix A. Project Advisory Committee

We engaged an advisory committee to provide counsel on all aspects of our project and want to thank the committee members for their input and support of the project:

- Ana Marie Argilagos, president and CEO, Hispanics in Philanthropy
- Vanessa Daniel, principal, Vanessa Daniel Consulting, LLC
- James D. Gibbons, founder and president, Forward Impact Enterprises, LLC
- Rahsaan Harris, CEO, Citizens Committee for New York City
- Deth Im, director of faith leadership strategies, Faith in Action
- Sarah Kastelic, executive director, National Indian Child Welfare Association
- Kathy Ko Chin, CEO, Jasper Inclusion Advisors
- Hanh Le, co-CEO, **if**, A Foundation for Radical Possibility
- Larry McGill, founder and principal, Ambit 360 Consulting
- Jon Pratt, senior research fellow, Minnesota Council of Nonprofits
- Chera Reid, co-executive director, Center for Evaluation Innovation
- Pier Rogers, president, ARNOVA, and director, Axelson Center for Nonprofit Management at North Park University
- Sherece Y. West-Scantlebury, CEO, the Winthrop Rockefeller Foundation

Appendix B. Infrastructure Research Collaborative

The infrastructure research collaborative advisory group, hosted by the New Venture Fund, is a coordinated effort of funders and practitioners that supports efforts to better understand the country's social sector infrastructure. Its members are:

- Melanie Audette, Mission Investors Exchange
- Greg Baldwin, VolunteerMatch
- Chris Cardona, Ford Foundation
- Nick Deychakiwsky, Charles Stewart Mott Foundation
- Edward Jones, ABFE
- Monisha Kapila, ProInspire
- Frances Kunreuther, Building Movement Project
- Donna Murray-Brown, National Council of Nonprofits
- Urvashi Vaid, the Vaid Group (in memoriam, 1958–2022)
- Victoria Vrana, Bill & Melinda Gates Foundation

Appendix C. Focus Group and Survey Methodology

Focus Groups

In January and February 2022, our team conducted focus groups with members of the social sector and its infrastructure providers to gather information for our report "The Social Sector Infrastructure: Defining and Understanding the Concept." Each focus group contained five or six participants, and during the focus groups, we solicited example infrastructure providers.

Our team also conducted focus groups in March 2022 with 21 people representing 17 funders of national infrastructure. Twenty of these people represented 16 private foundations, and one represented a public charity. Each focus group contained five or six participants and addressed one area of infrastructure supports and services: sustainability, learning, relationships, or influence. During the focus groups, we also asked the participants to list example infrastructure providers, as well as comment on the value of and gaps in the existing infrastructure, answer questions related to equity, and share thoughts about how the infrastructure might need to change. In this report, we captured findings from these focus groups that relate to infrastructure financing.

Survey

Our team fielded a survey to infrastructure users from May 2 through May 24, 2022. We disseminated the survey through Urban's Social Sector Update newsletter; focus group participants; the project website; project funders, advisers, and their networks; and additional partners. We received 204 usable responses from people who self-identified as part of the social sector—190 from incorporated social sector organizations, 10 from unincorporated social sector groups, and 4 who did not answer this question. For more information about the survey respondents, see the methodology details in the appendix of *The State and Future of the National Social Sector Infrastructure*, available at https://www.urban.org/research/publication/state-and-future-national-social-sector-infrastructure. Through the survey, we asked respondents about the types of infrastructure supports and services they most rely on, who provides these supports, whether they pay for these supports, which of these supports they find challenging to receive, the obstacles they face in accessing these supports, and demographic questions.

Appendix D. NTEE Codes of National Infrastructure Providers Incorporated as Nonprofits in Our Form 990 Dataset

The following table contains the NTEE codes of the national infrastructure providers incorporated as nonprofits that are in our Form 990 dataset.

NTEE code	Number of providers
T50: Philanthropy, Charity & Voluntarism Promotion	18
S50: Nonprofit Management	10
P20: Human Service Organizations	5
B99: Education N.E.C.	4
R22: Minority Rights	4
S41: Chambers of Commerce & Business Leagues	4
T03: Professional Societies & Associations	4
T99: Philanthropy, Voluntarism & Grantmaking Foundations N.E.C.	4
A23: Cultural & Ethnic Awareness	3
R20: Civil Rights	3
S02: Management & Technical Assistance	3
S03: Professional Societies & Associations	3
T01: Alliances & Advocacy	3
T02: Management & Technical Assistance	3
W24: Citizen Participation	3
A30: Media & Communications	2
A31: Film & Video	2
B12: Fund Raising & Fund Distribution	2
B60: Adult Education	2
Q50: International Affairs, Foreign Policy, & Globalization	2
R30: Intergroup & Race Relations	2
S21: Community Coalitions	2
T22: Private Independent Foundations	2
T40: Voluntarism Promotion	2
W01: Alliances & Advocacy	2
W70: Leadership Development	2

Z99: Unknown	2
A05: Research Institutes & Public Policy Analysis	1
A32: Television	1
A33: Printing & Publishing	1
A99: Arts, Culture & Humanities N.E.C.	1
B01: Alliances & Advocacy	1
B03: Professional Societies & Associations	1
B30: Vocational & Technical Schools	1
B70: Libraries	1
B80: Student Services	1
B90: Educational Services	1
C12: Fund Raising & Fund Distribution	1
D30: Wildlife Preservation & Protection	1
E01: Alliances & Advocacy	1
E05: Research Institutes & Public Policy Analysis	1
G81: AIDS	1
G94: Geriatrics	1
I60: Law Enforcement	1
I80: Legal Services	1
J20: Employment Preparation & Procurement	1
K99: Food, Agriculture & Nutrition N.E.C.	1
N52: Fairs	1
O50: Youth Development Programs	1
O99: Youth Development N.E.C.	1
P02: Management & Technical Assistance	1
P03: Professional Societies & Associations	1
P22: Urban League	1
P28: Neighborhood Centers	1
P50: Personal Social Services	1
P80: Centers to Support the Independence of Specific Populations	1
P84: Ethnic & Immigrant Centers	1
Q05: Research Institutes & Public Policy Analysis	1
Q12: Fund Raising & Fund Distribution	1
Q19: Support N.E.C.	1
Q21: International Cultural Exchange	1
Q30: International Development	1
Q33: International Relief	1
Q35: International Democracy & Civil Society Development	1
R01: Alliances & Advocacy	1
R40: Voter Education & Registration	1
R60: Civil Liberties	1

S11: Single Organization Support	1
S12: Fund Raising & Fund Distribution	1
S19: Support N.E.C.	1
S20: Community & Neighborhood Development	1
S30: Economic Development	1
S46: Boards of Trade	1
T05: Research Institutes & Public Policy Analysis	1
T12: Fund Raising & Fund Distribution	1
T19: Support N.E.C.	1
T23: Private Operating Foundations	1
T31: Community Foundations	1
T70: Federated Giving Programs	1
U40: Engineering & Technology	1
U50: Biological & Life Sciences	1
U99: Science & Technology N.E.C.	1
W02: Management & Technical Assistance	1
W03: Professional Societies & Associations	1
W05: Research Institutes & Public Policy Analysis	1
W11: Single Organization Support	1
W20: Government & Public Administration	1
W90: Consumer Protection	1
W99: Public & Societal Benefit N.E.C.	1
X12: Fund Raising & Fund Distribution	1
X22: Roman Catholic	1
X90: Interfaith Coalitions	1
Y20: Insurance Providers	1

Appendix E. National Infrastructure Providers Incorporated as Nonprofits in Our Sample

The following list contains the national social sector infrastructure providers incorporated as nonprofits that we included in our Form 990 dataset, using the organization names included in that dataset. For more information about this dataset, see the "Overview of Methods" section.

Organization name	Primary audience served	Has dues-paying members?
2164 INC	Philanthropy	No
501 COMMONS	Nonprofit	No
ACTION WITHOUT BORDERS INC	Nonprofit	No
ADVANCEMENT PROJECT	Movements and civic engagement	No
ALLIANCE FOR DEMOCRACY	Movements and civic engagement	Yes
ALLIANCE FOR NONPROFIT MANAGEMENT INC	Nonprofit	Yes
ALLIANCE OF NONPROFITS FOR INSURANCE RISK RETENTION GROUP INC	Nonprofit	No
AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM	Movements and civic engagement	No
AMERICAN INSTITUTE OF PHILANTHROPY	Philanthropy	No
AMERICAN SOCIETY OF ASSOCIATION EXECUTIVES	Nonprofit	No
AMPLIFIER FOUNDATION	Movements and civic engagement	Yes
ANIMAL GRANTMAKERS INC	Philanthropy	Yes
ASIAN & PACIFIC ISLANDER AMERICAN HEALTH FORUM	Movements and civic engagement	No
ASIAN AMERICAN-PACIFIC ISLANDERS IN PHILANTHROPY	Philanthropy	Yes
ASIAN AMERICANS ADVANCING JUSTICE -AAJC INC	Movements and civic engagement	No
ASIAN PACIFIC AMERICAN INSTITUTE FOR CONGRESSIONAL STUDIES INC	Movements and civic engagement	No
ASSOC FOR RESEARCH ON NONPROFIT ORGANIZATIONS & VOLUNTARY ACTIONS	Nonprofit	Yes
ASSOCIATION OF BLACK FOUNDATION EXECUTIVES INC	Philanthropy	Yes
ASSOCIATION OF CORPORATE CITIZENSHIP PROFESSIONALS	Corporations and social enterprises	No
ASSOCIATION OF FUNDRAISING PROFESSIONALS	Nonprofit	Yes
ASSOCIATION OF SMALL FOUNDATIONS	Philanthropy	No
ATHLETES FOR HOPE	Philanthropy	No

B LAB COMPANY	Corporations and social enterprises	No
BBB WISE GIVING ALLIANCE	Nonprofit and philanthropy	No
BOARDSOURCE	Nonprofit and philanthropy	Yes
BUILDING IMPACT INC	Corporations and social enterprises	No
BUSINESS FOR SOCIAL RESPONSIBILITY	Corporations and social enterprises	No
CANDID	Nonprofit and philanthropy	No
CAPITAL RESEARCH CENTER	Nonprofit and philanthropy	No
CATCHAFIRE FOUNDATION	Nonprofit	No
CAUSE COMMUNICATIONS	Nonprofit and philanthropy	No
CAUSE EFFECTIVE INC	Nonprofit	No
CENTER FOR COMMUNITY CHANGE ACTION	Movements and civic engagement	No
CENTER FOR DISASTER PHILANTHROPY INC	Philanthropy	No
CENTER FOR EFFECTIVE PHILANTHROPY INC	Philanthropy	No
CENTER FOR EXCELLENCE IN NONPROFITS	Nonprofit	No
CENTER FOR NONPROFIT ADVANCEMENT	Nonprofit	No
CENTER FOR RURAL STRATEGIES INC	Movements and civic engagement	No
CFLEADS	Philanthropy	No
CHANGE ELEMENTAL	Movements and civic engagement	No
CHARITABLE ALLIES INC	Nonprofit and philanthropy	No
CHIEF EXECUTIVES FOR CORPORATE PURPOSE INC	Corporations and social enterprises	Yes
CIN INC	Philanthropy	Yes
COLOROFCHANGE ORG	Movements and civic engagement	No
COMMON COUNSEL FOUNDATION	Nonprofit and philanthropy	Yes
COMMON FUTURE	Nonprofit and philanthropy	Yes
COMMON IMPACT INC	Corporations and social enterprises	No
COMMUNICATIONS NETWORK	Nonprofit and philanthropy	No
COMMUNITY RESOURCE EXCHANGE	Nonprofit and philanthropy	No
COMPASSPOINT NONPROFIT SERVICES	Nonprofit	No
CONFLUENCE PHILANTHROPY INC	Philanthropy	Yes
CONSULTATIVE GROUP ON BIOLOGICAL DIVERSITY	Philanthropy	No
COUNCIL ON FOUNDATIONS INC	Philanthropy	Yes
CRITERION INSTITUTE INC	Philanthropy	No
DATAKIND	Nonprofit and philanthropy	No
DEMOCRACY WORKS INC	Movements and civic engagement	No
DONORS OF COLOR NETWORK INC	Philanthropy	No
EDGE FUNDERS ALLIANCE	Philanthropy	Yes
ENVIRONMENTAL GRANTMAKERS ASSOCIATION	Philanthropy	Yes
EQUAL MEASURE	Nonprofit and philanthropy	No
EQUITY IN THE CENTER	Nonprofit and philanthropy	No
FAIR FIGHT ACTION INC	Movements and civic engagement	No

FAITH IN ACTION NETWORK	Movements and civic engagement	No
FILANTROPÍA PUERTO RICO	Philanthropy	No
FIRST NATIONS DEVELOPMENT INSTITUTE	Nonprofit	Yes
FOUNDATION FINANCIAL OFFICERS GROUP INC	Philanthropy	No
FOUNDATIONS AND DONORS INTEREST IN CATHOLIC ACTIVITIES	Philanthropy	No
FRAMEWORKS INSTITUTE	Movements and civic engagement	No
FSG INC	Nonprofit and philanthropy	No
FUND FOR THE CENTER FOR COMMUNITY CHANGE	Movements and civic engagement	Yes
FUNDERS CONCERNED ABOUT AIDS INC	Philanthropy	Yes
FUNDERS FOR LESBIAN AND GAY ISSUES INC	Philanthropy	Yes
FUNDERS FOR REPRODUCTIVE EQUITY INC	Philanthropy	No
FUNDERS TOGETHER TO END HOMELESSNES S INC	Philanthropy	No
GENEROUS GIVING INC	Philanthropy	No
GIVING INSTITUTE LEADING CONSULTANTS TO NON PROFITS INC	Corporations and social enterprises	No
GIVINGTUESDAY	Nonprofit and philanthropy	No
GLOBAL IMPACT INVESTING NETWORK INC	Philanthropy	Yes
GRANT PROFFESSIONALS ASSOCIATION	Philanthropy	Yes
GRANTMAKERS CONCERNED WITH IMMIGRANTS AND REFUGEES	Philanthropy	Yes
GRANTMAKERS FOR EDUCATION	Philanthropy	No
GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS	Philanthropy	Yes
GRANTMAKERS IN AGING INC	Philanthropy	Yes
GRANTMAKERS IN HEALTH	Philanthropy	No
GRANTMAKERS IN THE ARTS	Philanthropy	No
GRASSROOTS GRANTMAKERS	Philanthropy	Yes
GRASSROOTS INSTITUTE FOR FUNDRAISING TRAINING	Nonprofit	Yes
GREATNONPROFITS	Nonprofit and philanthropy	No
GROWTH PHILANTHROPY NETWORK INC	Nonprofit and philanthropy	No
HISPANICS IN PHILANTHROPY	Philanthropy	Yes
IDEOORG	Nonprofit and philanthropy	No
IMPACT ONLINE INC	Nonprofit	No
INDEPENDENT SECTOR	Nonprofit and philanthropy	No
INNOVATION NETWORK INC	Nonprofit and philanthropy	No
INSTITUTE FOR SUSTAINABLE COMMUNITIES	Movements and civic engagement	No
INTERACTION AMERICAN COUNCIL FOR VOLUNTARY INTERNATIONAL ACTION INC	Nonprofit	Yes
INTERACTION INSTITUTE	Nonprofit and philanthropy	No
INTERFAITH YOUTH CORE	Movements and civic engagement	Yes
INTERNATIONAL ASSOCIATION OF ADVISORS IN PHILANTHROPY INC	Philanthropy	No

INTERNATIONAL CENTER FOR NOT-FOR-PROFIT LAW INC HCSR	Nonprofit and philanthropy	No
INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES	Philanthropy	Yes
INTERNATIONAL SOCIETY FOR THIRD SECTOR RESEARCH INC	Nonprofit	No
JUSTICE FUNDERS	Philanthropy	Yes
JUSTPARTNERS INC	Nonprofit and philanthropy	Yes
LEADERSHIP CONFERENCE ON CIVIL AND HUMAN RIGHTS INC	Movements and civic engagement	Yes
MEDIA IMPACT FUNDERS INC	Philanthropy	Yes
MISSION INVESTORS EXCHANGE INC	Philanthropy	Yes
NAACP EMPOWERMENT PROGRAMS INC	Movements and civic engagement	No
NATIONAL CENTER FOR FAMILY PHILANTHROPY INC	Philanthropy	Yes
NATIONAL CIVIC LEAGUE	Movements and civic engagement	No
NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY	Philanthropy	Yes
NATIONAL CONFERENCE ON CITIZENSHIP	Movements and civic engagement	No
NATIONAL CONGRESS OF AMERICAN INDIANS	Movements and civic engagement	No
NATIONAL COUNCIL OF NONPROFITS	Nonprofit	Yes
NATIONAL HUMAN SERVICES ASSEMBLY	Nonprofit	Yes
NATIONAL URBAN INDIAN FAMILY COALITION	Movements and civic engagement	No
NATIONAL URBAN LEAGUE INC	Movements and civic engagement	Yes
NATIVE AMERICANS IN PHILANTHROPY	Philanthropy	Yes
NATIVE CDFI NETWORK INC	Philanthropy	No
NATIVE WAYS FEDERATION	Nonprofit and philanthropy	No
NDN COLLECTIVE INC	Movements and civic engagement	Yes
NEIGHBORHOOD FUNDERS GROUP	Philanthropy	No
NET IMPACT	Corporations and social enterprises	No
NETHOPE INC	Nonprofit	No
NETROOTS FOUNDATION	Nonprofit	Yes
NONPROFIT ACADEMIC CENTERS COUNCIL	Nonprofit	No
NONPROFIT FINANCE FUND	Nonprofit	Yes
NONPROFIT INFORMATION NETWORKING ASSOCIATION	Nonprofit	No
NONPROFIT LEADERSHIP ALLIANCE	Nonprofit	Yes
NONPROFIT NETWORK	Nonprofit	No
NONPROFIT RISK MANAGEMENT CENTER	Nonprofit	No
NON-PROFIT TECHNOLOGY ENTERPRISE NETWORK	Nonprofit and philanthropy	No
NONPROFIT VOTE INC	Nonprofit	No
NONPROFITS FIRST INC	Nonprofit	Yes
PANORAMA GLOBAL	Nonprofit and philanthropy	No
PEAK GRANTMAKING INC	Philanthropy	No

PHILANOS	Philanthropy	No
PHILANTHROPIC ENTERPRISE INC	Nonprofit	No
PHILANTHROPY FOR ACTIVE CIVIC ENGAGEMENT	Philanthropy	No
PHILANTHROPY ROUNDTABLE	Philanthropy	No
POINTS OF LIGHT FOUNDATION	Movements and civic engagement	Yes
POLICYLINK	Movements and civic engagement	No
PRO BONO PARTNERSHIPS INC	Corporations and social enterprises	No
PROINSPIRE	Nonprofit and philanthropy	No
PUBLIC ALLIES INC	Movements and civic engagement	No
RACE FORWARD	Movements and civic engagement	Yes
RESOURCE GENERATION	Philanthropy	No
ROCKEFELLER ARCHIVE CENTER	Nonprofit	Yes
ROCKWOOD LEADERSHIP INSTITUTE	Nonprofit and philanthropy	Yes
ROOT CAUSE INSTITUTE INC	Nonprofit and philanthropy	Yes
SERVICE YEAR ALLIANCE	Nonprofit	No
SOCIAL ENTERPRISE ALLIANCE INC	Corporations and social enterprises	Yes
SOCIAL VENTURE PARTNERS	Nonprofit and philanthropy	No
SOCIETY FOR NON PROFIT ORGANIZATIONS	Nonprofit	No
SOUND ALLIANCE	Movements and civic engagement	No
SOUTHEAST ASIA RESOURCE ACTION CENTER	Movements and civic engagement	Yes
SUSTAINABLE AGRICULTURE AND FOOD SYSTEMS FUNDERS	Philanthropy	No
TECH IMPACT	Nonprofit	No
TECHBRIDGE INC	Nonprofit	Yes
TECHNOLOGY ASSOCIATION OF GRANTMAKERS INC	Philanthropy	Yes
THE BRIDGESPAN GROUP INC	Nonprofit and philanthropy	No
THE DINNER PARTY	Nonprofit and philanthropy	No
THE FUNDERS NETWORK INC	Philanthropy	No
THE MANAGEMENT CENTER	Nonprofit	No
THE PHILANTHROPY WORKSHOP INC	Philanthropy	No
TONIIC INSTITUTE	Philanthropy	Yes
UNIDOSUS	Movements and civic engagement	No
UNITED FOR A FAIR ECONOMY INC	Movements and civic engagement	No
UNITED PHILANTHROPY FORUM	Philanthropy	No
US-MEXICO BORDER PHILANTHROPY PARTNERSHIP	Philanthropy	Yes
VISION MAKER MEDIA	Nonprofit	No
WISDOM & MONEY	Philanthropy	No
WOMEN DONORS NETWORK	Philanthropy	No
WOMEN MOVING MILLIONS INC	Philanthropy	No
WOMENS FUNDING NETWORK	Philanthropy	No

WORLDWIDE INITIATIVES FOR GRANTMAKER SUPPORT	Philanthropy	Yes
YOUNG NONPROFIT PROFESSIONALS NETWORK	Nonprofit	Yes

Appendix F. Form 990 and Form 990-EZ Lines That Correspond to Variables and Formulas Used in This Report

The following table contains the Form 990 and Form 990-EZ lines that correspond to the variables and formulas used in this report.

Variable/formula	Form 990 line(s)	Form 990-EZ line(s)
Total revenue	PART-01-LINE-12-CY	PART-01-LINE-09
Total expenses	PART-01-LINE-18-CY	PART-01-LINE-17
Total assets	PART-01-LINE-20-EOY	PART-02-LINE-25
Contributions and grants	PART-01-LINE-08-CY	PART-01-LINE-01 + PART-01-LINE-03
Program service revenue	PART-01-LINE-09-CY	PART-01-LINE-02
Investment income	PART-01-LINE-10-CY	PART-01-LINE-04
Other revenue	PART-01-LINE-11-CY	PART-01-LINE-05C + PART-01-LINE-06D + PART-01-LINE-07C + PART-01-LINE-08
Operating margin = net income / total revenue	PART-01-LINE-19-CY / PART-01-LINE-12-CY	PART-01-LINE-18 / PART-01-LINE-09
Months of spending on hand = 12 * (unrestricted net assets – (land, buildings, and equipment – tax-exempt bond liabilities – mortgages and notes payable)) / (total expenses – depreciation)	12 * [PART-10-LINE-27-EOY - (PART-10-LINE-10C-EOY - PART-10-LINE-20-EOY - PART-10-LINE-23-EOY - PART-10-LINE-24-EOY)] / (PART-01-LINE-18-CY - PART-09-LINE-22-COL-A)	NA
Year of formation	PART-00-SECTION-L	NA

Appendix G. Financing-Related Methods of Previous Studies on Infrastructure Financing

Six recent studies that examined nonprofit and philanthropic infrastructure financing used a variety of methods, including focus groups, interviews, analysis of grant data, a literature review, surveys, and analysis of Form 990 data (Abramson and McCarthy 2012; Bokoff et al. 2018; Boris et al. 2009; Dillon et al. 2015; Knight and Ribeiro 2017; Liu 2022). This table outlines these studies.

Study	Financing-related methods
Boris et al. 2009	▪ Conducted two focus groups with key nonprofit sector leaders and interviewed key informants in the field ▪ Analyzed 2003–summer 2008 grants data from the Foundation Center's Foundation Directory Online, GuideStar's Grant Explorer tool, and Atlantic Philanthropies' website ▪ Conducted interviews with financial leaders of 11 nonprofit infrastructure organizations
Abramson and McCarthy 2012	▪ Conducted a literature review on nonprofit infrastructure ▪ Conducted interviews with leaders of nonprofit infrastructure organizations
Dillon et al. 2015	▪ Analyzed 2004–12 data from Foundation Center on infrastructure-related grants of $10,000 or more from the 1,000 largest US private and community foundations
Knight and Ribeiro 2017	▪ Surveyed WINGS' 93 philanthropy-serving organization members in August 2016 (63 responded)
Bokoff et al. 2018	▪ Analyzed 2004–15 data from Foundation Center on infrastructure-related grants of $10,000 or more from the 1,000 largest US private and community foundations
Liu 2022	▪ Surveyed 909 US-based nonprofit infrastructure organizations ▪ Analyzed Form 990 data

Appendix H. Bootstrap Confidence Intervals

This appendix contains tables with the bootstrap confidence intervals that are referenced throughout this report. We calculated bootstrap confidence intervals, rather than exact confidence intervals, because these data are nonnormally distributed.

TABLE H.1

Bootstrap Confidence Intervals for Infrastructure Providers' Median Annual Revenue, Expenses, and Assets (2019 dollars in millions)

	Median annual revenue		Median annual expenses		Median annual assets	
Year	Lower-bound confidence interval	Upper-bound confidence interval	Lower-bound confidence interval	Upper-bound confidence interval	Lower-bound confidence interval	Upper-bound confidence interval
2014	$1.2	$2.7	$1.4	$2.3	$1.0	$2.5
2015	$1.3	$2.9	$1.3	$2.8	$1.4	$2.4
2016	$1.9	$3.3	$1.1	$2.5	$1.5	$2.6
2017	$1.8	$3.1	$1.4	$2.8	$1.3	$2.7
2018	$1.8	$4.0	$1.6	$3.5	$1.2	$2.9
2019	$2.0	$3.1	$1.9	$2.8	$1.1	$2.3

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We adjusted dollar amounts to 2019 dollars, accounting for inflation. This table corresponds with figure 1. Number of providers included in each year for this figure: 2014 (123), 2015 (131), 2016 (140), 2017 (144), 2018 (149), 2019 (143).

TABLE H.2

Bootstrap Confidence Intervals for Infrastructure Providers' Median Months of Spending on Hand

Year	Lower-bound confidence interval	Upper-bound confidence interval
2014	1.10	3.48
2015	2.13	4.04
2016	2.54	4.28
2017	3.48	5.42
2018	2.68	4.34

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. This table corresponds with figure 3. Number of providers included in each year for this figure: 2014 (119), 2015 (125), 2016 (134), 2017 (134), 2018 (143).

TABLE H.3

Bootstrap Confidence Intervals for Infrastructure Providers' Median Operating Margin (percent)

Year	Lower-bound confidence interval	Upper-bound confidence interval
2014	1	5
2015	2	8
2016	-2	4
2017	-1	5
2018	2	7
2019	2	9

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: This table corresponds with figure 4. Number of providers included in each year for this figure: 2014 (123), 2015 (131), 2016 (140), 2017 (144), 2018 (149), 2019 (143).

TABLE H.4

Bootstrap Confidence Intervals for Infrastructure Providers' Median Months of Spending on Hand, 2014–18, by Size

Quartile	Lower-bound confidence interval	Upper-bound confidence interval
First quartile ($9,000 to $877,000)	-2.35	4.75
Second quartile ($897,000 to $2 million)	1.97	4.87
Third quartile ($2.2 to $5 million)	2.05	4.18
Fourth quartile ($5.4 to $53.9 million)	3.86	6.30

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We categorize size using a quartile split on average total expenses. We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. This table corresponds with figure 6. Number of providers in each quartile for this figure: first quartile (30), second quartile (40), third quartile (40), third quartile (41).

TABLE H.5

Bootstrap Confidence Intervals for Infrastructure Providers' Median Operating Margin, 2014–19, by Size (percent)

Quartile	Lower-bound confidence interval	Upper-bound confidence interval
First quartile ($9,000 to $877,000)	-5	2
Second quartile ($897,000 to $2 million)	1	8
Third quartile ($2.2 to $5 million)	0	6
Fourth quartile ($5.4 to $53.9 million)	2	5

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We categorize size using a quartile split on average total expenses. We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. This table corresponds with figure 7. Number of providers in each quartile for this figure: first quartile (42), second quartile (41), third quartile (41), third quartile (41).

TABLE H.6

Bootstrap Confidence Intervals for Infrastructure Providers' Median Annual Revenue, Expenses, and Assets, 2014–19, by Primary Audience (2019 dollars in millions)

	Median Annual Revenue		Median Annual Expenses		Median Annual Assets	
Primary audience	**Lower-bound confidence interval**	**Upper-bound confidence interval**	**Lower-bound confidence interval**	**Upper-bound confidence interval**	**Lower-bound confidence interval**	**Upper-bound confidence interval**
Nonprofit-serving	-$0.6	$2.2	-$0.1	$2.4	-$0.8	$1.8
Philanthropy-serving	$1.1	$2.0	$0.7	$1.8	$1.5	$2.4
Nonprofit/philanthropy-serving	$0.8	$4.4	$2.1	$4.2	-$0.1	$4.8
Movement/civic engagement–serving	$3.7	$8.4	$1.2	$6.7	-$2.0	$7.1

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median annual revenue," "median annual expenses," and "median annual assets" as the median of infrastructure providers' average annual revenue, expenses, and assets in 2014–19. This table corresponds with figure 8. Number of providers in each category for this figure: nonprofit-serving (36), philanthropy-serving (57), nonprofit/philanthropy–serving (29), movement/civic engagement–serving (34).

TABLE H.7

Bootstrap Confidence Intervals for Infrastructure Providers' Median Months of Spending on Hand, 2014–18, by Primary Audience

Primary audience	Lower-bound confidence interval	Upper-bound confidence interval
Nonprofit-serving	1.52	3.83
Philanthropy-serving	3.14	5.07
Nonprofit/philanthropy–serving	2.52	5.20
Movement/civic engagement–serving	1.27	4.29

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. This table corresponds with figure 10. Number of providers in each category for this figure: nonprofit-serving (32), philanthropy-serving (52), nonprofit/philanthropy–serving (26), movement/civic engagement–serving (33).

TABLE H.8

Bootstrap Confidence Intervals for Infrastructure Providers' Median Operating Margin, 2014–19, by Primary Audience (percent)

Primary audience	Lower-bound confidence interval	Upper-bound confidence interval
Nonprofit-serving	-6	-1
Philanthropy-serving	2	8
Nonprofit/philanthropy–serving	-5	5
Movement/civic engagement–serving	0	9

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. This table corresponds with figure 11. Number of providers in each category for this figure: nonprofit-serving (36), philanthropy-serving (57), nonprofit/philanthropy–serving (29), movement/civic engagement–serving (34).

TABLE H.9

Bootstrap Confidence Intervals for Infrastructure Providers' Median Annual Revenue, Expenses, and Assets, 2014–19, by Dues-Paying Membership (2019 dollars in millions)

	Median Annual Revenue		Median Annual Expenses		Median Annual Assets	
Whether providers have dues-paying members	Lower-bound confidence interval	Upper-bound confidence interval	Lower-bound confidence interval	Upper-bound confidence interval	Lower-bound confidence interval	Upper-bound confidence interval
Have dues-paying members	$0.8	$2.0	$0.8	$1.8	$0.8	$2.0
Do not have dues-paying members	$2.4	$4.7	$2.0	$3.9	$1.5	$4.2

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median annual revenue," "median annual expenses," and "median annual assets" as the median of infrastructure providers' average annual revenue, expenses, and assets in 2014–19. This table corresponds to figure 12. Number of providers in each category for this figure: have dues-paying members (59), do not have does not have dues-paying members (106).

TABLE H.10

Bootstrap Confidence Intervals for Infrastructure Providers' Median Months of Spending on Hand, 2014–18, by Dues-Paying Membership

Whether providers have dues-paying members	Lower-bound confidence interval	Upper-bound confidence interval
Have dues-paying members	3.70	6.51
Do not have dues-paying members	2.20	3.64

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.
Notes: We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. This table corresponds to figure 14. Number of providers in each category for this figure: have dues-paying members (50), do not have does not have dues-paying members (101).

TABLE H.11

Bootstrap Confidence Intervals for Infrastructure Providers' Median Operating Margin, 2014–19, by Dues-Paying Membership (percent)

Whether providers have dues-paying members	Lower-bound confidence interval	Upper-bound confidence interval
Have dues-paying members	0	7
Do not have dues-paying members	1	5

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.
Notes: We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. This table corresponds to figure 15. Number of providers in each category for this figure: have dues-paying members (59), do not have does not have dues-paying members (106).

TABLE H.12

Bootstrap Confidence Intervals for Infrastructure Providers' Median Annual Revenue, Expenses, and Assets, 2014–19, by Age of Organization (2019 dollars in millions)

	Median Annual Revenue		Median Annual Expenses		Median Annual Assets	
Age of organization	**Lower-bound confidence interval**	**Upper-bound confidence interval**	**Lower-bound confidence interval**	**Upper-bound confidence interval**	**Lower-bound confidence interval**	**Upper-bound confidence interval**
Providers formed between 1909 and 1987	-$0.1	$4.6	$1.1	$6.3	-$1.3	$7.9
Providers formed between 1988 and 1998	$1.8	$3.8	$0.9	$3.1	$0.2	$2.5
Providers formed between 1999 and 2006	$1.4	$4.3	$1.5	$3.5	$0.3	$3.0
Providers formed between 2007 and 2019	$1.0	$1.9	$0.7	$1.4	$0.3	$1.1

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median annual revenue," "median annual expenses," and "median annual assets" as the median of infrastructure providers' average annual revenue, expenses, and assets in 2014–19. This table corresponds to figure 16. Number of providers in each category for this figure: providers formed between 1909 and 1987 (39), providers formed between 1988 and 1998 (40), providers formed between 1999 and 2006 (41), providers formed between 2007 and 2019 (36).

TABLE H.13

Bootstrap Confidence Intervals for Infrastructure Providers' Median Months of Spending on Hand, 2014–18, by Age of Organization

Age of organization	Lower-bound confidence interval	Upper-bound confidence interval
Providers formed between 1909 and 1987	1.32	7.18
Providers formed between 1988 and 1998	1.69	3.80
Providers formed between 1999 and 2006	2.39	4.66
Providers formed between 2007 and 2019	2.00	5.86

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median months of spending on hand" as the median of infrastructure providers' average months of spending on hand in 2014–18. Data for 2019 are missing because the 2019 dataset was missing the variables needed to calculate months of spending on hand when we conducted this analysis. This table corresponds to figure 18. Number of providers in each category for this figure: providers formed between 1909 and 1987 (39), providers formed between 1988 and 1998 (40), providers formed between 1999 and 2006 (40), providers formed between 2007 and 2019 (32).

TABLE H.14

Bootstrap Confidence Intervals for Infrastructure Providers' Median Operating Margin, 2014–19, by Age of Organization (percent)

Age of organization	Lower-bound confidence interval	Upper-bound confidence interval
Providers formed between 1909 and 1987	-2	4
Providers formed between 1988 and 1998	0	8
Providers formed between 1999 and 2006	1	5
Providers formed between 2007 and 2019	-4	8

Source: Authors' calculations based on Nonprofit Open Data Collective e-filed Form 990 data files (Nonprofit Open Data Collective 2022) using Jesse Lecy (2022). irs990efile: R package for converting IRS 990 XML files to a relational database. Version 0.0.0.9 available at https://github.com/Nonprofit-Open-Data-Collective/irs990efile.

Notes: We define "median operating margin" as the median of infrastructure providers' average operating margin in 2014–19. This table corresponds to figure 19. Number of providers in each category for this figure: providers formed between 1909 and 1987 (39), providers formed between 1988 and 1998 (40), providers formed between 1999 and 2006 (41), providers formed between 2007 and 2019 (36).

Appendix I. National Infrastructure Providers That Received Gifts from MacKenzie Scott in June 2021

The following table contains the June 2021 recipients of MacKenzie Scott's gifts that we consider national social sector infrastructure providers. See box 1 on page 3 for our definition of social sector infrastructure providers. MacKenzie Scott's gifts database, Yield Giving, allows gift recipients to self-report focus areas.[47] Among the options are "nonprofit sector strengthening" and "philanthropic sector strengthening." By their own numbers, which we have not independently verified, Scott is supporting more nonprofit sector strengthening organizations than philanthropic sector strengthening organizations.

Organization	Core constituency/constituencies served
ABFE: A Philanthropic Partnership for Black Communities	Foundations
Achieving the Dream	Nonprofits
Allied Media Projects	Movements
American Indian Higher Education Consortium (AIHEC)	Movements
Art for Justice Fund	Nonprofits
Ashoka Innovators for the Public	For-profits and volunteers
Asian Americans/Pacific Islanders in Philanthropy	Foundations
Black Organizing for Leadership and Dignity (BOLD)	Organizers
BoardSource	Foundations and nonprofits
Borealis Philanthropy	Foundations, nonprofits, and movements
· Black Led Movement Fund	Foundations, nonprofits, and movements
· Communities Transforming Policing Fund	Foundations, nonprofits, and movements
· Disability Inclusion Fund	Foundations, nonprofits, and movements
· Emerging LGBTQ Leaders of Color Fund	Foundations, nonprofits, and movements
· Racial Equity in Journalism Fund	Foundations, nonprofits, and movements
· Racial Equity in Philanthropy Fund	Foundations, nonprofits, and movements
· Racial Equity to Accelerate Change Fund	Foundations, nonprofits, and movements
· Spark Justice Fund	Foundations, nonprofits, and movements
Building Movement Project	Foundations and nonprofits
Candid	Foundations, nonprofits, and donors
Center for Asian American Media	Movements
Center for Effective Philanthropy (CEP)	Foundations

Center for Evaluation Innovation	Foundations
CFLeads	Foundations
CHANGE Philanthropy	Foundations
Charity Navigator	Nonprofits and donors
Chinese for Affirmative Action	Movements
Common Counsel Foundation	Foundations and nonprofits
Common Future	Foundations, for-profits, and donors
CompassPoint Nonprofit Services	Nonprofits and movements
Decolonizing Wealth Project	Foundations
Donors of Color Network	Donors
DonorsChoose	Donors
Draper Richards Kaplan Foundation	Nonprofits and for-profits
Emerging Practitioners in Philanthropy	Foundations
Equal Measure	Foundations and nonprofits
Equitable Evaluation Initiative	Foundations
Equity in the Center	Foundations and nonprofits
Exponent Philanthropy	Foundations and donors
Faith in Action	Nonprofits, faith communities, and movements
Faith in Public Life	Faith communities
Filantropía Puerto Rico	Foundations
First Peoples Fund	Nonprofits
FSG	Foundations, nonprofits, and for-profits
Fund for Shared Insight	Foundations and nonprofits
Funders for LGBTQ Issues	Foundations and for-profits
GiveIndia	Donors
GivingTuesday	Movements
Grantmakers for Effective Organizations	Foundations
GreenLight Fund	Nonprofits
Interaction Institute for Social Change	Foundations and nonprofits
Kiva	Donors
Lever for Change	Nonprofits, for-profits, and donors
Management Leadership for Tomorrow	Foundations, nonprofits, and for-profits
MDRC	Foundations and nonprofits
MENTOR: The National Mentoring Partnership	Volunteers
Metro IAF	Organizers
Muslim Advocates	Movements
Namati	Nonprofits, for-profits, and organizers
National Center for Family Philanthropy	Foundations and donors
National Committee for Responsive Philanthropy	Foundations, nonprofits, and donors

National Council of Nonprofits	Nonprofits
Native Americans in Philanthropy	Foundations
NDN Collective	Nonprofits and movements
Neighborhood Funders Group	Foundations
New Profit	For-profits
NGOsource	Foundations, nonprofits, for-profits, and donors
NTEN	Foundations, nonprofits, and for-profits
PEAK Grantmaking	Foundations
Philanthropic Initiative for Racial Equity	Foundations and donors
Pillars Fund	Nonprofits
ProInspire	Foundations and nonprofits
Project Evident	Foundations and nonprofits
Race Forward	Movements
Repair the World	Nonprofits, faith communities, and volunteers
Repairers of the Breach	Faith communities
Results for America	Nonprofits
Rise Up	Organizers
Rockefeller Philanthropy Advisors	Foundations, nonprofits, for-profits, and donors
Rockwood Leadership Institute	Foundations and nonprofits
Service Year Alliance	Volunteers
Sins Invalid	Movements
Social Finance	Foundations, nonprofits, and for-profits
Solidaire Network	Nonprofits and for-profits
TechSoup Global	Foundations, nonprofits, and for-profits
The Bridgespan Group	Foundations, nonprofits, and donors
The Center for Cultural Power	Movements
The Greenlining Institute	Organizers
The Management Center	Nonprofits
The Nonprofit Quarterly	Foundations, nonprofits, and donors
The Urban Institute	Foundations, nonprofits, for-profits, movements, and donors
Third Sector	Nonprofits
United Philanthropy Forum	Foundations
VolunteerMatch	Nonprofits and volunteers
Women's Funding Network	Foundations and donors
YR Media	Movements

Notes

1 Cynthia M. Gibson, "Why Every Foundation Should Fund Infrastructure," *Nonprofit Quarterly*, January 25, 2008, https://nonprofitquarterly.org/why-every-foundation-should-fund-infrastructure/.

2 A companion Urban Institute report on the state and future of the national social sector infrastructure is available at https://www.urban.org/research/publication/state-and-future-national-social-sector-infrastructure. A companion guide on how the national social sector infrastructure can be strengthened is available at https://www.urban.org/research/publication/guide-strengthening-national-social-sector-infrastructure.

3 Deondre' Jones, "National Taxonomy of Exempt Entities (NTEE) Codes," National Center for Charitable Statistics, Urban Institute, April 2, 2019, https://nccs.urban.org/project/national-taxonomy-exempt-entities-ntee-codes.

4 Liu (2022, 1) also looked for and did not identify an NTEE code that captured the wide range of infrastructure providers, which he refers to in his scholarship as "nonprofit infrastructure organizations" and defines as "nonprofits that support other nonprofits or the nonprofit sector as a whole." Instead, he used Dictionary-Based Text Analysis to identify them based on their mission statements. Liu read over 6,000 mission statements to identify 909 nonprofit infrastructure organizations.

5 "Philanthropic Infrastructure," Council on Foundations, accessed February 8, 2023, https://cof.org/page/philanthropic-infrastructure.

6 "Philanthropist Resource Directory," Stanford Center on Philanthropy and Civil Society," accessed February 8, 2023, https://pacscenter.stanford.edu/philanthropist-resource-directory/.

7 "Our Members," United Philanthropy Forum, accessed February 8, 2023, https://www.unitedphilforum.org/members.

8 Our coding system uses similar language to the coding system Bokoff and coauthors (2018) developed, but differs in key ways. Their system included three categories: "philanthropy-focused organizations and associations," "nonprofit-focused organizations and associations," and "multi-sector infrastructure organizations" (Bokoff et al. 2018, 5). Their "philanthropy-focused organizations and associations" category aligns closely with our "philanthropy-serving" category, but we coded some of the providers from their "nonprofit-serving" category as "nonprofit/philanthropy–serving." Their "nonprofit-serving" category included "organizations that perform support services for nonprofit organizations or for the social sector in general" (Bokoff et al. 2018, 6), whereas we created separate categories for providers that primarily serve nonprofits and those that primarily serve both nonprofits and philanthropy.

9 For financial variables corresponding to questions that Form 990 and Form 990-EZ filers saw, we converted missing values to zero. For example, all filers saw the question about their total assets, so we can assume that if there is no value indicating a nonprofit's total assets, the nonprofit has no assets. For financial variables corresponding to questions that only Form 990 filers saw, we converted missing values to zero for Form 990 filers and left missing values as missing for Form 990-EZ filers. For example, only Form 990 filers saw the question about their unrestricted net assets. So if there is no value indicating a Form 990 filer's unrestricted net assets, we can assume the nonprofit has no unrestricted net assets. But if there is no value indicating a Form 990-EZ filer's unrestricted net assets, we cannot assume the nonprofit has no unrestricted net assets, because it did not see this question.

10 "CPI Inflation Calculator," US Bureau of Labor Statistics, accessed October 19, 2022, https://www.bls.gov/data/inflation_calculator.htm. We multiplied 2019 data by 1, 2018 data by 1.02, 2017 data by 1.04, 2016 data by 1.06, 2015 data by 1.09, and 2014 data by 1.09.

[11] The minimum annual revenue of infrastructure providers in our dataset was $872 and the maximum was $80,984,065. For annual expenses, the minimum was $32.70, and the maximum was $59,847,972. For annual assets, the minimum was $0, and the maximum was $192,260,531.

[12] Art Taylor, Anne Wallestad, Phil Buchanan, Kat Rosqueta, Sean Gibbons, Vikki Spruill, Kelly Brown… and Greg Baldwin, letter to foundation colleagues, May 13, 2016, available at https://www.councilofnonprofits.org/sites/default/files/documents/Investing-in-Infrastructure_digital-FINAL.pdf.

[13] "Paycheck Protection Program," US Small Business Administration, accessed September 15, 2022, https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program.

[14] Some studies have found that nonprofits with diverse revenue streams experience financial health benefits such as stability—when one source of revenue fluctuates, a nonprofit with diverse revenue streams can lean on other sources of revenue—and autonomy—if a funder exerts too much control, a nonprofit with diverse revenue streams does not have to depend on the funder and can afford to lose that source of funding (Carroll and Stater 2009; Greenlee and Trussel 2000; Hager 2001; Trussel 2002; Wicker and Breuer 2014; Wicker, Longley, and Breuer 2015). Other studies have found that nonprofits without diverse revenue streams experience financial health benefits, such as lower administrative costs from managing fewer revenue sources and avoiding the risk of mission drift that can come from diversifying revenue streams (Chikoto and Neely 2014; Chikoto-Schultz and Neely 2016; de Andrés-Alonso, Garcia-Rodriguez, and Romero-Merino 2015; de los Mozos, Duarte, and Ruiz 2016; Frumkin and Keating 2011; Grønbjerg 1992; Lin and Wang 2016; Prentice 2016; Wicker and Breuer 2013). In a meta-analysis of these studies, Hung and Hager (2019) conclude that while revenue diversification can have financial health benefits, it is not an appropriate strategy for all nonprofits. They encourage nonprofit leaders to weigh the stability and autonomy benefits of revenue diversification against the administrative costs and risk of mission drift that come with it (Hung and Hager 2019).

[15] Tim Delaney, "Another Uncomfortable Conversation—Part I: Foundation Funding of Nonprofit Infrastructure," *Nonprofit Quarterly*, May 17, 2016, https://nonprofitquarterly.org/another-uncomfortable-conversation-part-i-foundation-funding-of-nonprofit-infrastructure/.

[16] Tim Delaney, "Another Uncomfortable Conversation—Part II: The Risks of Underfunding Nonprofit Infrastructure," *Nonprofit Quarterly*, May 27, 2016, https://nonprofitquarterly.org/another-uncomfortable-conversation-part-ii-the-risks-of-underfunding-nonprofit-infrastructure/.

[17] "Nonprofit Impact in Communities," National Council of Nonprofits, accessed November 28, 2022, https://www.councilofnonprofits.org/nonprofit-impact-communities.

[18] "Big Gifts Study," Center for Effective Philanthropy, accessed November 10, 2022, https://cep.org/big-gifts-study/.

[19] Nicholas Kulish, "Giving Billions Fast, MacKenzie Scott Upends Philanthropy," *New York Times*, December 20, 2020, https://www.nytimes.com/2020/12/20/business/mackenzie-scott-philanthropy.html.

[20] Scott married Dan Jewett in early 2020 and at the time of the writing of the June 2021 Medium post described her giving as a joint project with him. Scott divorced Jewett in September 2022, and this essay refers to Scott as singly responsible for her giving decisions. Nicholas Kulish, Rebecca R. Ruiz, and Karen Weise, "MacKenzie Scott, Billionaire Philanthropist, Files for Divorce," *New York Times*, September 28, 2022, https://www.nytimes.com/2022/09/28/business/mackenzie-scott-dan-jewett.html; MacKenzie Scott, "Seeding by Ceding," Medium, June 15, 2021, https://mackenzie-scott.medium.com/seeding-by-ceding-ea6de642bf.

[21] Maria Di Mento, "MacKenzie Scott Shines a Light on Groups That Bolster Nonprofits and Foundations," *Chronicle of Philanthropy*, October 5, 2021, https://www.philanthropy.com/article/mackenzie-scott-shines-a-light-on-groups-that-bolster-nonprofits-and-foundations.

[22] MacKenzie Scott, “384 Ways to Help,” Medium, December 15, 2020, https://mackenzie-scott.medium.com/384-ways-to-help-45d0b9ac6ad8; Di Mento, “MacKenzie Scott Shines a Light.”

[23] Scott, “Seeding by Ceding.”

[24] Di Mento, “MacKenzie Scott Shines a Light.”

[25] Scott, “Seeding by Ceding.”

[26] Kelly Bates, “When $2 Million Calls: With Opportunity Comes Responsibility,” Interaction Institute for Social Change, September 2, 2021, https://interactioninstitute.org/when-2-million-calls-with-opportunity-comes-responsibility/; Scott, “Seeding by Ceding”; ProInspire, “Race Equity and Leadership: ProInspire Responds to the Generous Gift from MacKenzie Scott,” June 15, 2021, https://www.proinspire.org/gift-from-mackenzie-scott/; Rodney Foxworth, “Unrestricted Funding Means Power,” Common Future, June 15, 2021, https://medium.com/commonfuture/unrestricted-funding-means-power-b3620785e646.

[27] “A Legacy of Leadership in Funding Democracy: Lisa Versaci and the State Infrastructure Fund,” NEO Philanthropy, April 29, 2022. https://neophilanthropy.org/a-legacy-of-leadership-in-funding-democracy-lisa-versaci-and-the-state-infrastructure-fund/.

[28] Funders for LGBTQ Issues Staff, “A Historic Gift to Funders for LGBTQ Issues,” Funders for LGBTQ Issues, June 15, 2021, https://lgbtfunders.org/newsposts/a-historic-gift-to-funders-for-lgtbq-issues/.

[29] Di Mento, “MacKenzie Scott Shines a Light.”

[30] Scott, “Seeding by Ceding.”

[31] According to a recent survey of 277 Scott grantees, “Most nonprofit leaders report that fundraising has not been made more difficult after receiving this grant, as some had feared” (Buteau et al. 2022, 33).

[32] Several infrastructure organizations interviewed for this project noted that Scott’s gifts were made with little transparency and without the involvement of a program officer or known philanthropic contact. These factors make it difficult to determine if any future funding from Scott might be available, thus complicating long-term financial planning. See also Di Mento, “MacKenzie Scott Shines a Light.”

[33] NAP Staff, “Native Americans in Philanthropy Receives Multi-Million Dollar Donation from MacKenzie Scott,” Native Americans in Philanthropy, June 15, 2021, https://nativephilanthropy.org/2021/06/15/native-americans-in-philanthropy-receives-multi-million-dollar-donation-from-mackenzie-scott/.

[34] Di Mento, “MacKenzie Scott Shines a Light.”

[35] Ann Mei Chang, “An Open Grant Report to MacKenzie Scott and Dan Jewett,” *Candid* (blog), June 15, 2021, https://blog.candid.org/post/an-open-grant-report-to-mackenzie-scott-and-dan-jewett/.

[36] Scott, “Seeding by Ceding.”

[37] Borealis Philanthropy, “Borealis Philanthropy Receives Millions from MacKenzie Scott to Support Grassroots Movements,” Borealis Philanthropy, June 15, 2021, https://borealisphilanthropy.org/borealis-philanthropy-receives-millions-from-mackenzie-scott-to-support-grassroots-movements/.

[38] Tim Schwab, “Meet MacKenzie Scott, Our New Good Billionaire,” *The Nation*, July 9, 2021, https://www.thenation.com/article/economy/mackenzie-scott-billionaire-philanthropy/.

[39] Schwab, “Meet MacKenzie Scott.”

[40] Schwab also pointed out that the social sector infrastructure organization that has been advising Scott on her giving, Bridgespan, also received funding from her. This overlap underscores his contention that social sector infrastructure largely comprises a self-serving “wealthy, professional class of advisers, consultants, and media outlets.” Schwab, “Meet MacKenzie Scott.”

[41] Scott's reliance on intermediaries and eschewal of the apparatus of a formal philanthropic foundation to oversee her giving (which might have included a program officer who could help facilitate relations between infrastructure grantees) may hamper efforts to create a shared identity as infrastructure organizations. But this effect might be offset by the attention the organizations receive as a common class of grantees and the interest directed to their work.

[42] Borealis Philanthropy, "Borealis Philanthropy Receives Millions."

[43] ABFE, "ABFE Receives $3M Gift from MacKenzie Scott," ABFE, accessed October 10, 2022, https://www.abfe.org/announcement/abfe-receives-3m-gift-from-mackenzie-scott/; ProInspire, "Race Equity and Leadership."

[44] Scott, "Seeding by Ceding."

[45] William Foster and Darren Isom, "Endow Black-Led Nonprofits," *Stanford Social Innovation Review*, Winter 2022, https://ssir.org/articles/entry/endow_black_led_nonprofits#.

[46] Foster and Isom, "Endow Black-Led Nonprofits."

[47] "Gifts," Yield Giving, accessed February 13, 2023, https://yieldgiving.com/gifts/.

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