



Management Commons and the Future of Fiscal Sponsorship



This position paper outlines the current vision of Social Impact Commons for the field of fiscal sponsorship. While this paper contains references to recent research on the fiscal sponsorship ecosystem reported in the Fiscal Sponsor Field Scan 2023, it is not offered as scholarly writing. It is rather a provocation and set of observations and hypotheses concerning the forces shaping the field and how we see fiscal sponsorship evolving to play a seminal role in shaping the nonprofit sector. Our hypotheses are based on years of practicing in the field and our ongoing work with a wide range of stakeholders in the fiscal sponsorship ecosystem. This paper will remain a living document. As it continues to evolve, it will both respond to and guide the development of our research and advocacy agenda.

Created by Social Impact Commons

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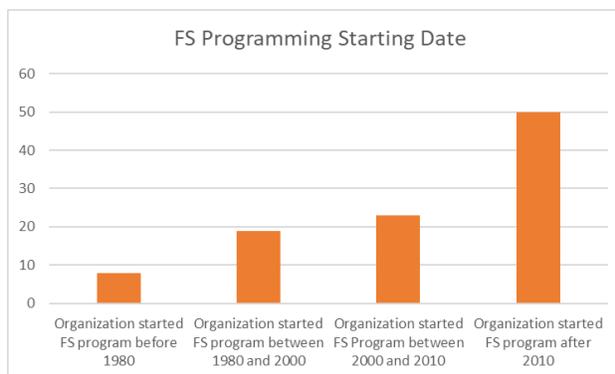
A GROWING FISCAL SPONSORSHIP FIELD | MOTIVATORS & STAKES

Fiscal sponsorship usually describes a relationship between a 501(c)(3) nonprofit (“fiscal sponsor”) and a nonprofit activity (“sponsored project”) in which the fiscal sponsor receives and expends funds to advance the project, retaining ultimate discretion and fiduciary control over the funds. Operationally, projects typically maintain independence of public identity, constituent relationship management, and core mission-related decision making. Unlike a traditional program carried out by a nonprofit, fiscal sponsorship arrangements are usually memorialized in an agreement or memorandum of understanding setting forth respective roles and responsibilities where the leadership of the project reserves the right to exit the relationship.

The practice of fiscal sponsorship has been in existence since at least 1959, when the Massachusetts Health Research Institute in Boston (now TSNE) began offering what is now known as “Model A” or Comprehensive Fiscal Sponsorship. For the first several decades, the field grew organically and only began to develop a field identity in the early 1990s with the work of attorney Gregory Colvin and his landmark book, Fiscal Sponsorship: Six Ways to Do It Right (Study Center Press, 1993), which has enjoyed two subsequent editions. Field building did not begin until the early 2000s with the formation of the National Network of Fiscal Sponsors (NNFS) in 2004 and more recently, with the establishment of Social Impact Commons in 2020 as the first direct-service and advocacy organization for the field.

Growth and its motivators.

The field of fiscal sponsorship stands at the threshold of a new era of growth and transformative potential for the nonprofit sector. Over the last twenty years the number of fiscal sponsorship programs in the U.S. has grown precipitously, as evidenced from recent research on the field. Nearly four times as many fiscal sponsorship programs were initiated in the last 20 years as in the 40 years prior to 2000.



In what year did you begin serving as a fiscal sponsor? (Source: “Fiscal Sponsor Field Scan 2023: Survey Report”, Social Impact Commons & National Network for Fiscal Sponsors, 2023)

While we don't yet have hard data on what is motivating this growth, we do have plenty of anecdotal and accumulated input from the field as to possible drivers. They fall into three interrelated themes.

- 1. Polycrisis Response** - The world faces an increasingly complex polycrisis—the confluence of social, political, economic, pandemic, and climatic crises—which are bearing down with ever quickening cadence. We hear from projects, sponsors, and funders alike that fiscal sponsorship is seen as a more expedient way of deploying financial resources to individual front-line workers and standing up operations for new movement and relief efforts than the traditional stand-alone nonprofit start-up. Fiscal sponsors, as ready-at-hand shared infrastructure, also can lower knowledge and financial barriers to accessing nonprofit resources for historically marginalized communities or leaders who have the capacity to do charitable work, but don't want to create and maintain the nonprofit systems to support it.
- 2. Division to Solidarity** - As social, political, and economic divisions in the U.S. and abroad intensify, autocratic and illiberal forces are shaking the foundation of civil society. In response, we are seeing countervailing movements toward cooperative and solidarity-based structures and organizations. Over a century ago, during the Industrial Revolution and culminating with the Gilded Age around the turn of the 20th century, wealth inequality was at the same extreme levels as today. At that time, as we do today, we observe a social and economic backlash against these forces through intentional economic movement and community building, in particular among communities of color and other most acutely impacted groups. While cooperatives, mutual aid societies, commons, and other like structures find the brightest spotlight, comprehensive fiscal sponsors—designed and operating according to commoning values—are providing solidarity platforms for the stewardship of shared resources and shared power by and for intentional communities of changemakers.
- 3. Seeking Equity in New Structures** - The current movement toward greater social justice and equity in the nonprofit sector is confronting the limits of traditional nonprofit structures in both mission-based organizations and philanthropy: top-down organizations that consolidated power and cleave to white-normative management ideas and practices—the Nonprofit Industrial Complex. We see younger generations of nonprofit leaders turning away from the traditional single-mission, stand-alone organization in favor of the shared infrastructure offered by fiscal sponsorship. While there are ongoing efforts to change the culture and practices of old-line organizations, there is a parallel movement to abandon single-mission, “corporate” structures in favor of more solidarity-oriented organization. As growing numbers of leaders seek to share core infrastructure, economies of scale, and resilience in numbers, philanthropy too is working to shed its old shell in the name of equity and power sharing, and communities of color are reinventing fundraising in their own way. The result is a range of emerging practices including trust-based philanthropy, community centric fundraising, and the meteoric rise of funder/donor collaboratives, for example. Fiscal sponsors, grounded in the ideals of power *and* resource sharing, are serving as the platforms for these new structures in mission and philanthropic work.

What's at stake.

At stake in these movements toward greater power and resource sharing is quite possibly the future of civil society in America and the health of our planet. In 2022, the nonprofit sector represented more than \$1.5 trillion in annual spending and activity—not counting the under-documented and under-compensated labor and in-kind contributions that are the lifeblood of our work. In financial terms, this makes charities financially equivalent to about a quarter of *total U.S. federal expenditures*, which in 2023 were about \$6 trillion.

The nonprofit sector has always carried a great deal of the water for social good in this country. Today, we are witnessing the erosion of function and legitimacy of our foundational democratic institutions across all three branches of government as social and political divisions grow. While we must continue to fight for the hope of better government and more civil polity, the extreme dysfunction of government has made the nonprofit sector the frontline of the battle for social justice and the health of our planet.

Yet, nonprofit infrastructure is highly fragmented and fragile. There are roughly 1.8 million nonprofits in the U.S. today (and growing!), more than 80% of which operate below \$500,000 in annual revenue. More than 95% of all nonprofits operate below \$5 million. And this not even counting the immeasurable “informal” activity of our sector—work happening outside traditional nonprofit structures. Decades of research on the sector offers a consistent refrain: nonprofits, in particular the vast landscape of smaller ones, are financially vulnerable (but stalwart in spirit!), lack capacity, and struggle with developing resources. Capacity building remains an endless and impossible task to accomplish if we continue to do so by addressing one organization at a time. If we are to truly embrace the critical role of our sector, we need to embrace new paradigms of collective action and more efficient and impactful stewardship of shared resources.

REFRAMING THE SECTOR | AS A COMMONS

The nonprofit sector is a commons.

Today's nonprofit sector is the closest we come legally and institutionally to a public *commons*. A true commons is a set of resources that are neither publicly nor privately owned and are stewarded by a defined but open group of people for their mutual benefit. While land and natural resources are archetypal commons, almost anything can be a commons resource: buildings, materials, ideas, and even policies, technologies, systems, and the people to operate them, in short, *organizational infrastructure*.

Nonprofits and the assets they hold enjoy various tax exemptions, as they are meant to serve charitable or other public welfare purposes that the private sector is not motivated to carry out or otherwise might be the responsibility of government. Consequently, these resources are held in *public trust* by nonprofits for the people of the state(s) in which organizations do their work. Nonprofit boards serve as proxies to the states' attorneys general (who represent the interests of the people) because nonprofit assets benefit the broader public. Following this logic, and absent a distinct legal framework for commons in the U.S., the nonprofit sector is the nearest approximation we have to a commons and “commoning sector”.

Yet, the nonprofit sector is largely built and managed using private sector assumptions, ideas, and practices, owing in great part to the dominance of private asset management practice in the sector. The incursion into the nonprofit sector of private asset management practices has a complex genesis, but ultimately stems from the dominance of free-market ideology in our culture writ large, which has been amplified by locating nonprofit/NGO education programs within business schools and the increasing use of for-profit management consulting by the nonprofit sector, starting in the 1970s. While there are some management practices shared across sectors, nonprofit assets have a fundamentally different status than private assets and require a different set of assumptions and approaches. One of these private sector assumptions is that independence of nonprofit mission and vision *requires* independence of legal formation, tax exemption, and operations. Independent formation and operation is customarily understood as necessary for the for-profit sector to sequester, protect, manage and exploit its assets. But it is incoherent or unnecessary in the nonprofit sector, whose assets are managed in public trust for a broader social benefit.

The assumption that independent mission requires stand-alone infrastructure is not only false, it is also fatal to the long-term sustainability and impact of the nonprofit sector. It is the reason we have such a vast landscape of stand-alone nonprofit organizations, most of which are not scalable by design or intention. These organizations are most often the ones operating closest to community and possessed of the trust and cultural competency to deliver effective and responsive services and support. Unfortunately, they also often struggle with developing resources and capacity, making them vulnerable to the many economic, social, political and other forces at play in the sector.

Essential to placing our sector on a surer path to equity is embracing the commons nature of the nonprofit sector, and a different set of assumptions and frameworks that commoning requires. If we can set aside the radical fragmentation and segregation of assets intrinsic to the private sector, we can start to imagine a new nonprofit landscape where sharing infrastructure and other resources among multiple otherwise independent missions lends stability, safety in numbers, and greater efficiency, equity, and impact to the vital work at hand.

Fiscal sponsorship as management commons.

If we agree that peeling back the private sector veneer on the nonprofit sector reveals a core that is close in spirit and values to commoning, then what should our model be for the nonprofit organization? The answer lies in the field of fiscal sponsorship, which describes a range of nonprofit structures and practices aimed at sharing various operating capacities among multiple aligned but distinct charitable missions. As such, fiscal sponsors offer a viable path to permanent and scalable reorientation of our sector around collectivizing management, distributing risk, driving efficiency, and enabling more equitable access to charitable resources—all the while preserving the pluralism of agency and vision that is the lifeblood of social good work. Fiscal sponsorship, practiced according commoning values and principles, becomes *“management commons”*.

Fiscal sponsorship today represents the most native, yet still latent, organizational manifestation of commoning in the nonprofit sector. It remains latent for two reasons. First, most models of fiscal sponsorship (there are seven) don't support the holistic resource sharing that constitutes robust commonized management. Second, although we're observing a shift, the majority of fiscal sponsor organizations today are still built according to traditional nonprofit practices: top-down, consolidated management and governance dynamics and very transactional relationships with sponsored projects.

Of the seven recognized models, only "Model A" Comprehensive Fiscal Sponsorship (and its close variants) rises to the potential of *management commons*. In the comprehensive form, the sponsored project operates as a program of the sponsor organization and thus shares all of the core backbone infrastructure of the sponsor: legal entity, tax exemption, employer-of-record, and back office staff, including finance, HR, legal, compliance, and other key functions. The below schematic of comprehensive fiscal sponsorship describes only the basic legal and transactional elements of the model. If we apply an overlay of commoning values to how the comprehensive model is operated, it becomes a management commons.



"Model A" Comprehensive Fiscal Sponsorship":
Legal and Financial Structure

Commoning Values



The ideas at the core of Management Commons are drawn from age-old principles of commoning and Common Pool Resource economics, in particular...

- Clarity around the **services and resources** being shared and how they are stewarded and accessed by communities;
- Commitment to intentional **community building** and **ongoing learning** about patterns of practice in resource sharing, and;
- **Peer governance**, or stewardship by and for those organizations and communities who benefit directly from the shared resource.

A management commons organization centers the below five core practices and attributes, which are also essential to centering equity in nonprofit structure and practice:

1. Clearly defined, holistic nonprofit systems and supports, and intentional and viable business model, with equitable and consistently applied cost allocation shares apportioned to sponsored projects;
2. A developed sense of intentional community of sponsored projects, cultivated and stewarded by project leaders in concert with sponsor leadership;
3. A commitment to ongoing community learning about stewardship practices, commoning, and other related subjects that relate to the health of community;
4. The cultivation of relationships of *mutual care* and *restorative practices* among projects and between project and sponsor staff and leadership;
5. Peer governance, in which project leaders have meaningful opportunities to play a direct role on the board of the sponsor and actively help shape and steward commons resources.

TRANSFORMING THE FIELD | THROUGH MANAGEMENT COMMONS

To transform the fiscal sponsorship field into one focused on proliferating the practices at the core of management commons, we offer two calls to action.

>> *Embrace a world of pluralism in which independence of mission and agency does not require stand-alone infrastructure.*

Through commonizing nonprofit infrastructure, everyone with an earnest commitment to bring about positive social change can have access to the infrastructure they need to pursue their vision. We shed the garb of economic Darwinism imposed by free-market capitalism on the nonprofit sector and recognize that the will to justice and pro-social work in all its diversity does not follow a market model. Management commons organizations provide a welcome and forever home for that purpose.

The current fiscal sponsor ecosystem is already home to a staggering diversity of missions and work. In just a small sample of existing fiscal sponsors—roughly 15% of the identifiable population—the recent Fiscal Sponsorship Field Scan 2023 surfaced evidence of the tremendous impact located under the shared infrastructure of fiscal sponsors.

- Over 12,000 charitable projects;
- More than \$2.6 billion in sponsored project funds;
- \$575 million in government funding to projects;
- 18,000 staff members employed and contractors managed;
- Almost \$700 million in contributions to individual income (employees and contractors combined).

>> Expand the management commons ecosystem.

The path to scale for the management commons ecosystem entails both strengthening existing sponsors *and* expanding the *ecosystem* of organizations serving in this transformative role. We see the greatest potential for expansion among mid-sized sponsors, operating roughly between \$1 million and \$50 million in budget that maintain one or more strategic impact focuses: local/regional geographic reach, a particular mission area concentration (i.e., social justice advocacy, arts and culture, movement building, environment, health and human services), and/or a focus on one or more identity groups (i.e., race, gender, socioeconomic group, faith).

The largest cohort of organizations in the recent field scan (58% of the sample) operates between \$1 million and \$49 million in expenses, with the biggest single cohort (“Medium/Large” at 41%) operating between \$1 million and \$10 million. While the very largest sponsors (budgets > \$50 million) constituted just 16% of our sample they accounted for the lion’s share of financial activity (ca. \$2 billion in sponsored project expenses). Nevertheless, the greatest *number and diversity of individual projects* (85% of all projects reported) and range in overall portfolio sizes are found with sponsors between \$1 and \$50 million. (See the below chart.)

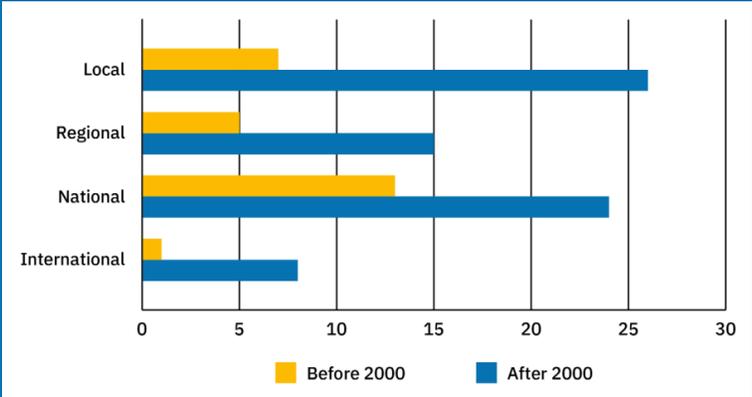
Organization's features	# of Organizations responded	# of projects sponsored	Total expenses of fiscally sponsored projects	Total expenses of organizations
Very Small (under 100K)	4	18	72,313	160,611
Small (between 100K and 499K)	10	211	8,767,724	2,134,613
Medium (between 500K and 999K)	12	284	4,796,166	9,185,201
Medium/ Large (between 1M and 10M)	41	4,178	122,312,983	187,113,789
Large (between 10M and 49M)	17	6,236	239,277,689	366,410,846
Very Large (50M and above)	16	1,257	2,089,295,945	3,305,404,547
Grand Total	100	12,184	2,464,522,820	3,870,409,607

(Source: “Fiscal Sponsor Field Scan 2023: Survey Report”, Social Impact Commons & National Network for Fiscal Sponsors, 2023)

Based on this pattern and our direct experience working with sponsors in this size range, we posit that these mid-size sponsors may represent a critical balance point between being able to maintain more authentic ties and relationships with local communities (both real and perceived), while achieving sufficient operating size to leverage efficiencies and economies of scale to the benefit of their sponsored projects. This is the Goldilocks problem: when are you too small to offer the key supports of a sponsor? (Our data suggests that operations below \$1 million are the answer.) When are you too big to still offer responsive support to local or grassroots efforts, owing to both real and perceived power dynamics, differences in operating needs and cultures, and increased risk aversion—all things that often come with substantial scale? (We hear about these very challenges from sponsors above the \$50 million threshold.)

As the ecosystem of sponsors continues to grow, diversify, and specialize, there are valuable contributions to be made at every size and focus, from the start up to the largest organizations. Among the largest fiscal sponsors, we see a closer direct relationship with philanthropy through hosting DAFs, donor collaboratives, and funder-driven/led projects, as well as work on large government supported

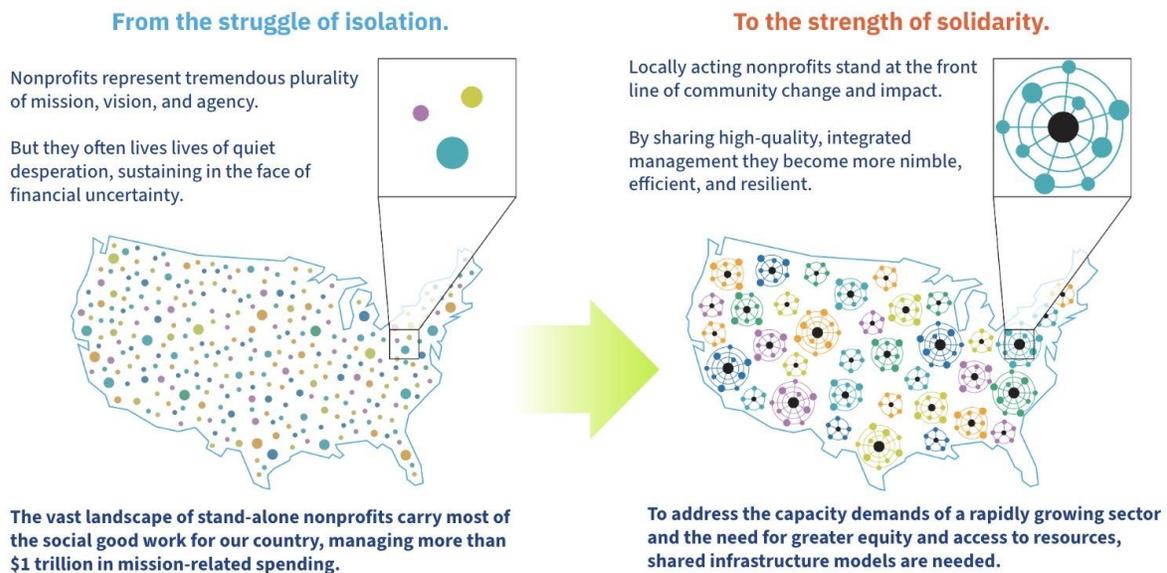
and international projects. At the start-up level, we see strong ground-truth knowledge and community trust. And just like the Goldilocks fable, the middle range of our ecosystem seems just right and ripe for growth, which will require strategic philanthropic investment in both human and technological systems—the two biggest areas of deficit for sponsors in this range that surfaced in the field scan. And for start-ups, we need investment to reach the threshold of critical capacity to provide consistent and high-quality supports to sponsored projects.



Growth in the number of fiscal sponsor programs after 2000 showing primary geographic focus. (Source: “Fiscal Sponsor Field Scan 2023: Survey Report”, Social Impact Commons & National Network for Fiscal Sponsors, 2023)

In rising to these calls to action, we create a movement...

>> From fragmentation and barriers to access to collective capacity building and equity.



Though fiscal sponsors are largely seen as incubators or accelerators—“intermediaries” to temporarily shuttle financial resources or help organizations on the way to stand-alone formation and exemption—management commons organizations are in fact *collective capacity builders*. While the fiscal sponsorship field and commentators still make the false distinction between *fiscal sponsorship* and *capacity building*, these two ideas are one in the same. Management commons do not shuttle resources from point A (i.e., a funder) through point B (i.e., an intermediary) to point C (i.e., some person or entity that is outside the management commons organization). Rather, they are a single, integrated backbone of shared operating capacity for multiple nonprofit missions. Viewed in this manner, management commons provide permanent or sustained *collective capacity*, rendering the distinction between “fiscal sponsorship” and “capacity building” incoherent.

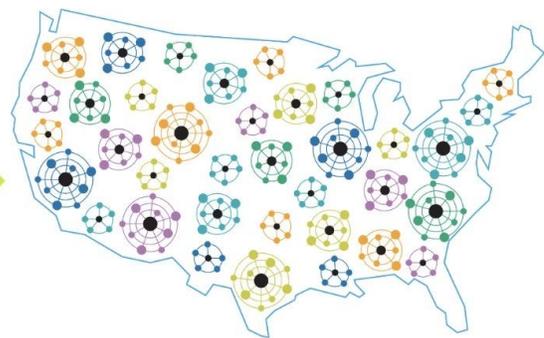
Management commons are forever homes for a plurality of missions, irrespective of shape and size, while enabling project leaders the freedom to determine their path in the world. It is a balance between the best of both worlds: the ability to share all of the mission-agnostic but essential infrastructure, while preserving the unique agencies and identities of individual change-making institutions. We know from the field scan that fiscal sponsors, in particular those on the larger end of the budget scale, are home to projects of considerable size, with some individual projects responsible for tens or hundreds of millions of dollars in assets. Assuming a management commons organization and their projects can negotiate cost and value of supports as operations scale, the economics of the model can work at any project size.

>> From redundancy to resilience.

From a landscape fragmented and fragile.



To a landscape rich with resilience.



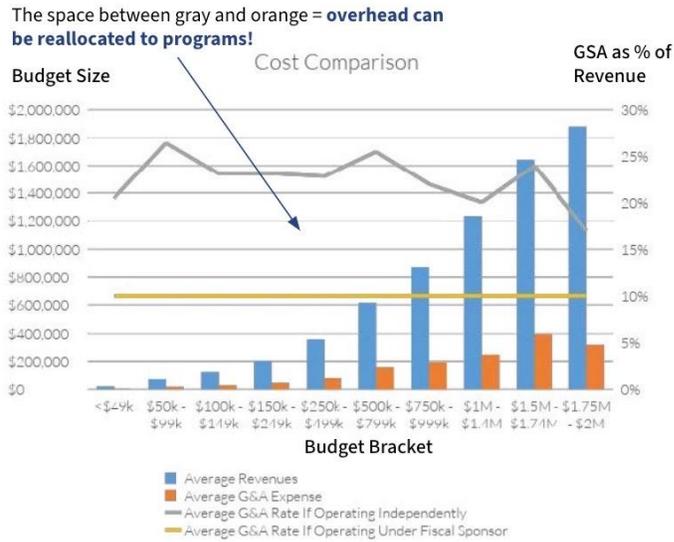
There are 1.8 million (and counting!) nonprofits in the U.S., **more than 90% of which operate with budgets below \$5 million**. Mission-related limits on scale make high-quality back-office and other functions hard to sustain.

Independent nonprofit formation becomes the exception. New (and existing!) **nonprofits find forever homes within an ecosystem of management commons** [•] organized by geography, mission, cultural identity, etc.

Management commons resembles closely the form and practices of cooperatives: there is a shared management resource and multiple organizations (projects) pay their portion of the carrying cost. Within that basic idea, there is a spectrum of revenue models, all of which are sustainable so long as they are intentional and mindful of their driving values, maintain a balanced portfolio (specific to their model), and responsive to surrounding economic conditions. Sponsors vary in sustainability models in which 100% cost recovery for support is achieved to 100% subsidized models, and everything in between.

We know that study in recent years of nonprofit overhead has led to the debunking of the pernicious sense that nonprofits ideally should have *zero* overhead. The “Overhead Myth” has proven that some kinds of missions register more than 50% in so-called overhead, and that “indirect cost”, as we’ve always known, is a relative and highly variable notion, depending on the resource model of the nonprofit. Our comparative research in overhead costs among a sample of 475 arts and culture organizations operating below \$2 million in budget, we found significant reduction in overhead in costs for organizations operating under a comprehensive fiscal sponsors, as opposed to going it alone; stand-alone organizations spend between 17% and 27% of their revenues on the same resources that a management commons can provide for between 10% and 15%, a reduction difference of about 10%. Since overhead costs in our sample averaged roughly 20% of budget, working under a management commons could represent a **50% reduction** in overhead costs, allowing these funds to be reallocated to front-line work.

According to Independent Sector, the U.S. nonprofit sector spent \$1.4 trillion in 2022. If only 25% of our sector was managed through local management commons, that would allow **roughly \$35 billion to be reallocated from overhead costs to front-line programs and services**.



Analysis of comparative savings in overhead costs: stand-alone operations vs. under a comprehensive fiscal sponsor or management commons organization.

Source: Research on 475 Pennsylvania cultural organizations with budgets less than \$2M completed in 2019 by Social Impact Commons in partnership with Accenture and SMU Data Arts.

As a platform for collective stewardship, management commons, and more generally *resource sharing*, is in itself an under-recognized nonprofit *business model for sustainability*. For organizations that are hubs for communities of practices, such as alliances, associations and collectives, management commons is a way in which *both* to offer robust support to their communities *and* share the essential costs and capacities of nonprofit operations. Management commons offers resiliency in three main ways:

- **Financial:** By housing a diversity of operating units, each with its own financial model and rhythm of cash flow, and allocated costs as a percent of (usually) revenues, management commons behave like other portfolio-based financial models. At any given time, some projects may be low in cash flow, while others may have robust income. *Both* projects enjoy quality and continuity of core operating support, regardless of their month-to-month cash flow positions. Good stewardship of a management commons means managing the portfolio to ensure that collectively all core costs are covered and projects are not over-leveraged in obligations. A stand-alone organization has little back-stop to financial bumps in the road, but can enjoy operating safe harbor under management commons.
- **Risk:** In like manner to financial resilience, management commons offer collective risk management and more surety to projects in compliance, legal due diligence, and overall risk assessment. While risks such as legal claims or other challenges to operate are not avoided, management commons offers more central oversight and management than stand-alone organizations can often provide.
- **Solidarity:** Finally, there is safety in numbers. Management commons provide a platform for building intentional communities of identity and practice, knowledge and resource sharing among projects, collaboration, and solidarity against adversity and opposition.

>> From transactional to transformational.



Keyword searches of IRS data yields 586 organizations referencing “fiscal sponsorship” (mapped above), an incomplete representation of the field at best. And our effort to reimagine sponsorship through commoning values has only just begun.

Accomplishing the above would **change the game for equitable access** to nonprofit resources, and permit the **retasking of tens of billions of dollars** in needlessly duplicated overhead costs through sustained shared infrastructure.

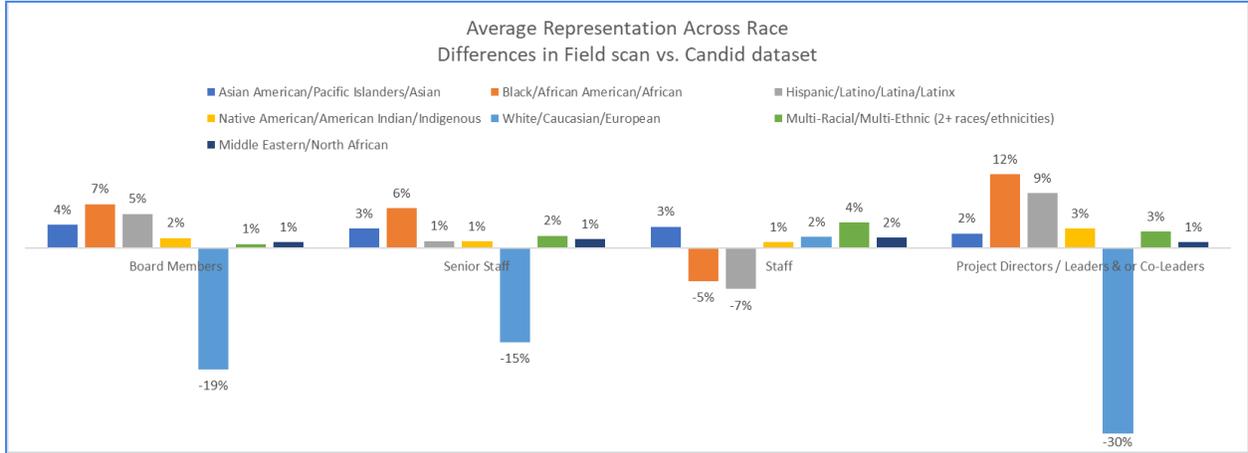
The perception that fiscal sponsors are just transactional providers of finance, HR, and compliance support persists. While management commons do this work, the range and depth of support offered is expanding to include everything from advancement support, to constituent management, coaching, and other capacity building. In fact, almost *any* nonprofit management capacity may be developed and shared with projects for greater sustainability. Indeed, the persistence of the core “back office” as the fiscal sponsor staple may largely be tied to the sense that sponsors are only temporary stations on the road to independent status. Why would you want to add more shared capacity, when the goal is to break away? If we shift our thinking to management commons as permanent shared management and collective capacity, we open the possibility of developing capacities such as back-end support for fundraising, communications, leadership development, and advocacy, as well as specialized support needs for various sub-fields of work.

Moreover, management commons that are governed/led by and serve specific communities of identity—defined by such attributes as race, gender, sexual preference, and so on—also have a better chance of infusing the working relationship with projects with cultural and other knowledge and competencies necessary to operate with greater justice and equity.

Fiscal sponsors are often dismissed, along with the entire nonprofit sector, as an antiquated infrastructure for social change, just another manifestation of the Nonprofit Industrial Complex. Much of the current discourse around Solidarity Economy solutions (i.e., cooperatives, mutual aid, open source models, etc.) as an alternative to the historic inequities of the nonprofit “model” exclude consideration of fiscal sponsorship. But in fact, management commons organizations can and do engage in Solidarity Economy values, centering constituent-led governance (power sharing in the relationships with projects), and building intentional communities around common values and identities.

A well designed management commons, following the values described earlier, are platforms for *power sharing*, providing a high degree of autonomy and agency among projects. Further enhancing the Solidarity Economy attributes of management commons are long-standing aspects of fiscal sponsorship that support greater equity and access. For example, the cost allocation model for sharing the costs of fiscal sponsorship support with projects—usually a percent of income—allows for a low financial barrier to accessing nonprofit infrastructure for small-scale or start-up initiatives. While many sponsors assess an initial or annual minimum cost, in concept, a new project can access full-charge nonprofit capacity without a dollar to its name. Also, most nonprofit leaders and founders come from a position of strong relationships and trust with respect to the community they serve and/or deep knowledge of a particular type of social good work. They are program visionaries and front-line leaders, often without knowledge of (or the time and attention to address) the more ministerial, legal, and financial aspects of running a nonprofit. Historically, fiscal sponsors have bridged this common capacity gap by bringing the latter to the table and allowing change makers to do what they do best: focus on the delivery of mission.

The above may be among the reasons we find that fiscal sponsors and their project leaders exhibit more representation from traditionally marginalized groups than may be found in the broader nonprofit sector. The 2023 Field Scan gathered key demographic data using a protocol from Candid and then compared the fiscal sponsorship field’s data with the broader Candid dataset on the nonprofit sector. The baseline in the graph below is Candid’s data set with the bars showing the Field Scan data deviation from that baseline: above the line indicates *more* representation in the fiscal sponsorship set, below the baseline indicates *less* representation. Similar patterns of greater dominance of marginalized groups were observed for other demographic dimensions: gender, sexual identity, transgender, and disability.



Comparison of total Candid DEIA data for 2020 - 2023 (“Candid”) with our Field Scan sample (“Field Scan”) for roughly the same time period. (Source: “Fiscal Sponsor Field Scan 2023: Survey Report”, Social Impact Commons & National Network for Fiscal Sponsors, 2023)

Fiscal sponsorship has been traditionally defined mostly from the standpoint of law and finance. At this point in the evolution of the field, we need to *expand* our tools and definitions toward management commons, centering practices of organizing, leadership development, solidarity, and movement building—ensuring not just that transactional operations, but also nurturing the social bonds, trust, and human-centered needs of leaders and organizations addressing today’s most pressing problems.

SUMMARY CALL TO ACTION

Returning to our original broad calls to action, we offer the following summary action points.

>> Embrace a world of pluralism in which independence of mission and agency does not require stand-alone infrastructure.

Nonprofit Leaders & Fiscal Sponsors

- Advocate for comprehensive fiscal sponsorship and management commons as a solution for sustained/permanent shared infrastructure in the sector.
- Don't assume or actively push sponsored projects toward spin out to stand-alone status, unless it's truly the projects' desire and aspiration.
- Learn and engage with the various solidarity economy, cooperative, and commoning movements that are already active in our sector.
- Embrace and cultivate the values of mutualism and stewardship that are essential to effective and sustained resource sharing.

Funders

- Advocate for comprehensive fiscal sponsorship and management commons as a solution for sustained/permanent shared infrastructure in the sector.
- Don't assume or actively push sponsored projects toward spin out to stand-alone status, unless it's truly the projects' desire and aspiration.

>> Expand the management commons ecosystem.

Nonprofit Leaders & Fiscal Sponsors

- Adapt and evolve your organizational structures and practices according to the five attributes of commons management.
- Engage with your peers in the field and broader sector about the value and impacts of management commons and shared resources.
- Support your peers in their own exploration of management commons ideas and practices.

Funders

- Invest in the capacity of fiscal sponsors in general, and management commons in particular, as a route to great equity, efficiency, and justice in our sector.
- Invest in creating a more holistic understanding of fiscal sponsorship and management commons practices and trends through more concerted data collection, research, and advocacy.
- Engage with your peers in the field and broader sector about the value and impacts of management commons and shared resources.

EPILOGUE

We cannot continue with a paradigm that mandates independent nonprofit formation and status as the goal for every social mission. The sector's reigning strategy, to build the capacity of one organization at a time falters every day in the face of barriers to accessing philanthropic resources and the challenges of moving resources into a fragmented ecosystem. It also feeds a vicious illusion of scarcity—there seems to never be enough money to buy the capacity we need. This *may* be true if we confine ourselves myopically to the limits of institutional philanthropy as the predicate for social action. But the American nonprofit sector has always relied predominantly on the resources of government and generosity of individuals, the latter of which opens a much more vast and diversified landscape of potential resources.

The human will to make and do social good, at any given time, will always outstrip the resources on hand to support this work. In the perennial chicken-and-egg question of which comes first, financial capital or human drive? It's always the latter; the former follows, but mostly in instances where the doers have the right combination of luck and privilege. What we most urgently need, then, is more ready, equitable, efficient, and sustainable access to the scaffolding needed for people to gather the resources and get to work. Management commons organizations are that scaffolding for the nonprofit sector. And with it, we may build and strengthen the edifice of civil society with the care and urgency that the crises of our world demand.

Despite our most selfish predilections, which have been bolstered by the ideologies of free-market capitalism, humans in general are, at their core, collaborative and compassionate, at least so says evolutionary biology. In the face of adversity, we help others, solve problems, take initiative, and the result is millions of informal acts of social good, happening both between and outside of conventional institutions, and under a surging tide of nonprofit organizations.

To challenge the path of independent nonprofit formation, however, is to challenge a fundamental paradigm—to change the very core of our beliefs from one grounded in the management of bounded privatized assets to one of mutual stewardship of boundless public commons. To propose such a shift in today's America is almost to suggest that the world is flat or that the sun revolves around the earth. But the revolution is already afoot, as movements are growing in the nonprofit sector toward collaboration, repositioning, and solidarity solutions to our ever-expanding capacity challenges in the face of social, economic, and ecological crises. We simply need to continue down this path, but with greater intention, tenacity, and investment in both effort and economy.

If we are to muster the true capacity needed to address the growing polycrisis and bend the arc of justice toward a more equitable sector, we must work in a more collective and integrated manner, starting with the infrastructure that undergirds our work. The drumbeat of collaboration and all manner of cooperation has been sounding for a long time, but the time is upon us when this approach to our sector is no longer an option. It's urgent and imperative.