

The Economy Is Changing— And So Must We

by Steve Dubb

SINCE FALL 2017, THE NONPROFIT QUARTERLY has covered a growing number of stories on emergent forms of economic organization. This includes writing on employee ownership, cooperatives, social enterprise, community development finance, anchor institutions, the growth of nonprofit-owned businesses, and the rise of community land trusts. We've run features on a union-co-op conference in Cincinnati; on the use of employee ownership as a business succession strategy as the baby boom generation retires; and on the rise of platform cooperatives—that is, app-based platforms that are co-owned by the workers, in lieu of the investor-owned Ubers of the world.¹

In their own right, these are important stories, but there is something deeper going on here, too. A few years ago, Clara Miller, then president (now

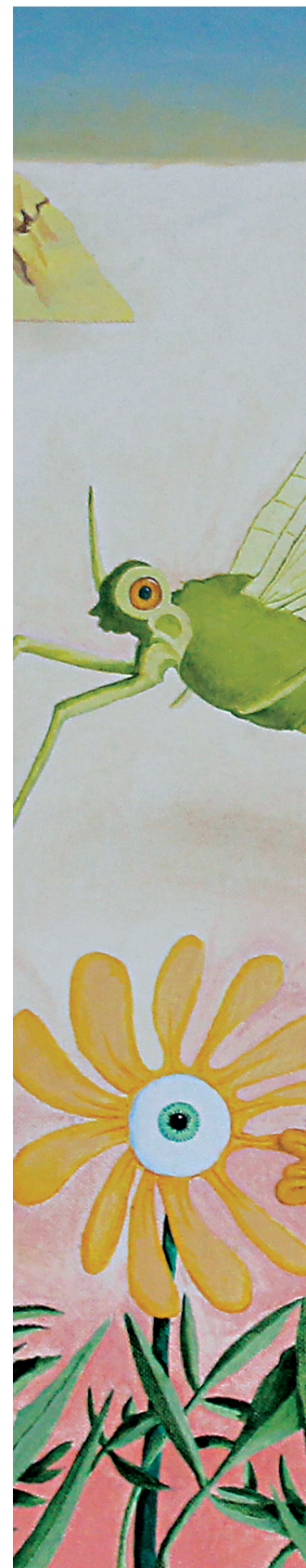
president emerita) of the F.B. Heron Foundation, wrote a paper titled “The World Has Changed and So Must We.”² Miller was talking about capital markets and the need for a mission-based approach to investing foundation assets. But what about us? In other words, what is the role of civil society—the people who our sector represents, independent of our legal form—in a world where the economic ground beneath us is shifting rapidly?

In our sector, nonprofits typically act to mend problems. The basic assumption behind this is that the system, despite major problems here and there, is more or less functional, and our role is to come up with clever solutions—be good social entrepreneurs, if you will—to plug the holes and fill in the gaps.

But it is increasingly evident that these basic assumptions don't remotely describe the world in which we operate. Last December, NPQ's Cyndi Suarez wrote:

“Places like Puerto Rico that are experiencing full-scale collapse are simply at the edge, experiencing it first. In Dmitry Orlov's *The Five Stages of Collapse: Survivors' Toolkit*, he proposes that current civilization has entered the collapse phase where, rather than long-term decline, we have sudden changes caused by systems out of control. Perhaps these moments are the new high-leverage points in systems change; when systems are collapsing, there is a vacuum and a battle for the new order.”³

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Before talking about the contemporary process of corruption, decay, or collapse, it is important to start out with the obvious: that for all of our society's accomplishments, for many the United States has never been the shining "city upon a hill" that leaders dating back to colonial Massachusetts governor John Winthrop have envisioned.

So, if the current political and economic systems in the United States are corrupt, decaying, or even collapsing, then plugging holes and filling in gaps—no matter how well we are guided by sophisticated logic models showing the wisdom of our interventions—will fail. This means that those stories about so-called alternative forms of economic organization may be more than “feel-good” narratives of community self-determination;⁴ in fact, they may be glimpses of another world emerging. In short, if our economic, political, and social systems are changing before our eyes, then community-based economics stops being a nice-to-have and starts becoming a must-have.

How Did We Get Here?

Before talking about the contemporary process of corruption, decay, or collapse, it is important to start out with the obvious: that for all of our society's accomplishments, for many the United States has never been the shining “city upon a hill” that leaders dating back to colonial Massachusetts governor John Winthrop have envisioned. The “American project” has always been an imperial one. Noting the country's history of genocide against Native Americans, Yale historian Paul Kennedy, for example, remarked, “From the time the first settlers arrived in Virginia from England and started moving westward, this was an imperial nation, a conquering nation.”⁵ And, of course, the nation was also built on the sweat and tears of Black slave labor. Another Yale historian, David Blight, points out, “Slaves by 1860 were worth approximately \$3.5 billion. That was the largest single asset in the entire U.S. economy. That was worth more than all railroads, more than all manufacturing, all other assets combined.”⁶ As Ta-Nehisi Coates and others have demonstrated, the impact of slavery, Jim Crow, and ongoing discrimination has ensured the persistence of vast race-based gaps in income and, especially, wealth. And, without enumerating them all, the United States has been riven by many forms of inequality—among them, patriarchy, discrimination against Latinx and Asian Americans, homophobia, transphobia, and class divisions—throughout its history.

In short, there is no sense in idealizing the past. And yet, even with all of its shortcomings,

the nation's political-economic institutional structures were somewhat functional—for some—for a time. The result was that wages broadly kept pace with productivity. But that world hasn't existed for a good four decades now, even though some often pretend that it still does.

To greatly simplify history, for the past nearly three-quarters of a century, the existing U.S. institutional structure has been based on a series of compromises that emerged out of the Great Depression and World War II. One can call this infrastructure many different things—common names include the New Deal institutional infrastructure, American liberalism, and the welfare state. Similar structures, with generally more generous social benefits, emerged at roughly the same time in Canada, Europe, and Japan—often under the guise of social democracy. But call it what you will, two critical elements of the economic model that emerged after World War II were the following:

- A relatively strong central (federal) government, funded by relatively high taxes and growing welfare state protections—especially Social Security, Medicare, and Medicaid, but also many other benefits, such as subsidized student loans, job training support, food stamps, and welfare
- A relatively strong labor movement that could effectively pressure corporations for higher wages and benefits, and lobby government for greater social benefits

Note that nonprofits do not appear above; this is because *initially* nonprofits were not major players. Broadly speaking, if one looks at the economics of the period spanning from 1945 to the present, it is clear that the United States has experienced two markedly different periods within the past seventy-plus years. The first era—the one that coincided with a relatively strong labor movement—was marked by a relative degree of economic equality; this began to shift, however, in the 1970s, and the period of 1980 to the present has been marked by rapidly rising inequality.

In 1945, 35.4 percent of private sector, non-agricultural workers were in unions.⁷ According to the U.S. Department of Labor, figures for 2017 reflect that the number in the private sector is

a paltry 6.5 percent. Only the continued strong (34.4 percent) presence of unions among public sector workers keeps the overall union membership rate in double digits (barely), at 10.7 percent.⁸

The economic contrast between these two periods is quite clear. As Jared Bernstein, who served for a time as the chief economist and economic adviser for Vice President Joe Biden, testified to Congress, “Over the three decades from 1947–79, real median family income grew almost in lock step with productivity growth.”⁹ Bernstein added that while between 1947 and 1979 the top 1 percent of Americans saw a 119 percent increase in real income, the median household also saw incomes climb a similar 112 percent.¹⁰ Disaggregating by race, median income for Black families (adjusted to 2011 dollars) rose from \$14,216 to \$32,537 between 1947 and 1969, a 128 percent increase, and faster than white incomes rose. In 1949, Black median income was 51.1 percent of white income; by 1969, the ratio had improved to 61.3 percent.¹¹ (In the 1970s, Black income growth slowed as deindustrialization hit Black workers first and harder than white workers, at least initially.)¹²

By contrast, between 1979 and 2010, the top 1 percent of Americans saw their real incomes rise by 80 percent, while the median income increased only 11 percent.¹³ Meanwhile, the ratio of Black income to white income has been stuck at 61 percent.¹⁴ Because overall income growth has slowed, median Black household income since 1969 has risen only to \$39,715, a much more modest 22 percent.¹⁵ To reiterate, over a span of twenty years (1949 to 1969), Black incomes increased by 128 percent, compared to a much more modest gain of 22 percent in the forty-year “post-civil rights movement” period that followed.¹⁶

As labor unions receded—and as economic inequality increased—nonprofits have grown. Colin Burke, writing in the *Nonprofit and Voluntary Sector Quarterly*, finds that in 1945, nonprofits contributed a rather paltry 0.9 percent of gross domestic product (GDP). By 1980, that number had gradually climbed to 2.9 percent of GDP.¹⁷ Today, nonprofits generate 5.4 percent of GDP.¹⁸

Moreover, it is worth noting that the GDP figures understate the importance of the nonprofit

sector. For example, in 2013 the nonprofit contribution to GDP was \$905.9 billion, while nonprofit revenues were nearly twice as high, at \$1.73 trillion.¹⁹ As a percentage of employment, nonprofits employ an estimated 10.2 percent of the workforce.²⁰ The difference between nonprofit revenues and their contribution to GDP derives from the need to avoid double counting. It gets complicated—but, to give one example that might illustrate the complexities: if government pays for insurance that individuals use to purchase services (for example, Medicare or Medicaid), that counts as a nonprofit contribution to GDP; and, if government pays for a government employee’s insurance to use the same nonprofit hospital, that counts as a government contribution to GDP.

It would be remiss not to point out the obvious—namely, that healthcare is a major driver of nonprofit sector growth. The Urban Institute estimates that 49.8 percent of all nonprofit revenues are from hospitals, and 59.1 percent are in nonprofit healthcare, broadly defined (including nursing homes and clinics).²¹ According to the 2016 *Nonprofit Almanac*, healthcare under that broader definition generates 76 percent of commercial nonprofit revenue—that is, the number that feeds into GDP.²² Still, the growth of the nonprofit sector has been remarkable. Even if you wanted to assume—incorrectly, of course—that health played no role at all in the nonprofit sector in 1945, and subtracted all healthcare nonprofit income from today’s numbers, nonprofits still would have outpaced overall economic growth in the postwar period by at least 50 percent. More reasonable assumptions would likely show that the nonprofits’ share of GDP outside of healthcare has doubled.²³

And, of course, GDP numbers fail to consider the nearly \$800 billion gap between nonprofit total revenue—this latter figure includes donor contributions and government and business contracts, as well as commercial revenue—and direct nonprofit contribution to GDP.²⁴ Of course, many of these noncommercial sources of revenue speak to shifts of service responsibility from government to nonprofits. Data for total nonprofit revenue can’t be tracked as far as GDP numbers, but a 2008 IRS study found that nonprofit sector revenue, adjusted for inflation, increased by 174 percent

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from 1985 to 2004, far outpacing GDP growth of 58 percent during the same period.²⁵

What has caused the growth in the nonprofit sector, in short, is *not* an increase in generosity. Indeed, Burke shows that total U.S. voluntary giving relative to national income was three times as high in the 1940s as in the 1990s. And even as a percentage of personal income, U.S. giving peaked at a little over 2.5 percent of income in the early 1960s before dropping back down to 2 percent, where our sector has seemed stuck ever since, be what the tax laws may be.²⁶

The main driver of nonprofit growth, in fact, has been government funding. At first gradually, then more rapidly (as one of the critical elements of the initial post-World War II model—namely, strong labor unions—eroded), nonprofits have filled the gap. Indeed, the pace of nonprofit sector growth (sixfold, relative to GDP) is almost a mirror image of the decrease of private sector unions, which have declined more than 80 percent, relative to the size of the nation's workforce.²⁷

Of course, correlation is not causation. But as unions and the politicians that they had backed saw their power decline, they often still had enough power to shift government services to the nonprofit sector when the government cut back on service provisions. Healthcare is the most obvious area, but hardly the only one. Such a shift was bipartisan in nature, as Democrats could claim victory for preserving social programs while Republicans could claim victory for limiting the role of government.

An example of this process at work is the growth of the neighborhood-based nonprofit community development corporation (CDC). The first CDC formed in 1966;²⁸ forty years later, approximately forty-six hundred CDCs exist in cities, suburbs, and rural communities across the country.²⁹ Back at the start of the millennium, the late Louis Winnick, formerly of the Institute of Public Administration, perhaps too gleefully wrote in a *Public Interest* journal article that the “meteoric growth of CDCs and related grassroots initiatives owes much to their appeal across the political spectrum.”³⁰ He continued:

The anti-statist Right saluted community development as a proxy for

government, which might shield the succored poor from the dead hand of bureaucracy. . . . On the opposite end of the ideological spectrum, radical activists envisioned community-based organizations as weapons of political empowerment, instruments to liberate the poor from chronic neglect.³¹

It is probably not necessary to observe here that nonprofits have been a continuing source of innovation, and that the United States would be a much colder, harsher place were it not for the intervening role of nonprofits in the wake of government cuts. But even as nonprofits win battles, the war has often been a losing one as wealth and income inequality reach record highs.

And it's not just about money or who controls the wealth—it's fundamentally about how people live. As James “Gus” Speth found in 2011—basing his analysis primarily on data culled from the Organization for Economic Cooperation and Development (OECD), which ranks the status of the group's generally wealthy member nations in manifold issue areas—the United States has the following:

- The highest poverty rate, both generally and for children;
- The greatest inequality of incomes;
- The lowest government spending as a percentage of GDP on social programs for the disadvantaged;
- The lowest number of paid holiday, annual and maternity leaves;
- The lowest score on the UN's index of “material well-being of children”;
- The worst score on the UN's gender inequality index;
- The lowest social mobility;
- The highest public and private expenditure on health care as a portion of GDP, yet accompanied by the highest:
 - Infant mortality rate
 - Prevalence of mental health problems
 - Obesity rate
 - Portion of people going without health care due to cost
 - Low birth weight children per capita (except for Japan)

- Consumption of antidepressants per capita
- The shortest life expectancy at birth (except for Denmark and Portugal);
- The highest carbon dioxide emissions and water consumption per capita.³²

And there is more—for Speth’s complete list of woes is even longer. Of course, the United States does better in some areas, and has a respectable ranking (tied for tenth) on the overall United Nations Human Development Index.³³ Nonetheless, the growing signs of a fraying of the U.S. economy, polity, and society as a whole have never been more obvious. Since promoting a flourishing civil society could be thought of as our sector’s *raison d’être*, these trends require a nonprofit sector response.

And yet nonprofits cannot do it alone. I once asked a United Way staff member about the organization’s goal to end poverty, and whether that was something the United Way could reasonably hope to achieve. The woman replied that when she had first heard that her organization had set a (then more modest) goal to cut poverty in half, she had said under her breath, “If that is possible, it should have already been done.”³⁴

Her considered response touches on something that I think in our hearts we already know: we are not going to program our way out of poverty. She added that while nonprofits—using the best data and methods—can play an essential role, ending poverty would take “multiple sectors . . . a social movement, the people who are in poverty playing a part.”

What Is the Extent of Our Nation’s Economic Hole?

In short, even though nonprofits are growing, economic inequality is growing faster. Overall, government figures show that labor’s share of income in the U.S. economy has fallen by six percentage points in the past four decades.³⁵ Since total personal income in the U.S. economy is over \$16 trillion, this decline means that employees receive about \$1 trillion a year *less* than they would have received had labor’s share of income in the growing economy remained constant.³⁶ Put another way,

since there are a little over 125 million households in the United States, having a trillion more dollars in those households would work out to every family having an additional \$8,000.³⁷

And if we break the numbers down by income group, for most that trillion-dollar number climbs even higher. Because wages of workers at the very top (the 1 percent, if you will) have seen their earnings climb even as labor’s total share of total income has fallen, economist Olivier Giovannoni found that the share of income going to the bottom 99 percent of the U.S. population “has fallen 15 [percentage] points since 1980,” an amount that he calculates to result in a \$1.8 trillion shift in income.³⁸ That is more than the annual revenue of the entire nonprofit sector.³⁹

Then there is the nation’s ever-increasing wealth inequality. According to *Forbes* magazine, the four hundred wealthiest Americans in the United States have net assets of \$2.7 trillion, an amount that works out to \$6.75 billion each.⁴⁰ This is more than the combined net worth of the bottom three-fifths of the United States’ population, who, according to data culled from the Federal Reserve 2016 triennial Survey of Consumer Finances, collectively have about 1.9 percent of the nation’s net worth. And given the Federal Reserve’s calculation that total assessed personal net worth is \$98.7 trillion, this would work out to a net worth for the bottom 60 percent of the U.S. population of \$1.9 trillion, or 40 percent less than the Forbes 400 list.⁴¹

As a paper released by the Board of Governors of the Federal Reserve this past January put it, “The U.S. is becoming more economically unequal than is generally understood.”⁴² In terms of racial inequality, the wealth disparities are enormous and getting larger. A study released last year found that if current trends continue, “by 2053 the median Black household would have a net worth of zero—meaning that at least half of Black households would have a negative net worth, with Latinx households hitting the same negative threshold 20 years afterward.”⁴³

The nonprofit response to these negative trends has been impressive, but it still often feels like putting fingers in a dike. Nonprofits have reacted not just by growing in size but also in

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scope. As institutions, nonprofits have taken on a seemingly endless number of roles, including in business (think of the growing role of nonprofit social enterprise), labor (think of the growing importance of nonprofit advocacy), and even public governance and direct representation (in which they are playing a greater role than ever).

Regarding the growing quasi-governmental or representation role of nonprofits, in a 2016 *American Sociological Review* article, University of Michigan sociologist Jeremy Levine remarks:

Over the course of four years, I followed nine CBOs [community-based organizations] in six Boston neighborhoods as they planned community development projects. The CBOs in my study superseded elected politicians as the legitimate representatives of poor urban neighborhoods. Private funders and government agencies legitimated CBO leaders' claims and treated them as the preferred representatives of neighborhoods' interests. Elected district representatives, by contrast, exhibited limited influence over resources and were rarely involved in community development decision-making.⁴⁴

Levine's research resonates with my own experience. I can recall walking with a CDC executive director in the South Bronx back in 2005. We couldn't go more than fifty feet without somebody coming up to my colleague to ask about some project or favor or request. It felt like I was walking the streets with the mayor. That was because, for all intents and purposes, *I was* walking with the mayor—the de facto mayor of the neighborhood.

But even though I may have felt like I was walking with the mayor, the reality is that I wasn't. And what Levine saw (and perhaps he had similar feelings while conducting research in Boston as a graduate student many years later), while heartening at one level, also disappoints—for city council representatives should not be irrelevant but rather effective representatives of their constituents. Nonprofits may be filling critical gaps in business, community organizing and advocacy, and representation, but ultimately a new path forward has

to include a new form of generating and distributing the wealth of our society. That requires taking seriously the gaping holes in our nation's political-economic system and creating paths to make it function more effectively for what has become an increasingly disenfranchised majority.

A Community Wealth Path

For the past dozen-plus years, I have been writing about community ownership. The central idea behind this strategy is that for communities to act as agents of their own transformation, they need to build their own businesses, own their own land, generate their own livelihoods, and—broadly speaking—operate from an economic base of a reasonable level of self-sufficiency.

The reason for this focus gets back to that declining labor's-share-of-income conundrum. The complex combination of reasons behind the shift of income away from working people—among them, the rise of neoliberalism and a general political shift to the right, the development of global supply chains, and technological change—is daunting. But, in terms of how this situation has led to a shift in income from workers to investors, at the most basic level there are only two ways a shift back toward greater equality can occur: (1) some mechanism—the traditional one being the union—enables a greater share of business income to once again go to labor; or (2) laborers have to become owners of capital themselves and increase their share of income that way. There are, of course, at least a million different possible permutations of these two routes—including, of course, varying combinations of each; but, fundamentally, these are the only two possible paths. If increasing the labor share of income is the traditional union path, community wealth building is predicated on the alternative path of fundamentally altering ownership of capital in ways that result in a more equitable distribution of assets and ownership.

It is not out of the question, of course, that labor could stage a comeback. But structural economic changes—especially the relative decline of mass production—mean that if labor does revive, it will look very different. This is true demographically, of course, but it is also true

in terms of sectors. For example, in Dearborn, Michigan, a single factory—the Ford River Rouge plant—once employed over 100,000 autoworkers.⁴⁵ By contrast, in 2015, General Motors and Ford combined employed 101,000 autoworkers nationwide.⁴⁶ On the other hand, entirely new sectors have emerged. For instance, the United States today has more than two million home-care workers.⁴⁷

Labor activists themselves recognize the need for a shift in how workers organize. Rob Withereff of the United Steelworkers union has led his union's effort to support the development of union-affiliated worker co-ops.⁴⁸ Withereff explains the union's thinking:

What we have in common is that we are trying to accomplish the same things. Why do unions exist? [Why] do people try to create cooperatives? At the most basic level, in both cases, it is about workers helping each other out to create a better life for themselves. When you start from that baseline, we can start thinking about worker ownership and cooperatives and unions as part of a broader labor movement. The means for achieving their goals are different, but their goals are very much aligned.⁴⁹

In terms of mechanisms, there are many ways to apply community ownership principles to business. Employee ownership, whether of the employee stock ownership plan (ESOP) or worker cooperative variety, is an increasingly common mechanism not only to ensure a more equitable distribution of ownership but also simply to keep businesses alive as a growing number of baby boomer business owners retire.

Worker co-ops are still fairly small in the United States, with about three hundred to four hundred businesses with seven thousand total worker-owners.⁵⁰ Despite the sector's small size, it has a lot of growth potential, particularly for smaller businesses (say, with fifty employees or fewer), where setting up a pension plan—as an ESOP requires—is impractical. ESOPs, by contrast, are already quite prevalent. The latest figures show 10.8 million workers at 6,669 businesses as of 2015, with worker equity at \$1.3 trillion.⁵¹

Community land trusts enable nonprofit community-based organizations to take land off the market and place it in a trust, thereby creating permanent housing affordability. Typically, most of the equity gain accrues to the trust and only a minority accrues to the resident—allowing the trust to offer housing to a subsequent low- to moderate-income owner at an affordable price. More than fifteen thousand families own homes on Community Land Trust property.⁵²

Platform cooperatives—that is, common platform ownership by workers and/or community members—also show promise. While in their infancy, such instruments could assure that the profits of companies structured like Uber are broadly shared in the field by the providers of those services instead of going to outside investors.

One could also go on to discuss a variety of potential mechanisms: from nonprofit-owned social enterprise to community development finance to hybrid enterprises—such as benefit corporations and low-profit limited liability companies (L3Cs)—to new forms of crowdfunding to innovative uses of common resources for common benefit (as the Wikimedia Foundation has demonstrated). There are also mechanisms that policy-makers can use to leverage public assets to reduce wealth inequality. For example, public banks, using a mechanism first developed in the United States by the state of North Dakota in 1919, are a way to leverage assets that states and cities already possess to support community-based economic development.⁵³ As Oscar Perry Abello noted in *Next City*, “State and local governments hold around \$458 billion in deposits, according to the Federal Reserve Bank of St. Louis, while state and local pensions hold \$3.7 trillion in investments.”⁵⁴ This provides the potential base for redirecting the investment of a considerable amount of public capital. New democratic planning mechanisms are also important to coordinate investments. An emerging form of governance, called participatory budgeting, is a means to use community engagement to ensure that public assets, such as capital improvement dollars, are spent wisely. The practice, which first emerged in Brazil, is increasingly being employed in U.S. cities. To date, twenty-two

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U.S. cities have used participatory budgeting strategies, resulting in community-based allocation decisions that have provided \$238 million in public dollars to support over fifteen hundred community-based projects.⁵⁵

Of course, these efforts are marginal after a fashion—but if you start adding up some of the dollar amounts, one can see that these emerging practices are gaining ground. After all, if the U.S. economy as a whole has a little under \$100 trillion in assets, and if you add state and local government assets of over \$4.1 trillion, ESOP assets of \$1.3 trillion, cooperative assets of over \$3 trillion, and nonprofit assets in excess of \$3 trillion—well, that's over 10 percent of the overall asset value of the economy.⁵⁶

In theory, the economic foothold of nonprofits, cooperatives, employee-owned companies, and public pensions provides nonprofits and their civil society allies with the potential to leverage existing assets to begin to design an economy that works toward economic equality. And small steps are happening in this direction. For example, following the lead of the F.B. Heron Foundation, the Nathan Cummings Foundation recently announced that it would dedicate nearly 100 percent of its assets to impact investing.⁵⁷ The Ford Foundation, too, recently announced that it would place \$1 billion of its \$12 billion endowment in impact investments.⁵⁸ At a policy level, both the city of Richmond, Virginia, and the city of Rochester, New York, have open offices of “community wealth building” to coordinate public policy to support community-owned enterprises.⁵⁹ And, as *NPQ* covered back in February 2018, Great Britain's opposition Labour Party announced the establishment of a Community Wealth Building Unit to back national policy that would support the creation of community-owned enterprises among British cities.⁶⁰

Still, while there is growing interest in a community wealth building approach, it would be erroneous to suggest that we're at the cusp of a paradigm shift. So far, the dominant approaches to economic organization remain. There is growing ferment and experimentation, but the necessary cultural shift has yet to develop, except in rudimentary forms.

Questions to Address on the Road to Restoring the Norm of Reciprocity

Last fall, in an article for *NPQ*, Elizabeth Castillo wrote about how our present mixed capitalist economy has been built on two contradictory principles, citing the work of Austrian theorist Karl Polanyi:

“The one was the principle of economic liberalism, aiming at the establishment of a self-regulating market . . . using largely laissez-faire and free trade as its methods; the other was the principle of social protection . . . using protective legislation, restrictive associations, and other instruments of intervention as its methods.”⁶¹

Of course, historically, late nineteenth-century capitalism—think the Gilded Age and the robber barons—gave way to the reforms of the New Deal. Now, however, the New Deal's institutional framework (with Great Society additions) is increasingly fraying. To a certain degree, nonprofits have helped keep that framework in place far longer than it otherwise would have held. Often, our present safety-net infrastructure is being kept together with the institutional equivalent of duct tape, as one of the key pillars of the old social contract—namely, the labor union—has largely disappeared.

Alas, increasingly the duct tape is not holding. We can see this process of unraveling in so many places. I have not even mentioned such critical pressing challenges as mass incarceration, police brutality, gun culture, the ecological crisis, the opioid epidemic, and the rise of new technologies (for example, artificial intelligence), to name just a few.

Broader cultural shifts are afoot, too, both in response to the United States shifting from being a white majority nation to one where people of color are in the majority—a shift that the nonprofit sector itself is far behind on addressing—as well as the decline of U.S. geopolitical power, also known as imperial decline. Much of U.S. identity has been tied up in what former secretary of state Madeleine Albright once called “the indispensable nation.”⁶²

All of this leaves us in a new place—a place where practices once considered mainstream

may become marginal, and practices currently seen as marginal may (soon) become mainstream. We are hopeful that, just as the New Deal emerged in response to the excesses of its day, the growth of movements today for community ownership and community wealth building (which are gaining ground but still fairly small) may also gather momentum in the years to come. As for those of us working within nonprofits, Castillo, in her article, talked about restoring norms of reciprocity in our economy. And that is certainly one way to think about these challenges facing our sector.

NOTES

1. Steve Dubb, "Grassroots Movement Promotes Adoption of 'Union-Co-op' Model," *Nonprofit Quarterly*, December 15, 2017, nonprofitquarterly.org/2017/12/15/grassroots-movement-looks-to-step-up-adoption-of-union-co-op-model/; Steve Dubb, "Can Employee Ownership Hold Back a Tsunami of Small Business Closures?" *Nonprofit Quarterly*, November 27, 2017, nonprofitquarterly.org/2017/11/27/can-employee-ownership-hold-back-tsunami-small-business-closures/; and MJ Kaplan, "Voices from the Field: Can Co-ops Displace the Gig Economy?" *Nonprofit Quarterly*, December 21, 2017, nonprofitquarterly.org/2017/12/21/voices-from-the-field-can-co-ops-displace-the-gig-economy/.
2. Clara Miller, *The World Has Changed and So Must We: Heron's Strategy for Capital Deployment* (New York: The F.B. Heron Foundation, April 27, 2012).
3. Cyndi Suarez, "Puerto Rico's Nonprofit Sector at a Crossroads," *Nonprofit Quarterly*, December 11, 2017, nonprofitquarterly.org/2017/12/11/puerto-ricos-nonprofit-sector-at-a-crossroads/.
4. Frankly, I don't like the word *alternative*, because many so-called "alternative" forms of economic organization may become *necessary* forms of economic organization—and perhaps a lot sooner than we have been led to believe.
5. Paul Kennedy, "The Eagle Has Landed," *Financial Times*, February 22, 2002.
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