

In Economic Redevelopment Nonprofits Should Not Get Stuck in the Bleachers

by Judith R. Saidel, Ph.D.

“Let’s think like the powerful economic sector that we are!”

Editors’ Note: Over the past ten years it has become a relatively common occurrence for a local or regional sub-sector of nonprofits to measure its proportionate share of the economy. Those numbers are then publicized in media stories and reiterated in speeches and in annual reports. The numbers can be impressive. However, although this exercise is a necessary step on the road to being taken seriously as economic actors, it stops well short of ensuring that nonprofits or the communities they represent exert any direct influence on the crafting or adjusting of local economic policies. Of course community development corporations and other groups with economic development specifically in their mission purview have from time to time inserted themselves powerfully into a local conversation about the economic future of a region, but we do not often see nonprofits as a collective force that can intervene in a trend. What follows is a case where a roundtable group did do the measuring exercise and then took matters a half-step further down a road all nonprofits should explore.

THE NONPROFIT EXECUTIVE ROUNDTABLE in New York’s Capital Region, now Tech Valley, decided to seize the moment early in the region’s current period of high-tech-driven economic expansion

and tackle the issue of the sector’s absence from key planning processes head on.

In 2002, a group of then 12 nonprofit CEOs from the human services, arts, health care, philanthropy, and recreation sub-sectors met for the first time at the invitation of the University at Albany’s Rockefeller College of Public Affairs and Policy. To the surprise of the conveners, the

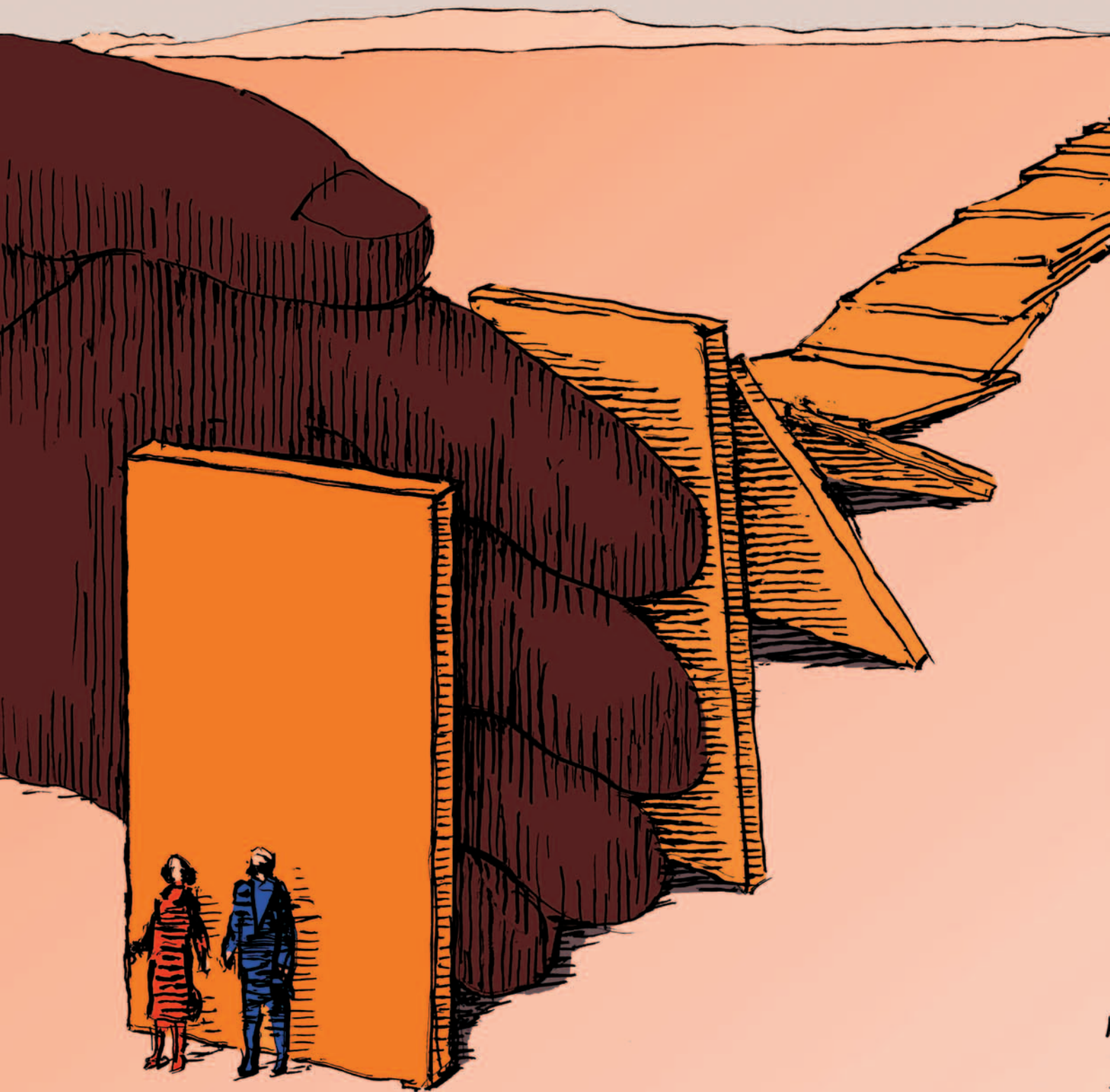
voluntary sector leaders chose not to prioritize problem-solving around individual organizational dilemmas. Instead they asserted “Let’s think like the powerful economic sector that we are!”

From this fundamental commitment, the Roundtable’s two key goals emerged:

- to document awareness of the voluntary sector as a key contributor, along with business and government, to the economy and quality of life of the Capital Region;
- to catalyze cross-sector conversations about the challenges and opportunities for Tech Valley of technology-based economic growth.

Coincidentally, at the same time, another small group of nonprofit executives was knocking on the door of the Albany-Colonie Regional Chamber of Commerce and pushing hard for the establishment of a new Nonprofit Business Council within the Chamber. Several key players

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were active in both groups, including Roundtable Leadership Team members Teri Bordenave, president and CEO of Girls Incorporated of the Greater Capital Region, Alan Krafchin, president and CEO of the Center for Disability Services, and Ray Schimmer, executive director, Parsons Child and Family Center. The synergies and mutual support between the Roundtable and

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So, how do nonprofit leaders, often engaged in ferocious competition for finite human and financial resources, move together to play in the economic and social development and planning game where, at best, they are usually in the bleachers? The answers may surprise you. The first project that the Roundtable launched was an empirical economic and quality of life impact study titled "A \$4-Billion Growth Industry That Cares, The Impact of the Nonprofit Sector on the Capital Region of New York State" (www.cwig.albany.edu and click on research).

Conducted by researchers at Rockefeller College's Center for Women in Government & Civil Society, the founder and facilitator of the Roundtable, the 2003 study reported that about 1,500 501(c)(3) nonprofit organizations in the Capital Region had combined revenues in 1999 of more than \$4 billion and, in 2002, employed 1 in 5 private sector employees and 1 in 7.7 combined private and public sector workers. Between 1998 and 2002, despite an economic recession, nonprofit employment grew by 3.25% on average annually. As well, the 12 nonprofit organizations on the Roundtable provided opportunities for service and participation in civic life through the contributed efforts of more than 5,800 volunteers annually, or one volunteer for every two paid employees.

The report was released at a joint UAlbany/Roundtable press conference and quickly generated widespread media attention. "There can be very little question of how critical the nonprofit sector is to the very vitality of busi-

ness in this region," observed Hugh A. Johnson, a well-known economic forecasting expert regularly invited to speak in the national business and general press. Very soon information from the report found its way into board meetings and retreats and various civic gatherings, including remarks by both the Chamber of Commerce's board president and chief executive officer at the public reception that launched the Nonprofit Business Council.

Roundtable leaders were also invited to an editorial board meeting of the Capital Region's *Times Union*, a daily newspaper widely read in statewide policy circles. Subsequently, the Roundtable's co-founders, Judith Saidel, director, Center for Women in Government & Civil Society, and Patrick Bulgaro, immediate past president and CEO, Center for Disability Services, wrote an Op-Ed piece, headlined "Nonprofits are the Core of the Capital Region," for the Sunday Perspective section of the *Times Union*. After underscoring the appropriateness of the new Tech Valley moniker for the Capital Region, the authors argued:



But it is not only the changing economic profile of the business sector that should attract our attention. Our area, like other regions around the country, now features an economy made up of three sectors—business, government, and not-for-profit organizations that fulfill increasingly important and unique functions.

The point? Relying on a community-university strategic partnership, the Nonprofit Executive Roundtable took the initiative and successfully introduced the "three-sector economy model" way of thinking into the region's public discourse.

The Next Steps

"Now that we've hit a home run with our first product," commented one of the Roundtable leaders, "what can we do that is as good or better?" Fortunately, a promising idea surfaced that continued the Roundtable on its self-chosen path. Participants decided to take up a challenge

that had been posed some months earlier by Chamber CEO Lyn Taylor after 33 Capital Region leaders traveled to Austin, Texas, on a fact-finding trip sponsored by the Tech Valley Chamber Coalition. “How can the Capital Region learn not only from Austin’s triumphs,” Taylor asked, “but also from the missed opportunities, especially with respect to consequences for the broad community of Austin’s economic boom and post-boom years?”

In May, 2005, Saidel and Bordenave interviewed 15 movers and shakers from the nonprofit, business, and higher education arenas who were key actors in Austin’s technology-driven economic development and post-boom dramas. Subsequently they developed a case study, “High-Tech Growth and Community Well-Being: Lessons Learned from Austin, Texas,” in which the Austin players tell the story in their own voices (www.cwig.albany.edu and click on research). Here are two of the many findings in the case study:

- The boom period was not positive for all Austin residents, especially low-income African Americans and Hispanics and other low wage

workers. Racial disparities in economic well-being continued to widen.

- Austin’s nonprofit leaders were largely uninvolved in economic development planning prior to and during the tech boom periods. Their unique knowledge of unmet community needs and vulnerable populations did not inform planning processes.

And here are two “lessons learned” as articulated by Austinites who generously shared their insights with the case writers.

- Create opportunities for broad community learning, planning, and visioning.

- Involve stakeholders from all sectors—business, government, nonprofit, universities—in creating the vision for Tech Valley.

The report was released last May to a standing-room-only audience of over 80 people at a meeting of the Chamber’s Nonprofit Business Council. The event was covered by all regional print media and a major local television station. Saidel, Bordenave, and Jim Johans, then chair of the Nonprofit Business Council, were invited guests for the full program of TV Channel 6’s *Business Forward* talk show. Presentations on

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comprise the Local Government Council of the Center for Economic Growth.

In a Call to Action at the end of the report, the Roundtable invites a vigorous, community-wide conversation about how Tech Valley can maximize the positive consequences and mitigate potentially negative outcomes for the entire community of the high-tech-driven period of economic growth unfolding in the Capital Region. The Roundtable has been awarded a seed grant from the Bender Family Foundation to host a

the case study were invited in about seven other venues, reaching over 250 people, including all regional mayors and county executives who

Tech Valley Civic Forum later this year that will promote cross-sector conversations and identify key "human side" issues related to high-tech-driven economic expansion that require joint monitoring and potential action.

According to Roundtable Leadership Team member Ray Schimmer, "It is a radical proposition that there is a place for nonprofits in economic planning . . . As nonprofits, we're entering into new territory. We shouldn't be afraid or hesitant about this." From the beginning of the case study project, he insisted that "As we learn about Austin, we learn about ourselves." Nonprofits are learning that the stakes in high-tech economic growth for community well-being are enormous for all community members, the opportunities for creative thinking are infinite, and nonprofit leaders must step up to collaborative leadership at these critical moments in regional economic history.

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