
Andrew F. Johnson
Department of Management and Marketing, Texas A&M University - Corpus Christi, Corpus Christi, Texas, USA
Beth M. Rauhaus
Department of Social Sciences, Texas A&M University - Corpus Christi, Corpus Christi, Texas, USA, and
Kathryn Webb-Farley
Department of Government and Justice Studies, Appalachian State University, Boone, North Carolina, USA

Abstract
Purpose – Nonprofit organizations rely on earned income, government funding, charitable donations and investment income to support numerous programs and services for the public good. During times of crisis, such as the COVID-19 pandemic, some nonprofits become even more critical to provide for those in need, but the funding streams to support activities may be even more stressed. The purpose of this article is to understand how COVID-19 might affect the financial stability of nonprofits in the US.

Design/methodology/approach – The article reviews historical financing patterns for US nonprofits and then uses reports and secondary data to understand how COVID-19 might change nonprofit financing in the US.

Findings – Earned revenues, the largest source of revenues for nonprofits historically, are down significantly as venues remain closed or at reduced capacity. Federal government grants and contracts have not been aimed specifically at the nonprofit sector and state and local budgets are stressed, suggesting government funding may be at risk. Charitable contributions from large foundations, corporations, and individual givers have increased, with some added flexibility, but this may not be a viable source for many smaller or community-based organizations. Nonprofit leaders may need to find new ways to collaborate to overcome the pandemic and researchers should seek to understand the impacts on different types of nonprofits and their revenues.

Originality/value – The value of this article lies in understanding COVID-19’s early financial impacts on nonprofits to suggest research and operating paths for academics and practitioners.

Keywords COVID-19, Nonprofit organizations, Financial stability, Recession

Paper type Viewpoint

Introduction
Nonprofit organizations rely on grants from government entities, as well as donations from foundations, for-profit organizations (e.g. corporations), and individuals to maintain their operations and provide financial stability (National Council of Nonprofits, 2019). As the COVID-19 pandemic causes severe social, political and economic disruptions, the ability for nonprofits to provide services (financial capacity) and generate revenue (financial stability) (see Bowman, 2011) is threatened. Financial resilience and shock are major concerns among local and small county governments as well as nonprofit organizations globally, while the demand for many services has increased due to COVID-19 (Maher et al., 2020; Ahrens and Ferry, 2020).

The coronavirus disease or COVID-19 (the virus is referred to as SARS-CoV-2) pandemic began in late 2019 in central China (Zhang et al., 2020). As of October 10, 2020, over 37m cases worldwide and 7.7m people in the US tested positive for the COVID-19...
virus (Johns Hopkins, 2020). The massive number of affected individuals can overwhelm available hospital resources. During spring 2020, most US states implemented measures to control the number of infections (Covid Act Now, 2020).

The medical community is still learning about COVID-19 including its symptoms, treatment and spread of the infection. There is currently no vaccine or specific treatment for the virus, yet several are under development (Gallagher, 2020). COVID-19 tends to be more fatal in individuals who are older, have compromised immune systems or have other serious underlying medical conditions (CDC, 2020). According to the Centers for Disease Control (CDC), “8 out of 10 deaths reported in the US have been in adults 65 years old and older” with those above the age of 85 at the greatest risk (CDC, 2020).

The COVID-19 pandemic has stressed the administrative state, public health and the economy, which punctuated the routine normalcy of governing and the budgetary process. Researchers explain “all modern governments face a dizzying array of thousands of real and potential problems” and the complexity of public problems call for a new approach (Baumgartner et al., 2006, p. 1087). Punctuated equilibrium refers to pressure being built up and “breaking the log jam” of many public problems or “attention shifting” due to the pressure of a major event or crisis (Baumgartner et al., 2006, p. 1087). As the pandemic poses numerous hurdles for nonprofit organizations, many are experiencing numerous financial challenges to the extent many may be forced to shutter.

This article discusses the challenges to nonprofit organizations brought about by these significant financial shocks. To offer current and historical context for understanding how the pandemic will affect nonprofits, we first briefly review nonprofit revenue streams. Following data from the National Council of Nonprofits and others, we then review the major categories of revenues for nonprofits. The discussion section focuses on addressing the challenges posed by the pandemic and suggesting directions for future research and practice.

Nonprofit revenues streams

Of the 1.5m reporting nonprofits, about 1m are registered as 501(c)3 charitable organizations [1]. In 2016, these types of public charities reported $2 trillion in revenues, (NCCS Project Team, 2020). In the past, fees and government funding have made up the vast majority, 80% of the nonprofit sector’s overall funding. Of the remainder, individual, foundation and corporate gifts are about 15% and other income such as interest and rent, make up 5% (see Table 1) (National Council of Nonprofits, 2019).

Revenue sources vary widely across different types of organizations. For example, organizations classified as education and healthcare receive more than half of revenue, 61% and 56%, from earned income from individuals and private entities; for all other types of organizations, earned income is the second or third highest revenue generator. Government funding makes up almost half (48%) of funding for human services organizations.

<table>
<thead>
<tr>
<th>Nonprofit revenue streams</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program and service fees</td>
<td>49.00%</td>
</tr>
<tr>
<td>Government funding</td>
<td>31.80%</td>
</tr>
<tr>
<td>Individual contributions</td>
<td>8.70%</td>
</tr>
<tr>
<td>Other income</td>
<td>5.20%</td>
</tr>
<tr>
<td>Foundation donations</td>
<td>2.90%</td>
</tr>
<tr>
<td>Bequests</td>
<td>1.50%</td>
</tr>
<tr>
<td>Corporate donations</td>
<td>0.90%</td>
</tr>
</tbody>
</table>

Table 1. US nonprofit revenue stream as a percentage of total sector revenue

Note(s): Adapted from: National Council of Nonprofits (2019) Nonprofit Impact Matters
Environment and animals related organizations rely heavily on contributions with 49% of revenue coming from this source. Similarly, art, culture and humanities has 45% of revenues coming from contributions (Independent Sector, 2016).

Each revenue stream presents its own challenges and the sector’s financing is complex. For example, government grants and contracts may be more reliable (Boris, 1999; Frumkin, 2002; Smith and Lipsky, 1993; Jang, 2006) but also tend to be more restrictive, place more mandates on the organization and introduce competition with corporations (Frumkin, 2002; Rushton and Brooks, 2007; Frumkin and Andre-Clark, 2000). Philanthropy, often viewed as more flexible funding, is changing in the US, where almost $450bn was given through individual, foundation and corporate contributions in 2019 (Giving USA Foundation, 2020). Mega-gifts, or those very large gifts that can change organizations but usually have strings attached, are increasing as a percentage of giving, while donations from small and medium-size donors are on the decline (Rooney, 2019).

While diversification of revenue streams is often touted as a best practice to overcome the challenges these funders present (e.g. Fyffe, 2018), there is disagreement in the literature, suggesting that organizations should strategically consider the types and balance of revenues appropriate for their mission, capacity and programming (Hung and Hager, 2019; Wilsker and Yong, 2010). Furthermore, research suggests that the ability to diversify is significantly dependent on the external environment. For example, economic crises will result in fewer donations as shown in the Great Recession, when giving fell by more than 13% between 2008 and 2009 (Reich and Wimer, 2012). The period also saw government grants falling, as states struggled to balance budgets (Bridgeland et al., 2009). The Great Recession coupled with changes to tax policy also has been shown to have significant on giving (Brooks, 2018). Noneconomic factors, such as location, also matter for organizations, as there tends to be a regional effect for giving (Wolpert, 1995). Lastly, although nonprofits see a demand for increased services in recessions (Bridgeland et al., 2009), these organizations may not have been able to build reserves to meet need because of leniency expectations from funders and watchdogs. Across all categories and sizes of nonprofits, the mean organization has about 4.4 months of cash and investments and less than one month of operating reserves (Morris et al., 2018). In part, this may be because there are disincentives for organizations to build up “rainy day” funds that may be considered excessive by funders (Calabrese, 2011). Research also suggests that although the economy had been growing prior to the pandemic, an estimated 7–8% of nonprofits had more liabilities than assets (Morris et al., 2018). Furthermore, nonprofits may not have been incentivized to prepare for “hard times” during “good” years by accumulating assets (Mitchell, 2017).

The result of these funding and financing trends is a sector that may be ill-prepared to deal with another crisis across all types of organizations. It cannot be assumed that large organizations are any better prepared given funding restrictions associated with their revenue streams (Morris et al., 2018). It is within this context that the sector is facing the COVID-19 challenges.

Pandemic-sized implications for nonprofit finances
In a survey of large and medium-sized nonprofits, the Independent Sector (2020) found that 83% had lost revenue and 71% had reduced programming. The finding suggests that all types of revenue may be declining across all organizational types. The ability of nonprofit patrons, clients and funders to pay fees or contracts may be decreased. The unemployment rate stands at 7.9%, with 12.6m people unemployed as of September 2020 (BLS, 2020). Government revenues are likely to decrease as tax collections fall. Charitable gift revenue will become more dependent on mega-givers, while smaller individual donors may find
themselves unable to give as much given the initial stock market crisis and unemployment crisis.

Demand for human services, which can increase resource needs, will also see shifts. For example, domestic violence is increasing (Rauhaus et al., 2020) and food banks are seeing sharp increases in need due to rising unemployment and shortages of food in some areas (e.g. Fernández, 2020; O’Connell, 2020; Rampell, 2020; Santa Cruz, 2020). The National Association of Free and Charitable Clinics reports that demand for services has increased for 74% of its members (NAFC, 2020). In the long-term, organizations that assist the homeless may see increased demand as was the case in the 2008 economic recession (Marx and Carter, 2014). Other nonprofits, such as the arts and humanities, education, non-COVID related healthcare units have seen a decrease in demand.

In a survey of 465 nonprofits across states and subsectors in March 2020, at the beginning of the pandemic, 75% of respondents reported reduced earned income, 50% had less in donations and 27% had less government revenue (NFF, 2020). Leaders of these organizations largely (60%) expressed concern that long-term financial stability was already in jeopardy. In order to provide goods and services to those in need in an equitable manner, nonprofit leaders and boards must make decisions quickly and more consistently to help individuals and to “steer their organizations through a crisis and beyond” (Waldron and Nayak, 2020).

Securing funding from traditional sources such as individual donors may prove challenging given the breadth of the economic impact. Alongside funding challenges, some nonprofit organizations may face the challenge of meeting demand for service. For those operating in person, cleaning, protective equipment, renovations to physical spaces, staffing and other costs may be increasing. Even for those operating mostly at a distance, technology costs may be an issue as investments in infrastructure, training or providing content may be needed.

According to the Nonprofit Finance Fund survey of nonprofit organizations during COVID-19, most nonprofits have a number of needs, which include: the need for flexible funding or general operating support, the means to take care of clients and staff during COVID-19 and the need for access to immediate funds for urgent needs (NFF, 2020). Nonprofit organizations must take the opportunity to explore new, innovative means for funding. An approach that nonprofit organizations may consider is to diversify revenue streams and seek new sources of revenue.

**Fees and services**

As the primary source of funds for the sector as a whole, changes in fees for service revenues must be better understood. With people staying home, mandates to shutter businesses and increased safety measures, revenue generation has been hard hit for some subsectors. Within the healthcare and education sector, the impact of COVID-19 on generated income has been mixed. Nonprofit health systems noted declines in revenues, as people elected to not have surgeries or seek care, while costs increased (Muchmore, 2020). In education, financial challenges include the return of fees, as many institutions sent students home in the spring are coupled with changes in fall enrollments. Typically, a haven for people to gain skills while waiting for employment opportunities to improve, higher education is seeing something different in the early stages at least. Fall undergraduate enrollments declined 2.5%, but graduate enrollments increased 3.9% over 2019, with international student enrollment, which typically generates higher revenues, falling 11.9% (Douglas-Gabriel, 2020). Similarly, childcare centers, some of which are nonprofit entities, are in a crisis. Most are reporting increased costs for cleaning, protective equipment, staffing and renovations, with average monthly costs for these totaling more than $3,000. Meanwhile, enrollment levels have not returned to capacity, decreasing revenue (NAEYC, 2020).
Many other types of nonprofit organizations would not be considered “essential” businesses or services and thus were subject to temporary closure orders by the government. For many, this impacted their ability to generate revenues through traditional means of programming. For instance, many nonprofit organizations in the arts, culture and humanities, (e.g. operas, symphonies, chorales and theaters) must cancel shows or events for mandated social distancing. In a survey with over 19,000 respondents, Americans for the arts found that nonprofit arts and cultural organizations had suffered about $13.9bn in losses and more than 467m lost admissions. Of these organizations, more than half remain closed (Cohen, 2020). These cancellations mean lost ticket and other revenues even as these organizations have ongoing operating costs. COVID-19 has had a “profound effect on the arts” and cultural organizations in general as these nonprofits are relying on government and philanthropists (Fraser, 2020).

**Government funding**

Over a quarter of nonprofits surveyed reported already experiencing reduced government revenue and 35% organizations anticipate government revenue reductions throughout 2020 (NFF, 2020). State and local governments are facing substantial short-term challenges, as they face the health-related crisis, which may require increased taxes, reductions in spending or more federal funding (Joyce and Prabowo, 2020). Fewer financial resources may mean that governments cut funding to nonprofits which they support. There are also significant longer term implications of COVID-19. Governments will be affected by economic downturns which many economists now predict as an inevitable result of the pandemic (e.g. Long and Van Dam, 2020). Ahrens and Ferry (2020) find the financial framework of funding for local authorities through the central government in the United Kingdom has not addressed the increased demands of COVID-19, a situation which seems to all be occurring in the US (Joyce and Prabowo, 2020).

Government revenue decreases come at a time when costs may increase for emergency services personnel and supplies. These effects may become more apparent, as data are collected and additional entities begin the next fiscal year (NCSL, 2020a). For example, Miami has prepared for $19m shortfall, implemented a hiring freeze and postponed stadium repairs to avoid furloughs (Flechas, 2020). Many states have experienced revenue shortfalls and local governments have furloughed employees (Greenblatt, 2020).

By April 2020, the US Congress had passed three measures in response to the COVID-19 pandemic (Snell, 2020). There is funding available for nonprofits included in the CARES Act appropriations (Blair, 2020; Delaney, 2020; Snell, 2020), yet much of the emergency funding is pooled with funding for for-profit entities. Organizations with fewer than 500 employees may receive forgivable loans with the requirement they preserve payrolls while larger organizations may apply for loans that must be repaid (Delany, 2020). Other federal funding is earmarked for specific organizations with strong ties to the US Government such as the Kennedy Center for the Performing Arts, the National Symphony Orchestra and the Washington National Opera (Blair, 2020). Many state and local governments have also passed measures to assist nonprofit entities (Soccolich, 2020).

At the time of writing, it is unknown the extent to which this appropriation can sustain organizations across the US or if additional funding will be passed as funds are depleted (Kurtzlebern, 2020; Wasson et al., 2020). As relief programs are implemented through the states, some restrictions may reduce the funding available to nonprofits. For example, in Connecticut, however, Governor Lamont announced that nonprofits who had received paycheck protection loans were ineligible for other relief funds (McCambridge, 2020b). Current Congressional negotiations over relief have largely not prioritized the funding of state and local governments or nonprofit entities directly (Smith, 2020).
State and local level organizations may help to alleviate some issues for nonprofits. For example, although government funding typically falls behind contributed income in the art, culture and humanities nonprofit subsector, the Wisconsin Humanities CARES relief grant program distributed over $300,000 to humanities and cultural organizations to help with financial hardships caused by the pandemic (Fraser, 2020). In addition, The Arts Community Alliance in Dallas, Texas created a special fund to provide for short-term immediate relief to Dallas county nonprofits arts ranging from $3,000 to $10,000 grants post COVID-19 (Fraser, 2020). In early July 2020, the United State Conference of Mayors adopted a resolution requesting Congressional funding to support arts organizations impacted by COVID-19 (McCambridge, 2020).

Philanthropy

The philanthropic response from those with resources, individuals with a high net-worth, institutional funders and corporations has been large so far. In an analysis of giving data recorded in the donor database Candid as of July 7, 2020, $11.9bn had been donated to the COVID-19 response globally, with 63%, or $7.5bn directed at US-based organizations. However, large contributions may mask the loss of smaller contributions that are critical for community-based organizations in particular.

Foundations have been very responsive to emerging needs. In a survey of 964 foundations with few staff, 80% approaching funding differently by providing grants to programs to alleviate economic and health related issues; about half are increasing funding, 72% are providing emergency grants and many are increasing flexibility of funds already granted (McCormick, 2020). This trend is also seen in larger funders. Five of the largest US institutions agreed to grant $1.7 billion in next three years (SatoKumar et al., 2020).

Very large individuals publicly committed more than $1.6bn, including $1bn from Twitter and Square CEO, Jack Dorsey and giving through donor advised funds, with many more of these gifts being donated to human services organizations (SatoKumar et al., 2020). To date, the pandemic has increased the wealth of the top one percent who makes these very large gifts (Wagstyl, 2020).

Furthermore, although not generally the largest source of philanthropic funding (Giving USA Foundation, 2020), corporate funders represent about two-thirds of the increase in funding noted by Candid. However, the Independent Sector (2020) found that of 110 survey respondents in mid-sized and large nonprofits, 53% had lost individual contributions and 33% had reduced philanthropic gifts, suggesting there maybe be unequal effects across organizations. Potential or past donors may forgo charitable contributions if they have experienced personal financial losses or fear that the economic uncertainty could harm their personal finances. Job loss is a fear for many Americans as over 40m unemployment claims had been filed by late May 2020 (Romm, 2020). Most of those laid off in these first weeks of government mandated social distancing were hourly wage employees (Borden, 2020). For instance, workers at many retail stores, restaurants, manufacturers and those in the travel/hospitality industries were almost immediately affected (Borden, 2020; Telford and McGregor, 2020). However, the potential financial implications extend well beyond these types of jobs to include law, technology and other professions with higher earnings (Telford and McGregor, 2020), which may impact the larger gifts to local small- to mid-sized organizations.

Potential donors may still be financially impacted as those with equity investments have most likely seen their portfolios lose significant value in a matter of days. US stock exchanges lost trillions in value in March 2020 (Heath and Siegel, 2020). Similarly, interest rates are historically low as the US Federal Reserve bank lowered a key rate to zero to 0.25 in an emergency meeting on March 15, 2020 (Long, 2020). While this may be beneficial for
consumer and commercial borrowers, it means that individuals with fixed income investment assets (e.g. bonds, certificates of deposit and treasury notes) may see a reduction in income. Furthermore, the extensive loss of wealth with steep initial declines in stock value (Klebnikov, 2020; Stevens et al., 2020; Heath and Siegel, 2020) is one measure of the challenges many business leaders and owners are facing. For instance, many business leaders may forgo salaries, not receive bonuses or use personal wealth to subsidize their own businesses during this period. In 2020, executives of several companies voluntarily cut their salaries including the CEOs of Disney Company, AMC Theaters, Boeing Company, General Electric Company, Delta Airlines and Marriott Hotels among others (e.g. Barrabi, 2020; Fuhrmeister, 2020; Wiley, 2020). Given this decline in income and a focus on preservation of their own livelihoods, many potential donors from the business community may decrease their charitable giving.

Overall, the picture points to large individual donors and institutional funders helping nonprofits weather storms. The art, culture, humanities and environmental organizations, largely dependent on donations, may have cause to be concerned that donations could decrease as giving overall declines, in keeping with past economic crises or there is a shift toward human services, given the spotlight on these organizations during the COVID-19 crisis. Furthermore, there could be disparities among size of organization. Community based organizations dependent on local individuals and businesses for contributions may find themselves losing income, particularly if they are not providing social service type functions.

**Investment income**

Nonprofit organizations also hold investments. While this category comprises a smaller share of revenue than donations, it is still an important source of funding (National Council of Nonprofits, 2019). These investments are also susceptible to economic downturns based on stock prices and low interest rates for investments (Klebnikov, 2020; Stevens et al., 2020; Heath and Siegel, 2020).

**Discussion**

The root of the current crisis is health-related and may lead people to give to those nonprofit organizations that are providing relief for those affected by COVID-19 (e.g. Soccolich, 2020). Food banks and other nonprofits that more directly assist with the effects of the pandemic may see additional support. Further, while government support may be a lifeline at the onset of the pandemic, as tax revenue for state and local governments is impacted long-term funding may suffer.

If diversifying streams is the answer, nonprofit leaders need to think very carefully about what types of revenue to pursue. As personal income is affected by job loss or wage stagnation, earned income may not be the best option, although it is the primary source of the sector’s funds. Government funding and donations also pose issues though, as the effectiveness of these measures may not address the current crisis.

Federal government relief was initially passed in March and distributed beginning in April 2020. While the entire relief package was over $2 trillion, no portions of the act were directly targeted at NPOs. Furthermore, there is an argument that the relief package was modeled to address an economic crisis, but not a health crisis and therefore will not be effective in addressing the crisis (Whoriskey et al., 2020). $50bn in unrestricted funds were allocated to state and local governments with some of these funds likely devoted to maintaining existing services with some carried out by NPOs. $100bn in funding was targeted toward healthcare systems including nonprofit providers, while $350bn was dedicated to preventing business closures by maintaining payrolls. These funds were open to
for profit and nonprofit organizations (LeBrecque, 2020). The CARES Act was the largest relief package passed by the US government. At the time of this writing, additional legislation has not been passed that would extend these programs or specifically address the challenges of NPOs. As the virus has shown to persist in the US, the lack of additional funding will mean that an increasing number of NPOs will likely face economic turmoil. By October 2020, the political situation indicated that another large-scale relief package was unlikely for the immediate future, as discussions were focused on individual relief checks (Smith and Clark, 2020).

State and local governments have provided relief to some NPOs, but with significant variance across the nation. Without additional federal funding for state and local governments (e.g. Smith and Clark, 2020), these entities may be very limited in their ability to provide relief. Given the breadth of NPOs and their importance in providing services the funding has largely been insufficient, as suggested by initial data indicating that one-third of NPOs have experienced or expect government reductions in funding (NFF, 2020) and are in danger of closure (Levey, 2020; McCartney, 2020). While the long-term effectiveness of these measures is not known, the immediate effects based on a lack of relief priorities toward NPOs are that many may not survive. Longer term, government funding may be in significant jeopardy, as state and local budgets are stressed and require changes in public budgets (Joyce and Parbowo, 2020). This is particularly troubling due to the importance of NPOs during times of great need such as the pandemic.

Likewise, philanthropic funding may not be reliable for all organizations. Donor relationships are generally believed to take years to develop into a reliable or significant source of support. Even though human services organizations may have seen increased giving for first time givers through donor advised funds (SatoKumar et al., 2020), it remains to be seen if these relationships will persist. Nonprofit staff should take the time to personally thank and connect with these donors.

It is also not clear that philanthropy will help us to address some of the social ills that have become apparent during the pandemic. Of the 2020 pandemic-related donation and public gift announcement reviewed, only 2% went to serving communities of color (SatoKumar et al., 2020). However, Black, Hispanic and Native American communities have experienced more COVID-19 cases and deaths proportional to their percentage of the population (Wood, 2020). Mental health services received only 1% of the pandemic related giving (SatoKumar et al., 2020), although states had announced cutbacks in funding for these services while psychiatrists project up to 75,000 suicide or addiction-related deaths (Magoon, 2020).

There may be some hope in forming collaborative relationships. Nonprofit organizations should “place strong emphasis on forming strategic, successful, and mutually beneficial external relationships,” while leaders should be engaged, competent and effective in fundraising and beyond (Fyffe, 2018). For an example of best practices moving forward, the United Way in Tulsa, Oklahoma is partnering with community members and businesses to continue providing assistance of those of need (Hernandez, 2020). COVID-19 has provided windows of collaborative opportunity for nonprofit organizations to explore new partnerships. Research indicates that when the window of opportunity for collaboration punctuates the normal environmental setting of nonprofits, governing structures often constrain the adaptability and resilience of the partnerships (Cornforth et al., 2020).

Research will need to consider how the various revenue issues discussed in this article are affecting different types and sizes of charities. For example, which revenue streams might be best for particular subsectors to pursue? Research should also seek to understand how local nonprofits revenues change, which rely on local support, as composed to larger state or national organizations. It will be important for practitioners and researchers to remain engaged to collect data, develop best practices and ultimately work to fulfill the important missions of nonprofits.
Conclusion
Nonprofit leaders must face COVID-19 related challenges alongside their routine responsibilities. They must assess the organization’s financial state as well to the priorities of programs relative to the organization’s core mission. Research suggests that nonprofit leaders should clarify expectations of involvement in maintaining and overseeing government funding and staff the organization appropriately to fulfill the organizational commitment (LeRoux and Langer, 2016). During the pandemic, nonprofits should reimagine how they can become successful by reinventing themselves and focusing on how to better serve their constituents and being more aware of the organization’s mission and responsibilities, competitors and collaborators (Zimmerman, 2020). Funders should also closely consider nonprofits’ services and how to effectively provide support to organizations.

Note
1. Organizations under this classification meet Internal Revenue Code requirements to be exempt from income taxes.

References


About the authors
Andrew F. Johnson, Ph.D. is an assistant professor of management at Texas A&M University–Corpus Christi. His primary areas of research are corporate political activity, the role of political ideology and social change on organizations. He has previous experience in state and local government. Andrew F. Johnson is the corresponding author and can be contacted at: andrew.johnson@tamucc.edu

Beth M. Rauhaus, Ph.D. is an associate professor of Public Administration and MPA Program Coordinator at Texas A&M University–Corpus Christi. Her research explores public administration theories and issues of gender, diversity, and representation in public administration.

Kathryn Webb-Farley, Ph.D. is an associate professor of public administration at Appalachian State University. Dr. Webb-Farley has published articles in Administration and Society, VOLUNTAS, Public Organization Review, and the Journal of Appalachian Studies. Previously, she was a Presidential Management Fellow, working primarily with the US Department of Transportation and worked for several nonprofits, including the Smithsonian Institution and University of Virginia.