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LESSONS FROM THE FIELD OF PROGRESSIVE POWER-BUILDING

What early-stage, progressive organizations need to build a diverse, unstoppable movement

To ensure the future of our nation is based on progressive values, we must first build and maintain progressive power. The growing wave of activism and our victories in 2018 show us that the progressive movement is a sleeping giant and highlight the important role diverse, emergent leaders are playing in taking back our country.

2019 will be a pivotal year for the progressive movement. This gap year between election cycles provides a short window in which to help new organizations that demonstrated their impact in 2018 best position themselves for maximum impact in 2020—and beyond.

How can we help emerging leaders reach their full potential? This white paper provides highlights from New Left Accelerator’s research and learnings from our work in the field about what progressive early-stage organizations need to grow, scale, and build an unstoppable movement.

New Left Accelerator is dedicated to building a diverse, vibrant, lasting progressive power base. We do this by running an 18-month capacity-building accelerator program and providing technical assistance designed to meet the needs of early-stage organizations and their leaders. We are unique in providing in-depth capacity-building support to 501(c)(4)s, LLCs, PACs, and other legal structures that facilitate innovation and experimentation in the progressive movement.

To learn more about our work, visit us at: www.NewLeftAccelerator.org

BASIS OF OUR LEARNINGS

The learnings we share here are informed by research, extensive interviews, and New Left Accelerator’s capacity-building work in the field, including:

- Evaluations from our first accelerator cohort of six early-stage organizations between 2016-2018;
- Conversations with 45 progressive organizations and new leaders to which we provided technical assistance over the last 18 months;
- Conversations with more than 70 capacity-support providers, consultants, and new leaders;
- Peer-learning conversations with ten different accelerator programs, fellowships, and early-stage funding programs;
- A review of existing capacity-building programs and models; and
- A literature review of reports from other movement-building experts and funders engaged in capacity-building to identify best practices, lessons learned in the field, and new trends.

FINDINGS AND LEARNINGS

Opportunities to take our collective efforts to the next level abound! For every challenge we have identified, we offer recommendations for how we can ensure emergent leaders and early-stage organizations have the support they need to thrive.

1. The boom-and-bust cycle of election funding is hurting progressive organizations and hobbling our movement

In order to secure progressive victories, we must do more than just win elections; we must also invest in local leaders and organizations that are building a permanent power base that can be mobilized to protect threatened rights and communities, lobby for progressive policies, and hold politicians accountable *year-round, every year*.

Many progressive organizations receive a disproportionate influx of funds in election years for voter registration and GOTV work. This is shortsighted. When this funding dries up, organizations that just successfully mobilized their communities and built valuable connections, supporter lists, volunteer bases, and momentum are left scrambling for financial support, forcing them to lay off talented staff, end projects, and close offices. **Investing in off-election years is critical to building and sustaining a vibrant, progressive power base capable of winning key battles year-round.**

OPPORTUNITIES & RECOMMENDATIONS

The progressive movement would benefit from long-term investment strategies that provide stable, year-round support to create stability and facilitate the growth of impactful organizations in off-election years.

- Foundations can support gains and build momentum by providing grants to help offset the variances of the political cycles.
- Political donors can support movement-building by supporting 501(c)(4)s, PACs, and other legal entities in off-election years to sustain their good work year-round.

“The funding dried up when the election was over and now everything we built is in danger of collapsing.” —NLA Technical Assistance Recipient and Leader of a 501(c)(4)

2. Capacity-building support is best absorbed in off-election years

For capacity-building to be effective, the recipient organization must have the bandwidth to participate fully in the work. During election cycles, many organizations report that they were too wrapped up in an immediate fight, voter registration and/or education, or GOTV work to absorb capacity support or assign staff to implement new tools — no matter how good the training, consultant or program was. This is especially true for smaller and early-stage organizations with limited staff.

Off-election years offer a critical opportunity for emergent organizations to slow down and evaluate their effectiveness, focus on organizational development, plan for future growth and sustainability, and absorb support provided by intermediaries. **Providing capacity-building support during off-election years is key to helping the progressive movement thrive and scale.**

OPPORTUNITIES & RECOMMENDATIONS

- Foundations and donors can improve the effectiveness of their support by providing capacity-building grants and funding in off-election years.
- Organizations and leaders can plan ahead to secure support and build staff capacity to tackle evaluation and planning in off-election years.
- Intermediaries can step up their capacity-building programs and offerings in off-election years.

“[In off-election years] we finally actually have time to focus on our own growth, evaluate what worked and what didn’t, and plan for the future — but because our funding actually shrinks as soon as an election is over, we are forced to cut back and lie low instead of using that time to do what we need to do to go big.” —Executive Director of an Emerging Non-profit

3. Winning requires more than just 501(c)(3)s

Many innovative, progressive organizations are employing multiple strategies to maximize their impact. These strategies often require a hybrid of organizational structures — including LLCs, PACs and 501(c)(4)s, as well as traditional 501(c)(3)s. Hybrid legal structures, however, require leaders to navigate complex rules, pay for expensive legal assistance, and allocate extra staff time to manage those different entities. Funding and training specifically designed to help leaders and organizations effectively create, manage, and utilize multiple legal entities is sorely needed in the field. **By investing in the capacity and success of emergent organizations with a variety of legal structures, we can ensure our movement stays nimble and secures wins.**

OPPORTUNITIES & RECOMMENDATIONS

- Foundations and donors can provide the support needed to help emergent organizations with hybrid legal structures navigate complex rules and requirements.
- Capacity-building providers can offer trainings and share best practices to address the unique challenges of organizations with hybrid legal structures.
- Foundations can consider removing unnecessary grant restrictions that prevent 501(c)(3)s from legally moving money to their 501(c)(4) arms or participating in 501(c)(4) activities.

More than 65% of the technical assistance New Left Accelerator has provided to date focused on helping new leaders navigate hybrid organizational structures or matching them with attorneys to address complex incorporation, tax, or compliance rules.

4. Current capacity-building offerings are leaving non-501(c)(3) organizations in the cold

While the progressive movement has many different capacity-building programs, the vast majority of accelerators, incubators, and fellowships are restricted to and/or designed for 501(c)(3) organizations. As a result, there is limited capacity-building support available to non-501(c)(3) organizations such as 501(c)(4)s, PACs, non-profit corporations, and other legal entities¹. This must change. **We must invest in more research, training and infrastructure specifically aimed at meeting the unique challenges of non-501(c)(3)s.**

¹ We wish to acknowledge the pioneering work of both New Media Ventures, which invests critical funds in early-stage, non-501(c)(3) organizations and Higher Ground Labs, which invests in emergent civic technology platforms.

New Left Accelerator is experimenting with the best practices and models needed to serve this important slice of our movement and we are committed to sharing our learnings with the field.

OPPORTUNITIES & RECOMMENDATIONS

- Institutional funders can make grants to 501(c)(4) organizations and fund capacity-building intermediaries that are designing new programs to meet their unique needs.
- Political funders can provide capacity-building grants to PACs, 501(c)(4)s, nonprofit corporations, and other legal entities doing progressive work who are not eligible for foundation funds and/or invest in the intermediaries who specifically serve these non-501(c)(3) organizations.

More than two-thirds of the organizations New Left Accelerator supported over the last 18 months employed a legal structure other than a 501(c)(3).

5. The sweet spot for impact combines funding with capacity-building support

Funding and capacity-building are inextricably linked: emergent organizations cannot be effective without both. When an organization is in funding survival mode, it cannot absorb even the best capacity-building assistance. Capacity absorption happens when training and support are coupled with an infusion of resources sufficient to free up key staff members to participate in time-intensive capacity-building efforts including coaching, trainings, workshops, and long-term planning.

Similarly, providing funding for emergent organizations without capacity-building support may limit the impact of the dollars invested. Early-stage organizations are still honing their skills and often need support to effectively scale their operations. **Capacity-building support can act as an insurance policy for funders' financial investments by helping early-stage organizations create the foundational building blocks they need to effectively absorb support and maximize their impact.**

OPPORTUNITIES & RECOMMENDATIONS

- Institutional funders and political donors can bake capacity-building support into their funding and/or offer subsidized capacity-building programs to grantees. However, in order for capacity-building to be effective for early-stage organizations, the support must be individualized and provided by intermediaries with experience working with this specific population.
- Capacity-building intermediaries working with early-stage organizations have an opportunity to improve how they evaluate an organization's ability to absorb the services they provide and adjust their approach and offerings accordingly.

"It's hard to prioritize the things we know we need to do. It is kind of a Catch-22 because we need a little more breathing room before we can free up staff time to engage in strategic planning but we will never have that breathing room if we don't stop and plan. We just need a bit more capacity on our staff so that leadership can pull up and really lead."

—Senior Staff Member at an Emergent Nonprofit

6. Effective capacity-building requires the space to be candid

For capacity-building to be effective, emergent organizations must reveal their biggest challenges in confidence to a trusted team. Many funders already understand the importance of investing in capacity-building; it is also essential to create safe spaces for organizations to be candid about their weaknesses and needs without fear of jeopardizing funding.

Funders can help create the space for emergent organizations to be candid by providing longer-term guaranteed funding streams, by simultaneously funding programs and operational capacity, and/or by partnering with capacity-building providers who assess and manage an organization's' capacity-building needs.

OPPORTUNITIES & RECOMMENDATIONS

- Providing longer-term funding relationships and decoupling conversations about capacity-building from conversations about future support can build the sense of security and trust needed to allow grantees to accurately identify their core needs to funders.
- Absent a truly trusting relationship between funders and grantees, funders can ensure the effectiveness of their investment by partnering with capacity-building providers who work independently with organizations to assess and meet their needs.

“Of course we need help with all of that—HR policies, financial projections, strategic planning, job descriptions—but I can’t imagine a scenario where we would tell a funder that! Who would? They only invest in you if they think you have all that already together.” —Emerging Leader

7. Committing to equity takes time and money

Emergent organizations are not immune to the unequal power dynamics that spring from systemic gender, class, racial, and religious bias. Equity must be a founding principle in progressive organizations if we want to build a diverse, egalitarian movement.

Hosting a single diversity and inclusion training does not cut it — committing to equity requires time, money, and follow-through at every level of an organization. This includes developing leadership with attention to race, power, and privilege, instituting anti-oppression policies for staff, providing trainings from knowledgeable capacity-building providers, and more— all of which takes time, money, and effort. **We must prioritize and support equity work if we want to build a strong, diverse, and just progressive movement.**

OPPORTUNITIES & RECOMMENDATIONS

- Foundations and political donors have an opportunity to not only subsidize but also sustain equity work and reinforce its importance.
- Intermediaries can develop programming to provide not only training but also ongoing support for equity and inclusion efforts.
- Foundations can provide grants to subsidize this critical work for smaller and early-stage organizations with limited budgets.

“Working on DEI is a continual, iterative process that requires participation at all levels of an organization, including support from its board. In many instances, an organization’s mindset and culture need to change before the organization can think about shifting strategies and processes, and this takes time and staff capacity.”

—Hewlett Foundation, Organizational Effectiveness Program Report

Ninety percent of the emergent organizations New Left Accelerator spoke with identified a desire to learn more about how to effectively model diversity, deep equity, and inclusion in their organizations; none had received grant funding to support the work.

8. Diverse leaders piloting new tactics are engaging new constituencies; we need to invest in their capacity

A new generation of Black, Latinx, LGBTQ+, immigrant, young, rural, low-income and other often underrepresented leaders are building a New American Majority. Many of these leaders are experimenting with innovative ways to organize and engage their communities, effectively conducting much needed R&D into how our movement can build a more diverse, engaged, and powerful progressive base. However, many of these new leaders are not connected to either foundations or high-net worth individuals, and are unfamiliar with capacity-building services and resources. **We must find and invest in these leaders by providing culturally competent and geographically-accessible capacity-building support tailored to meet their unique needs.**

OPPORTUNITIES & RECOMMENDATIONS

- Funders can invest in developing capacity-building programs and services specifically designed to meet the needs of diverse, emergent leaders and organizations.
- Capacity-building intermediaries can invest in building a diverse pool of consultants and other providers.
- Capacity-building intermediaries can evaluate their program offerings to ensure they incorporate principles of deep equity.

“Nonprofits serving communities of color have an especially difficult time accessing needed resources . . . [and] report difficulties finding consultants who are culturally competent.”

—Point The Way: Chicago Area Capacity Building Landscape Study

9. Early-stage organizations lack back-office support options

Access to back-office support services can determine an emergent organization’s future viability. Fiscal sponsors, who take on the administrative and financial responsibilities for other nonprofits, are often the best resources for emergent organizations who lack capacity to manage a board, run payroll, or secure health care for a small staff. But non-profits are often required to reach a certain threshold of funds raised before a fiscal sponsor will accept them and many fiscal sponsors do not serve 501(c)(4)s. This limits the support available to new organizations and leaders piloting innovative projects or initiatives. In addition, many fiscal sponsors do not offer other much needed capacity-building services such as strategic planning or organizational development. **Increasing the accessibility of fiscal sponsors and expanding the range of services they offer would help ensure that back-office challenges do not stymie growth and innovation in the movement.**

OPPORTUNITIES & RECOMMENDATIONS

- Fiscal sponsors can support emergent organizations by lowering financial thresholds, accepting more 501(c)(4)s, and increasing both back-office support and capacity-building services.
- Funders can remove back-office barriers for emergent organizations by funding capacity-building that connects emergent leaders to services for human resources, accounting, and more.

“Fiscal sponsorship furnishes projects with comprehensive personnel policies, liability insurance, financial and administrative expertise and keeps projects abreast of and trained on new government regulations as they arise. Having these reliable operational mechanisms in place affords project leaders peace of mind, eliminating many of the stresses that can derail an operation.” —Joshua Sattely, Esq., Third Sector New England, On Comprehensive Fiscal Sponsorship

10. We need more resources and services specifically designed to assess and meet the unique needs of *early-stage* organizations

Current capacity-building and consulting services are often designed for larger and more established organizations, which makes sense; few small, early-stage organizations can afford trainings or consultants to help them with their work. As a result, most existing resources are tailored to, and consultants often have the most experience working with, mid-sized to large organizations with more staff, funding, and foundational building blocks than is common for early-stage organizations.

Many emergent organizations reported: (1) struggling to find the right service providers to meet their needs, (2) having difficulty accurately identifying and articulating their needs in the first place, and (3) lacking the time, staff, experience, or funds to implement or act on the advice they paid for. Consulting engagements thus sometimes ended with mismatched deliverables or recommendations unsuitable for an early-stage organization — the strategic plan sat on the shelf, the capacity-building training was not relevant to a start-up environment, the good advice just never got implemented.

Early-stage and emergent nonprofits need more holistic, customized resources specifically designed to address the unique needs that arise on the journey from ideation to growth. Critical components of successful capacity-building engagements include: (1) spending significant time at the outset to help leaders conduct and interpret the results of an in-depth organizational assessment, (2) evaluating an organization’s readiness to plan and/or absorb capacity-building support, (3) setting clear and limited priorities for scoping capacity-building work that are realistic and can be implemented by staff, and (4) spending time to find and vet consultants who have experience working with early-stage organizations.

OPPORTUNITIES & RECOMMENDATIONS

- Capacity-building programs should consider investing heavily in helping new leaders assess and define their needs at the outset of the collaboration, as well as carefully vetting and evaluating consultants to ensure they have experience working successfully with early-stage organizations.
- Funders, capacity-building providers, and consultants have an opportunity to invest in creating a new community of practice focused on sharing learnings and collecting best practices for serving early-stage organizations to improve offerings for the field.
- Funders can maximize their impact by deliberately seeking out and investing in capacity-building programs designed specifically to support early-stage organizations.

“I didn’t know the difference between organizational development and strategic planning, for example, and had no idea how to hire someone to help us with either of those things, let alone evaluate whether someone was the right fit for us. Help navigating and demystifying that landscape was one of the most valuable parts of what NLA did for us.”

—Emergent Leader Supported by New Left Accelerator

“Nearly half of nonprofit survey respondents stated they did not have the tools or guidance to assess their needs.” —Point the Way: Chicago Area Capacity Building Landscape Study

11. We must find new ways to collect and share best practices and connect new leaders with capacity-building resources

Emergent leaders face unique challenges, but there is currently no one-stop-shop for them to get assistance identifying and meeting their needs. While there are many existing capacity-building resources, interviews and a scan of the field indicated that they are often siloed, outdated, hard to find, available only in person, focused on more established organizations, or too expensive for organizations with limited budgets. In addition, founders are often unsure about what they actually need and are hesitant to commit to courses, trainings, and services they know little about and have precious little time for.

Likewise, the universe of capacity-building intermediaries who specialize in supporting early-stage organizations are not connected to each other and have no convenient or supported means of sharing learnings or best practices. **There is a clear need for a central hub that makes accessing existing resources simple and intuitive and helps match new founders with appropriate resources and consultants.**

OPPORTUNITIES & RECOMMENDATIONS

- Intermediaries, fellowships, accelerators, and others working with early-stage organizations can create a community of practice and work together to improve offerings and establish new standards and best practices.
- Funders can invest in initiatives that would increase effectiveness by matching emergent non-profits with appropriate resources and consultants.
- Funders can invest in the creation of a community of practice to improve communication and coordination across the field and facilitate the sharing of learnings and best practices aimed at better serving early-stage organizations.

“...there is currently no “one-stop” place for an organization looking for capacity-building services to learn about various options. In an open-ended survey question, nonprofits and funders most often called out, by a factor of two to one, the need for a directory of capacity-building providers as a tool that would most help them get better access to capacity-building services.”

—Point the Way: Chicago Area Capacity Building Landscape Study

Approximately 90 percent of leaders New Left Accelerator spoke with reported that they were not sure where to go to learn about and get help assessing capacity-building support offerings.

BEST PRACTICES: TOP TEN TIPS FOR INTERMEDIARIES HELPING EARLY-STAGE ORGANIZATIONS BUILD CAPACITY

1. Assessment is critical!

Invest up-front in helping the leadership team to conduct and interpret the results of an in-depth organizational evaluation.

2. Avoid non-profit and business jargon

Simplify terms and define, explain, and demystify concepts like “strategic planning” and “organizational development.”

3. Work closely with leadership teams

This will help them define and prioritize challenges and opportunities.

4. Evaluate before engaging

Evaluate staff and organizational readiness to participate in and absorb capacity-building support before engaging in such services.

5. Set clear expectations

Clarify the amount of time and work that will be required of an organization and its staff to participate in any capacity-building offering to help them make informed decisions and increase buy-in.

6. Create helpful connections

Help leaders identify consultants who have experience working with early-stage organizations and who will be a good cultural fit for the group.

7. Define scope of work

Ensure that the scope of work, deliverables, and expected outcomes are clearly defined in writing and agreed to by all parties.

8. Take note for the future

Help organizations evaluate whether a consulting engagement was successful and document learnings to improve consultant fit in future engagements.

9. Ongoing Technical Support

Couple capacity building trainings with ongoing technical assistance to ensure the organization has the support it needs to implement recommendations effectively.

10. Offer Executive Coaching

Provide executive coaching to new leaders—capacity-building activities can be more effective if the executive director has a consistent source of strong individual support.

WHAT IS CAPACITY-BUILDING?

Key Elements of Capacity Building Defined

Capacity Building is an intentional and sustained effort to improve an organization's functioning, impact, and future sustainability. It often includes investment in the following:

Leadership – staff and board leadership skills, capacity to support talent development for all staff, executive transition planning, ability to steward effective organizational culture

Mission, Vision and Strategy – organizational planning, assessment and strategy development

Diversity, Equity and Inclusion – attention to equity throughout the organization's internal practices and external work

Program Delivery – capacity to design and deliver effective programs

Fundraising – fundraising strategy and planning, plus skills and internal systems for fundraising and other revenue-generating activities

Financial Management – skills and systems for accounting, budgeting, financial planning and other activities to ensure financial health and compliance

Communications – skills and capacities in marketing, online presence, media relations and social media to raise awareness and attract attention and resources to the organization or issue

Collaboration/Partnership – skills and mindset to create and sustain strategic relationships with colleague organizations, stakeholders and decision-makers that can help advance the mission and possibly spark collaboration

Evaluation and Learning – capacity to gather data, measure impact, close feedback loops and assess lessons learned in order to strengthen the organization's work

Internal Operations – HR, internal systems, infrastructure, technology (tech includes: information technology systems, digital data and infrastructure, and staff skills to use technology to facilitate the work)

Legal – support in all stages of development including legal formation, access to counsel to address compliance with political, tax and nonprofit laws

Board Development – recruitment, engagement and development of an effective board to set the direction of an organization and enable it to operate to its fullest capacity

JOIN US IN BUILDING PROGRESSIVE POWER

In 2019, New Left Accelerator will be launching its second, 18-month cohort focused on providing capacity-building support to emergent organizations led by women, youth, and people of color. We are committed to documenting learnings, forging partnership, and sharing best practices with the field. As we move forward with our efforts to make the progressive movement bigger, deeper, and more effective, we welcome your thoughts, questions, and invitations to collaborate. Please share any or all with us at info@newleftaccelerator.org.

ADDITIONAL RESOURCES AND RECOMMENDED READING

We are grateful to the following organizations for their valuable insights and contributions on best-practices in capacity-building.

[Strengthening Emerging Social Justice Groups and the Intermediaries That Support Them](#), Management Assistance Group

[The New Normal: Capacity Building During a Time of Disruption](#), Open Impact

[Today's Challenges: Training and Capacity Building](#), Mobilisation Lab

[Point the Way: Chicago-area Capacity Building Landscape Study](#), Learning for Action

[Organizational Effectiveness Program Report](#), Hewlett Foundation

[A Whitepaper: On Comprehensive Fiscal Sponsorship](#), Third Sector New England