

Investing in Effective Approaches to Civic Engagement:

An Evaluation Research Project with the Civic Participation Action Fund

Capacity Building in 501(c)(4) Organizations:
Research Summary

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Overview

This research investigated how 501(c)(4) organizations build and sustain capacity through issue and candidate campaigns. With case study methods, the project documented the development of 501(c)(4) organizational capacities in three organizations that received funding from the Civic Participation Action Fund between 2016 and 2018. It explored how capacities were built, the extent to which issue and candidate campaigns supported their development, and the conditions under which such capacities can be maintained over time. The findings show what factors supported capacity building, how they may be replicated in other organizational contexts, and the ways in which they may facilitate organizations' independent political power. They are intended to inform how funders and nonprofit social change organizations can invest in strategies that enhance political capacity in 501(c)(4) organizations.

Research Questions

1. How do issue and candidate campaigns build 501(c)(4) organizations?
2. What impact do issue and candidate campaigns have on the 501(c)(4) capacities of organizations that work on them?
3. How do campaigns provide a foundation for organizations to create new capacities and strengthen existing ones? How do organizations sustain intraorganizational and interorganizational capacity over time?

Case Profiles

The first case explored Arizona's Proposition 206 Campaign to increase the minimum wage and establish provisions for paid sick time. It analyzed how Living United for Change in Arizona (LUCHA) built capacity through the campaign, and how it is growing into a more effective 501(c)(4) organization. The second case examined Organize Florida and New Florida Majority, and how they built capacity through campaigns and coalitions. The examples provide a useful comparison of how capacity can be fostered not only within a single organization, but also through collaborative relationships within a broader political ecosystem. They offer a picture of how 501(c)(4) grassroots organizations develop into stronger organizations through campaigns. These findings point to funding strategies that can bolster organizations' ability to win campaigns, contribute to the overall strength of the organization, and generate political power.¹

¹ A copy of the complete research report is available from the author upon request, mpost@clarku.edu.

Findings

1. High capacity organizations

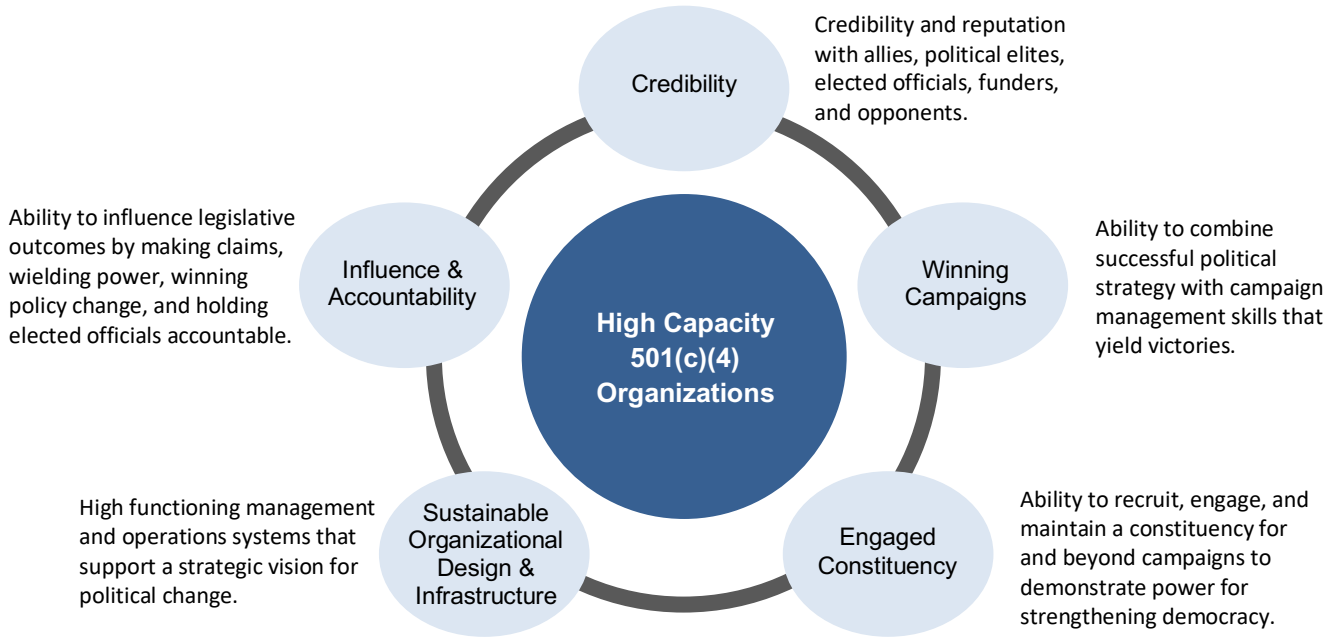
Through the first phase of the project, we established a framework for defining “high capacity” 501(c)(4) political organizations. *High capacity* 501(c)(4) organizations have five characteristics:

1. Effectiveness at winning campaigns
2. Ability to build and maintain an engaged constituency
3. Political credibility and reputation with allies, public officials, and opponents
4. Ability to influence legislative outcomes by making claims, wielding power, winning policy change, and holding public officials accountable
5. Organizational designs and infrastructures that can ensure long-term sustainability

501(c)(4) organizations are typically on a continuum of strengthening each element, but together they are essential for establishing and maintaining a strong organization. 501(c)(4) organizations benefit from the development of internal capacities such as skilled and experienced organizational leadership, clear structures for staff management and support, ability to fundraise, and expertise in financial and legal management. They also need to develop and strengthen capacity for externally focused work, most often connections with allied organizations, public institutions, and political elites. These capacities include coalition organizing, relationships with public decision makers, and legislative influence. (See Figure 1 on next page).

Many factors enable community-based 501(c)(4) organizations to achieve their mission and implement effective program. For organizations engaged in ballot initiatives and other electoral campaigns, there are specific structures and processes that position them to lead successful campaigns, organize new and/or traditionally marginalized constituencies, and build statewide power for long-term legislative change. Some of these attributes are commonly found in both 501(c)(3) and 501(c)(4) civic and political organizations. However, certain factors ensure that 501(c)(4) organizations are more effective when these capacities are well-developed, including executive leadership that has experience with electoral campaigns and running constituent outreach and training programs; high functioning administrative systems; and credibility as coalition members or in relationship to decision-makers.

Figure 1:



2. Capacity Growth

In the second phase of the project we focused on understanding how nine dimensions of organizational capacity contribute to building “high capacity” 501(c)(4) organizations. These factors are categorized as either internally or externally focused. The analysis of campaigns by LUCHA, Organize Florida, and New Florida Majority showed how these capacities improved during campaigns between 2016 and 2018.

Table 1: Organizational-Capacity Variables

<i>Internally Focused</i>
1. Ability to fund-raise
2. Campaign management
3. Communications
4. Constituency
5. Organizational leadership
6. Staff management and human resources
<i>Externally Focused</i>
7. Coalition building
8. Influence and relationships with state decision makers and political elites
9. Ability to influence legislation

3. Conditions that Facilitated Success

The case examples showed that certain conditions facilitated campaign success for LUCHA, Organize Florida, and New Florida Majority. Though these conditions may be unique to each organization, they supported and fostered capacity development and campaign success.

Table 2: Examples: Conditions that Facilitate Capacity Growth and Success

• Organizational theories of change
• Unique leadership experiences and expertise
• Momentum and experience from previous campaigns
• Strategic vision
• Reputation as well-established organizations rooted in low-income communities and communities of color
• Allied relationships with partner organizations that advance collective goals

Implications

Recommendations for Grant Makers

The findings from this evaluation point to recommendations that can guide grant makers' decisions about investments in progressive 501(c)(4) organizations. Targeted investments can be used to bolster individual organizations by supporting capacity building in the service of achieving broader and more substantive policy impacts. Such investments in capacity building through campaigns can also support infrastructure groups and alliances for long-term sustainability.

Anchoring investments in the core capacities that organizations have to have to be high-functioning 501(c)(4)s is a critical element of funding strategies. Funders can prioritize organizations and specific campaigns that cultivate organizations' effectiveness at winning campaigns and their ability to maintain engaged constituencies. Those priorities can be aimed at improving an organization's ability to influence policy outcomes or hold public officials accountable while also supporting the development of organizational leadership and the organization's ability to increase recognition, and garner a stronger reputation and positioning among allies. Furthermore, support for robust operations and management—the infrastructure of successful 501(c)(4)s—can ensure sustainability. Funding strategies that center on those types of capacities can achieve more meaningful and long-term impact.

Recommendation 1: Invest in grassroots organizing

- a) Develop funding strategies that can expand grassroots organizing through and between electoral cycles in organizations with clearly defined models of leadership development and membership.
- b) Support year-round organizing in base constituencies that targets leadership recruitment, development, advocacy, and electoral engagement in geographies with new and low-propensity voters.

Recommendation 2: Invest in campaigns that cultivate capacity development

- a) Support electoral races, ballot initiatives, and legislative campaigns that both align explicitly with a statewide strategy for progressive change and help organizations grow their base-building capacity in communities that have been historically marginalized and disenfranchised in the political process.
- b) Fund campaigns and programs that are intended not only to achieve a specific policy outcome or political goal but also to create new or expand existing capacities such as communications, technology, data management, and geographic expansion.

Recommendation 3: Invest in organizational infrastructure

- a) Prioritize investments in leadership, staff development, and operations management that include:
 - I. **Organizational leadership**
 - Support recruitment and mentorship of visionary and experienced organizational leaders.
 - Expand roles and responsibilities for young leaders rooted in their communities.
 - II. **Strengthening of the pipeline**
 - Support placement and development of midlevel managers and experienced “number two” leaders (typically a managing director or other executive level staff member).
 - Support staff development in which electoral organizers and canvassers can be trained and mentored into year-round staff who possess transferable organizing skills across campaigns.

III. Staff management

- Support management functions that enable organizations to provide professional development, mentorship, and competitive salaries for positions that entry-level and midlevel staff can stay in.

IV. Internal operations and technical expertise

- Support development of in-house staff competencies in financial management, fundraising, human resources, communications, and legal and compliance issues.

Evaluation and assessment

The framework of high-capacity 501(c)(4) organizations as developed in this project serves as a starting point for the evaluation of grantees and the success of funding strategies. It is common for grassroots organizations and their funders to lack the time and space for intentional reflection on and learning about the successes, opportunities, challenges, and failures of their initiatives and their relationships with one another. Within that framework, funders can incorporate the characteristics of high-functioning 501(c)(4) organizations to explore how well an organization is achieving its intended goals and developing the capacities needed for effectiveness and sustainability. Table 3 recommends evaluation questions for each category.

Table 3: Assessing Capacity Building in 501(c)(4) Organizations

CHARACTERISTICS	EVALUATION QUESTIONS
<p>1. EFFECTIVENESS AT WINNING CAMPAIGNS</p>	<ul style="list-style-type: none"> • What strategies does the organization use to win campaigns and achieve its policy goals? • What capacities make a difference in the organization’s ability to win campaigns? • What dynamics in the operating environment affect the organization’s ability to win?
<p>2. ABILITY TO BUILD AND MAINTAIN AN ENGAGED CONSTITUENCY</p>	<ul style="list-style-type: none"> • How does the organization recruit, train, and retain members? • How are the constituency’s members and leaders involved in achieving campaign goals? • In what ways does the organization educate and engage its constituency around policy outcomes and engage with elected officials? • What types of campaigns yield the most engagement in communities of color and low-income communities?
<p>3. CREDIBILITY AND REPUTATION WITH ALLIES, PUBLIC OFFICIALS, AND OPPONENTS</p>	<ul style="list-style-type: none"> • To what extent does the organization, its staff, and its executive leadership perceive a sense of political standing among allies, public officials, and opponents? How do they know? • Is this organization known and respected for working on specific issues? Why or why not?
<p>4. ABILITY TO INFLUENCE LEGISLATIVE OUTCOMES AND HOLD PUBLIC OFFICIALS ACCOUNTABLE</p>	<ul style="list-style-type: none"> • What strategies does the organization use to influence legislative outcomes? • What strategies does the organization use to hold public officials accountable? • What capacities support those strategies? What are the strengths and weaknesses of those capacities? • What capacities could improve the organization’s ability to influence legislative outcomes and hold public officials accountable?
<p>5. SUSTAINABLE ORGANIZATIONAL DESIGN AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> • To what extent do the executive leadership and the management structures support campaigns and promote capacity building? • What strategies is the organization using to build and support a leadership pipeline? What is working, and what are the challenges? • Is the organization networked with other groups? If so, how do those relationships advance the organization’s goals? • What are the strengths of the organization’s internal operations systems? How do the systems facilitate success in achieving policy goals? • What are the organization’s weaknesses, and how do they impede success?