



A Municipal Driven Approach to Nonprofit Collective Impact Initiatives

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Executive Summary

The Issue: There is growing recognition that society’s most difficult problems cannot be solved by government alone. Local governments often turn to nonprofit organization to provide services and programs that government is either not able or not willing to provide directly. However, the mechanisms by which governments work with the nonprofit sector are often ill-developed and/or absent, particularly in rural areas with limited donor capacity. Thus, we propose a collective impact framework where nonprofits can work collaboratively with each other, and with government entities, with local government serving as the backbone coordinating organization.

The Method: We deploy a mixed-methods study designed to understand how government and nonprofit leaders view collective impact, the state of the nonprofit sector, rural Wisconsin needs, and the ability and desire of government and nonprofit organizations to collaborate. In January 2024 we designed and distributed a 12-item survey to the universe of Wisconsin County Executives/Administrators to determine their understanding of the nonprofit sector as it relates to their county’s needs. In addition to the survey, we conducted 15 interviews with nonprofit leaders across Wisconsin. We specifically targeted leaders of Wisconsin United Ways, community foundations, and umbrella nonprofit organizations that have fiscal and collaborative relationships with other nonprofits. Finally, we utilized IRS data to share basic information about the size and scope of Wisconsin’s rural nonprofit sector.

The Findings

- County government executives are not overly familiar with the concept of collective impact, however 72 percent stated they are either somewhat or very familiar with their county’s nonprofit sector.
- County government executives indicate that economic development, K-12 education, and affordable housing are the most important issues in their county. At the same time, they state that economic development and affordable housing are the areas in which they are least effective in addressing.
- Interview subjects spoke of a desire for more collaboration to make a more concentrated impact on their communities, but few felt they had the time, resources, or incentive for more collaboration. Collective impact initiatives were described as luxuries that most lacked the administrative capacity to design, execute, and sustain.
- Nonprofit leaders indicated rural-urban tensions, political division, and territorialism are three areas holding back their local nonprofit sector.

The Lesson: A collective impact strategy in which local government serves as a coordinating backbone organization for the nonprofit sector provides a framework for moving the government-nonprofit relationship from collaboration to true integration. When done successfully, both the nonprofit and government sectors will increase their efficiency and effectiveness by eliminating duplication, charting a common course based on agreed upon community goals, and pooling resources in ways that are often not possible outside of Wisconsin’s large metropolitan areas.

Introduction

There is growing recognition that society's most difficult problems cannot be solved by government alone. In the 1990s, the Reinventing Government movement emphasized the role nonprofits can play in providing services that were traditionally the responsibility of public bureaucracies. Currently the nonprofit sector plays a role in addressing public health, education achievement gaps, poverty, housing insecurity, and more in community across the United States. Local governments often turn to nonprofit organization to provide services and programs that government is either not able or not willing to provide directly. However, the mechanisms by which governments work with the nonprofit sector are often ill-developed and/or absent.

Government failure theory, a popular macro-level theory for understanding the emergence of the nonprofit sector, can help explain the relationship between nonprofit organizations and government. But first, what exactly is a nonprofit organization? Technically, being a nonprofit means an organization is deemed tax exempt by the Internal Revenue Service (IRS). The most common type of nonprofit is known as a 501(c)3 charitable organization. Such organizations are tax exempt, receive tax-deductible donations, and provide some sort of community benefit. Nonprofit organizations can and do receive revenue, including earned revenue, but must distribute profits back into the organization and its mission rather than to shareholders.

Hence, nonprofits provide needed services that the market does not incentivize private business to provide, i.e. there is no profit to be made, and/or services government is not well-positioned to provide directly. In theory, nonprofits will fill in service delivery gaps in functional areas where the government fails. In concept, government failure theory implies a collaborative approach to addressing society's most pressing challenges. However, government failure theory does not always reflect reality. What happens in rural areas where there is a limited nonprofit sector? What happens when there are overlapping nonprofits with similar missions fighting for the same limited donor resources? What happens when government fails to address a societal challenge and nonprofits do not fill in the gaps organically?

To put it more directly, what happens when local government cites the need for the nonprofit sector to assist, but do not have a clear plan, or even buy-in, of how exactly the nonprofit sector will work with government? Consider the policy challenge of homelessness. There are nonprofit organizations that provide emergency shelter for all, others that provide housing only for the employed, others that address mental illness and substance abuse, others that address domestic violence, etc. All of these nonprofit organizations play a role in addressing homelessness, but if they do not coordinate efforts with one another, and with government, it is unlikely the aggregate policy challenge will be addressed in an efficient manner.

Enter the concept of collective impact, which refers to a community of nonprofit organizations working collectively towards positive social change (Kania & Kramer, 2011). Kania and Kramer's (2011) influential article presents specific cases in which nonprofits collaborated to provide educational services. The models they profiled spurred calls for replication, but also generated critiques for being too limited in

the service areas used as models, too top down, not transparent, and too dismissive of equity concerns (Wolff et al., 2017). More recent research attempted to address some critiques of the collective impact idea by detailing approaches to transparency (Smith, 2018), the importance of community resources (Boyer et al., 2020), and the challenge of achieving equity in non-government initiatives (Wolff et al., 2017).

Despite the challenges and promise of collective impact strategies, specific guidance for government leaders is lacking, especially in rural areas with smaller nonprofit sectors (Cooper, 2017). Hanleybrown, Kania, and Kramer (2012) stress the importance of creating the five conditions for collective impact: A common agenda, shared measurement, reinforcing activities, continuous communication, and backbone support. But clear strategies for obtaining such conditions are difficult if not impossible to find. Most guidance is provided to nonprofits (which have self-interest and limited coordination abilities) as opposed to local governments with more community-wide capacities.

Ultimately collective impact initiatives attempt to address a paradox; multiple individual organizations are succeeding (to a degree) in their mission, yet the community problem a community of nonprofits seeks to address persists. A feature of this paradox is individual organizations focused on charity, i.e., providing goods and services to alleviate immediate suffering, while government speaks to the need for a systemic response to a social challenge. It is easy for government to assign responsibility to the nonprofit sector, but much more difficult for government to coordinate a systemic response to a social challenge in coordination with independent nonprofit organizations. The task is even harder when the limited capacity of rural philanthropy is taken into account. Thus our work focuses on two guiding questions:

- 1) How can (or just can) collective impact initiatives be implemented in areas with different levels of philanthropic capacity?
- 2) How can (or just can) local government serve as the backbone organization coordinating efforts?

The remainder of this report is organized as follows. First, we explain the collective impact framework in greater detail. Second, we describe the unique challenges and cultural environment in Wisconsin's rural areas. Third, we present survey and interview data from government leaders and nonprofit leaders respectfully. Finally, we propose a framework for how local government can coordinate collective impact initiatives in both urban and rural areas.

What is Collective Impact?

Kania and Kramer (2011) coined the phrase collective impact in a *Stanford Social Innovation Review* article. In the article they described the difficulty of making community wide progress on educational challenges via a nonprofit sector focused on isolated successes. Their central premise was that in order for the nonprofit sector to be successful in addressing society's most wicked problem, there needed to be enhanced collaboration and order so that the ecosystem of nonprofits working in a specific policy area can make progress collectively. The practical challenge, as previously stated, is that nonprofit or-

ganizations are independently funded, governed, and operated. Hence collaboration cannot be forced, and in fact, the competition for scarce donor dollars can incentivize competition and duplication rather than cooperation.

The author's proposed creating five conditions necessary for a successful collective impact initiative:

- 1) *Agreement on a common agenda*: A common agenda means that organizations involved in the collective impact project have a shared vision for what needs to be accomplished, as well as a shared vision for the logic of the change they seek to create.
- 2) *Develop a shared measurement system*: The execution of a common agenda is impossible without an agreed upon method of measuring progress, success, and failure. If competing non-profits are using different performance metrics they cannot hope to achieve agreed upon goals as there will be no common way of knowing how they are performing as a collective.
- 3) *Engage in mutually enforcing activities*: Once a common agenda has been set and a measurement system created, participating nonprofits must all understand their unique role in the effort. Mutually enforcing activities means, in practice, activities that are coordinated with others, that are not duplicative, and are specialized. This step is challenging because it often means individual organizations must cede control over some of their activities for the good of the collective effort.
- 4) *Maintain open and continuous communication*: A collective impact effort can only be successful if organizations stay in regular communication with one another, are open and honest, and trust one another to prioritize the global effort over specific organizational concerns. This condition is where collective impact efforts often break down, as mutually enforcing activities are impossible if those charged with executing them are not in open and honest communication with one another.
- 5) *Formation of a backbone organization*: The final condition refers to the creation of an entity to staff and govern the collective impact project. Backbone organizations can come in the form of an existing organization like a community foundation or a local United Way, or in larger efforts can be formed with the support of a private donor or donors. Because large foundations often drive the formation of backbone organizations, rural communities with limited donor bases struggle to create backbone organizations, thus making collective impact efforts difficult if not impossible to create and manage.

The real-world implementation of collective impact projects is difficult. Some high profile examples of success include the Harlem Children's Zone, which is an effort to create a "cradle to career pathway of comprehensive programs" aimed at increasing social and economic mobility.¹ The Strive Together effort similarly seeks to build a cradle to career pathway for children through the inclusion of many funders and various nonprofit organizations.² A national effort, Strive Together has a local Wisconsin

1. <https://hcz.org/our-purpose/our-approach/>

2. <https://www.strivetogether.org/what-we-do/collective-impact/>

presence in Milwaukee through the Milwaukee Succeeds initiative.³ Other more localized initiatives, such as the Hub Oshkosh, designed to match individuals in need with participating nonprofit organizations, proved impossible to sustain.⁴

Wolff (2016) offered several critiques of the collective impact model that speak to the disconnect between theory and reality. First, such efforts can be viewed as top-down initiatives where outside donors are forcing nonprofits to change their mission in seek of funding, therefore alienating community members and dismissing the input of those with lived experience. Second, collective impact projects fail to focus on policy and system changes, making progress difficult to sustain after the initial enthusiasm of a new project.

Wolff (2016) also points out that collaboration between nonprofit organizations is not a new concept, arguing that collective impact is in fact repackaging what nonprofits have been doing for decades. Plus, the research on the success of formal collective impact initiatives is often anecdotal where it exists at all. Most germane to this project is the reality that rural areas often do not have the ability to create a backbone organization to staff and sustain initiatives, nor do government officials necessarily understand how to work with the nonprofit sector to help meet community needs. Overall, collective impact remains an enticing yet allusive concept outside of large metropolitan areas with significant donor bases.

The Unique Context of Rural Wisconsin

To better understand how collective impact can be most effectively harnessed in rural Wisconsin, we present background information about the non-metropolitan parts of the state and the unique opportunities they contain and challenges they face.

What is “Rural” Wisconsin?

We should first establish what exactly we mean by “rural” in this context. There are variety of definitions of rurality but most demographic statistics and federal funding streams targeting rural places rely upon the U.S. Office of Management and Budget’s (OMB) designation of counties as metropolitan (“urban”) or non-metropolitan (“rural”). While counties considered metropolitan may have areas within them that appear to have rural characteristics – low population density, extensive farmland and open space, etc.) – a county’s overall designation is what matters to the OMB.

The OMB considers counties to be metropolitan if they contain a city with a population of 50,000 or more or are adjacent to a metropolitan county and are socially and economically tied to it through commuting patterns. Those outside of the boundaries of metropolitan areas are considered non-metropolitan, which applies to 62% of the nation’s counties. About 14% of the U.S. population resides in non-metropolitan counties, but they contain 72% of all the nation’s land mass. Though we generally use the OMB definition here, the U.S. Census Bureau’s definition of rural areas as “open country” and settlements that have less than 2,000 housing units and 5,000 residents is also useful, particularly when applied to land use.

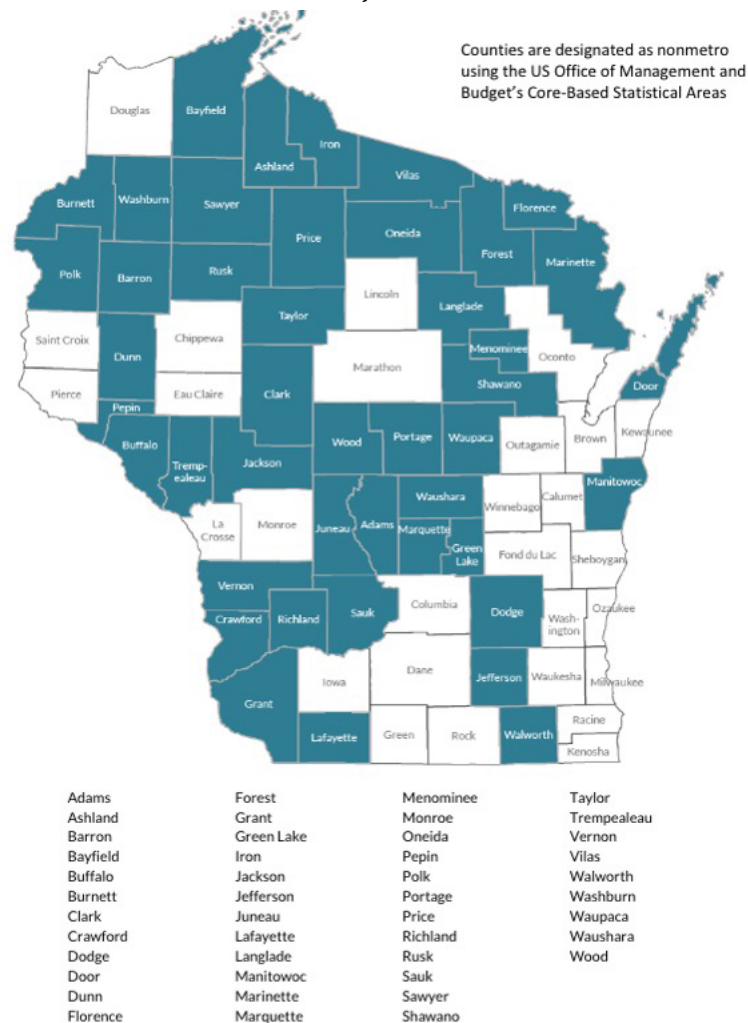
Wisconsin contains all or some of fifteen metropolitan statistical areas (MSA): Appleton, Chicago-Na-

3. <https://www.milwaukee succeeds.org/>

4. <https://www.facebook.com/huboshkosh/>

perville-Elgin, Duluth, Eau Claire, Fond du Lac, Green Bay, Janesville-Beloit, La Crosse-Onalaska, Madison, Milwaukee-Waukesha, Minneapolis-St. Paul-Bloomington, Oshkosh-Neenah, Racine, Sheboygan, and Wausau-Weston.⁵ These MSAs incorporate a total of 26 counties, while the other 46 are considered non-metropolitan, as shown in Figure One, in which they are shaded blue and listed below the map.

Figure One: Wisconsin Counties by Rural Status



The rural/urban distinction is blunt, as there is great diversity within areas deemed rural. Typically, racial/ethnic diversification of places is due to pull factors (demand for labor, desire to unify families) but push factors (conflict and oppression, lack of economic opportunity) also play a role, and migrations are often a combination of the two. Consider Barron (pop. 3,733, according to the 2020 U.S. Census), the namesake county seat of non-metro Barron County in Northwestern Wisconsin. The ancestry of its population is 25% German, 20% Norwegian, and 12.1% Sub-Saharan African. As in the rest of rural Wisconsin, most of Barron's residents (72.8%) are white, but at a much lower proportion than for the rural parts of the state overall. It also has a significantly younger median age than the state overall. Barron's diversity stems primarily from Somali residents, many of whom originally came to the U.S. as refugees and, starting over 20 years ago, were drawn to Barron – only 90 miles from Minneapolis, which has the largest Somali population in the U.S. – by jobs at the Jenny-O Turkey Store production plant. One of the reasons Barron is noteworthy is that Black people comprise only 1% of Wisconsin's rural population, compared to 8.2% of its urban population.

The story of Barron is just one example of the many unique and ever-changing stories of rural Wisconsin. However, there is a distinct rural culture in both Wisconsin and U.S. that is often brought up in the context of the "rural/urban divide." Kathy Cramer (2016) made waves with her book, *The Politics of Resentment*, in which she uses Wisconsin as a case study to argue that our hyper-polarized politics stem from a rural-urban divide rooted in identity and resentment of "urban elites" on the part of rural people. This argument is essentially about differences in cultural capital, as the divides "are not just about politics but about who we are as people" (p. 2). Cramer (2016) goes on to argue that, based upon her study,

5. <https://wispolicyforum.org/research/why-is-wisconsins-rural-population-growth-outpacing-the-midwest/>

many rural Wisconsin residents have what she calls a rural consciousness, which she explains as:

an identity as a rural person that includes much more than an attachment to place. It includes a sense that decision makers routinely ignore rural places and fail to give rural communities their fair share of resources, as well as a sense that rural folks are fundamentally different from urbanites in terms of lifestyles, values, and work ethic. Rural consciousness signals an identification with rural people and rural places and denotes a multifaceted resentment against cities. (P. 6)

Cramer provides evidence suggesting that at least some rural resentment is rooted in the reality that public policies generally do not reflect the preferences of typical working people and that there are objective differences in key measures of quality of life between urban and rural places. In a recent piece, a long-time Wisconsin dairy farmer blamed the loss of small farms and rural businesses, because as “the economics of consolidation hollowed out small towns, rural folks began to feel some of the same resentment and sense of abandonment that was so widespread in the Rust Belt.”⁶

Whether “rural folks are fundamentally different” in their cultural capitals is tougher to pin down, though. For example, a Pew study showed that while people from rural areas were significantly more likely than their suburban and urban counterparts to identify as Republican, and reported “family ties” as being somewhat more important, they were also somewhat more likely to report that residents of other types of places (cities, suburbs) misunderstood and looked down upon them.⁷ This is consistent with Cramer’s (2016) argument and underscores the idea that a gulf between rural and urban people is likely as much about social construction and perceptions as reality. In fact, despite common stereotypes and the many measurable differences in attitudes, perspectives, and markers of well-being reported across urban, suburban, and rural areas of the U.S., the Pew study concludes that across such places, people “share many aspects of community life” and there “is little variation among those living in different types of communities in the share reporting they have social support, feel optimistic about their lives or feel lonely” (Parker et al., 2018, paras. 1,40). Further, the idea that city life is more hectic than rural life was not supported.

We find the unique context of rural Wisconsin extends into the number and types of nonprofits operating in rural and non-rural areas. A review of IRS 990 data shows that about 30 percent of all Wisconsin 501(c)3 nonprofit organizations are located in rural zip codes.⁸ Within the rural category the sub-categories of disadvantaged and advantaged take into account socio-economic demographics and health care access within rural zip codes. Table One, and Figures Two and Three display the distribution of nonprofit organizations within rural and non-rural areas. The distributions of organizations by type are fairly consistent across rural and non-rural areas, with the notable exception of education nonprofits, which are less prevalent within rural areas. Table Two shows that rural nonprofits, on average, earn much less income, receive much less revenue, and contain far fewer total assets than those in non-rural areas.

6. <https://wisconsinexaminer.com/2020/10/30/how-rural-wisconsin-became-so-divided/>

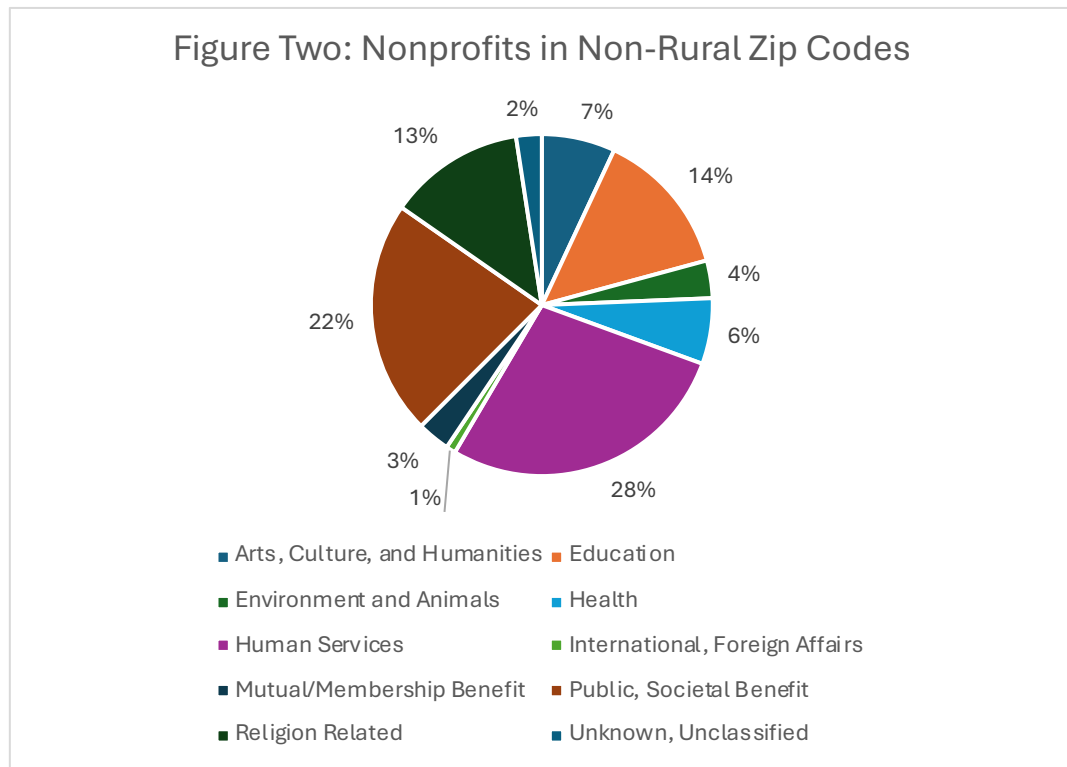
7. <https://www.pewresearch.org/social-trends/2018/05/22/what-unites-and-divides-urban-suburban-and-rural-communities/>

8. Health Innovation Program. ZIP Codes by Rural and Urban Groupings Toolkit (Model 2b). Health Innovation Program, University of Wisconsin-Madison. Madison, WI; 2024.

Table 1: Wisconsin Nonprofits by Type and Location, 2022

	Non-Rural	All Rural	Rural Disadvantaged	Rural Advantaged
Arts, Culture, and Humanities	1,818	744	77	253
Education	3,618	1,017	87	337
Environment and Animals	931	683	64	231
Health	1,628	466	47	148
Human Services	7,296	3,416	388	1211
International, Foreign Affairs	237	49	6	23
Mutual/Membership Benefit	808	409	57	164
Public, Societal Benefit	5,802	2,482	334	829
Religion Related	3,371	1,617	248	508
Unknown, Unclassified	634	239	33	81
Total	26,143	11,122	1,341	3,785

Figure Two: Nonprofits in Non-Rural Zip Codes



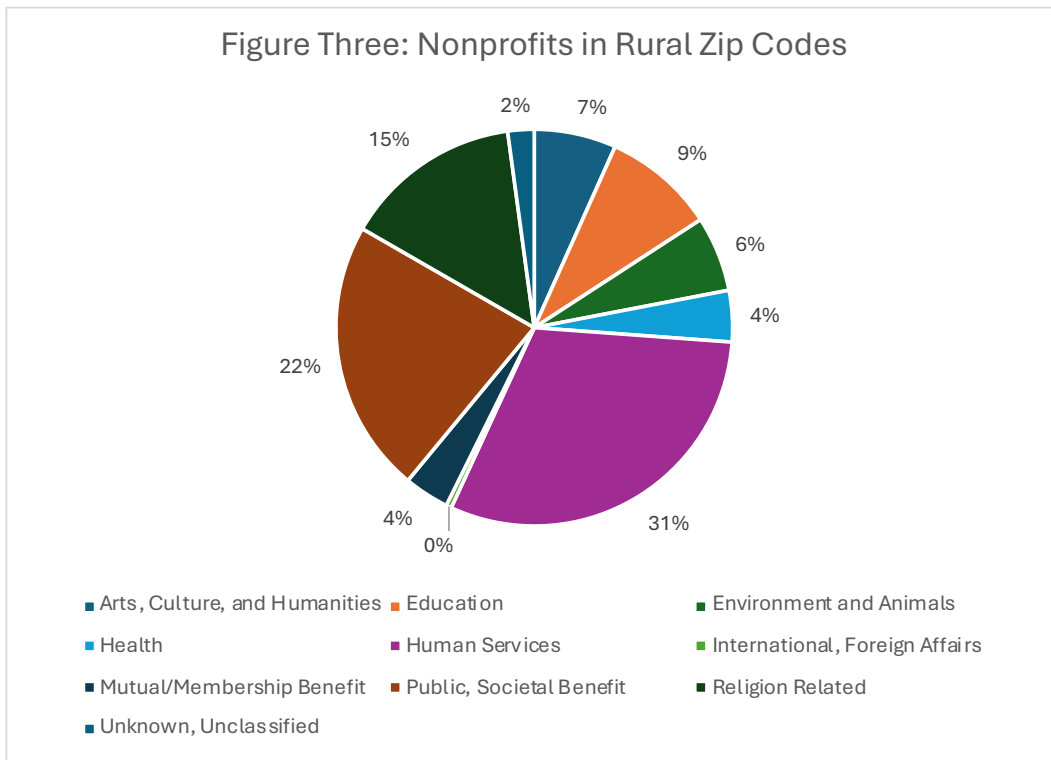


Table 2: Wisconsin Nonprofit Financial Data by Organization, 2022

	Non-Rural	All Rural	Rural Disadvantaged	Rural Advantaged
Average Income	\$3,152,099.00	\$508,370.20	\$487,493.50	\$452,274.30
Average Total Revenue	\$5,855,868.00	\$1,300,678.00	\$1,705,106.00	\$1,060,379.00
Average Assets	\$10,200,000.00	\$2,296,573.00	\$3,343,639.00	\$1,631,552.00

As shown, there is great variation of what exactly it means to be a rural area. Nonetheless, the size and scope of the nonprofit sector is different in rural areas in ways that may impact the ability of rural nonprofit organizations to design and execute collective impact projects. In the following sections we present data collective from government and nonprofit leaders, and recommend ways in which the nonprofit sector can be better utilized across Wisconsin, including in rural areas.

Methodology

Our research approach is a mixed-methods study designed to understand how government and nonprofit leaders view collective impact, the state of the nonprofit sector, rural Wisconsin needs, and the ability and desire of government and nonprofit organizations to collaborate. In January 2024 we designed and distributed a 12-item survey to the universe of Wisconsin County Executives/Administrators. The survey was based on previous surveys measuring the needs of Wisconsin communities and piloted with a Wisconsin County Executive prior to distribution. County leaders were chosen because of their position overseeing counties containing both rural and urban communities, their frequent contracting with nonprofit organizations in areas such as human services, and the recent distribution of

COVID relief funds from county governments to nonprofit organizations.

A digital survey was emailed to all 72 county leaders via the Qualtrics survey program. A total of 25 county leaders completed the survey, for an overall response rate of 34.7 percent. Though we have no reason to suspect a pattern in survey non-response, we caution that the presented results are a sample.

In addition to the survey we conducted 15 interviews with nonprofit leaders across Wisconsin. We specifically targeted leaders of Wisconsin United Ways, community foundations, and umbrella nonprofit organizations that have fiscal and collaborative relationships with other nonprofits. Interview subjects worked for organizations across Wisconsin, including representation from all major media markets, and including subjects in rural and urban areas. Interview questions were developed by the researchers and piloted with a Wisconsin nonprofit executive director. The interviews were 30 minutes long, conducted over Zoom, with two researchers taking notes. After the interviews the two researchers independently identified major themes, then compared notes to ensure all major themes were captured accurately.

Results

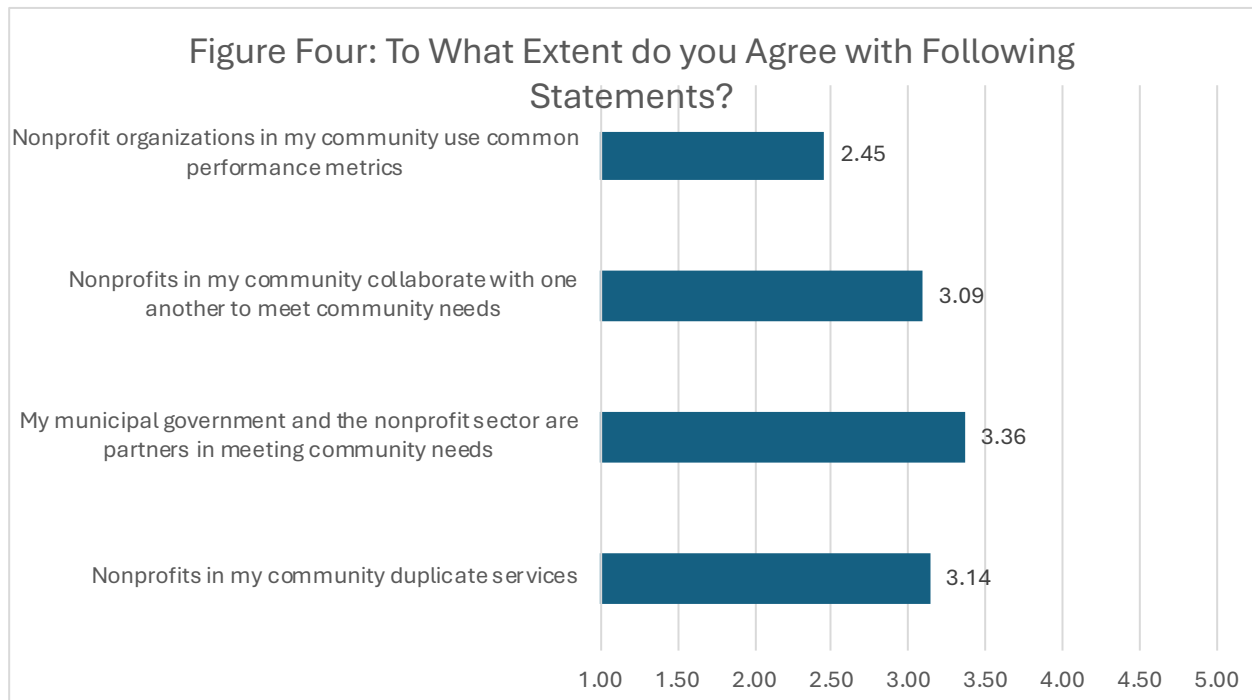
Overall, survey results revealed that county government executives are not overly familiar with the concept of collective impact. Only nine county leaders (36 percent) indicated they were somewhat or very familiar with the concept of collective impact after receiving the following definition from the University of Southern California Price School of Public Policy's Center for Social Innovation:⁹

“The collective impact framework is based upon the understanding that no single policy, government entity, or organization can tackle or solve...deeply entrenched social problems alone. Moving beyond a partnership or collaboration, collective impact calls for a longstanding commitment between multiple organizations all working toward a common goal.”

A total of 18 survey respondents (72 percent) stated they were either somewhat or very familiar with their county's nonprofit sector. Thus, many respondents expressed knowledge of the nonprofit sector even if they did not know about collective impact specifically. However, seven county leaders were not familiar with collective impact or their local nonprofit sector.

Figure Four contains survey responses to five statements regarding collaboration between nonprofits and between nonprofits and local government. Agreement was measured via a five point Likert scale 1=Strongly Disagree, 2=Disagree, 3=Neither Agree Nor Disagree, 4=Agree, and 5=Strongly Agree. As can be seen, on average respondents disagreed that nonprofit organizations in their community use common performance metrics. Respondents were neutral to in slight agreement that nonprofits collaborate in their community, and that the nonprofit sector is a partner with municipal government in meeting community needs. Lastly, respondents were neutral to in slight agreement that nonprofits in their community duplicate services. We note that the neutral answers could be a reflection of the limited knowledge some county leaders have of their local nonprofit sectors.

9. <https://socialinnovation.usc.edu/wp-content/uploads/2018/06/Collective-Impact-Handout.pdf>



Survey respondents were also asked to rank, on a five point Likert scale where 1=Very Ineffective/Very Unimportant, 2=Somewhat Ineffective/Somewhat Unimportant, 3=Neutral, 4=Somewhat Effective/Somewhat Important, and 5=Very Effective/Very important, how important, and then how effective, their county government is in specific policy areas. Respondents viewed economic development, K-12 education, and affordable housing as the three most important issues. Homelessness and poverty were viewed as the two least important issues. Interestingly, respondents generally felt they were somewhat ineffective in addressing all major policy areas. The highest ranking for effectiveness were K-12 education and homelessness, however respondents, on average, stated they were neither ineffective nor effective in addressing those issues. The fourth column displays the gap between importance and effectiveness by policy area. The biggest disconnect between effectiveness and importance were economic development, affordable housing, and mental health. All three areas were deemed far more important to the county than the county is in addressing them effectively.

The survey responses, overall, suggest that county executives and administrators in Wisconsin have a working knowledge of the nonprofit sector in their communities, but limited knowledge on how the nonprofit sector can work collaboratively with government in a coordinated fashion. The results also reveal concern about county government's effectiveness in addressing community priorities, especially economic development, housing, and mental health.

As stated, to better understand the perspectives of leaders in the nonprofit sector we conducted 15 semi-structured interviews with leaders representing community foundations, United Ways, and umbrella nonprofits across all geographic regions in Wisconsin. Several themes emerged from our interviews. First and foremost, a lack of housing and growing challenges around homelessness are a common priority across Wisconsin. All 15 interview subjects listed housing as the, or one of the, top challenges facing their region. In addition, a majority of interview subjects highlighted redundancies in their local

nonprofit sector. Too many agencies are duplicating services and work in a manner that is frustrating donors.

Table Three: How Important and How Effective is Your County in Addressing the Following

Policy Issue	Importance	Effectiveness	Gap
Economic Development	3.95	2.20	1.75
Affordable Housing	3.67	2.07	1.60
Mental Health	3.43	2.47	0.96
K-12 Education	3.86	3.00	0.86
Homelessness	2.38	3.00	0.62
Substance Abuse	3.33	2.73	0.60
Recreation/Leisure Activities	3.38	2.87	0.51
Healthcare	3.24	2.80	0.44
Poverty	2.71	2.67	0.04

Interview subjects also universally spoke to the generosity of their donor base, stating that donations increased during the COVID disruption because people saw increased need. However, nonprofit leaders also indicated that the overall donor base is shrinking, putting more pressure on a handful of donors who get approached frequently. Interview subjects spoke specifically of the limited donor base in rural areas of Wisconsin. Subjects also spoke of an urban/rural divide in which rural nonprofits feel they are not prioritized by community foundations and umbrella nonprofits that serve both urban and rural areas. Finally, the challenges of collaborating across nonprofits, and between nonprofits and government, was a common theme. Nonprofit leaders feel both government and nonprofit leaders talk about collaboration often, but actual collaboration is limited and rarely sustained. The subsections that follow contain quotes that highlight the identified themes.

Rural Issues

As stated, interview subjects generally felt that rural issues were not prioritized by donors and community foundations. As one community foundation leader put it: “Some of our partners in rural areas feel they are neglected, that rural problems will always come second after our urban efforts.” Another stated: “There is tension there. We struggle to make time for our rural partners.”

Nonetheless, interview subjects did speak to some of the successes in Wisconsin’s rural nonprofit sector. One leader of an organizations serving both rural and urban interests shared: “Our rural areas are a model for cooperation. Rural agencies collaborate much better, out of necessity, than our urban partners.” Another spoke to the type of work being done specific to rural areas: “We are very focused on the issue of poverty and social isolation in rural areas.” The larger challenge of running a foundation serving both urban rural needs was summed up nicely by one respondent: “It is hard because rural and urban needs are very different, but we are expected to meet them all.” Overall, respondents shared that rural nonprofits serve unique needs, operate in a cultural and political context that differs from urban areas, and have access to fewer resources than urban nonprofits. It was also mentioned by several subjects that their rural

nonprofits tend to serve a wider breadth of community needs simply because there is no one else capable of doing so.

Policy and Politics

Interview subjects gave very different answers when asked about their local nonprofit sector's work in policy. Several stated plainly they are not involved in policy or politics because that is not the purpose of the nonprofit sector. Others veered away from policy for fear of alienating donors and stakeholders. "We don't touch policy because it risks us being viewed as partisan," shared one subject, with another stating: "Our partners are often afraid of advocacy, they don't understand the rules or lobbying." At the same time, several respondents located in more urban regions expressed a desire to be involved in policy debates, declaring they see public policy as a way in which nonprofits can make lasting societal change.

A majority of subjects also shared that political division was a barrier to the performance of their nonprofit sectors. As one put it: "Division is stalling progress. We need to band together to think about policy change." Another shared: "Politics is going to get in the way of moving some ideas forward. Hunger is a thing, and it is growing. People don't want to believe there is hunger. These challenges and problems do exist." A common theme was that politics was becoming more of a factor in donor giving decisions, and the issues on which nonprofit leaders choose to focus.

Collaboration and Barriers to a Collective Impact Approach

The most fruitful data collected from interviews focused on the challenges of collaboration with government and the many barriers to implementing a collective impact framework. There was a general skepticism of government voiced by nonprofit leaders based on past experiences. One stated: "Don't act like you are becoming an owner when you are giving us a grant. Any money coming in is a permanent and irrevocable gift. They feel like they have more control than they legally have." Another shared: "Our local government doesn't view us as a partner. They are well-intentioned but more interested in dictating than collaborating." About half of interview subjects stated they preferred not to work with their local governments because of bureaucratic red tape and the perception that nonprofits were not a true partner in the eyes of government. Representative quotes include:

- "Nonprofit leaders often do not trust government."
- "Working with government means red tape, so we try to avoid it."
- "The short life cycle of government leadership makes long-term collaboration impossible."

Other barriers to collaboration between government and nonprofits, and among nonprofits, included, territorialism, fear of losing donors, and a lack of incentives for collaboration. As one respondent put it: "Organizations are set in their ways and not willing to try new things. If we would take a large issue and have large goals for that data, that would be helpful. Everyone would be working for the same goal." Others spoke of the difficulty in sustaining collaborative relationships after the initial enthusiasm:

- “It is a real challenge to keep people at the table. There needs to be recognition that all partners must give something up for the greater good.”
- “It is an elusive thing. The whole leave your ego at the door thing doesn’t happen.
- “It starts strong but is a struggle to keep people at the table.”
- “Territorialism. Municipalities want to be in charge. There is role confusion every time we try to collaborate. Government leaders fail to understand we have subject area expertise.”

There were some positive examples of collaboration between nonprofits and government. One subject shared: “We work well with our municipal government, matching funds with projects around housing.” Others spoke of a positive experience receiving grants and contracts from municipal government. Lastly, rural nonprofit leaders in our sample highlighted capacity concerns that limit the potential of collective impact projects as generally described. “Too many of our nonprofits are spread so thin,” shared one foundation leader. Another stated: “How can you bring the community together when there are not enough services to go around?”

While interview subjects universally spoke of a desire for more collaboration to make a more concentrated impact on their communities, few felt they had the time, resources, or incentive for more collaboration. Collective impact initiatives were described as luxuries that most lacked the administrative capacity to design, execute, and sustain. Several shared negative experiences where collaboration attempts revealed duplication among nonprofits, but that nonprofits were unwilling to adjust their mission and/or success measures for the good of the collaboration. The interviews revealed a Catch-22: Collective impact initiatives are impossible without a backbone organization to coordinate efforts and incentivize collaboration, and there is no capacity to create, staff, and fund backbone organizations outside of a few large cities with large donor

Recommendation: Government as Backbone

The results of our surveys and interviews inform our recommendation that local governments be utilized as backbone organizations for collective impact initiatives in areas with limited donor and administrative capacity. Under the proposed model municipal governments would staff collective impact efforts, design and implement metrics for tracking progress, and incentivize nonprofit participation in collective impact frameworks.

Wisconsin State Statute allows municipal governments to create boards and commissions populated by appointed residents to advise elected officials on specific policy areas. A board or commission created specifically for purposes of being the backbone organization for a collective impact initiative would provide a formal structure for collaboration between nonprofits, and for collaboration between government and nonprofits. How would such a model work in practice? Let’s say a community is seeking to design a collective impact initiative to address the challenge of homelessness in their community.

Step One is creating a board or commission via an ordinance passed by the local municipal government. The ordinance should specify the goal of the board or commission, i.e., to reduce homelessness, the numbers of appointed spots, any fiscal resources that would be made available to the board or commission, and the desired make-up of the appointed board. Step Two is appointing representatives from each

organization who has agreed to be part of the effort. Such a board or commission could include representation from:

- A local emergency shelter;
- A local transitional housing nonprofit;
- A local food pantry;
- A local substance abuse nonprofit;
- A mental health nonprofit;
- Law enforcement;
- The local housing authority;
- Overlapping governments including the school district; and
- Other local organizations whose mission deals with homelessness and housing insecurity.

Municipal staff would serve as a liaison to the board or commission, helping the group determine:

- Overall goals via a group mission statement;
- Common community metrics to measure success that can be integrated in the municipality's strategic plan;
- Specific short-, medium-, and long-term goals to be measured via the agreed upon metrics;
- Each organization's role in the collective effort;
- Ground rules for participation and communication; and
- Incentives for participation.

Creating such a structure would provide true backbone staffing of a collective effort, align municipal, individual nonprofit, and overall municipal goals, and provide a structure for accountability and goal adjustment as needed. Of course, such an effort would require investment of municipal staff time, and the allocation of budgetary resources to keep participants at the table. Ideally money could be raised for such as effort from private sources, or grants from other levels of government. However, even without such funds municipal financing would ensure that government has skin in the game as a true partner working to meet a community goal.

There are several pros and cons to using government as a backbone organization. The biggest pro is it can enable collective impact initiatives focused on community-wide problems to have a true backbone organization in areas where donor capacity is limited, like in rural Wisconsin. It also takes the pressure of measuring performance off of nonprofits by integrating them with municipal strategic planning goals. Integrating goals also ensures that residents, elected officials, and municipal leaders are tracking and discussing progress at regular intervals, making collaboration more sustainable. Most importantly, the provision of resources by government, and the use of a government board or commission structure, makes all organizations true partners in the effort.

There are also cons to using local government as the backbone organization for a collective impact initiative. Structure alone cannot prevent territorialism and distrust between participants, and between participants and government. If staffing the created board or commission is not prioritized by government leaders, the effort will be something that looks promising on paper without any real chance of success. There is also no guarantee that participating organizations will buy into goals or accept roles

that force them to change their day-to-day operations and structures. Political turnover also could put efforts at risk as anything created via ordinance can be dismantled via ordinance. Finally, the extent of the challenge of wicked problems like homelessness means progress can be slow, and the community, government, and participating organizations may lose faith if progress is slow to come by.

Nonetheless, a collective impact structure where government is the backbone organization provides a foundation for progress that is often impossible in rural and other areas with limited donor capacity. The proposed structure also recognizes that government and nonprofit organizations are increasingly pursuing common goals where success can be maximized through collaboration. As public benefit organizations, nonprofits are attempting to benefit the community at large, hence success can and should be a community measure, as opposed to an organization specific one.

Conclusion

The nonprofit sector plays a critical role in providing services to Wisconsin residents. But, as demonstrated, the nonprofit sector faces challenges around capacity, limited funding bases, and the duplication of services. Challenges are particularly acute in rural areas of Wisconsin. Despite these challenges, there is agreement that both government and the nonprofit sector are necessary actors in addressing societal challenges such as the lack of housing, social isolation, and substance abuse.

A collective impact strategy in which local government serves as a coordinating backbone organization provides a framework for moving the government-nonprofit relationship from collaboration to true integration. When done successfully, both the nonprofit and government sectors will increase their efficiency and effectiveness by eliminating duplication, charting a common course based on agreed upon community goals, and pooling resources in ways that are often not possible outside of Wisconsin's large metropolitan areas.

As discussed, there are barriers to implementing our framework. Nonprofits must be willing to work with other organizations in ways that may force them to give up some of their current programming for the good of the collective effort. Government must be willing to invest time and resources into being a backbone organization and must also accept nonprofits as true partners. All involved must commit to sustained involvement, including when challenges arise. Challenges aside, the collective impact model, with government support, is a realistic framework for addressing wicked policy challenges in both urban and rural areas.

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