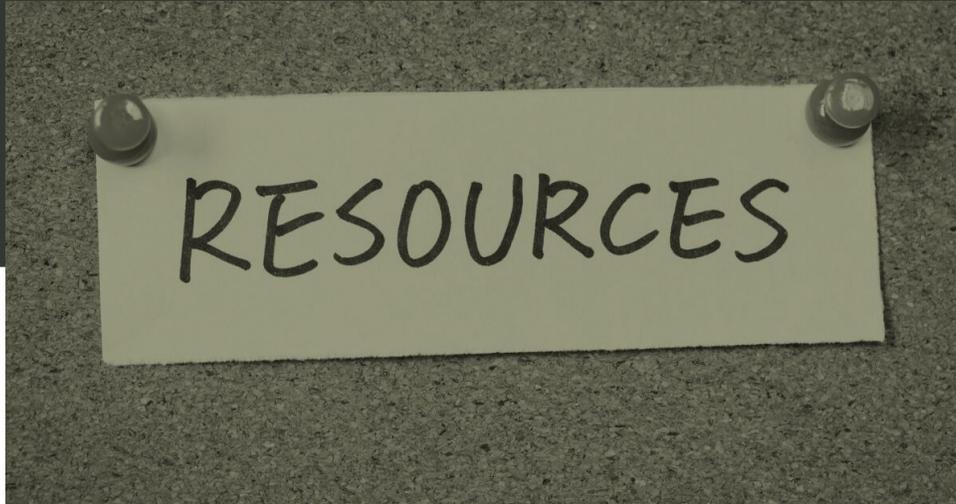


Financial Commons: New Nonprofit Resource

01.12.21 | Linda J. Rosenthal, JD



In “[a year like no other](#),” there’s a new “commons” platform dedicated to providing nonprofits free information and advice about financial management and planning.

This collaboration called Financial Commons debuted at the end of November 2020. The three sponsoring groups – longtime, informal partners – have “decades of experience in understanding the frameworks, functions, and patterns of nonprofit finances.” Their expertise in this area is critical at all times but never so much as in a year like 2020 with multiple, enormous crises.

Financial Commons Sponsors

The Nonprofit Quarterly, Propel NP, and FMA are the organizations behind this impressive undertaking. Each of them already “has hundreds of offerings in the form of tools, articles, case studies, and webinars that cover everything from cash flow and budgeting to contract management and downsizing or growth.”

The Nonprofit Quarterly ([NPQ](#)) is a leading publication for the nonprofit sector. It has a broad-based focus that includes management, fundraising, philanthropy, and governance/board management.

[Propel Nonprofits](#) is “an intermediary organization and federally certified community development financial institution (CDFI).” It was formed in 2017 from the merger of [Nonprofits Assistance Fund](#) and [MAP for Nonprofits](#). This firm “provides capacity-building services and access to capital to support nonprofits in achieving their missions including the ability to link strategy, governance, and finance and to support nonprofits throughout their organizational lifecycle.”

[FMA](#) was created in 1999 to “build a community of individuals with the confidence and skills to lead organizations that change the world.” Its consultants serve nonprofits and foundations around the world with emphasis on financial management.

Financial Commons Launch

The goal of the Financial Commons is to “provide resources to nonprofits of all shapes, sizes, and types” with help for them to build “their capacities for the kind of agile financial strategy and management our complex environment calls on them to enact on a regular basis.”

On December 1, 2020, there was a launch event with a 90-minute interactive webinar: Welcome to the Financial Commons and slides. A week later, Jeanne Bell and Ruth McCambridge reported on this exciting new collaborative project and the launch; see *A Year Like None Other: 2020’s Impact on Nonprofit Revenue and Programming* (December 9, 2020) *The Nonprofit Quarterly*.

To prepare for this debut event, the sponsors conducted a pre-event online survey of hundreds of webinar registrants. The questions focused on the participants’ “financial and related programmatic realities of 2020.” The purpose of this informal and nonscientific poll was to emphasize to attendees and others that the Financial Commons intends to be not only a top-down purveyor of resources but also a sector-wide collaboration drawing on the “vast intelligence” of those “in the field in real time.”

Survey Results

There were 572 responses. The data, they explain, “while perhaps not surprising, are nonetheless stark – a reminder of the staggering degree of difference and adaptation across the nonprofit sector this year.”

Participants were surveyed on four topic-areas:

- ***A Confluence of Powerful Forces.*** Respondents were asked the degree to which their own communities, employees, and organizations have been affected in 2020 by each of the following: (a) COVID/Shelter in Place; (b) the economic downturn; (c) the accelerated movement for racial justice; and (d) the election. As expected, “COVID/SIP is the most far-reaching and intense force” for 82% of organizations. The others selected factors have made an impact, but much less than the pandemic and the related shutdowns.
- ***PPP Loans Widespread.*** Some 70% of respondents answered that they have participated in this popular program (which has just been given additional life in the recent federal relief bill).
- ***Revenue Performance Better than Feared but Varies Greatly by Field and Program Model.*** More than half of survey respondents report a phenomenon similar to what nonprofits experienced during the Great Recession of 2008-09; that is, performing “countercyclically to the economy, as both demand for their services and commensurate income from government, philanthropy, and/or other sources increase.” Some 56% report 2020 income levels that are about the same or *higher* than in 2019. But certain subsectors (like the arts) have been hurt significantly this year: They took a double-barreled hit from the combination of the shutdown and the economic downturn.
- ***Adaptation Abounds.*** The survey participants were asked if – in connection with a program or fundraiser event or campaign – their organizations had: (a) put one or more on hiatus; (b) innovated any of them for delivery in current circumstances; and/or (c) permanently discontinued any or all. Respondents “report adaptation ... in very high numbers.”

Conclusion

This quick and unscientific survey, of course, “has just scratched the surface.” But it’s an important and symbolic first step in gathering the kind of specific and – most particularly – *current* information the sponsors intend to include at the Financial Commons site. Much of the available data in the philanthropy sector is months or years out of date, reducing its relevance and usefulness to nonprofit organizations, to funders, and to the general public.

So there is as large a base of data, intelligence, and reports from the field as possible, anyone interested in this exciting new project is encouraged to sign up and get involved.

— *Linda J. Rosenthal, J.D., FPLG Information & Research Director*