

Why “Redesign” the Social Benefit Sector?

“Vision without action is merely a dream. Action without vision is merely passing time. But vision with action can change the world.”

—Nelson Mandela

Imagine the executive director of a nonprofit providing after-school education on a regular Tuesday morning. A grant report is due Friday. A text comes in from her program director—one of their teachers just gave notice. The board chair wants a “quick call ASAP” about the latest audit. A parent left a voicemail asking why hours were cut. And the accountant just confirmed that the state contract payment has been delayed again; if it doesn’t arrive by the 15th, they’ll need to pull from reserves to make payroll.

She closes her office door, takes a breath, and thinks about the child whose parents come home late from work and now has nowhere to go after school. *I didn’t get into this work to manage a constant cash flow crisis. But here I am, again.*

If this story feels like an exaggeration, many of us can attest that it isn’t. Stories like this are everywhere in our sector. And though it can feel like everything rests on the leader’s shoulders, this failure isn’t hers—it is the fault of our underlying structures.

Now picture a different Tuesday, 17 years ago, in 2008. The financial system was collapsing, and the Global Fund for Women, like nearly every nonprofit in the country, was staring at a budget that no longer added up. They could have taken the conventional route: cut the lowest-paid staff first.

They were the easiest line items to eliminate, and every professional advisor in the sector would have called it the responsible move. Many for-profit corporations were doing exactly that.

Kavita Ramdas, the fund's president, refused. She and her senior team forfeited their retirement contributions for two years instead so that no one at the bottom of the org chart would lose their job. The CFO worked out the numbers. The board—half of whom were grassroots activists from the Global South—backed the call without hesitation. When the economy recovered, the organization was intact: its young staff were still in place, and its relationships with grantee partners had deepened rather than fractured.

What made this decision possible wasn't heroism, though Ramdas's actions were self-sacrificing. What enabled it was an intentionally designed structure. A traditionally composed board of wealthy American donors would have recommended the layoffs. A mission framed around benefactors-and-beneficiaries, rather than collective power-building, would have shielded leadership from the hit. The fund could act on its values in 2008 because, years earlier, it had chosen conscious redesigns: creating a grassroots board and treating every donor equally (the Global Fund didn't give gold stars for the size of a gift). A key operating principle had been instilled by Ramdas's predecessor: *how* we do our work is as important as what we do.

This is what redesign looks like before it is needed. And it is within reach of any organization willing to question the defaults we've inherited.

The pressures on today's leaders are even stronger than the ones Ramdas navigated. The sector still runs on assumptions built for the twentieth century, while the twenty-first has rewritten nearly every external condition—financial, political, technological, generational. This chapter examines those conditions, asks why the sector has been slow to adapt even when adaptation is overdue, and turns to what redesign means in practice.

This chapter moves forward in three parts. First, we examine the forces reshaping the ground beneath us—financial, political, technological, generational. Second, we uncover the reasons the sector has been

slow to adapt. Finally, we discuss what redesign means in practice: the evolutionary mindset that leaders in nonprofits and funding can bring to our work now.

The Four Forces Reshaping the Nonprofit Landscape

The nonprofit sector has weathered hard periods before. What makes this one different is that four pressures are landing at the same time. Any one of them would strain an organization; together they multiply the effect.

Need Is Surging, Yet Resources Remain Stagnant

The mismatch between global need and nonprofits' resources is most visible in the financial pressures nonprofits face. Across the past decade, social impact leaders have consistently reported rising demand for their services. In the Nonprofit Finance Fund's State of the Sector surveys, 86% of leaders reported increased demand in 2018, 71% in 2022, and 80% in 2025—a sustained upward pressure that has persisted through vastly different economic conditions.¹ Additionally, costs such as rent, insurance, and wages have risen dramatically, growing by 27.4% per employee between 2017 and 2022.² However, funding streams have not kept pace. The Center for Effective Philanthropy's 2023 report shows that fundraising challenges and staff burnout are top organizational concerns, creating a cycle of exhaustion and turnover.³ This has been exacerbated by recent dramatic government cutbacks in essential services and foreign aid.

The Political Landscape Is Volatile

Government contracts are no longer a reliable financial backbone for many organizations. Instead, these contracts are increasingly delayed, cancelled, or underfunded—and many of them are also an administrative burden. The Urban Institute's national survey of nonprofit-government contracting found that 45% of nonprofits reported late government payments, and 44%

reported problems from governments changing the terms of signed agreements—most often by increasing reporting requirements or cutting payments.⁴

Nonprofits have adapted quickly to recent challenging policy changes. Organizations across the country have launched mutual aid networks as crises arise, building peer-support models and finding ways to stretch their dollars. But this improvisation has become our permanent operating mode. This is not a sustainable model for solving society's hardest problems.

Technology Has Transformed How We Socialize and Work Together

The advent of AI is a technological transformation reshaping virtually every industry. Yet nonprofits have been slower to adopt artificial intelligence and automation at an organizational level. According to Salesforce's 2023 Nonprofit Trends Report, only 17% of nonprofits described their automation usage as being at a "high maturity" level, and nearly 90% lacked any policy addressing AI.⁵ Yet many nonprofit employees and volunteers already use AI daily to draft communications and summarize documents. While we see high adoption on the individual level, there is a gap in organizational alignment. (See Chapter 4 for more information on AI.)

Public use of social platforms has also shifted dramatically. Social media has conditioned audiences to expect real-time responsiveness across multiple platforms. While nonprofits must keep up by creating an engaging social media presence and responding in real-time, we are also still expected to produce annual reports and paper communications to stay engaged with an often-older donor base. In other words, we're expected to do it all.

The Rising Generation Thinks Differently About Work

The social benefit sector was built around long-term volunteer commitments, office hours, and long evening shifts. The next generation will rewrite that rulebook.

The generation now entering the workforce cares deeply about equity, climate, mental health, and community. But they are also unwilling to accept the terms the sector has traditionally offered—unpaid internships, chronic understaffing, the quiet expectation that passion should compensate for a living wage. Deloitte’s 2025 global survey reports that one of the top career goals for Gen Z and Millennials is work-life balance, behind achieving financial independence and above job stability and security, becoming a field expert, learning and development, and impacting society.⁶

This can often lead to an outcry that “Gen Z are entitled!” But in actuality, Gen Z is leading a positive evolution that can benefit everyone. Organizations that meet these expectations will have access to extraordinary talent. Those that don’t will lose it to the public or private sector.

The Result: Our System Is Under Strain Because Its Assumptions and Structures Are Outdated

We are asking organizations to tackle large societal challenges with a majority-volunteer workforce and to do so in a volatile, unprecedented political landscape. Policymakers, for their part, have not meaningfully engaged the sector as these conditions have shifted.

Our model hasn’t failed; the context has changed. Unless we redesign to reflect the realities of this century, nonprofits will keep running the current day’s marathon in century-old shoes.

Why Are Social Benefit Organizations Stuck with Outdated Design?

Why does the sector hold onto designs that no longer serve it? The answer has less to do with the organizations than with the conditions they operate in. Adaptation in business and adaptation in the nonprofit sector answer to different pressures—and we can learn from these differences.

Credit Suisse estimated in 2017 that the average age of an S&P 500 company had fallen from nearly 60 years in the 1950s to under 20 today—a

collapse attributed largely to technological disruption.⁷ The for-profit world runs on Darwinian pressure: when new technologies upend business as usual, firms re-envision their strategy, retrain their workforces, and shift resources accordingly. Those that don't die.

Nonprofits face our own life-or-death churn, but ours is different in nature. Survival depends less on technological adaptation and more on whether we can sustain funder relationships and keep donors convinced our work still matters. This system rewards continuity over evolution, asking leaders to spend their energy accordingly.

We are constrained by this design, lacking the incentives and conditions to adapt to a rapidly changing environment. Six structural features explain why.

Misaligned, Narrow, and Short-Term Incentives

Restricted dollars and the “low overhead” myth push organizations to treat infrastructure and strategic development as waste. According to the Center for Effective Philanthropy, only 20% of U.S. funding for nonprofits is unrestricted.⁸ For nonprofits taking this funding, that means 80% of their direction is determined by an entity outside the organization.

The public benefit funding landscape is complex, competitive, and often inequitable. Funders' priorities shift frequently, so nonprofits have to adapt just as quickly. Many grants are restricted or short term, and most are cumbersome to apply for. This doesn't just cause inefficiency—it reinforces disparities between well-resourced and under-resourced organizations. Nonprofits serving marginalized communities face compounded pressures: higher demand, fewer resources, and less access to wealthy funder circles.

Social impact organizations are trapped in short time horizons. Most grants last one year; success is measured quarterly; and renewal (if renewal is a possibility—often, grants are just given for one year) depends on demonstrating immediate outputs rather than systemic outcomes. Yet often projects require a longer timeline to achieve the results needed. This “short-termism” discourages innovation and long-term planning and doesn't do

justice to either the project, those served by it, or the organization that runs it. Our interviewees consistently named long-term planning as one of the hardest things to protect—the work that keeps an organization tethered to its North Star is the work that volatility crowds out first.

The 2025 Nonprofit Finance Fund State of the Nonprofit Sector Survey found that more than half of the 2,200 nonprofit leaders they surveyed (52%) reported having three months or less of cash on hand and cited multiyear funding as critical, as “multiyear funding allows organizations to spend less time fundraising and more time delivering services to communities.”⁹ Constant fundraising cycles pull leadership attention away from mission and toward survival. Additionally, much of public benefit funding is restricted to a particular project or program. Without unrestricted funds, nonprofits can’t invest in infrastructure, staff, R&D, or innovation. Restricted funding leaves little room for adaptation or resilience. According to the Nonprofit Finance Fund’s State of the Nonprofit Sector Survey, 75% of nonprofit leaders said raising unrestricted dollars was a challenge, and nearly half (46%) said it was a major one.¹⁰ Grants that target just one area of program impact may limit organizations’ ability to construct a cohesive program strategy.

To retain innovative, long-term thinking, nonprofits need multiyear support that instills trust in grantees. A growing set of funders is beginning to demonstrate this—from MacKenzie Scott’s \$26 billion in unrestricted gifts to the trust-based philanthropy movement’s practice of multiyear, general operating support. We return to these models, and to the broader question of how to release the roughly \$1.4 trillion in charitable capital currently warehoused in foundations and donor-advised funds, in Chapter 6.

Investment in Leadership and Talent Is Stuck in Scarcity Mode

There is a chronic underinvestment problem in our sector. Bridgespan’s 2006 report, *The Nonprofit Sector’s Leadership Deficit*, warned that insufficient funding for salaries, professional development, and succession planning would create leadership vacuums across the sector. Nearly a decade later, their 2015 follow-up confirmed the prediction: organizations were

filling senior roles, but a revolving door of turnover had replaced the anticipated shortage—a “leadership development deficit” driven by the same underinvestment the original report flagged.^{11,12}

Burnout has become endemic to our sector. And the burden is not equally distributed. The Building Movement Project’s Race to Lead research—spanning surveys of more than 13,000 social impact workers across 2016, 2019, and 2022—reveals structural inequity layered on top of scarcity: leaders of color face unequal access to mentorship, sponsorship, and well-resourced roles. Their 2022 report, “Trading Glass Ceilings for Glass Cliffs,” found that fewer than a quarter of white executives planning transitions were actively mentoring staff of color, compared with nearly half of executives of color doing so.¹³

Nonprofit staff face low pay, high emotional exposure, and limited support. Many organizations can’t offer competitive wages or benefits, making recruitment and retention difficult—even though the services they provide are often essential.

The problem is structural on two fronts: there are far fewer funders than the sector’s demand requires, and those that do exist often restrict the very spending—competitive salaries, leadership development, succession planning—that sustainable organizations depend on.¹⁴ Staffing and operations are not auxiliary to the work: they are the work. Sustainable impact requires investing in competitive pay, professional development, data systems, and leadership succession. We explore emerging leadership models in Chapter 7 and take up the intergenerational leadership transition and what it requires of the sector in Chapter 5.

Pulled Between Different Stakeholders

Social benefit organizations are pulled in multiple directions: serving constituents or beneficiaries, satisfying donors and sponsors, pleasing boards, supporting staff, complying with regulators and government agencies, and signaling legitimacy to the public. This multi-audience dynamic creates a misalignment between those most affected by a nonprofit’s work (its constituents) and those who hold power over its funding and governance.

Each stakeholder group has distinct priorities:

- Constituents want dignity, responsiveness, and programs that meet real needs.
- Donors and sponsors expect measurable outcomes, financial transparency, and evidence of impact.
- Boards are tasked with governance, strategic oversight, fundraising, and safeguarding mission integrity.
- Regulators demand compliance with tax laws, reporting requirements, and ethical standards.
- The public looks for trustworthiness, credibility, and visible community benefit.

Balancing these expectations requires intentional strategy. When funders dictate priorities, nonprofits become reactive—and the donor’s lack of trust stifles the experimentation that growth depends on.

Unlike corporations with the singular goal of profitability, social impact organizations face multiple stakeholders with different definitions of success: impact metrics, community benefit, financial sustainability, and branding. We take up the collaborative approaches that help organizations navigate these competing stakeholder demands in Chapter 5.

Governance Is Built for Compliance, Not Adaptation

Most nonprofit boards are designed to be stable and avoid risk. Governance norms emphasize fiduciary oversight, fundraising, and compliance—necessary functions but insufficient for organizations that need bold strategy. BoardSource’s 2021 “Leading with Intent” report found that boards consistently underperform in the areas where today’s context demands the most strength: strategic thinking, effective community relationships, and diversity among board members themselves.¹⁵

Many boards are small, volunteer-led, and composed of members selected for their donor networks rather than their strategic expertise or lived experience with the communities the organization serves. The result is

a widening gap between what organizations need from their boards and what boards are equipped to provide. Too many boards remain locked in a compliance posture—reviewing financials and approving minutes while the strategic questions go unasked.

A growing set of organizations is beginning to demonstrate an alternative—community-centered boards where grant recipients and constituents hold voting authority, leaner “minimum viable” boards paired with advisory circles that match expertise to the moment, and compensated board structures that open governance to those historically excluded from it. We examine these models in depth in Chapter 7, alongside the leadership structures that governance reform makes possible, such as co-directorships and distributed authority.

Missions Are Often Framed as Charity vs. Community Power-Building

Many nonprofits still operate through a service delivery frame: we provide, others receive. This model is rooted in centuries of charitable tradition. But today’s systemic crises demand something fundamentally different: co-creation and strategies that build community power rather than dependency.

Philanthropy often reinforces the older model. Funders reward service outputs—meals served, clients housed, students tutored—over the harder-to-measure work of structural change: shifting policy, building coalitions, redistributing decision-making power to the communities most affected. Research from Echoing Green and Bridgespan has documented the resulting disparity: organizations led by people of color—often the ones closest to community-driven solutions—receive significantly less unrestricted funding and face higher burdens of proof than their white-led counterparts.¹⁶ Grassroots organizations aimed at shifting systems are the least resourced to do so.

This is a design flaw in how the sector defines impact. When success is measured by volume of services delivered, nonprofits are incentivized to maintain the problems they exist to solve. Moving from charity to

power-building requires not only different programming but different metrics and different relationships—with funders, with boards, and, most importantly, with the communities at the center of the work. We examine the trust-based, participatory, and equity-rooted funding models making this shift possible in Chapter 6.

Innovation and Technology Treated as a Discretionary Expense

In government and business, investing in technology is seen as strategic. In the public benefit sector, it is seen as discretionary—a line item to minimize rather than a capability to build.

This underinvestment carries a compounding cost. Organizations that fall behind technologically also fall behind in their capacity to measure impact, tell their story, and respond to emerging needs. The technology gap widens the distance between what nonprofits could accomplish and what their infrastructure allows.

Some leaders are beginning to close this gap. World Pulse founder Jensine Larsen, for instance, argues that nonprofits should commit a “digital dividend” of at least 5% of their budgets to technology infrastructure—a benchmark we return to in Chapter 4, alongside frameworks for AI governance and the redesign of digital community. Closing this gap requires funders and boards to treat technology as the foundation modern mission delivery depends on.

The Result: A System That Maintains Itself Instead of Evolving

Taken together, these conditions form a reinforcing cycle:

- Restricted funding discourages investment.
- Governance rewards caution over adaptation.
- Leadership systems produce burnout and inequity.
- Missions are framed transactionally instead of systemically.
- Tech underinvestment slows responsiveness even further.

Nonprofits can break this cycle—but not by working harder within the current model. The sector is constrained by an operating architecture designed for stability in an era that demands agility. Until we redesign that architecture, we remain trapped in incrementalism while the problems we exist to solve grow exponentially.

Grassroots organizations are already positioned to lead the redesign. They are closer to their communities, and less encumbered by legacy structures. But structural barriers are only half of the diagnosis. Inside the sector, decades of operating within these conditions have produced something subtler and harder to dislodge: a set of inherited beliefs that keep organizations small even when their missions call for more. Chapter 2 takes up those beliefs.

What Do We Mean by “Redesign”?

As we worked through what social impact leaders need to meet this moment, we returned to one word: *redesign*. It became the question we asked every leader we interviewed: How can nonprofits thrive by redesigning how we approach this work?

Redesign cannot be captured by a slogan or a rebrand, and it is not merely an instruction to work harder. It is the intentional reshaping of non-profit structures, incentives, models, and relationships so that organizations can thrive in the conditions of the twenty-first century—and so that the sector can continue its role in strengthening democracy. Redesign is systems-level rethinking: how nonprofits are funded, how they are governed, and how they are connected to the communities they serve.

Design Principles for Effective Redesign

Five “design principles” guide this work. They are not prescriptions—they are a way of approaching growth that leaders from all types of organizations can undertake. The core question they revolve around is simple: What impact are we actually creating, and is there a better way to do this work?

Some of what follows in this book will be immediately usable. Other strategies will require conditions you don't yet have. The design principles are meant to give you a place to stand: a mindset that makes more choices visible, and helps you weigh the ones that matter most.

Aim Ambitiously (Because Our Problems Demand It)

Nonprofits are the independent sector, solving problems that markets and governments ignore. They are economic engines, contributing \$1.5 trillion to U.S. GDP.¹⁷ But too often, nonprofits scale their ambitions to their yearly budget rather than to the size of the problem.

Ann Mei Chang, CEO of Candid, urges organizations to set “big, audacious goals” that match societal needs in her book *Lean Impact*. She argues that goals that merely “reduce hunger” or “improve health” are as vague as telling Google to “make more money.” Goals should be concrete, measurable, and aimed at change that moves the needle relative to the need.

And she warns against starting from scarcity: goals should reflect long-term aspiration (10 years or more), not by the limited dollars available today. If accomplishing our goals feels like emptying the ocean with a spoon, then our goals are likely too small to address the problem.¹⁸

Since its founding in 2006, the organization Charity: Water has chased one ambitious goal: ending the global water crisis. This framing is audacious: not “reduce thirst” or “improve access” but “end the crisis.” The organization scaled its goal to the size of the problem (696 million people without basic drinking water) and then built backward: 209,200 water projects, serving more than 21 million people to date. The ambition shaped the operating model, not the reverse.^{19,20}

Use Good Strategy to Move Through the Current

Redesign is also about enacting smart strategy. Richard Rumelt, in *Good Strategy, Bad Strategy*, boils “good strategy” down into three core components:

Diagnosis: Honestly naming the challenge.

Example: “We are serving 3,000 families, but 20,000 need us, and our current delivery model can't scale to that many people.”

Guiding Policy: A clear directional approach.

Example: “We will shift to a hub-and-spoke delivery model to multiply reach.”

Coherent Actions: Targeted steps that reinforce one another.

Example: “Expand partner sites; share delivery services; collaborate on intake and impact data.”

“Bad strategy,” Rumelt notes, often shows up as follows:

- **Avoiding the challenge:** Broadcasting “we help the needy” without first understanding their needs and your organizational gaps
- **Confusing goals with strategy:** Setting a target to “distribute 10,000 meals” without understanding how that will sustainably lessen a hunger crisis
- **Lack of cohesion:** Prioritizing too many different directions, such as simultaneously solving homelessness, delivering education, creating cultural programming
- **Incoherent actions:** Organizing an arts program when our mission is tailored around finding a cure for cancer
- **Ignoring trade-offs:** Ten unrelated initiatives to please 10 funders

One nonprofit that has employed “good strategy” is Habitat for Humanity Egypt (HFHE). HFHE’s national director, Yousry Makar, started with a diagnosis of his organization: while his chapter had capital and housing expertise, it lacked the local knowledge and trust needed to actually reduce homelessness in Egypt’s communities.

The guiding policy responded to his diagnosis: rather than build that knowledge in-house, partner with local NGOs already tackling related issues—economic development, education, healthcare. “We have an Egyptian proverb that I use,” Makar explains, “that ‘the basket that has two handles should be carried by two people.’” Coherent actions reinforced the shift. HFHE worked through community organizations already addressing poverty, tailored housing programs to the needs these partners identified,

and supported partners until they became self-sufficient rather than dependent on the national office. The result: whereas a typical Habitat for Humanity country program builds around 200 houses a year, HFHE built roughly 1,000 annually—more than 8,000 houses in eight years.²¹

Treat Infrastructure—and the People Who Run It—as Mission-Critical

The nonprofit sector narrative has long valorized operating “lean.” But the truth is: you cannot deliver well if you don’t invest well. Infrastructure is more than “overhead”—it is the scaffolding that makes the work possible.

Three investments in particular deserve to be protected:

- **Reserves** are your mission’s insurance. An organization with three months of cash on hand is always one delayed payment away from crisis; an organization with 12 can absorb a shock without dismantling what it has built. Find bridge loan sources before you need them through your bank, donors, or existing funders.
- **Staff well-being** translates to your program’s quality. This is the investment nonprofit leaders are most often asked to defer, and it is the one that compounds fastest when deferred. Research on the four-day workweek across 245 organizations and more than 8,700 employees found that when workers had real time to rest, burnout and turnover dropped while productivity held steady or improved—effects that persisted a full year later, driven by better sleep, less fatigue, and a stronger sense of work ability.^{22,23} Stressed staff make worse decisions. Rested staff stay, think clearly, and deliver work that compounds. Care for your team is not a reward for performance. It is a condition of it.
- **Technology** gives you reach, access, and scale. The right systems let a small team serve more people, track outcomes, and respond to needs without the staff burning out in the process.

A 2014 random-assignment evaluation published in *Nonprofit and Voluntary Sector Quarterly* found that capacity-building grants measurably

improved public benefit leadership, programs, revenue, and community engagement.²⁴ The Nonprofit Finance Fund and Center for Effective Philanthropy document that when capacity funding is absent, burnout, vacancies, and instability persist.

Some nonprofits are flipping the script. Rockwood Leadership Institute moved to a four-day, 32-hour workweek with no reduction in pay—and in the years since, has tripled its budget and expanded the number of people it serves annually, all while holding staff size steady. Investment in staff well-being fueled their growth.²⁵

Shift from “Doing For” to “Doing With and By” Communities

Redesign calls on nonprofits to leave behind the old charity mindset and embrace models where communities have voice, agency, and ownership. This is the principle where grassroots organizations are already leading. Grassroots organizations are closer to community and less encumbered by legacy structures, and they have been practicing this work long before big-name foundations codified names for it.

Participatory grantmaking models and community advisory councils have demonstrated stronger trust, higher program uptake, and more durable outcomes because they are shaped by lived experience rather than distant assumptions. Brooklyn Org (formerly Brooklyn Community Foundation) transitioned all its strategic grantmaking, more than \$4 million annually, to a fully participatory model in 2021.²⁶

Nonprofits are tasked with community building with their constituents *and* their funders. As Tezikiah Gabriel, E.D. of Pathways to Peace, puts it, “I find many NGOs don’t realize that the most important successful funding factor is to develop great relationships with your funders. It’s easy to ask funders to bend some rules when they know you, trust you, and are advocates for your work.” Funders who see themselves as partners in the mission behave differently than funders who see themselves as judges of it.

This shift also means moving beyond the lone heroic executive director. This model is unsustainable and increasingly repels younger leaders. Shared leadership models—co-directorships, lattice structures, staff councils—are

emerging in response, particularly among younger and BIPOC (Black, Indigenous, and People of Color) leaders who reject the burnout model their predecessors inherited.^{27,28} Leadership, like community, can be distributed rather than concentrated. Both shifts move in the same direction: toward organizations where power, voice, and responsibility are shared. (See Chapter 7 for a range of shared leadership models.)

Build Strategically Within Constraints, and Challenge Them When Needed

Redesign is not all-or-nothing. The temptation is to treat every constraint as fixed and capitulate, or to treat the whole system as illegitimate and fight it everywhere at once. Capitulating changes nothing and fighting every battle burns leaders out before they can create sustainable change. Most constraints in the nonprofit sector are conventions, not rules: grant restrictions can be negotiated, bylaws rewritten, reporting requirements streamlined. The work is knowing which to accept, which to negotiate, and which to challenge in the open.

JobsFirstNYC, a workforce intermediary, received a \$4 million unrestricted gift from MacKenzie Scott in 2023, the largest in their history. They were struck not just by the amount but by the absence of restrictions. Rather than treat unrestricted funding as a once-in-a-lifetime windfall, they began advocating publicly for trust-based philanthropy as a sector norm, arguing it's time to move beyond charity optics and into a mindset of philanthropic equity. They worked within the constraint (most of their funding is still restricted) while actively reshaping the constraint itself.²⁹

Conclusion: A Redesign to Meet Today's Moment

Across history, social benefit organizations have sparked national reckonings, reshaped policy, and built movements that changed the course of American life. They have set ambitious goals, aligning them with community power and coherent strategy. Today's challenges are every bit as urgent as

those that confronted civil rights leaders or HIV/AIDS activists, and the sector remains as capable of meeting them. But its operating system has to evolve to match the moment.

Duane Elgin, author and social visionary, puts it plainly: “The nonprofit world of the past is gone. Organizations built for stability must now become organisms built for agility. It is imperative to be light on our feet, resilient in spirit, and courageous in vision as we move into these turbulent times of great transition. This is not a moment for incremental adjustment—it is a threshold crossing that demands fundamental reimagination of purpose, strategy, and collaboration.”

That reimagination is already visible in the organizations throughout this chapter: the Global Fund protecting its lowest-paid staff before the crisis hit, Rockwood tripling its budget on a four-day week, Brooklyn Org handing grantmaking authority to its community, JobsFirstNYC turning one unrestricted gift into a case for changing the rules. Each of these organizations questioned one of our sector’s defaults. Now the rest of us—funders, boards, sector leaders, policymakers—have to build the conditions that let more of it take root. Nonprofits have repeatedly shown that when they act boldly, the country moves with them. The conditions are what’s missing now—and conditions are something we can build.