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Beyond the Bottom Line: Unionization in the Nonprofit Sector

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by
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Dedication

This project is dedicated to my mom, the head of the Arts Center of the Capital Region. My father, a writer for Munson-Williams-Proctor Art Institute. And my grandfather, a radical union organizer.

Acknowledgements

I want to thank my friends and family for supporting me all the way through this project. Specifically, my mom, who graciously answered every question I had about nonprofits, and Claire Bartholomew, Erin Dworkin, and Bella Bergen.

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Introduction

"To lose your 'identity' as a citizen of democracy is but a step from losing your identity as a person. People react to this frustration by not acting at all"
–Saul Alinsky, *Rules for Radicals (xxvi)*

Labor unions have the potential to change the world. Unfortunately, when union membership in the United States stagnated in the mid-20th century, their momentum was lost. Recently, however, there has been a resurgence of unionization, challenging the long-lasting stalemate between unions and corporations.[1] This revival includes all types of workers from the traditional, labor intensive sectors to sports teams, gig-workers, professors, and nonprofit employees. Blue and white collar workers alike are beginning to recognize the power of effective organizing. Despite widespread support, the union strategy is struggling to catch up with the new labor movement.[2] I will be focusing on the emergence of unionization in the nonprofit sector and will explore how effective unions are in nonprofit organizations (NPOs).

My argument entails broadening the scope of the labor union model in order to apply it to nonprofits. Currently, many unions have been approaching unionization in nonprofits as if it were any other workplace. Specifically, unions are upholding the model of prioritizing monetary, short-term gains. I believe that this is not a sustainable model and will not bring about the significant, long-lasting change that nonprofit workers need to experience. Nonprofit workers experience issues that are more structural in nature, thus monetary union strategy is less

[1] Jane McAlevely, *A Collective Bargain Unions, Organizing, and the Fight for Democracy,* (New York: HarperCollins, 2020), 64.
[2] Justin McCarthy, "US Approval of Labor Unions at Highest Point Since 1965," Gallup. Gallup August 30 2022.
https://news.gallup.com/poll/398303/approval-labor-unions-highest-point-1965.aspx.

effective. For example, while NPOs maintain different goals than corporations, they both have structural similarities. Or that NPOs work towards social change, but within the constraints of the government. Essentially, there is nothing straightforward about the nonprofit. These paradoxes will frame my research and show that nonprofits unionization needs to have its own unique model in order to account for its own complexities. Ultimately, I will assert that unions are a tool for better conditions, not the end-all solution.

Definitions and Scope

To avoid misunderstanding about the purpose of my research, I want to spend time providing clarifications regarding semantics and scope. First, the NPOs in question will be largely social justice oriented because of their unique position in the workforce and economy.[3] I view social justice oriented NPOs as having a clear-cut distinction from for-profits in both operation and culture. Other job sites such as hospitals or universities have similar values and constraints, but could be grouped into more traditional labor organizing due to having a longer history of unionization, being for-profit organizations, or the structural make-up reflecting 'traditional' workplaces more than nonprofits. These spaces require their own body of research, but it is not what this paper is focusing on. Additionally, I want to specify that a "nonprofit

[3] "Social Justice oriented NPOs" could account for many different types of organizations–most of the ones I am referencing are based in community organizing. They may have a political agenda or they could see themselves as completely apolitical in nature. Most of them will be small–according to the Nonprofit Times, 9/10 NPOs spend less than $500,000 annually, which will be the financial basis for most of the analysis. This is opposed to the YMCA, which is a social justice nonprofit, but has billions of dollars in assets.
"80% Of Nonprofits' Revenue Is From Government, Fee For Service." The Nonprofit Times, September 19, 2019.
https://thenonprofittimes.com/news/80-of-nonprofits-revenue-is-from-government-fee-for-service

union" does not refer to a single union, rather, it is being used as a general term that means a union within a nonprofit. Overall, it is my goal to create an analysis of how organizers *organize* themselves for the sake of the everyday individual who may work these jobs. And for those in charge, who, if they want to better their workplace, must understand why their employees are turning to unionization in the first place.

A helpful resource for my definitions is the organization All Due Respect, whose mission statement is "...to set new labor standards and make sure that community organizers get a fair wage and a fair shake—because supporting social justice means supporting the people on the frontlines."[4] They are not a unionization group, rather, they aim to determine why employees of NPOs are facing difficulties and how they can be alleviated. Through their research, they have provided the following definitions:

> *Organizer:* Someone who is engaged in the day-to-day work of base building, bringing people together to exert collective power and take collective action.[5]
>
> *Working conditions:* In addition to wages, benefits, and other typical workplace policies, working conditions also include: the nature of the relationship between management and the rest of staff, decision-making structures and roles, and dynamics of power and privilege along the axes of race, gender, sexuality, disability, and more.[6]

Lastly, one definition that is being provided by organizer Jane McAlevey's work:

> *Union:* A collective effort by all employees who work for an employer; To stop the boss from doing what you don't want him to do. Discharge, unfair layoff, promotion, speed up, etc. To make the boss do what you want him to do. More pay, vacation, holidays, health coverage, pensions, etc. And, to be used in any other way the members see fit.[7]

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[4] "Our Mission," All Due Respect, accessed 10 November 2023, https://www.allduerespectproject.org/about.
[5] All Due Respect, *All Due Respect Building Strong Organizations by Creating Fair Labor Standards for Organizers (2022),* 11.
[6] All Due Respect, 11.
[7] McAlevey, Jane, 15.

These three definitions paint a picture, in broad strokes, of what this research is going to encompass. It isn't just about unionization nor is it attempting to delegitimize nonprofits. Rather, I attempt to combine these two subjects that have historically been studied separately and bring attention to a growing trend that may change the future of both sectors.

Literature Review

My research on unions predominantly comes from labor organizer and theorist Jane McAlevey who has written several books on unionization. Her two most popular works, *A Collective Bargain* (2020) and *No Shortcuts* (2016), focus on organizational tactics and various union drives. She writes about models of organizing,[8] the relationship between staff and the rank-and-file,[9] and historical analyses of the union downfall. Her theories are robust and outline the complicated role of unions. For the sake of my research, however, these two books do not talk about social justice oriented NPOs. I hope that my research will add to hers in order to create a more comprehensive understanding of the workforce.

For my work on nonprofits, I have pulled from Clémemnt Petitjean's book *Occupation Organizer* and INCITE!'s *The Revolution Will Not Be Funded.* The former is a history of community organizing through organizer Saul Alinsky. This provides a helpful background about where the culture of self-sacrifice originated along with the many contradictions of nonprofits. Of course, his main drawback is that he primarily focuses on Alinsky. Thus, I can't use his principles for the entirety of my research. That is where INCITE! is helpful. They have

[8] She compares organizing to mobilizing–the latter being a short-term effort to temporarily bring people together for the sake of creating mass unrest. She says that this is less effective than organizing because there is no focus on the long-term goal.
[9] Another term for the workers.

compiled a series of essays from different nonprofit workers and theorists that analyze the nonprofit industrial complex in relation to the state, capitalism, and society. They complicate the notion that the revolution will be led by NPOs as they are not radical enough. This is very important to my analysis of nonprofits, although most of the essays are not within my scope.

All of these books focus on nonprofits and unions separately. The only robust body of work I have found that combines the two is a 70 page report by All Due Respect. Through interviews and surveys, they compiled an in-depth analysis of organizers' working conditions. The end of the report focuses on how unions are being used in this sector. Naturally, there are limitations to their research. This report does not focus on *all* nonprofit workers. The target is community organizers and they seldom mention other employees such as marketers, grant writers, development staff, etc. Additionally, their section on unions is strong, but even they acknowledge that it requires more research. Despite this, their report will be particularly useful as I can pull quotes from their interviews with organizers and managerial staff.

Section Outline

My argument is structured in three parts that culminate into the concluding section that discusses ways to move forward. The first section will build the historical background for unionization. I will use McAlevey, who focuses on the 1970s as a pivotal decade for unions, specifically, their decline. She frames the union breakdown as an assault from corporations and the government, showing that it was not coincidental. It was calculated, purposeful, and effective. Although McAlevey's analysis is robust, in order to fit in my own research, I will add another layer that includes the breakdown of the welfare state and subsequently the rise of the nonprofit industry. I will prove that these are interconnected because as welfare programs were

being cut, the number of nonprofits began to rise. The state was essentially sanitizing and corporatizing social-justice movements in order to create a new privatized welfare state. The point of this section is to show how and why unions were deradicalized and began to prioritize monetary gains.

The second section focuses specifically on NPOs. The main question is how do nonprofits fit into the U.S. capitalist system? And if they do, does that make them just as exploitative as any other for-profit corporation? First, I will do a deep dive into the 501(c)(3) tax exemption that dictates the behavior of NPOs. This will be helpful because there is a lack of close reading on this tax exemption and in order to understand the uniqueness of NPOs, I must lay a foundation. Next, I will use Jürgen Kocka's characterization of capitalism to discuss whether or not NPOs fit into this definition. Many people think that because they are "non" profits, they have a different financial structure, however, this is only partially true. I will similarly review the internal structure of NPOs in comparison to for-profits. Both use hierarchical structures that can be exploitative to lower-level employees. This will culminate into the final part in which I use Saul Alinsky as an example of a nonprofit organization that had potential to create effective change, but instead followed suit and fell into these exploitative tactics. This section works to prove two points: first, nonprofit workers have legitimate concerns because their workplaces are more similar to exploitative corporations than people assume. Second, NPOs are unique in their positionality and therefore require different strategies to help workers in need.

The third section will fast forward to the current day and explore why nonprofit workers are unionizing. Through various articles and news publications, I will analyze the unpleasant

work conditions facing many nonprofit employees and what they are currently demanding. Additionally, I will begin my examination of the All Due Respect 2022 report in which organizers detail the struggles of working for nonprofits. This section is crucial because it shows that unionizing in nonprofits isn't as simple as it seems. Unions often pick and choose which grievances they focus on based on previous experience, but because of NPOs unique position in society, this isn't always effective. I will once again end with an example–this time it will be a nonprofit based in Troy, NY who attempted to unionize, but ultimately failed. This section works to further my point that nonprofit workers have a unique set of grievances and subsequently many unions are poorly equipped to handle those organizing drives.

The concluding section will bring all these ideas together. I will attempt to find a way forward and a vision for the future. Ultimately, if unions fail to adjust to the needs of all workers, they will once again fall into the patterns that many theorists say led to their decline. All my research indicates that there is a way forward for unions in nonprofits if they take the time to adjust their strategy.

Section One: The Death of a Union; The Birth of a Nonprofit

"Starting in the early 1970s, and for the next four decades, the rise of something known as 'liberal philanthropy' advanced a model of change predicated on pacifying the majority while lawyers and specialists 'advocated on behalf of others.'"
–Jane McAlevey, *A Collective Bargain Unions, (244)*

Despite my belief that unions are key to the class struggle, many still believe labor organizing to be somewhat niche. Perhaps it is a difficult field to learn about as I have seldom found fields that have as much lingo as unions. Thus, this section will open with defining union terms and jargon as to frame the other books, articles, and reports that I will utilize.

The next question is, after all this time, what happened to the union? Jane McAveley's book *A Collective Bargain* describes the 1970s as a decade marked with everything from public scandals, the oil crisis, to the decline in union membership across the country. This assault on unions did not come from a single place, nor did it occur overnight; it was a series of calculated maneuvers. Statistics show that union membership peaked in the 1940s and 50s, but began to drop by the end of the 1960s and exponentially by the 1980s.[10] Jane McAlevey characterizes this as a "two-pronged assault."[11] The first originated with corporations and the creation of professional union busters. They led the assault by swaying company management teams and the general public against unionization. The second prong was globalization and outsourcing the worker itself. For unions, globalization led to two main outcomes: fewer jobs in the U.S. and the misconception that U.S. factory jobs were better compared to the poor working conditions in other countries.[12]

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[10] McAlevey, 64.
[11] McAlevey, 64.
[12] McAlevey, 69-70.

McAlevey's characterization is a clear and accurate depiction of the union decline. However, I will add a third prong that incorporates the expansion of the nonprofit sector and the "rollback" era of American politics. I will show how nonprofits' rise in popularity coincided with the decline in the welfare state; essentially, one replaced the other. My analysis demonstrates how this decline in radical movements hurt the union effort as they became more cooperative with the state as opposed to combatting its injustices. This will broaden the framework to include not just the union struggle, but all workers. These points will serve to give a background of how the nonprofit was founded–highlighting the problems since the beginning that have now become the problems of today. This will be expanded on in further sections when I move to the present day.

Defining Union Jargon

Unions were created to directly combat the greed of wealthy business owners. Unlike corporations, unions were built on the democratic tradition that promotes open meetings and free elections. The process of coming together as a team and negotiating with the boss is called *collective bargaining*. It levels the playing field by redistributing the power amongst workers, who individually hold very little power. Once a union is formed and workers decide what they want to negotiate with their employers, after much deliberation, a contract is signed. From thereon, a new contract will be signed and negotiated typically every 3-5 years. The shorter the contract length, the better for the workers. This will allow them to frequently ask for pay raises or other benefits.

Traditionally, there are various strategies that workers have used in order to successfully form a union. For example, workers can organize a boycott in which consumers don't buy a

product, therefore causing business owners to lose money. Or, notoriously, workers can go on strike. Many people are confused as to what a strike is–at no point do the workers quit their jobs. If they did, then they would be unemployed and the bosses would just hire new workers. A strike is *withholding labor* until the boss decides to give into their demands. During a strike, workers often form a picket line around the business, which means anyone who continues to go to work must cross the picket line, causing shame and ostracization. Most importantly, they want to create disruption for the company by shutting down the supply chain.

Strikes are not easy–they require a supermajority of workers to be willing to take a high risk in return for a high reward. The first recorded strike in the U.S. was in 1768 by a group of journeymen tailors.[13] Even over 200 years ago the issues were the same: workers were taking a wage cut. Since tailoring was a skilled job, the owner didn't want to lose that many workers, so eventually workers' demands were met..

At this time, strikes were not protected under the law. In fact, there were no laws protecting private-sector workers' right to strike until the 1935 National Labor Relations Act (NLRA).[14] Section 7 of this law states: "Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining

[13]Alyssa Laske, "Strikes." *Labor Movement*, 2014, labormovement-by-alyssalaske.weebly.com/strikes.html. To be a journeyman is to have "completed an apprenticeship in a certain trade or craft that is certified to work under the supervision of a master."

[14] Note that public sector workers have their own laws protecting their right to unionize such as the 1926 Railway Labor Act. According to the Bureau of Labor Statistics, in 2020 private sector workers made up 85% of the U.S. workforce. Even though this is much later than the Railway Act or the NRLA, the percentage is still comparable. Therefore, this makes the NRLA one of the most comprehensive worker protection laws in history.

or other mutual aid or protection…"[15] Strikes are considered a 'concerted activity' that assist the collective bargaining process. For decades before this, workers going on strike were unprotected by the law, making their actions that much more heroic and risky.

The NLRA protects other actions in the private sector: guaranteeing the right to negotiate wages and other terms of employment; allowing employees to present grievances to their employers; free elections that employers don't interfere with, and so on. Most famously, it established the National Labor Relations Board (NLRB) that holds both unions and employers accountable for their actions under the NLRA. They can settle grievances disputes, facilitate union elections, and issue fines to employers who don't cooperate with the law.

While the NLRA does create a legal framework for unions, there are still many flaws with the legislation. For example, even though strikes are protected, that doesn't mean workers can always take that action. Workers can't strike while they have a signed contract, nor can they participate in partial strikes, slow downs, or sympathy strikes.[16] There are even more barriers for specific sectors of the workforce. So, while striking is an important tactic, there are many legal limitations.

The most relevant limitation is that there is little enforcement policy towards companies who don't comply with worker demands, or even those of the NLRB. Technically, once employees vote to form a union, the company is required to bargain with them. However, this often gets delayed. For example, the recently formed Amazon Labor Union, the first of its kind,

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[15] *National Labor Relations Act,* "National Labor Relations Board," 1935, https://www.nlrb.gov/guidance/key-reference-materials/national-labor-relations-act#.

[16] Partial strike: Employees doing only part of their assigned tasks. Slow downs: Employees doing their work incredibly slowly and inefficiently. Sympathy strike: employees of another workplace going on strike in order to show solidarity.

has not been able to get a contract with Amazon for nearly three years since their successful union election. This is a common experience as the consequences for refusing to negotiate are quite minimal, especially if it is a massive corporation like Amazon.

These legal limitations can make it difficult for unions to be formed in the U.S., and even sometimes the unions themselves are not the perfect vessel for worker empowerment. Jane McAlevey describes unions as "a mechanism: nothing makes it inherently good or bad, although its internal rules heavily influence its effectiveness….unions often differ based on the culture of the employer and on the type of workforce…"[17] The workers that are in the union will reflect how effective it is–and since humans are flawed, so are their unions. 'Do nothing' unions can be unempowering and ineffective for a number of reasons. Perhaps the last contract was poorly negotiated, or there isn't enough democratic participation from the rank-and-file. It is an imperfect system with imperfect outcomes. However, workers should never cease building power to make their lives better.

The Union Crackdown

Union-busting was not a new profession in the 1970s, but it took off to a level of extremity, creating a multi-million dollar industry that invaded almost every aspect of the unionization process. There are many ways that someone can union-bust; it begins with individuals infiltrating a union drive secretly and/or working to outright prevent them. For example, a popular tactic was employee satisfaction surveys. If someone expressed dissatisfaction, they were at risk of being fired in order to prevent a possible union drive.[18] In

[17] McAlevey, 17.
[18] McAlevey, 62.

1939, a former Sears employee who was involved in these surveys founded one of the first union-busting firms called the Labor Relations Associates.[19]

Since then, the union busting industry has grown exponentially. Specifically, statistics show that the 'big boom' started in the 1970s: "Until the 1970s, however, union avoidance consultants were relatively small in number — there were only about 100 firms in the 1960s, compared with over 10 times that number in the mid-1980s"[20] Consultants realized that companies would pay large sums of money to prevent unions. They predicted that institutionalizing and corporatizing their services would prove profitable. Their prediction was correct.

By the turn of the century, union busting companies were sprinkled across the nation. One notable firm was the Burke Group, who in 2006 said it "directs over 60 full-time consultants…boasts over 1,300 clients, and has conducted over 800 counter-organizing campaigns in its establishment in 1981…"[21] Even one firm's reach is enormous; each one of those 1,300 clients represents a company whose employees may have wanted to unionize. And each 800 counter-organizing campaigns is a fight against a union. Over the course of several decades this can be infectious and seriously hinder the progress of social movements.

What is even more compelling is that these union-busting companies use similar tactics to that of the union itself. Ultimately, *counter*-organizing is still organizing. For example, McAlevey uses the registration page for a 2018 union-busting seminar based in Indiana:

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[19] McAlevey, 63.
[20] John Logan, "The Union Avoidance Industry in the United States." *The British Journal of Industrial Relations*, (2006), 653.
[21] Logan, 655.

> *Program Information*
>
> *Exact location in Indianapolis will be sent to you within 24 hours of your registration or the following business day. Registration is limited strictly to management personnel directly from a corporation. Please note: The discussion will be frank. The use of recording devices is strictly prohibited. Attendance is limited to representatives of business organizations only. Individuals affiliated with union organizations are not eligible for registration. The Indiana Chamber of Commerce reserves the right to refuse participation in the program to anyone other than a bonafide management representative.*[22]

The first similarity is the exclusiveness. At the start of a typical union drive, it is of the utmost importance that organizing is done cautiously. Many employees will have to be vetted before joining the fold–meaning they must be confirmed pro-union. Union-busters also want to keep their tactics and identities a secret in order to ensure they are not exposed as anti-union. Union-busters don't face the same threat of termination, but there could be social backlash. Chiefly, their anti-union campaign could fail.

Additionally, stating the "discussion will be frank" is incredibly telling. Standard union practice says that organizers should never shy away from the facts when organizing. Always say upfront that there will be backlash and that it is a difficult process. The union-busting firms are pulling from this same idea–they use frankness as a tool for efficiency and clarity.

It is rare that these services are advertised as overtly as this registration page. Many conferences are advertised as "Labor and Employment" or "Leadership" conferences as a way to mask ill intentions. Some say they are going to discuss the National Labor Relations Board (NLRB) and the new trends in labor law. For a company named UnionProof, they advertise their services as helping "companies that are willing to do the hard work it takes to create a culture

[22] McAlevey, 66.

where unions simply aren't necessary."[23] This is the same thing that happened in 1939 when the Labor Relations Associates masked their union-busting tactics with promises to improve worker conditions by working with management. It uses semantics to not overtly state an opposition to unions while simultaneously saying they are not necessary. This is the essence of union busting.

These union-busting corporations leaned heavily on propaganda in order to promote their cause with the general public. This is particularly relevant because unions rely on community support; for example, if they must go on strike they need the local community to back them, since they will likely suffer from the strike as well. Union-busters knew that targeting the general public through propaganda would help them similarly to direct intervention in the workplace. They have implanted anti-union sentiments everywhere on every side of the political spectrum. As a result, people often see unions as greedy, spoiled, and anti-innovation. It is fueled by misinformation and forgetting history. In her book *No Shortcuts,* McAlevey states that "...people who say they don't like unions will also say, 'at least in this country it's illegal for children to work in factories,' or 'I told the boss I wouldn't handle anything so toxic without protection,' or simply, 'thank God it's Friday.'"[24] All these benefits were won by worker's unions. The idea that unions are 'in the past' and 'backwards' was created by the corporate class in order to further oppression. This was done on purpose.

Between union busting and propaganda, it is clear that the decline of unions was not coincidental. Companies worked tirelessly to break down worker solidarity by preventing organizing in the workplace.

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[23] "UnionProof," Projections Inc. Accessed 2024. https://projectionsinc.com/unionproof/.
[24] Jane McAlevey, *No Shortcuts; Organizing for Power*, New York, NY: Oxford University Press, (2016), 7.

A Factory Assault

According to McAlevey, globalization in the 1970s was the final blow that solidified the unions' decline that would be maintained for nearly four decades. She says,"Globalization was the second punch in the one-two punch that crushed private sector unions and made a few people filthy rich while everyone else stayed or became poor."[25] While nearly 50 years later no worker has been left untouched from the reach of globalization, during its inception, the private sector was particularly hit hard.

Globalization is an economic term used to describe the increased interconnectedness of the international sphere. A key aspect is how countries began to permit companies to outsource workers. Meaning that they could hire workers in other nations to do the same work that they would in the U.S.. The difference is that in Mexico, for example, companies could pay workers a quarter of the pay for twice the labor–making it far more economical to manufacture in those places. Nations would encourage this in order to appease big business and create alliances with other countries. However, within the next couple of decades, U.S. factory workers began losing their jobs exponentially: "By this measure, the maximum number of manufacturing workers was just over 19 million in 1980; by 2000, this number declined by 2 million, and another 5.5 million were lost by 2019. In contrast, total employment grew by 60 million from 1980 through 2019."[26] While outsourcing isn't the only factor that hurt American workers (automation too, perhaps), it was clearly devastating to many cities who relied on manufacturing.

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[25] McAlevey, *A Collective Bargain; Unions, Organizing, and the Fight for Democracy,* 69.
[26] Stephen Rose, "Do Not Blame Trade for the Decline in Manufacturing Jobs." Center for Strategic & International Studies, October 4, 2021. https://www.csis.org/analysis/do-not-blame-trade-decline-manufacturing-jobs.

Decline in manufacturing jobs created the famous term “rust belt” which describes the dozens of midwestern towns who had once relied on factories to fuel their town’s economies. They had become ‘rusty’ after all the jobs left and went to other countries, creating deep seated poverty in those areas. Both the jobs and their unions disappeared, creating an overall lower ratio of unionized to non-unionized workers in the country. For those who were left, a social shift occurred that further entrenched the unions. At this point, due to the poor working conditions for outsourced workers, the American factory worker became the gold standard. McAlevey states: “Well, when you start comparing what union workers in the United States earned compared to slave-like conditions, you could ironically suggest workers in the United States were overpaid. Except they never were.”[27] Because so much of unionization relies on public support, this shift in the American public was a crucial loss for unions across the country.

The Third Prong

The last factor in the decline of worker power was how nonprofits were forced to compensate for the failures of the welfare system. Previously more radical, left-leaning organizations were co-opted by the government to serve as a privatized version of welfare programs. This did many things, predominantly, it sanitized and decentralized radical movements (taking radical unionism with it) while leaving a more impoverished, less union dense work force behind.

Ronald Reagan took office in 1981 and changed the nature of welfare in its entirety: In 1981 and 1982 alone he cut $22 billion worth of social welfare programs.[28] Ironically, this was

[27] McAlevey, *A Collective Bargain; Unions, Organizing, and the Fight for Democracy,* 70.
[28] Claire Potter, “The Shadow of Ronald Reagan Is Costing Us Dearly,” New York Times, November 11, 2021. https://www.nytimes.com/2021/11/11/opinion/reagan-social-welfare.html.

occurring at the same time as globalization, which had blue collar workers becoming poorer and increasingly reliant on welfare. By the end of the 20th century, the working class had significantly less welfare benefits while simultaneously losing their jobs.

Enter the nonprofit, whose numbers grew remarkably during this time period. Statistically, the IRS estimated about 50,000 charity status organizations in 1953. Twenty years later, that number had risen sixfold. In 2007, charities numbered over 730,000.[29] Welfare was depleting while nonprofits were growing. Many organizations included services for immigrants, underserved children, or minority groups. They were privatized versions of demolished government programs. Theoretically, the nonprofit sector could make up for where the government faulted; however, it wasn't. Instead, it was fundamentally changing the game.

Before this, many social justice organizations could organize themselves around progressive, radical movements that would operate outside the state. They served to combat the government's systematic oppression of minority groups. There could be a focus on community building and deep, long term organizing that had the chance to build real power. They didn't have to *be* the welfare state and provide basic necessities for those individuals because communities already had a welfare system to keep them afloat. However, during the Reagan administration, many organizations had to pivot in order to better serve their communities' needs. As demand grew, organizations needed to receive funding from foundations or the government, and institutionalized in order to do so. Essentially, this made these previously radical movements

[29] INCITE!, *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex,* (Cambridge: South End Press 2007), 7.

a surrogate for the state. Overall, the goals of the organizations would be diminished by the need to write grants, hire full time employees, and maintain a stable flow of income to keep afloat.[30]

Some would argue that there are still many resources available for low-income people. For the sake of this research, whether or not there is a strong welfare state doesn't really matter, as welfare is not the topic of conversation. What does matter is that the government was essentially contracting social justice organizations in order to spend less money on welfare themselves. By trying to replace welfare, social movements became weaker.[31]

Unions mirrored this by professionalizing their own workforce. Despite UAW (United Auto Workers) membership staying the same, its staff grew from 407 in 1949 to 780 nine years later, and then to 1,335 in 1970.[32] Unions have a name for this phenomenon: business unionism. This is a term used to describe how unions began to cooperate with companies in order to gain frequent short term monetary wins. Instead of combating companies, organizers figured it was better to compromise in order to protect the longevity of the union over riskier organizing strategies (such as striking). Essentially, unions started relying on staff organizers to create compromise between corporations and the rank-in-file to more efficiently negotiate contracts and declare them "wins" for the organization. This shows a significant change in the trajectory of unions' strategy during this time.

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[30] INCITE!, 11.

[31] I view unionization as a social movement, which is debatable. Some view it as a strictly economic movement, but I believe that does not capture the full story. As a social movement, unions seek to build power through intersectionality and relationship building. While many have economic goals, it goes beyond monetary power structures.

[32] Kim Moody, *An Injury to All; The Decline of American Unionism*. Brooklyn, NY: Haymarket, 1988.

This third prong shows the full picture of not just corporate intervention, but state control as well. The state furthered the wealth divide and forced struggling workers to struggle more. While this government ideology spread, radicalism stepped back in order to compensate for their dying communities. Unions did the same and saw swift monetary gains as the best way to help their constituents' immediate needs.

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This section culminated into the co-option of social justice movements by the government and corporations, thus the decline of union power. When other movements became nonprofits, unions turned to business unionism: less power traded for stability. This union model has maintained itself for decades and will continue to reign if unions are unable to rework their strategy. For NPOs, this is increasingly important. Because of their unique workplace challenges, business unionism will never be able to crack the shell in order to effectively help nonprofit employees. If history is destined to repeat itself, then unions must find a way to stop the cycle and create real, long-lasting change for workers.

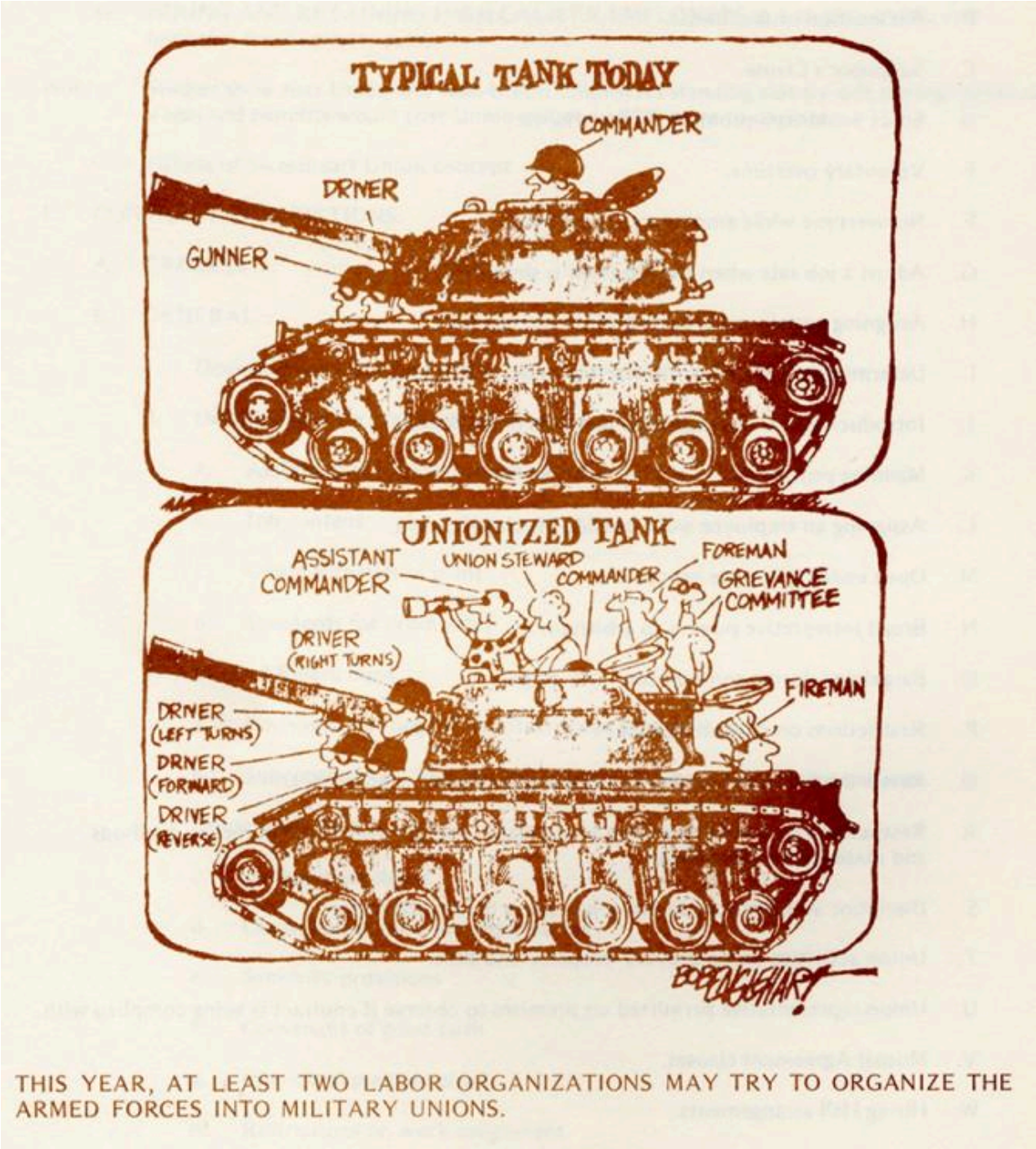

Figure 1. Image depicting propaganda of the unionization of the military. Source: Beduya, Jose. "Digitized Files Give Rare Glimpse of Anti-Union Advocacy," Cornell Chronicle, October 30, 2020.

Section Two: How to Not be a Radical

Nonprofit Industrial Complex: "a set of symbiotic relationships that link political and financial technologies of state and owning class control with surveillance over public political ideology including and especially emergent progressive and leftist social movements."
–INCITE!, *The Revolution Will Not Be Funded (8)*

Does section one suggest that nonprofits, because of their positionality, are exploitative in nature? They play a difficult role in society, meshed between the government, corporations, and the consumer and thus often expected to appeal to all their individual needs. Nonprofits will receive the vast majority of their funding through government agencies and therefore must follow the rules and regulations set forth by them.[33] Many nonprofits will receive additional money from private donors who have their own set of expectations. This all trickles down to the consumers, who have demands as well. This suggests that because NPOs are neither corporations nor the government, they may be exempt from capitalism's exploitative nature. I am going to disprove this notion by arguing that nonprofits have many of the same functions as capitalist corporations and therefore can be exploitative as well.

First, I want to examine the *outside* mechanisms that affect how nonprofits function; in particular, the 501(c)(3) tax exemption. The relationship between nonprofits and the government is inscribed within this law and serves to show how nonprofits are used to uphold the state. This relationship can be harmful to employees who are stuck in the middle. Second, using Jürgen Kocka's definitions of capitalism, I will show that nonprofits operate similarly to capitalist for-profits. Despite the fact that they use their finances differently, it doesn't change the end

[33] "80% of Nonprofits' Revenue Is From Government, Fee For Service."

result of their labor. I've concluded similar findings when examining the hierarchical structure of both corporations and nonprofits: they use managerial structures slightly differently, but because of the overarching structure of top-down leadership, nonprofit bosses can be just as exploitative as anyone else.

This analysis is a stark contrast to the nonprofit's roots in social justice movements. Unfortunately, many of them have been corporatized to meet the needs of governments and big business. Due to all these rules and regulations,[34] nonprofits are doing half the work they used to under twice the strain. They have become just as exploitative as any other corporation–it is about maximizing results.

To show this shift, I want to turn to organizer and theorist Saul Alinsky, who in the mid-20th century recognized this shift towards corporatization, yet chose to maximize his organization's growth and popularity. While he is historically known as the "father of organizing," but once he grew in popularity he turned to professionalization just as the nonprofits did back then. Through this example, we can begin to realize how nonprofits have ended up where they are today and thus why employees are organizing. Alinsky demonstrates the *internal* mechanisms of nonprofits that contribute to its exploitative nature.

One Exemption to Rule Them All

A tax exemption is a mechanism that organizations can use in order to not pay taxes on certain income and revenue. It is a way to alleviate this financial burden and reward providing a service to the community. The 501(c)(3) tax code is an example of this. However, it isn't all that

[34] "Rules and regulations" are mostly referring to 501(c)(3) which guided nonprofits into the capitalist structure they use now.

it seems. The tax exemption appears as if it is cutting nonprofits a break, which it certainly is, but inscribed within the text are a series of regulations that force nonprofits to be in constant compliance with the government. The tax-exemption for charitable organizations was written into the 1913 Revenue Act. The organizations who fall under this law are defined as religious, charitable, scientific, or educational that are typically apolitical in nature.[35] This allowed organizations to formalize their operations and spend less money on taxes, thereby more on their services. The 'nonprofit boom' did not occur until much later, however, when the Tax Reform Act of 1969 was passed. This law didn't target the nonprofits themselves; rather, the foundations who were funding them. It created stricter laws around what could be a foundation–restricting business related activities, thus curtailing corporations who wanted to operate as foundations. Most importantly, it "required foundations to annually spend at least 6 percent of net investment income (reduced to 5 percent in 1988) to prevent them from growing without serving their ostensible charitable purposes."[36] Since foundations were required to donate more money to nonprofits, that sector inevitably began to grow.

The number of charitable organizations quadrupled between 1976 and 2004, as shown in figure two. Note that though 501(c)(4) organizations may appear within the scope of my research because of their title "social welfare organizations," foundations who donate to those organizations do not receive tax deductions. The House Committee on Ways and Means, where this chart originates, specifies this distinction:

> The concept of 'social welfare' for purposes of section 501(c)(4) overlaps considerably with the definition of 'charitable' under section 501(c)(3). As a result, many organizations could qualify for exemption under either section…a donor to a charitable organization may take a charitable deduction, whereas a

[35] INCITE!, 7.
[36] INCITE!, 6.

> donor to a social welfare organization may not take a charitable deduction. As a result, charitable organizations are generally viewed as having an advantage in attracting contributions.[37]

Essentially, the difference between the two exemptonis is whether or not non-government donors will receive tax deductions themselves. So, because 501(c)(4) organizations receive less money from wealthy donors, they have different implications, therefore they are technically outside of my scope of research.[38] However, they still might have many cultural similarities as 501(c)(3) nonprofits.

Type of Organization	1976	1985	1995	2004
Total	756,594	844,806	1,162,810	1,540,534
501(c)(3), charitable, religious, and similar organizations	259,523	366,071	626,226	1,010,365
501(c)(4) social welfare organizations	125,415	131,250	139,451	138,193
501(c)(8) fraternal benefit societies	141,725	84,435	91,972	69,798
all other 501(c) organizations	229,931	263,050	305,161	322,178

Figure 2. Image showing the number of 501(c)(3), (4), and (8) organizations in selected years from 1976-2004. Source: Joint Committee on Taxation. *Historical Development And Present Law Of The Federal Tax Exemption For Charities And Other Tax-Exempt Organizations,* (2005).

Additionally, there are high levels of precarity working in NPOs because they must constantly adjust to new laws and regulations. Because most NPOs rely predominantly on government funding, their budgets change and new legislation can suddenly make income unstable. Contributing to this instability is the reliance on individual donors; a major donor's death could either provide much-needed funding through their estate, or deprive an NPO of a

[37] Joint Committee on Taxation, *Historical Development And Present Law Of The Federal Tax Exemption For Charities And Other Tax-Exempt Organizations,* (2005), 163-164.

[38] Using the 501(c)(4) tax bracket could be a way for nonprofits to remove themselves from the grasp of wealthy business owners, however, they would have to work harder on grassroots fundraising. So, this could be a solution if people want to boost their moral confidence, but for the sake of worker's rights, it may actually put more strain on the employees due to the increased need for fundraising.

steady source of income if money was not pledged to them in the will. Even volunteer interest and concrete donations fluctuate for NPOs. An arts-based NPOs has people donating random art supplies or offering to teach classes, though these resources can disappear at practically any moment. While the tax code has remained somewhat constant, the amount of money is always changing, forcing the nonprofit to stay incredibly flexible, always.

Outside of money, there are many "dos and don'ts" for NPOs if they want to keep their tax exempt status. No matter the type of NPO–hospitals, research centers, or social justice organizations–all groups under 501(c)(3) must not benefit private individuals. On top of that, no substantial part of the organization's activities can be lobbying, and they can't participate in any other political activity outright.[39] Most importantly, the organization cannot "be contrary to public policy."[40] This is a vague rule, but it essentially means the NPOs can't be overtly anti-government. If a new policy is passed, even if it is against an NPO's ethos, there isn't much they can do about it without risking their tax-exempt status.

While they can't act against the government, NPOs are encouraged to help the government with welfare relief. Under the government's definition of the word "charity," the exemption includes "Relief of the poor and distressed or of the underprivileged…lessening of the burdens of Government…to defend human and civil rights secured by law; or to combat community deterioration and juvenile delinquency."[41] What first stands out is linking NPOs to human and civil rights protection. Traditionally, these are the responsibility of the judicial system, but here NPOs are encouraged to take up the cause. Additionally, combating community

[39] Joint Committee on Taxation, 159.
[40] Joint Committee on Taxation, 160.
[41] Joint Committee on Taxation, 61.

deterioration and juvenile delinquency–it initially appears out of place, but it isn't. By encouraging nonprofits to take on this responsibility, they are equating them to the U.S. prison system and using NPOs as another avenue to punish criminals. Thus, nonprofits are permitted to 'protect the community,' making them proxies for the prison system as well. While these mandates such as relieving the poor and defending human rights *appear* consistent with humanitarian ideals, the inclusion of "lessening the burdens of the government " point to the nonprofit as being fundamentally entangled with government interests. Including that in the definition of charity formally links NPOs to supporting the welfare system. Nonprofits are no longer able to combat juvenile delinquency, for example, by combatting the prison system. Rather, they are forced to do it in compliance with government ideals.

Nonprofits and Capitalism

How do NPOs fit into modern day capitalism? Understanding this will help us interpret the tax-exemption and get a better understanding of how nonprofits compare to other types of organizations. Due to the title "non-profit," many people assume that this means they are somehow combating capitalist, for-profit companies or exist outside of them. This isn't true. Take Jürgen Kocka's definition of capitalism, for instance:

> I propose a working definition of *capitalism* that emphasizes decentralization, commodification, and accumulation as basic characteristics. First, it is essential that individual and collective actors have rights, usually property rights, that enable them to make economic decisions in a relatively autonomous and decentralized way. Second, markets serve as the main mechanisms of allocation and coordination; commodification permeates capitalism in many ways, including labor. Third, capital is central, which means utilizing resources for present investment in expectation of future higher gains, accepting credit in addition to savings and earnings as sources of investment funds, dealing with uncertainty and

> risk, and maintaining profit and accumulation as goals. Change, growth, and expansion are inscribed.[42]

I want to break down each of these three aspects–decentralization, commodification, and accumulation–to discuss how they apply to the nonprofit sector, if at all. Decentralization is a core part of the nonprofit sector because that is essentially their function. Instead of having one government run welfare system, it has been broken down into individual, privately operated NPOs.[43] They have an illusion of autonomy in their function because they run their own organizations within separate communities. However, as has been discussed, they don't have as much autonomy from the government as they seem to. As a proxy for the state, NPOs arguably have less autonomy than a privately owned for-profit business. Even without the relative freedom of a for-profit business, NPOs are no less comparable in structure than a corporation. Corporations have rules and regulations that govern them; individuals have laws that also limit their autonomy. So, perhaps while decentralization and privatization are key, there does not need to be pure, unregulated autonomy.

The second point Kocka states is commodification, which is the process of treating something (or some*one*) like a commodity; something that can be bought and sold. This argument is most recognizable in labor unions who believe workers are being commodified and dehumanized, and therefore treated unjustly in their workplace. For nonprofits, I would argue that the *services* they are providing are being co-opted and commodified by the government. Welfare services have been historically given to those who need it, however, they have been

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[42] Jürgen Kocka, "What Does Capitalism Mean?" Essay, In *Capitalism: A Short History*. Princeton University Press, (2016), 21.

[43] Many people also might not assume that nonprofits are the private sector because they have a different connotation. However, they are privately operated by a board of directors who donate to the organization.

privatized and thus given a price tag. NPOs are forced to allocate services depending on who can pay for it and who is more deserving. While there are only a handful of nonprofits that directly reinforce the welfare system (by providing food and shelter), most social justice nonprofits are in some way providing a service for their community that would otherwise be done by the government for free. For example, art classes aren't necessarily *welfare,* but it is education, childcare, etc. It commodifies basic needs–which in Kocka's definition is key to capitalism.

His third characteristic of capitalism is accumulation. In order to understand how accumulation can be applied to an NPO, it is important to clear up a misconception about nonprofits; in particular, the "non" attached to its name. NPOs *can* and hopefully *will* make a profit every fiscal year. It is important that they do so in order to sustain the organization and build a reserve of money. However, nonprofits are prohibited from giving profit to a private individual–there is no 'private benefit' because nonprofits are meant for the public. Any profit that nonprofits do make are required to go back into the organization. Raising employee wages or hiring more personnel is permitted; the boss drastically raising their own wages or otherwise conferring money to an individual would be against the law.

Corporations are further motivated to make a profit for shareholder maximization and retaining value through these investments. For shareholders, if they have significant investment, then they can have decision making power over the direction of the company. This is a similar structure to the board of directors and NPO relationship. If an individual is very invested in an organization, then they will be put on the board of directors and will have more power. Both shareholders and board members care if the company is making a profit because it means their

investment was worthwhile.[44] Further motivating the NPO to have profit in a similar style to a corporation.

Kocka says that an organization must maintain profit *and* accumulation as goals, which means that they must also aim to grow. Nonprofits grow for the aim of expanding their community impact and can use any operating income they make in order to sustain and then expand the community goal. In order to have growth, over time they may change locations, goals, strategies, or employees. What is important to note is that while nonprofits have the same basic functions as for-profits, their *motivations* are different. Large corporations serve to make their owners richer, while nonprofits function as a community organization serving the public. This is theoretically significant, but Kocka doesn't mention "good" or "bad" motivations as a characteristic of capitalism. Nor should he, as it doesn't necessarily matter if toy companies say they want to let kids have fun, or if fast food chains want to give people affordable food, or even if a nonprofit wants to help the poor and disenfranchised. What will always come first is sustaining the organization through growth and profit. Unfortunately, this means that regardless of the humanitarian motivations of a nonprofit, they are susceptible to the same exploitative practices as any other company.

Even if one were to make the argument that NPOs do in fact operate outside of capitalism, they would still have to contend with the fact that regardless of the NPO's corporate similarities (growth, profit-oriented, commodification), the existence of the nonprofit itself is tied to maintaining a capitalist framework. They don't just operate within capitalism, but they keep it

[44] The only difference is that board members don't get cash bonuses for their high investment.

running altogether. Nonprofits are the safety net for the market and government; when it fails people, nonprofits come in and cleans up that failure. NPO assistance gives the illusion that the capitalist system is healthy and functional, when in reality, it isn't. The existence and use of nonprofits as a bandaid encourages citizens to consent to capitalism because it appears as if everyone is receiving the benefits they need. In reality, these organizations are always struggling to keep up with demand. Most importantly, it never gives employees a clear end goal, as there will always be a new project.

This is a structural issue that unions have a hard time addressing. They rarely zoom out to look at this bigger picture, and if they do, then it would be impossible for one union drive to overturn this decades-old system. This is why the implications for nonprofits go beyond Kocka's definition–they are something entirely different from what we conceive as "normal capitalism." Instead of just participating in it, they help maintain it. This, in turn, makes it especially difficult to overcome issues of exploitation in the NPO sphere.

What do Bosses do?

Hierarchy is another central aspect of capitalism that relates directly to NPOs. According to many Marxist scholars, hierarchy is a product of the capital-labor structure. In order to exert the most control over the production process, capitalists have instituted a vertical structure and supervision of labor. If this structure is inherent to capitalism, does that mean it is also important to nonprofits? Like in a corporate system, there is often a pyramid structure, with one primary boss and then many lower-level employees. NPOs model the structure of corporations by utilizing managers, directors, bosses, etc. in order to dictate the tasks of their employees. Those at the bottom of the pyramid are often assigned administrative tasks that can be anything from

graphic design, grant writing, or copying documents. The executive director, who is the primary boss, will usually make decisions that set the trajectory for the organization such as financial or community goals. Most importantly, they manage the lower-level employees by assigning tasks, managing conflict, and hiring/firing as they see fit. Nonprofits have integrated far more of these managerial practices than people may think.

Stephen Marglin, author of "What Do Bosses Do?" strongly critiques hierarchical structures in the workplace. He argues that bosses, as the intermediary between owners and producers in capitalism, exploit and limit the autonomy of workers. In most cases, this will manifest itself through exploitation of the worker in order to maximize output. He specifies, however, that hierarchy didn't originate with capitalism. There are, however, many characteristics of capitalist hierarchies that distinguish itself from precapitalist. Marglin says:

> Hierarchy was of course not invented by capitalists. More to the point, neither was hierarchical production…What distinguished precapitalist from capitalist hierarchy was first that the man at the top was, like the man at the bottom, a producer. The master worked along with his apprentice rather than simply telling him what to do…the apprentice would one day become a journeyman and likely a master. Under capitalism it is a rare worker who becomes even a foreman, not to mention independent entrepreneur or corporate president. Third, and perhaps most important, the guild workman had no intermediary between himself and the market. He generally sold a product, not his labor, and therefore controlled both product and work process.[45]

Marglin distinguishes precapitalism to the current system by saying that there is less mobility in today's workplaces. People who are in power are more likely to maintain it because they make more profit that way and handing it off to someone else would diminish their return. In this sense, vertical structure becomes key to capitalism as it is the best way to maximize profit for the

[45] Marglin, Stephen A. "What Do Bosses Do?" *Review of Radical Political Economics* 6, no. 2 (July 1974), 63.

boss. There is no additional profit for the producer besides what the boss dictates, despite the fact that the boss does not produce anything. This system of hierarchy allows the boss to have the most control over production, once again, maximizing their benefits. This leads to exploitation of the worker by forcing them to work more hours under worse conditions for less pay. Everything comes down to maximizing worker potential for the sake of the boss.

Why do nonprofits still use this structure if the profit isn't going to a single individual? If the profit isn't going towards one person, then truly, there is little reason for the boss to want to structure the power in this way. But for them, it is still important to have control over employees in order to maximize other factors, such as the organization's growth or community impact. The leader wants to have more control over the decision making. However, none of these reasons are justification enough to utilize this exploitative system. NPOs that employ this method seem to do it for its proven results to maximize the value of the organization in the long run, even if the short-term effect is not to generate profit. Unfortunately, the precedent set by corporations is this model of hierarchy and it is equally as efficient for nonprofits. This makes hierarchy a core aspect of nonprofit employees being disrespected.

Alinsky's Vision

I have complicated the role of NPOs and therefore we can no longer rely on them as working outside the system of capitalism, or doing something different than the government. They are, in fact, social justice movements that have been co-opted by the state in order to slow social progress. While I truly believe that nonprofits do amazing work, this does not mean they can't play these negative roles as well. I want to turn to an example of how nonprofits were institutionally engineered as the allure of professionalization was too strong.

In his book *Occupation: Organizer* (2023), author Clément Petitjean recounts the career of organizer Saul Alinsky. To many, Alinsky is seen as the father of community organizing. His two books, *Reveille for Radicals* in 1946 and *Rules for Radicals* in 1971 recount a career's worth of insight on how to build power where there is little to start. He is known for positing that "only organization could produce meaningful change, but organization did not happen spontaneously. It requires the skilled, outside intervention of people he called organizers…"[46] His own organization, the Industrial Areas Foundation (IAF), had several organizers who were sent to various locations to identify 'organic leaders' who could connect with more people, eventually building their own organization.

His moral thesis was that power was unequally distributed in society. He identified three social classes: the Haves; the Have-Nots; and the Have-a-Little, Want Mores.[47] Aiming to shift power between groups in order to create a more just society, he believed that organizations must take a pragmatic approach to realize this goal. Compromise was key to the mission. The organizer's role is to facilitate compromise between the Haves and Have-Nots.

Alinsky's theory seems strong and empowering from the outside, but he ultimately didn't always practice what he preached. When the IAF was founded in the 1940s, Alinsky had already been working with communities to build power and collectivism for nearly two decades. This new organization was a way for him to delegate administrative tasks to others while he, as executive director, could work on more gratifying projects. His list of tasks included "designing projects; fundraising; managing the IAF staff; developing his ties and relationships with

[46] Clément Petitjean, *Occupation Organizer,* (Chicago: Haymarket Books 2023), 5.
[47] Saul Alinsky, *Rules for Radicals; A Pragmatic Primer for Realistic Radicals,* (New York: Random House 1971), 18.

members of the intellectual, political, and economic elites; and giving lectures and speeches."[48] This list is problematic for several reasons. First, labeling himself as executive director (ED) and managing a staff uplifted him alone while creating a strict, vertical hierarchy amongst his employees. Ironically, as Petitjean also asserts, this division of labor was exactly what he would work against in his fieldwork.

Alinsky's priority became the longevity of the organization and if staff members came and went, then it wasn't a big deal. Petitjean continues by saying that "turnover was quite high" and the people who Alinsky recruited himself never stayed long.[49] While the IAF was not suitable for many employees, the organization continued on. The priority became to sustain the institution and less so maintaining the original grassroots ideology that Alinsky preached in his early days as a Chicago organizer. Additionally, his duties included creating ties with political and economic elites–i.e. rich people. If he was 'in' with the elites, then he could get more funding and resources for future projects. It didn't matter if working *with* the rich instead of *against* them was in conflict with his constituents' needs. Once again, he began to prioritize maintaining the IAF as a legitimate organization.

At this point, money becomes a particularly relevant issue. As the IAF was growing, Alinsky began to look at other ways to fundraise. Conveniently, large foundations were increasingly donating to organizations in order to receive government tax breaks. However, it is always difficult when a wealthy individual is donating towards a social cause as the two usually are in opposition to each other. INCITE! says that "foundations began to take a role in shaping

[48] Petitjean, 71.
[49] Petitjean, 72.

this organizing so that social protest would not challenge the capitalist status quo."[50] Not only this, but these professional organizations that were funded by foundations increasingly hired college-educated workers, thus further minimizing the importance of "mass-based grassroots organizing."

I believe that Alinsky was wise enough to know that foundation money didn't align with his cause, but perhaps he didn't consider the future of the movement. Either way, the IAF needed the money. Having trouble retaining employees, Alinsky sought to form a training institute that would help create potential organizers for IAF. This massive project was funded in part by the Rockefeller Foundation with a $225,000 ($1.8 million in 2021) donation.[51] Alinsky chose to attract and accept the allyship of the upper class instead of mass-based fundraising, schmoozing with the elites rather than concentrating on grass-roots efforts. The latter would entail taking a high number of small donations. Or, even at best choosing more like-minded corporations to partner with. Using money from the Rockefeller Foundation to fund a training program for college-educated white people isn't consistent with the morals and ethics once core to Alinsky's vision.

Alinsky's title as ED came in tandem with the $25,000 salary he was making in 1965; nearly $219,000 today. He also made significant money from giving lectures and corporate talks. In 1967 he was paid $1,000 ($8,200 in 2021) by AT&T to "share his professional experience and insights."[52] This shows that the IAF was not his only source of income, yet he was being paid a

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[50] INCITE!, 7.
[51] Petitjean, 124. The Midas International Corporation donated the rest: $400,000 ($3.2 million in 2021).
[52] Petitjean, 119.

very generous salary. This should sound familiar to today's EDs who are paid hundreds of thousands to run nonprofits while their employees are often underpaid.

Ultimately, the irony was that Alinksy was a Have while claiming to be otherwise. This is not so unlike nonprofits whose EDs boast a down-to-earth attitude and relatable personality, but in reality are being paid six-figure salaries. He went from a radical grassroots organizer to a fully-fledged ED who operated training programs and consulted companies across the nation. He contradicted his own philosophy when he began to drive a Mercedes, bending his morals for the sake of personal gain.[53] One of his most famous quotes was "the calculating organizer is forever suspicious of himself, forever mistrusting his analysis of the situation, and his plan of action."[54] Unfortunately, he did not take his own advice.

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Nonprofits are unique institutions within the U.S. economy. From the government's perspective, they fulfill a specific role in upholding the waning welfare system as a privatized version of those services. Because of their emphasis on social justice causes, many people (including nonprofit employees themselves) have come to believe that these workplaces are free of exploitative tactics. I have proven otherwise through my analysis of their capitalist and hierarchical tendencies. Ultimately, this chapter aims to show that this co-option, such as in Alinsky's case, was not a coincidence. There was a broader entrepreneurial vision that allowed social justice movements to become these institutionalized nonprofits. As I will soon prove, the larger powers at hand have sought to maintain this version of nonprofits and thus have beaten

[53] Petitjean, 117.
[54] Petitjean, 78.

and battered their workforce just as any major corporation would do. This jarring background shows that unions can't simply swoop in and fix all issues in one go. It will require more encompassing, unique solutions to help the nonprofit workforce.

Section Three: What Workers Want

"We need to rethink the entire system. It's not as simple as just adding a couple more perks. Wages definitely do need to go up. We definitely do need better benefits, but I don't think that in and of itself will solve some of the underlying problems."
–All Due Respect, *Creating Fair Labor Standards for Organizers (63)*

Thus far, I have been saying "nonprofits serve the community" or "nonprofits fulfill these roles." However, what I really mean is that nonprofit *employees* do these things. It is up to them to fill the shoes of the government and keep their organization afloat. These days, nonprofit workplaces are riddled with issues from low wages to emotionally manipulative bosses. It's no wonder that workers are beginning to unionize. In this chapter, I will discuss modern-day unionization in the nonprofit sector. First, I will predominantly use statistics to show how union rates have increased within the private sector and what may have triggered it.

After I explain the rising prevalence of nonprofit unionization, the next portion of the chapter revolves around the demands and grievances of nonprofit employees. I break these into two main categories: traditional demands and contemporary demands. I separate these because most unions have extensive experience negotiating traditional demands such as wages, benefits, workers compensation, etc. However, most unions have less experience with issues such as emotional labor, burnout, and cultures of martyrdom. This distinction is what separates NPO employee concerns from other workplaces, making it a unique place to organize a union. In response to my second chapter, I will explore the possibility of horizontal structure in nonprofits and evaluate its suitability as a solution to workers' issues.

Lastly, I will apply these concepts by exploring how a union drive operates in a nonprofit. Unions often come into a workplace excited to unionize workers, but it can be difficult to adjust to the specific demands of a workplace that's different from traditional union territory. I will conclude that there is no one right answer, however, unions need to better account for the nuanced differences between workplaces. Different strategies will allow a union drive to be more successful in the future.

Momentum

There are many arguments as to what triggered the current union surge: COVID-19, a change in organizational structure, or even Donald Trump's presidency. According to the Bureau of Labor Statistics, "the number of union workers employed in the private sector increased by 191,000 to 7.4 million in 2023."[55] However, many anti-unionists will point to the fact that despite this massive increase in union membership, the overall unionization rate has remained unchanged.[56] Labor unions account for this difference, because while private-sector unionization was increasing, the total number of jobs was also increasing at a similar rate along with significant numbers of resignations during the COVID-19 pandemic.

While nonprofit union membership is increasing, their numbers have been historically lower than other union sectors.[57] In fact, they are statistically at a disadvantage to unionizing.

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[55] Bureau of Labor Statistics, "Union Members–2023," U.S. Department of Labor." (January 23, 2024), 2.
[56] Bureau of Labor Statistics, 2. The private sector has a 6% unionization rate while the public sector has 32.5%.
[57] Bureau of Labor Statistics, 2. Because there are significantly more private sector jobs than public ones, there are more unionized private sector workers than public. 7.4 million to 7 million, respectively. Either way, their unionization rate is much lower, which is more statistically important.

With 73% of the NPO workforce being women,[58] only 9.5% of female workers are unionized compared to 10.5% of men.[59] Additionally, Black workers are more likely to unionize than any other racial group in the U.S.[60] However, there aren't many Black workers in nonprofits compared to other racial groups.[61] With a higher rate of women and a lower rate of Black employees, nonprofits are less likely to unionize than other sectors of the workforce.

Despite these odds, nonprofit workers are unionizing. For example, in 2020, the International Federation of Professional and Technical Engineers Local 70 (NPEU) represented 32 workplaces, 14 of which were unionized that year.[62] One reason that explains the uptick in unionization is the Great Resignation, which occurred during the COVID-19 pandemic in 2020. Due to stress and lifestyle changes, many workers quit their jobs, leading to large job vacancies: "According to a December 2021 report from the National Council of Nonprofits, three out of four nonprofits (76 percent) reported job vacancies of greater than 10 percent. An astonishing 42 percent had a fifth (20 percent or more) of their positions open."[63] Job vacancies lead to more stress on the workers who haven't left. They must do additional work within the same time frame and often for no additional wages or benefits. While NPOs couldn't control COVID-19 or the resignation surge, workers still believe that managerial staff should be doing more.

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[58] "Gender Equity In Nonprofits Has A Way To Go." The Nonprofit Times, March 5, 2018.
[59] Bureau of Labor Statistics, 2.
[60] Bureau of Labor Statistics, 2. 11.8% of Black workers hold a union membership compared to 9.8% White, 9.0% Hispanic, and 7.8% Asian.
[61] "Full-Time Nonprofit Employees in the United States in 2023, by Race and Ethnicity." Statista, December 19, 2023. https://www.statista.com/statistics/1374592/nonprofit-full-time-staff-race-ethnicity-us
[62] All Due Respect, 51.
[63] Kathleen Reardon, "Like Other Industries, the Sector Is Feeling the Impact of Workforce Shortages," New Hampshire Business Review, September 9, 2022.

Lastly, the current Biden administration's NLRB is the most pro-worker board in decades, paving the way for a smoother unionization process. His board appointees have prevented employers from using technicalities to fire organizing workers, and now prevents employers from delaying union recognition if there is majority support, something that for decades was used as a tactic by companies to prevent unions from forming.[64] This can help account for the massive surge in unionized employees during 2023.

Traditional Grievances

These types of demands are workplace issues that unions are historically meant to help with such as low wages, unpaid hours, and benefits. Figure three shows grievance data collected

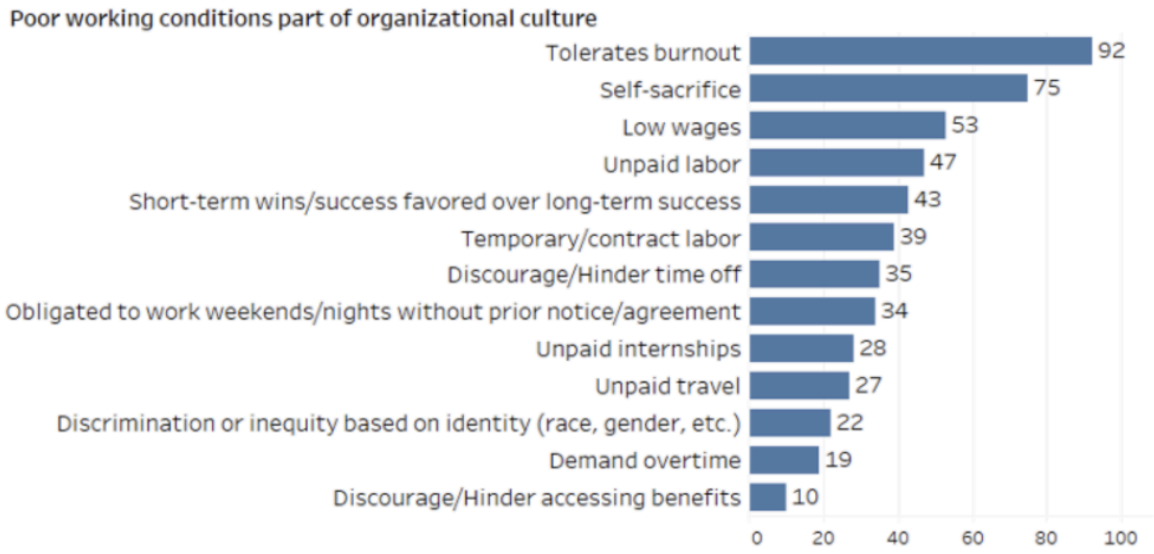

Figure 3. Image showing data collected about poor working conditions in organizational culture. Source: All Due Respect. *All Due Respect Building Strong Organizations by Creating Fair Labor Standards for Organizers,* 2022.

by All Due Respect from organizers in NPOs. It shows that low wages are reported by over 50% of employees.

[64] Meyerson, Herold. "Biden's NLRB Brings Workers' Rights Back From the Dead." Prospect, August 28, 2023. https://prospect.org/labor/2023-08-28-bidens-nlrb-brings-workers-rights-back/.

Because of the way unions traditionally operate, the fact that most employees don't make enough money emerges first. Specifically, workers who are earning annual salaries are more likely to earn below the living wage[65] than those on hourly wages. In 2020, "community and social service specialists"[66] had a mean hourly wage of $23.47 and a mean annual wage of $48,820.[67] This indicates that while the hourly wage is similar to the living wage, the annual salary of an NPO employee is nowhere near the living wage. Especially considering that most salary workers in NPOs need secondary or specialized education to be hired, this pay gap is certainly unjust. This pay discrepancy is particularly impactful if there aren't two incomes in the family or more than two children.

Furthermore, this report underscores the pay discrepancies between the EDs and other employees. In advice given by the National Council of Nonprofits, it says that organizations are "required" to follow state and federal minimum wage guidelines. However, when paying "upper-level employees," the advice is to be "reasonable and not excessive" as to not lose the tax-exempt status.[68] Thus, they are only recommending that managerial positions receive a 'reasonable' wage while other employees receive the 'minimum.' With EDs making six figures as their 'reasonable' wage, the low wage of other employees is particularly stark.

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[65] The average living wage for a family of 4 in the U.S. was $25.02 per hour, or $104,077 a year. The federal minimum wage is $7.25, which is far too low. Amy Glasmeier, "2023 Living Wage Calculator," Massachusetts Institute of Technology, February 01, 2023. https://livingwage.mit.edu/articles/103-new-data-posted-2023-living-wage-calculator.

[66] The term "community and social service specialist" does not encompass every employee at a nonprofit. However, I believe that this position offers an accurate middle-range for what people are being paid. A front desk worker might be paid less, whereas a managerial position might be paid more.

[67] All Due Respect, 20.

[68] "Compensation for Nonprofit Employees." National Council of Nonprofits, n.d. https://www.councilofnonprofits.org/running-nonprofit/employment-hr/compensation-nonprofit-employees.

Knowing that wages are a big issue for employees, why aren't nonprofits working to resolve it? Though it is much easier for big companies to pay employees more, nonprofits often struggle to meet demands for fair wages while effectively executing programming. Maybe the community demand is too high, grant money got denied, or funders didn't provide enough for operating costs to start with. One organizer says:

> Funders don't like to see a lot of money go to operations. Funders don't like to see that employees are paid not only to meet their basic needs, but also get to have savings and get to have fun things in there too…Once your operating costs get too close to even 50 percent or whatever… [the message is] you should be spending your money better. You should be paying yourself less so more money can be going to other things.[69]

It is important to specify what operational costs are. They can be anything from wages to facility maintenance; any expenses that help the nonprofit operate. They are often undervalued by funders who are excited to put their money towards a cause important to them but don't realize that significant portions of their money go towards maintenance. Depending on the project, operational expenses can vary greatly. If several people need to be hired, then they all will need wages. Additional expenses such as travel or rentals could be involved. Oftentimes expenses are sudden and money needs to be redirected. While it can be very gratifying for donors to see their money go directly towards impacting a worthy cause, they don't realize that so much of that will go towards less flashy operational needs.[70]

Many directors have expressed worries regarding keeping up with higher wages. Jan Masaoka, researcher and former CEO of CalNonprofits, says that, "Managers and board

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[69] All Due Respect, 26.

[70] State and federal grants are broken down into different categories: the two relevant now are operational grants and project grants. The difference between the two is in the name, but what is most important is that the two costs are separated and require twice the amount of manpower. Yet another barrier to receiving operational money to pay employees fair wages.

members, on the other hand, were very concerned with the fiscal implications of unionization. A majority feared having to cut staffing, and therefore programming, to meet union salary demands."[71] If a union negotiates higher wages for employees, the organization must find a way to pay for that. This can cause a lot of fear from managerial staff whose entire job is to facilitate programming.

Additionally, 47% of workers report unpaid labor as an issue in their workplace. This could be labor done at home after hours, during breaks or vacations, and any other time in which an employee shouldn't be working, but is. Unions can address this issue by writing into contracts limitations on outside work. Specifically, not being penalized for leaving emails unanswered during the weekend or training employees how to turn down requests to work unpaid hours.

The next issue is benefits. Most of the time when people discuss poor working conditions, there is significant time spent on the question of wages. My findings have found the word "benefits" is mostly used in conjunction with wages. They deserve "good wages and benefits" or "increased salaries and benefits." But, what are the benefits in question? Benefits could be paid time off, retirement funds, child and healthcare, professional development, or any number of supports. There are many ways that employers can make positions more attractive and help retain employees. However, even the National Council of Nonprofits acknowledges that the phrase "good benefits make up for low compensation" is a myth.[72] In a good, well-paid job, there is a balance of fair wages and benefits.

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[71] Jan Masaoka, "A House Divided: How Nonprofits Experience Union Drives," Nonprofit Quarterly, December 21, 2000.
[72] "Compensation for Nonprofit Employees."

The Sierra Club[73] union negotiated retirement, healthcare, and funded professional development training into their union contract.[74] Other workplaces are looking to integrate mental health resources to help with the stress of the job, such as mental health and somatic healing initiatives, mandated all-staff quarterly breaks, retreats, and stress-prevention programs.[75] These sorts of benefits are specifically targeted towards nonprofits whose employees face high levels of stress. Unfortunately, many unions may end here to address the emotional issues, which isn't enough.

The point of bringing up all these "traditional union grievances" is to show that these alone are not enough to solve the problem. A contract is a strict, limited document. If only wages and benefits are prioritized, then they will be missing the mark on many other workplace grievances. Not even to mention the fact that there isn't usually enough money to pay workers fairly because of the structural issues with the nonprofit system. Certainly, these things can be negotiated to an extent, but at some point, they will plateau. This is what makes nonprofits unique, which will require unique solutions.

Contemporary Grievances

Martyrdom (or what ADR calls self-sacrifice) has a long, deeply rooted history in nonprofits that can be traced to their inception. According to Petitjean, Alinsky recruited from

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[73] The Sierra Club is a nonprofit environmental advocacy group. They unionized in 2018 under the Progressive Workers Union, signing a five-year contract.
[74] Jessica Kutz, "Environmental Activists Turn Talents Inwards -- And Unionize," Mother Jones, December 8, 2021. https://www.motherjones.com/environment/2021/12/environmental-activists-unionize-labor-issues-audobon-defenders-wildlife/.
[75] All Due Respect, 21.

religious organizations because many of those people had experience in organizing. This created a culture of martyrdom within the IAF:

> The possibility to work directly with poor people and foster their participation and sense of individual responsibility is precisely what must have appealed to these would-be organizers: because they had a deeply religious upbringing, they were committed to religion's social justice mission and were predisposed to considering their work as a form of sacrifice for a higher cause.[76]

Those who organize for religion do so in the name of God and a cause greater than themselves. When organizing outside religious institutions, these same attitudes could carry over and become a culture of self-sacrifice. The secular institution simply replaces doing things in the name of God with serving the greater good, and maintains the position that one must sacrifice personal comfort and security for the good of the mission at large. While Alinsky's organization wasn't the first, nor the only one who capitalized on this, it is a good example of where martyrdom in NPOs originates.

This attitude can be attributed to why workers are willing to accept unfair wages, lack of substantial benefits, and even hostile workplaces. For example, if an employee is working on a grant to fund an important project for their community, even if it forces them to work overtime, they may still be willing to put in those hours. The funding could be the difference between the organization lasting another year or going under, which is an immense amount of pressure. The stakes are high, and when an employee feels directly responsible for the success of a good cause, they often convince themselves to sacrifice whatever is necessary to finish their work. Oftentimes, EDs will use martyrdom to coerce employees to put in the extra work, reminding

[76] Petitjean, 85.

them of the importance of the NPO's cause and their contribution to it. Here, martyrdom extends beyond the theory and into a lifestyle.

Burnout

All Due Respect defines burnout as a syndrome resulting from workplace stress. It can lead to negative feelings about one's job, reduced productivity, and general feelings of depletion and exhaustion. It can bleed into employees' personal lives, affecting relationships and overall happiness.[77] Based on the research conducted by ADR, nine out of ten organizers have experienced burnout.[78] It is a crisis amongst NPOs that is a result of high-stress situations that come with working towards a social justice cause.

Burnout is not a priority to unions or managerial staff because the *emotional labor* that causes burnout is rarely seen as labor. One organizer notes "I really think that for organizers, there is not enough acknowledgment of the emotional labor that organizers have to deal with. As an organizer, you're talking to community members that are having a crisis, like people that are getting evicted."[79] There is grief when a constituent is facing life-threatening issues. There is stress when the difference between helping them or not comes down to a couple of late nights.

Not every nonprofit is indeed working towards these emotionally intense goals–many will run classes and workshops, events for the community, or exhibitions. However, because of the precarious nature of nonprofits, the employees are so deeply tied to the survival of the organization and those served by it. It is different from a corporation where individual employees have less of an emotional tie to their work because they don't make big decisions. For nonprofits,

[77] All Due Respect, 18.
[78] All Due Respect, 17.
[79] All Due Respect, 18.

if a marketing campaign doesn't take off or they don't receive a grant, that disappointment is directly tied to an employee. If in high-stakes situations an immigrant is deported or a mother is evicted, that pain is felt through the nonprofit. That pain travels home with them–it can prevent sleep, hobbies outside of work, and connecting with people. How does a union contract quantify this? There can always be more mental health benefits, stable hours, and fair compensation, but none of this stops the bad things from happening. It doesn't prevent people from feeling.

Bad Bosses

For nonprofit workers, much of this burnout isn't solely produced from the work itself. EDs can often be the top-down force that perpetuates martyrdom and burnout. They can shape and mold an organization's directions, outcomes, and values. They can choose which grants to apply for or which foundations to turn to. They hire (and fire) employees and help guide them through projects. They are the ultimate protectors of their organization. 'Bad bosses' can be a source of immense stress for workers. Unfortunately, being a bad boss is much easier than being a good one and many certainly don't put in the necessary effort.

There are many ways that bad bosses can affect an organization and its staff. They can overwork their employees–creating a tired staff while also alienating them from each other. Or an ED can put their stress onto everyone else creating a toxic atmosphere where people are afraid to approach each other. They can overmanage or undermanage; unfairly reprimand; text employees at weird hours; be racist and/or sexist; and a million other things. What's important is that all of these are preventable, but because of the deep attachment many EDs have to their work and organization, it may prove particularly difficult in NPOs.

The problematic boss is so prevalent across NPOs that they've spawned social media accounts dedicated to satirizing them, with many videos highlighting the manipulative practices used by nonprofit higher-ups to deny employees reasonable compensation. Nicole Daniels is an influencer who makes these videos about the "passive-aggressive nonprofit boss" on Instagram. She acts as the boss while talking to the viewer, who is supposedly her employee, and is being asked various questions such as "My daughter is sick when we will get healthcare?" or "Can I be compensated for my promotion?" To the latter, Daniels responded, while loudly eating blueberries and adjusting her glasses, by saying:

> So something we're kind of exploring–I'm just gonna put this out there–is that leadership might not come with any change in salary, right? This idea that we might take on more roles–become more of a leader in our community…but that doesn't mean it has to show up in the paycheck, right? …what I would put right back to you is…how would it feel to say that "I do this because I care about the mission?"[80]

In this example, the employee is being coerced into believing that they shouldn't ask for a pay raise along with additional responsibilities. Positing that their contribution to the community is enough compensation. This plays with the emotional labor that people put into these projects and claims they should get emotional rewards out of it. Additionally, in almost all her videos Daniels says "the mission" often several times in a row as if to reaffirm to employees why they are working so hard. In one instance, she even asks "What is the mission?" but fails to give a clear answer herself and once again deflects. In her other videos, when people ask for time off or greater flexibility, Daniels suggests journaling and meditation as a way for people to cope with stress while denying them of their ask.

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[80] Nicole Daniels, nonprofit boss live "will I be compensated for my promotion to leadership?", February 21, 2024. https://www.instagram.com/reel/C3oH6IEvNsH/?igsh=MWNwaHY2Z2xqZWE3eQ==.

Daniels' videos are an exaggeration of the stereotypical nonprofit boss, but her videos have millions of views. Each one has hundreds of comments with people expressing how relatable it is and sharing similar experiences. Daniels made these as a joke, but they point out real issues that nonprofit employees are facing.

These workplace issues can have effects on employee retention, digging the existing staff into a deeper hole. It's unappealing to work with an organization if people know the employees are burnt out or being mistreated by their ED. Prospective hires may not want to apply because of rumors they've heard. For example, an organizer said "...we now snap at each other. We're not our best selves. The burnout is real within the movement. And so, we're not able to mobilize the same amount of people. We're not able to bring folks to the table."[81] The stress can slow down the goal of the organization. Additionally, if staff are constantly leaving, then the work can't get done as efficiently. This means less programming and more work to get existing programs completed. Another employee says "If that staff person is transitioning every 18 months, you're never building momentum. You're never building the infrastructure that you need. You're constantly training over and over again."[82] This is not a sustainable model.

What role does a union play in solving these issues? Many of these grievances are due to larger systemic issues within the nonprofit industry. If a union truly does care about building power and worker solidarity, then it will need to make a real attempt at bringing these qualitative issues to the forefront.

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[81] All Due Respect, 43.
[82] All Due Respect, 43-44.

Having Faith in Your Union

Thus far, I have discussed issues that are present before the union is called into a workplace. However, once a union drive begins, there can be a whole other set of barriers that arise that are unique to NPOs. A classic union drive consists of building solidarity through shared experiences and emotions. Finding ways that employees can bond, such as expressing anger with their bosses or sadness that they can't provide for their families, helps the union take shape. Unions show people they aren't alone in their grievances; together they can make the workplace better. Many union organizers believe that to build power within the rank-and-file, power must be taken away from managerial staff and given to everyone else. If the power is equally distributed, then there will be room for negotiations.

This sounds great, and for the most part, its execution is too. However, many union organizers aren't used to working with nonprofits and can create issues too. For example, ADR and Masaoka's studies show that the antagonistic nature of unions isn't always compatible with nonprofit workplaces. ADR writes about a 2021 unionization effort by the Colorado Immigrant Rights Coalition. The union staff were working to build solidarity through direct action and adversarial tactics against the ED. Ultimately, the most progress the union made was when they talked to the ED directly about issues in the workplace.[83] They ended up winning increased benefits, more transparency in decision-making, more vacation time, and other benefits. The union helped, but they had to significantly rework their strategy.

Masaoka confirms this theory and says that "tactics by union organizers sometimes created a backlash from staff." The executive director of an organization (whose staff ultimately

[83] All Due Respect, 58.

rejected the union) noted "Their tactics and style just didn't work here... the name-calling really turned people off."[84] In many smaller work environments, employees will have a personal relationship with their supervisors. The antagonistic nature of unions can challenge that.

Most of the time, unionization will offend the ED no matter how hard unions try as unionizing can be highly emotional. However, misdirected strategy can also have consequences for employees and the community. If unionizing is not done carefully, faith in the union will be lost by all parties. For example, Capital Roots is an organization based in Upstate New York that provides good quality fresh food for underserved communities. In July 2022, Capital Roots voluntarily recognized the union under the Service Employees International Union (SEIU). The problems began once contract negotiations started. Everything was stalled; two employees were fired; the CEO,[85] Amy Klein, was accused of harassment and intimidation. Then, one month later, the key fundraiser event was canceled. Klein said, "Union organizers had harassed those who had volunteered their efforts and resources to make the event happen and had urged them not to participate. This, and the planned picket of the event by Capital Roots United/SEIU, forced its cancellation."[86] In fact, she says that the union is hurting the mission, evoking a particular tactic previously discussed.

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[84] Masaoka.

[85] Some NPOs use CEO or President as the title for their ED. It doesn't change their function, rather, it is an internal decision.

[86] John Cropley, "Capital Roots cancels key fundraiser, trades blame with unions over toxic workplace," Dailey Gazette, 24 August, 2022, https://www.dailygazette.com/news/capital-roots-cancels-key-fundraiser-trades-blame-with-union-over-toxic-workplace/article_c898d129-27a8-5688-91bc-1b6ee471162c.html.

From there, the union filed a series of complaints against the organization with the NLRB.[87] Simultaneously, Klein began filtering out union-eligible employees: she said Capital Roots had 11 employees, including five who would be eligible for union representation. Before she began firing employees, "it had 17 employees who were eligible to be rank-and-file union members (SEIU says it was 21 but Capital Roots disputed 4)."[88] The campaign was a mess–then it ended. In May 2023, less than a year after the union was recognized, the workers voted to leave the SEIU. The workers cited "divisive tactics" that hurt "staff morale" and as a result, they lost some valued employees.[89]

This is a drastic example in which the worst-case scenario occurred. The union perhaps did not have enough experience in NPOs to properly strategize. Additionally, Klein herself used intense union-busting tactics that are typically associated with for-profit organizations. Granted she voluntarily recognized the union, but contract negotiations were a battle. She denied being hostile towards the union, but that's not how they see it: "Capital Roots United/SEIU has the opposite take: Klein herself, with the apparent backing of the board of directors, has been openly hostile to union supporters, subjecting them to open disrespect, harassment, threats, intimidation, and in the case of the two organizers, retaliatory firing."[90] This is not uncommon amongst nonprofit workers who attempt to organize. All Due Respect found that despite NPOs claiming

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[87] Lucas Willard, "NLRB files complaint against Capital Roots for alleged labor violations," WAMC, 4 August, 2023, https://www.wamc.org/news/2023-08-04/nlrb-files-complaint-against-capital-roots-for-alleged-labor-violations.
[88] Rick Karlin, "Troy's Capital Roots workers leave SEIU union amid rancor," Times Union, 19 May 2023, https://www.timesunion.com/business/article/troy-s-capital-roots-workers-leave-seiu-union-18106387.php.
[89] Karlin.
[90] Cropley.

to be pro-union, actually forming one can be very difficult. They say "Another organizer who successfully formed a union with their coworkers shared that two years later, a contract has yet to be agreed upon. 'Although our organization claims to be union-friendly, they have failed to compromise with the union on almost every issue.'"[91] Union busting in NPOs is more common and should be anticipated by those trying to form a union.

Racial Equity

The last point I will touch on is racial relations in the workplace. Unions are historically seen as a way to bridge racial tensions by unifying everyone in that space. Jane McAlevey says "...I've personally watched as the union becomes the primary mechanism in the workers' lives to help them overcome racism."[92] During union drives, racial solidarity can be crucial to whether or not a union is won. This sounds like a good deal, however, as discussed previously, there are not many people of color (POC) working in nonprofits. Because of this, those who work in NPOs often face unique challenges. For example:

> Earlier this year, a report produced by a diversity, equity and inclusion (DEI) consultancy firm hired by Defenders of Wildlife was leaked. Its contents, which detailed a 'culture of fear,' were damning for the organization: The 144 employees surveyed described an unwelcoming environment for BIPOC [black indigenous people of color] employees, who experienced 'tokenism, microaggressions, cooption of ideas' and bore the brunt of DEI [diversity, equity, and inclusion] work.[93]

This is common for those working in predominantly white work environments where their work is undervalued and overshadowed. Tokenism is especially problematic because while

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[91] All Due Respect, 60.
[92] McAlevey, *A Collective Bargain; Unions, Organizing, and the Fight for Democracy,* 95.
[93] Kutz.

white-predominant workplaces try to diversify, they may end up only hiring a small number of POCs, thus checking the 'diversity' box off, but not legitimately diversifying their organization. They are using those employees without actually valuing what they bring to the table. This is particularly common in NPOs because these jobs tend to require secondary education. Due to systematic inequalities to access, there are fewer POCs with the degrees required to be hired by NPOs, creating a smaller hiring pool. It will take more time and resources to create a truly diverse workforce, which NPOs may not be willing to do.

McAlevey specifies that integrating race is a two-way effort. While the workers need to become a team, the union must encourage this as well.[94] In NPOs, this could prove particularly difficult because of POC's lack of representation. Union organizers are trained to rally people behind the most popular issue, but what happens if only a quarter of the workforce are POCs with a unique set of grievances? Unions will need to take a holistic approach to unionization in NPOs in order to meet the demands of all workers.

That being said, a union isn't the end-all solution for racial tensions in the workplace. A union can't write out microaggressions or fire workers to replace them with different people. If a union organizer is white, it may be harder for them to recognize any racial tensions in the workplace. Unions may be a good way to build initial solidarity, but it will take constant work to maintain that after a contract is signed, or even if the union drive fails.

A Horizontal Solution

As discussed in the previous two chapters, exploitation often comes from top-down systems of power. An alternative structure would be a form of horizontalism. This is a system in

[94] McAlevey, *A Collective Bargain; Unions, Organizing, and the Fight for Democracy,* 97.

which all members of the organization have equal decision-making power. There are varying degrees of horizontal models–some still include managerial staff or steering committees, while others might try to avoid that altogether. It has the potential to eliminate some of the cultural issues that have been described such as feeling undervalued and a lack of autonomy.

A popular example is cooperatives in which every member of the team has equal say in the operations of an organization. This model is frequently used in grocery stores where all the staff have equal status and share roles. Additionally, everyone who shops at the grocery store must provide a service to the store in exchange for reduced product prices. This way, the staff have more control over their job while integrating and supporting the local community. Merging this system with nonprofits would provide helpful structural changes.

However, many would argue that while horizontal structure works well on paper, applying it can be much more difficult. Robert Michels is a famous political theorist known for his theory on the oligarchical tendencies of democratic institutions. He posits that all institutions eventually become oligarchical because of the draw towards institutionalism and maintaining power. He calls this the "iron law of oligarchy."[95] In the case of NPOs, I believe that this reigns true. There does not need to be a formal hierarchy for power structures to emerge. In a roundtable discussion, intellectual hierarchies will form. Or, those who have more time to commit to the cause will be able to take on more tasks and thus have more decision making power. The charismatic people in the room will have more sway. Of course, there is "one person, one vote," but that can't prevent a social pyramid.

[95] Robert Michels, *Political Parties* (New York, NY: The Free Press, 1911).

Additionally, hierarchical structures aren't the only way to exploit people. An organization can eliminate the boss, but it can't eliminate bureaucracy. The government rewards structure and administration with money–the more organized one is the better. Thus, quick deadlines, critique, paperwork, and other aspects of bureaucracy can never be eliminated. In order to work efficiently, leaders within the organization will emerge. Therefore, while many people want to believe that horizontal structure can fix all workplace issues, it only serves to solve some issues while creating new ones.

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Nonprofit employee grievances go beyond the traditional scope of labor unions. While wages and benefits are important, because nonprofits' have high amounts of financial precarity, solving monetary issues will be very difficult for unions in the long term. There needs to be an increased focus on other grievances such as burnout and emotional labor in the workplace in order to create a holistic approach to organizing in those spaces. Additionally, because of the highly personalized nature of NPO workplaces, union drives will struggle if they stick to traditional strategies such as antagonizing managerial staff. The business unionism model discussed in section one is incompatible with nonprofit workers' needs because there needs to be a smaller emphasis on monetary gains and a greater focus on long-term organizing campaigns that can encompass many different needs at once. Compromise is what the nonprofit system is built on as they were forced to make deals with the government and rich donors in order to achieve their goals. In order to create actual change for nonprofit employees, unions need to find solutions that will work for all employees.

Section Four: Concluding Chapter

"*The irony of the current situation is that the U.S. union movement must become part of a new labor movement. To do so, unions must move left; they have no alternative.*"
Bill Fletcher Jr & Fernando Gapasin, *Solidarity Divided (197)*

The concluding chapter will both reiterate what I have already said and provide a way forward for unionization in the nonprofit sector. First, section one outlined the historical background for unionization in the U.S. by showing how unions gained popularity in the early 20th century, but by the 1970s had drastic drops in membership. From globalization and propaganda to internal changes in structure, unions were never the same. Instead of working towards radical change, unions began to prioritize compromise and short-term monetary gains. This strategy is the exact opposite of what future union drives in NPOs would require.

The second section delved into the legislative history of nonprofits and the 501(c)(3) tax exemption. It was created by the government to privatize their welfare system and institutionalize social justice movements. Using this background, my analysis showed how nonprofits are more than charitable institutions. Despite having the name "nonprofit," they can be as exploitative as any for profit organization. This was shown through an analysis of capitalism and hierarchy in relation to nonprofits. These characteristics of NPOs show that they also have the potential to create poor working conditions just as any corporation would. This chapter demonstrated the specific kind of exploitation that is possible and what social justice workers have historically experienced.

The third chapter worked to combine the previous two by discussing the modern day unionization effort in NPOs. First, I talked about wages and benefits, which many unions have

the most experience in advocating for. However, my research indicated that by sticking to these monetary goals, unions aren't effectively combating all issues faced by employees in the nonprofit sector. In fact, since wages and benefits are some of the hardest goals to achieve (nonprofits have little money), unions can't solve very much at all by sticking to this issue. Thus, I also discussed issues of racial equity in the workplace, emotional labor, and burn out in order to create a holistic view of nonprofit workplaces. By using concrete examples, I showed how union drives can go wrong in nonprofits for many of these reasons. Some suggest that horizontal structure would be an effective solution for these issues, but in this chapter I complicated that notion.

This final section will work to put these ideas into a broader context. I will use the term "nonprofit unionism" to expand on existing models relying on the research I have gathered.. In order to move forward, unions and nonprofits alike must go beyond their current scope and reinvent themselves. For the sake of their workers, there is no other way.

A Vision for the Future

If unions want to move into the sphere of transformation and create long-lasting social changes for nonprofit employees, they will need to go beyond tweeking their handbook. It is going to take widespread, community leadership that expand the scope of a union contract. All my research indicates that workers' provisions which can be written into contracts never fully solve the problems NPO employees face. This issue goes beyond wages, benefits, and hours.

For decades the government has co-opted social justice movements to fulfill a government agenda, forcing organizations to uphold stringent requirements in order to receive funding to support populations that the government should be supporting themselves. Unions

have the power to recreate nonprofit's role by expanding their scope into community wide projects. Imagine if a union drive didn't just entail organizing the workers, but rallying the community; if unions were a way for organizations to further their own social justice missions. In an article by MotherJones, an organizer says that "They recognize the exploitation of natural resources is just as bad as the exploitation of human resources… If we stand up against that exploitation of the earth, we have to stand up against the exploitation of us."[96] There is an overlap between goals of unions and the employees they are organizing and if those are tapped into, then broader solidarity would develop. By recognizing this solidarity, unions have the chance to reframe their union effort in order to avoid managerial conflict, encourage union membership, and mobilize the broader community. This would transform traditional expectations of unions and create a new reality altogether. If business unionism is the antithesis of deep organizing[97] then this method is a way to rise above that.

In essence, this strategy is making a traditional apolitical union a political body. It is a force for good that extends beyond workplace solidarity and instead creates working class solidarity. If there are workers who are struggling with non-workplace issues such as housing, childcare, or their health, how can workers use the union to help them? How can they use the community they have built to support them? It could take the form of providing logistical

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[96] Kutz, Jessica. "Environmental Activists Turn Talents Inward—and Unionize." MotherJones, December 8, 2021.https://www.motherjones.com/environment/2021/12/environmental-activists-unionize-labor-issues-audobon-defenders-wildlife/.

[97] A term coined by Jane McAlevey that discusses organizing (in the labor context) starting at a grassroots level in order to build a large base. This takes away the focus from staff organizers and focuses on the everyday citizen.

support or mobilizing a community to oppose or support legislation. The union becomes a *tool*, not the end-all-be–all band aid solution that doesn't suit the needs of the employees it represents.

Combining community goals with union goals is by no means a new theory in union organizing. In their 2008 book *Solidarity Divided,* Bill Fletcher Jr. and Fernando Gapasin propose a theory called 'social justice unionism' in which unions seek to expand their reach beyond workers immediate demands and focus on long term organizing in the broader community as well. They write:

> In this view, labor organizations should set their sights on achieving power that enables them to advance the interests of working people. If one accepts this proposition, a genuine labor movement would advance the notion of a *social-political bloc* whose goal is to achieve power. This power goes beyond bargaining power–whether in a specific workplace or even within a specific industry–to confer political-economic power in society as a whole.[98]

Going "beyond bargaining power" can create an entirely new type of political power across issues, race, gender, and identity. As I apply it to NPOs, I will refer to this as "nonprofit unionism." This mode of unionization is particularly effective in this sector because of the unique role they hold in society.

Additionally, I want to emphasize that this model of unionism, whether it is social-justice or specifically applied to nonprofits, needs to have a strong focus on worker-centered union drives. Part of the reason that business unionism doesn't work is because it relies on union staff (who do not work for the organization they are trying to unionize) making compromises on behalf of the workers.[99] If the employees themselves have the ultimate authority over the

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[98] Bill Fletcher and Fernando Gapasin. *Solidarity Divided*. Berkeley, CA: University of California Press, (2008), 174.

[99] This is particularly reminiscent of Alinsky seeing the organizer as the mediator of compromise between the Haves and the Have Nots.

direction of the union then they could help alleviate many of the issues discussed in the previous sections. For example, workers of color could have more say in the direction of the union, thus having their unique grievances put to the forefront. Worker-centered organizing in tandem with broadening the scope to a larger vision for the future could put nonprofit unions in the center of the workers' struggle against capitalism.

Nonprofit unionism is particularly effective due to the following reasons:

1. Nonprofit workers are often already politicized. For many, a barrier to this type of unionization is radicalizing the rank-and-file; in other words, convincing people that it is worth organizing after a contract is signed. It may be difficult for people who are already working full time jobs to want to coalition build, continue doing action, or even just attend monthly meetings with local organizations. Perhaps, they don't want to politicize things. This is especially true when some members don't hold the same political views as their coworkers.

NPOs, however, may have an opportunity to do nonprofit unionization in an environment with fewer of these barriers. Because these employees are already working towards a social justice goal, they are accustomed to thinking critically about systems of injustice. They may be more willing to connect their unionization effort with class struggles, race relations, queer justice, etc. They work in a political environment, so *politicizing* their unionization struggle will be easier. Additionally, NPO employees are young people who are typically more left-leaning than older generations, especially if they are in the same organizations working towards the same social justice goal. Their coworkers would share more political values than in other apolitical

workplaces. Furthermore, unions have a much higher chance to create long-lasting movements in nonprofits, assuming they are willing to take that leap.

2. Nonprofit Unionism is a way to inspire people to join the union. It is always difficult to convince people that a union is worth the trouble. It can come with all sorts of negatives from after-hours labor to the most extreme, being fired. If unions want to better strategize for unionization in NPOs, then they must utilize what is put in front of them. In the case of nonprofit unionism, the organizers can combine the union drive with the effort to further the organization's social justice goal. This is similar to my last point, but differs in that it can be used as a strategy for organizing the union. Many nonprofit employees may be hesitant to join the union drive because of the additional work on top of an already burnt out workforce.[100] By unions pitching themselves as a way to contribute and ultimately combine with their social justice goal, it may be easier for workers to sign onto.

3. This model could help solve contemporary grievances. The issues relating to emotional labor, burnout, and other less tangible issues, require broadening the scope of what a union can solve. By using the nonprofit unionism model, the union can begin this process. Not just bargaining for monetary compensation will force unions to become creative in their problem solving, which is exactly what larger coalition building requires. It is exercising the same set of skills, which will allow one to help the other. Additionally, it will create a broader support

[100] All Due Respect, 56.

system for nonprofit workers who may be struggling outside of the workplace with the effects of burnout.

4. It gives unions clear "in" to an organization. For unions that want to form coalitions amongst other organizations in their community, thus practicing social justice unionism, it is often hard to know where to start. Sure, an organizer can send mass emails to strangers or have coffee meetings with colleagues, but that might lead to a lot of deadends. Union drives in nonprofits can serve as an 'in' with local organizations that they may otherwise have not been able to contact. In fact, it is automatic cooperation. Unionizing together allows people to get to know each other, understand organization's structures, strengths and weaknesses, etc. Additionally, an NPO can introduce union organizers to other community leaders–even people within the workplace that they might not have had a close relationship with beforehand. It creates an opportunity for solidarity across workplace borders. When a union drive concludes, there will be a strong foundation for future projects.

Of course, this has its limitations. If a union drive fails, then the relationship between the groups could be severed. However, if the union avoids the adversarial and hostile tactics described in the previous chapter, then perhaps they will still be encouraged to work with some of those employees.

5. Nonprofit unionism can ensure that nobody is excluded from coalition building. Most of the time, the union does not pick the organization that they unionize, rather, the opposite occurs. This can lead to a variety of social justice missions collaborating with unions. Oftentimes, it can

be groups that unions wouldn't have normally thought of as collaborators.[101] When unions exclude certain organizations (either on purpose or not), they limit their scope and thus limit their capacity to enact change.[102] For example, if a union wants to create a community coalition but leaves out certain affinity groups, they won't form an equitable organization. Nonprofit unionism can nudge organizations together and avoid this exclusion. On top of that, because the nature of unionism requires community support (especially since nonprofits provide so many services to the community), they will have to reach out and build connections with people across the spectrum to build a strong union.

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There are setbacks to nonprofit unionism that brings us back to the previous chapters on the nonprofit's role in society at large. Social justice goals often directly combat larger systems, but nonprofits rely on that system and uphold it. So while nonprofit unionism is tempting, ultimately, when it comes down to it, organizers may prioritize sustaining their organizations (and thus their jobs) despite their relationship to problematic systems. Put plainly, it's hard to stick it to the man if the man funds your job. Despite this paradox, unions and nonprofits alike should strive to achieve this new model. They may not be able to tear down the system, but by creating a strong foundation of organizers, these groups have the capacity to rearrange power structures in their community. They can respond more quickly to calls of action, pull their resources together, and collect insight from many different types of individuals.

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[101] Of course most unions have categories–service workers, hotel/restaurant workers, university faculty, etc. However, unions are often not strict about who unionizes under them. For example, some university Resident Assistants are unionizing under the United Auto Workers. Oftentimes, workplaces will choose unions based on ideological and organizing similarities.
[102] Fletcher & Gapasin, 175.

For the first time in decades, unions have a chance to rekindle the working class struggle and build power amongst people. They must put aside business unionism and strive to reach the goals of all rank-and-file workers. Thus, if nonprofit unions go beyond the bottom line, then there is potential to create substantial, life altering change for not just the worker, but the community at large. Through labor organizing, the possibilities are limitless, so long as unions think carefully about the foundation in which change is built upon.

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