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Charities Should Remain Nonpolitical

By Pablo Eisenberg

As the campaigns for the 2008 elections are getting into gear, the debate over the proper role of nonprofit organizations in the political sphere has intensified.

Some nonprofit leaders are arguing that the laws prohibiting political activity are archaic and should be dropped. But doing so would set a dangerous precedent and cause nonprofit groups to lose one of their most important qualities — their independence from government and elected officials.

The Internal Revenue Service is clearly worried about the opposition to the regulations on political activity and is trying to clamp down on groups that flout the law.

It announced with much fanfare this month that it is investigating 350 groups that appear to have engaged in unlawful political activities in the last election, and it has issued a vigorous reminder to nonprofit organizations that partisan politics is not an acceptable activity for charitable groups. While in the past the IRS has been accused of partisan efforts to go after nonprofit groups opposed to the White House, it seems that it is now redoubling efforts to look at groups on both sides of the political aisle.

The IRS action drew anger from a few nonprofit leaders, such as Mark Holick, pastor of the Spirit One Christian Center, in Wichita, Kan., who says his church has been getting questions from the IRS about its activities, such as posting outside his church the names of campaign contributors to candidates who support abortion. He has no plans to stop his activities because he believes the law prohibiting religious groups from getting involved in politics is unconstitutional. To make that point, he says he would consider suing the IRS if it tries to sanction his church for speaking out about political issues.

And in *The Chronicle* last month, Robert Egger, president of D.C. Central Kitchen, urged the next president to abolish rules that prohibit charities from taking a partisan stance.

You have to give Mr. Egger an A forchutzpah. He is tilting against a windmill that has been the core principle of nonprofit life for decades.

But Mr. Holick, Mr. Egger, and those who agree with them are mistaken in saying that nonprofit groups have been muzzled and silenced by current regulations that prohibit charities and religious organizations from getting involved in partisan politics.

On the contrary, charities and foundations intelligently realize that staying away from direct political involvement is the price they must pay for continuing to be exempt from taxation and supported by tax-deductible gifts.

Taxpayers will not tolerate subsidizing contributions to charities that are involved in partisan political activities, nor will Congress permit nonprofit groups to overstep the boundaries it has drawn to separate charities from political activity. The politicization of nonprofit organizations would be political suicide.

Charities and foundations depend on the public trust, which, in turn, is based on openness and accountability. Excessive compensation, self-dealing, inappropriate expenditures, conflicts of interest, and an absence of public information are practices that have blemished numerous nonprofit groups, thereby casting a shadow over all charities and foundations.

That's why Sen. Charles Grassley, Republican of Iowa, and his staff colleagues should be praised — not lambasted by Mr. Egger — for trying to clean up these practices and strengthen public confidence in nonprofit organizations. Mr. Grassley, the senior Republican on the Senate Finance Committee, has spent the past few years pressing for legislation, regulation, and other efforts to make sure nonprofit groups do not abuse their tax-exempt status.

To argue, as Mr. Egger did, that tax-exempt groups do not deserve scrutiny over compensation when companies like Ford Motor pay their chief executives tens of millions dollars shows a lack of understanding of the key differences between nonprofit organizations and businesses.

To be sure, both get federal subsidies, and there is good reason to dispute the appropriateness of excessive corporate salaries and benefits and the large campaign contributions that companies are permitted to make. But they cannot be judged by the same standards and are not related to what happens at charities and foundations.

The strength and influence of charitable organizations — their "nonprofit-ness" as Paul Light, a professor of public service at New York University, has called it — is that they are different and apart from business and government, serving as a mediating force between the two.

That is why the public and the federal government, through tax incentives and other means, have created and encouraged the development and growth of charities.

Nonprofit organizations do not have to focus on the bottom line, devoting their attention instead to providing social benefits and public service to the citizenry. The huge army of volunteers who contribute time to nonprofit organizations adds to the quality of life for many Americans.

And nonprofit organizations can draw on fine leadership without paying the exorbitant compensation found in many for-profit enterprises; those who want salaries comparable to corporate pay can always leave and go to work for a business. While a relatively few "hybrid" organizations and social-venture enterprises have sprung up recently, they will never be the heart, soul, and strength of the nonprofit world.

Like many other people who have dedicated their lives to the nonprofit enterprise, I am impatient with and frustrated by the lack of activism by nonprofit groups and foundations, by their reluctance to help shape public policies and influence politicians, by their fear of engaging in the legislative process.

But the remedy for this lackluster performance is not to change regulations that would put nonprofit organizations in jeopardy. Rather it is to develop and encourage nonprofit leadership to be more activist, to challenge existing institutions, including corporations, and to push politicians to serve the public more

effectively. Such a strategy includes persuading foundations to allocate a much greater amount of their grants for efforts to influence public policy.

Existing regulations give nonprofit groups enormous leeway in supporting and promoting activism and influencing the political system. The problem is that those organizations — charities and foundations alike — have failed to take advantage of the opportunities the rules afford them.

Fewer than 2 percent of nonprofit organizations choose to exercise their legal right to influence legislation or lobby. Few are involved in organizing people to advocate in support or opposition to a cause or public issue. Only the rare organization focuses on voter education and registration. Foundations in general are still unwilling to support activist organizations and programs.

To be sure, some nonprofit organizations have organized meetings at which political candidates are asked to discuss their political platforms. Some have presented political candidates with public-policy ideas they want to see put in place. Some have conducted educational campaigns on electoral issues. And a few foundations are supporting lobbying efforts and other efforts to educate the public about key issues. But the overwhelming number are not.

Existing regulations are not the culprit for the nonprofit world's failure to be more activist and politically involved. The real reason for this sad state of affairs is the lack of leadership, courage, and competence among nonprofit leaders. As Pogo would say, "We have met the enemy, and he is us."

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