Nonprofit organizations play a key role in the provision of many goods and services which are fundamental in our society. Many of these are unlikely to be provided using market mechanisms alone, and cannot or will not be provided (to all citizens’ satisfaction) by the public sector. Education, health care, charitable services, and the arts are some primary examples of these.

Nonprofit organizations serve social missions rather than simply maximizing profits, but in order to serve those missions effectively while ensuring their own survival, they must also make many of the decisions typically associated with private firms. They must compete for funding, human resources, and consumers, they must manage and invest their resources efficiently, and they must innovate over time. These latter requirements may at times come in conflict with the organizations’ social values. As a result, nonprofit organizations confront a number of unique challenges to their success and growth.

The goal of this course is to give students a broad overview of the economic, organizational, and strategic concerns facing the non-profit sector. Our objective is to characterize the unique economic and policy environment in which they reside, identify effective strategic, governance, and management approaches, and explore how appropriate measurement techniques can inform the policy treatment and demand for nonprofits. The course is organized around a number of lectures, readings, and outside speakers, an in-class case study with a local social service nonprofit, a midterm exam, and a semester-long group project.

Readings
Most course readings are available through the course site on Canvas. Additional articles on current topics may be posted before some class sessions. If you preregistered for the course, you will receive directions via email on or about January 1. Students may
occasionally need to use the citation information to retrieve articles online from the Penn library. Several in-class case materials are available for purchase online for a small sum. Web sites for purchase are indicated with each item. Items marked “Optional” will be covered in class, but are not required reading. Their contents will be helpful for following the lecture materials; however, they may contain technical detail beyond the level of this course.

**Grading / Deliverables**
Grades for the course will be based on both individual and group components:

*Midterm – 25%*
There will be a midterm exam with short answer and multiple choice questions on the material covered in the lectures and required readings from the beginning of the course.

*Case study – 25%*
You will be given background information on a nonprofit organization a week before the class in which the case will be discussed. Your job is to prepare a 3-page memo with a critical appraisal of the organization’s strategy, highlighting strengths and weaknesses, opportunities and challenges. Representatives from the organization will come to class on the session after your memo is due for a discussion of their current situation and your analysis of their options going forward. Several of you will be chosen to summarize your analyses for them during the class session.

*Group project – 40%*
A substantial portion of your grade will be based upon successful completion of a group project evaluating a specific nonprofit organization’s strategy. You will be assigned to small teams of 3-5 at the beginning of the semester. Your team’s first deliverable will be a short (2 p.) research plan and choice of nonprofit organization (subject to the Professor’s approval). The final class sessions will be devoted to presentations of your findings, after which you will receive detailed feedback from the Professor and your classmates. At the end of term, your team will submit its evaluation of the organization, guided by some or all of the following questions, as appropriate: What is the mission of the organization? Has it changed over time? How? Why? What’s unique about the mission? Why should it be done by a non-profit organization? What market do they serve? What is the strategy for carrying out this mission? Is the organization effective? What metrics would you look at to answer this, and how does the organization itself judge its effectiveness? Where does their budget come from? Do the recipients of the services pay for them? How do they market their services, and to whom? What does the management structure look like? How would you describe the culture of the organization, and how is it developed and maintained? What is the human resources strategy? Who do they hire, and how long do employees stay? What operational impediments do you see in reaching the mission of the organization? What are the prospects of scaling up the services provided? What
opportunities do you see for expanding the scope of the organization, if any? How could increased scale and/or scope be achieved?

Final papers should not exceed 20 pages (double-spaced, 12-point font), exclusive of appendices. In addition, each team member will be asked to give a short evaluation on how your assigned group operated as a team. The paper and evaluation are both due Friday, May 4, at 5pm.

Participation in class discussion (cumulative over time) and short discussion responses – 10%
There will be several short discussion write-ups required throughout the course, generally a paragraph or two on a nonprofit in the news or a response to an assigned reading or guest lecture.

Tentative Schedule (dates may change; changes will be announced on Canvas)

Wed., Jan. 10: Introduction

Review the syllabus; the size and scope of the nonprofit sector in the U.S.; highlight some key challenges for contemporary nonprofit organizations; and housekeeping


Mon., Jan. 15: Martin Luther King, Jr. Day observed (no classes)

Wed., Jan. 17: The nonprofit sector – history and objectives


Methodological topic: Porter’s six forces

Discussion assignment #1: nonprofit organizations in the news
Mon., Jan 22: **Nonprofits’ role in the three-sector economy**

*What is the mixed economy and why are certain activities relegated to or best served by the nonprofit sector?*


Wed., Jan. 24: **Incentives and control in the nonprofit context**


Mon., Jan. 29: **Nonprofit governance**


Wed., Jan. 31 and Mon., Feb. 5: **Fundraising and managing endowments**


Wed., Feb. 7: **Competition for and management of the nonprofit workforce**


Mon., Feb. 12: **Midterm (in class)**

Wed., Feb. 14: **Nonprofit organizations and market competition**


Mon., Feb. 19: **Redistribution, welfare policy, and charitable organizations**


Wed., Feb. 21: **The fundamental role of evaluation in charitable organizations**


Mon., Feb. 26: **Charities – Guest Lecture: Andrew Frishkoff, Executive Director, LISC Philadelphia** (attendance required)

*Case study assessments DUE*

Wed., Feb. 28: **Case Study – Discussion and student assessments**

**Namati: Innovations in Legal Empowerment**

**Deyla Curtis, Operations Officer**

*Mid-semester course evaluations DUE*

Mon., Mar. 5 and Wed., Mar. 7: **No class – SPRING BREAK**


*Research plan DUE*


*Discussion assignment #2: guest lecture response, the role of nonprofits in education*

Mon., Mar. 26: **Nonprofit focus – health care: hospitals**


Wed., Mar. 28: **Nonprofit focus – health care: Meredith Welsh, CEO, Foundation for International Medical Relief of Children (FIMRC) (attendance required)**

Mon., Apr. 2: **Nonprofit strategy – from the grassroots up**

*In-class module:* City Year (readings TBA)

Wed., Apr. 4: **Nonprofit policy – evaluation and scale**


Mon., Apr. 9: **Team meetings**

Wed., Apr. 11: **Nonprofit policy – ethics and accountability**


Mon., Apr. 16: **Nonprofit policy – competition and antitrust**


In-class practice critique: Camden Coalition

Discussion assignment #3: reading response, ethics and accountability

Wed., Apr. 18, Mon., Apr. 23, and Wed., Apr. 25: Student presentations of team projects
Scheduled Exams: Students may miss the scheduled exam only with a University-approved excuse. This includes sickness accompanied with a written medical excuse from a licensed medical practitioner explaining why you cannot take the test. Other valid excuses include direct conflicts with another course offered at Penn that cannot be rescheduled as well as a varsity (but not club) sport competition (but not training). For example, job interviews and vacations in Palau are not legitimate excuses.

Add/Drop Deadlines: As per University Regulations, “You may drop courses until the end of the fifth week of classes… After the drop deadline, you may submit a petition to the Petitions Committee to drop a course.” See undergrad.wharton.upenn.edu/policies/academic_regulations.cfm#selection. It is the policy of the Course Instructor in the class to sign no petitions to drop the course after the 5th week.

Withdrawal Deadline: As per University policy, the formal withdrawal deadline is “after the end of the tenth week of the semester. If you have a serious and compelling extenuating circumstance, you may petition the Petitions Committee to grant a late withdrawal for a course.” See undergrad.wharton.upenn.edu/policies/academic_regulations.cfm#withdrawal. It is the policy of the Course Instructor to not permit withdrawal from the course after the 10th week of class unless the petition is accompanied by a written medical excuse by a licensed medical practitioner indicating that a student cannot complete this course.

Expectations:
- Class attendance and punctuality are expected.
- Students will receive communications from instructor via Canvas and email.
- To submit a regrade request for an exam, a student must submit the original test sheet, a signed regrade affidavit (see course Canvas for the template), and a written memorandum explaining why the exam should be regraded. Such requests must be submitted within five business days after the examination has been returned to the class. The entire exam will then be reviewed and will be compared against a photocopy made prior to returning the test to the students. On regrade, a student’s midterm grade may go down, go up, or remain unchanged at the prerogative of the professor for that module. Students must not mark, make notes on, or alter the exam papers for which they seek a regrade; any such alteration will be seen as a violation of the Code of Academic Integrity.

A Note on Academic Integrity: All students must become familiar with and adhere to the Penn Code of Academic Integrity; you are responsible for reviewing in and abiding by it. It is Department policy to immediately give a failing grade for the course to a student in violation of the University of Pennsylvania’s Code of Academic Integrity. In particular, cheating in any manner on a graded assignment or exam will result in failing both the assignment/exam and the course. In addition to the sanctions imposed by the Department, the Office of Student Conduct may impose additional sanctions. For further information see http://www.upenn.edu/provost/PennBook/academic_integrity_code_of