
Week 3 review · Wed Sep 9, 2026 · Wednesday only

What does the sector do?

SPEA-V221 Nonprofit and Voluntary Sector · Ji Ma · O'Neill School, Indiana University

Week 3 at a glance

Mon Sep 7 · Labor Day

No class. The whole module week runs in one session, which is why Wednesday is dense.

Wed Sep 9 · Roles and anatomy

Four roles, Bromley on why civil society became *organizations*, three numbers and how they mislead, then your first AI fact-check.

- **Readings.** Bromley, “The Organizational Transformation of Civil Society,” **pp. 123–137**; read *Counting and Accounting* hardest. Plus the National Council of Nonprofits headline page and one click around the NCCS *Sector in Brief* dashboard. Optional: the BLS *Monthly Labor Review* article.
- **Gate.** The **site-visit window opens Mon Sep 14** and closes Fri Oct 2. Proof of contact is required, and arranging a visit takes weeks.

NCCS National Center for Charitable Statistics · BLS Bureau of Labor Statistics

v221.jima.me/week/w03 · the A2 spec

Week 3 · Wednesday only

Roles and anatomy of the sector

Ji Ma · O'Neill School, Indiana University

Wednesday, September 9, 2026

This week's big question

What jobs does civil society do, and how big is it?

roles four jobs, attached to real organizations	form Bromley: civil society became <i>organizations</i>	size three numbers, three ways they mislead	check you catch an AI inventing a fact
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Most of today is the individual AI fact-check.

Bromley, ch. 4, pp. 123–137 · v221.jima.me/week/w03

Four jobs

Four roles to identify in actual work; compare with the Week 1 functions.

service

delivers something somebody needs: meals, beds, clinics, classes

advocacy

changes a rule, a budget, or a decision on someone's behalf

expression

lets people enact a faith, a culture, or a commitment

community

builds the ties and trust that make collective action possible

- Most real organizations do **more than one**, and the mix is rarely what the website says. A food bank that testifies at a budget hearing is doing two.
- The mix follows the money. Fee revenue rewards service; membership rewards expression; foundations often fund advocacy that government contracts cannot.

Civil society became organizations

Bromley, chapter 4

The growth is real, and it is growth of a particular *form*

13,000 →
1.5M

US nonprofits, 1940 to the
end of the century

20k → 50k

new organizations founded
per year, late 1960s to the
1990s

0.1 → 8

INGOs per million people,
1909 to 2009

- From 2002 to 2012, inflation-adjusted nonprofit revenues grew 36.2 percent and assets 21.5 percent, against 19.1 percent GDP growth.
- **Notice what every one of those indicators measures.** Registrations, filings, foundings: all counts of **formal organization**.

More registered organizations does not establish greater generosity or justice.

INGO international nongovernmental organization · GDP gross domestic product

Bromley, pp. 123–124

Why, if not because we needed it?

Failure theories alone do not explain the worldwide spread.

What failure theories explain
why a *nonprofit* rather than a
firm, in one situation, in one
country.



What they do not

the timing, the worldwide spread
across wildly different politics,
and the fact that firms, agencies,
and nonprofits keep converging
on the same structures.

*Bromley asks how formal organization became the **expected way to pursue a cause.***

Bromley, pp. 123–125

Two beliefs, one social structure

Scientific rationality; human rights and capabilities

Scientific rationality

authority belongs to systematic knowledge and trained experts. Means and ends get specified, measured, and monitored.

Human rights and capabilities

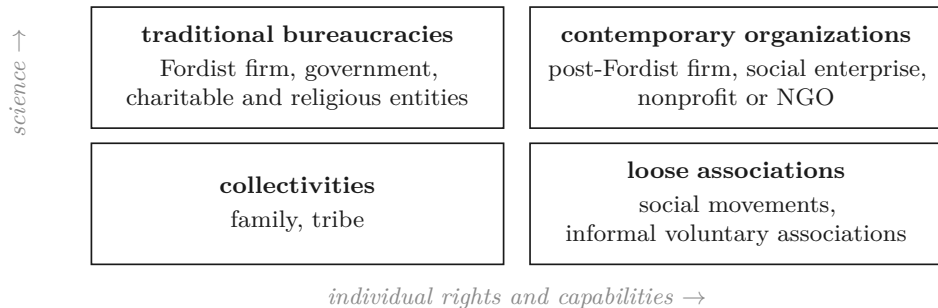
people are sacred, empowered, and entitled. Decisions should be participatory and respect individual rights.

- Put them together and you get the thing we now call an organization: an entity that carries a collective purpose *and* claims to pursue it rationally.
- Note Bromley's word: **belief**. Both principles are asserted well past what evidence supports, which is precisely why they spread past their usefulness.

Bromley, pp. 125–126

Bromley's Figure 4.1

Compare reliance on science and individual rights.



The claim in one line: a contemporary nonprofit has more in common with a post-Fordist *firm* than with the village association below it, though the second is nominally in the same sector.

NGO nongovernmental organization

Bromley, Figure 4.1, p. 131

How the model travels

Law, measurement, and professional training

Hard and soft law

incorporation gives boundaries, rights, responsibilities. Norms and regulation then shape the *inside*: diversity practices, participatory governance, whistleblower policies.

Counting and accounting

standardized measurement makes unlike things comparable. Volunteer labor becomes a share of GNP. Organizations get rated and ranked.

Professionals

higher education is where people are socialized into science and rights, then carry them into organizations.

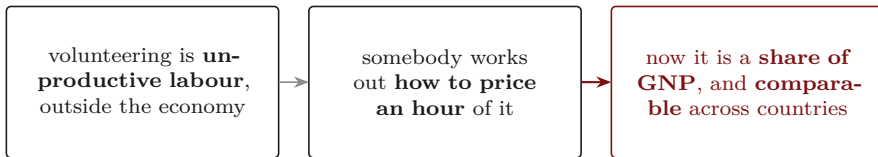
In a study of 200 Bay Area nonprofits, executives with an MBA, MPA, or nonprofit-management certificate led organizations with more formal planning, audits, evaluation, and consultants.

GNP gross national product · MBA Master of Business Administration · MPA Master of Public Administration

Bromley, pp. 133–135

How counting changes the thing being counted

Example: putting an economic value on volunteering

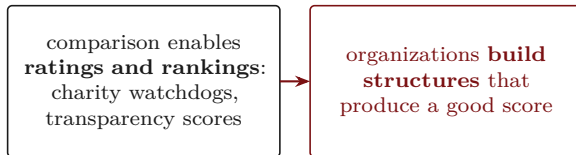


*Pricing volunteer hours makes unpaid work **visible in economic statistics**.*

GNP gross national product

Bromley, pp. 134–135; the GNP-share study she cites is Roy and Ziemek 2000

And then the measurement starts changing behaviour



Ratings can change what organizations measure and how they work.

Bromley, p. 134

And yet nobody knows the total

“The total number of nonprofit organizations operating in the United States is unknown.” Urban Institute, quoted in Bromley

- Religious entities and organizations with revenues under \$5,000 do not have to register with the IRS. Whatever they do is real, and it is not in the count.
- Legal status does not show how fully an organization operates. Bromley calls the separation between formal structure and actual practice **decoupling**.

BRING YOUR OWN

Two weeks ago you were asked whether your country publishes a charity register. **Does anyone there know the total either?** If not, Bromley’s point is not an American quirk: it is what happens wherever the count depends on who bothered to register.

IRS Internal Revenue Service

Bromley, pp. 134, 137

So how big is it?

three numbers, and three ways they mislead

What the sector says about itself

National Council of Nonprofits, the sector's own trade body

12.3 million

people employed

\$2 trillion

spent annually, close to

\$826 billion+

salaries, benefits, payroll
taxes

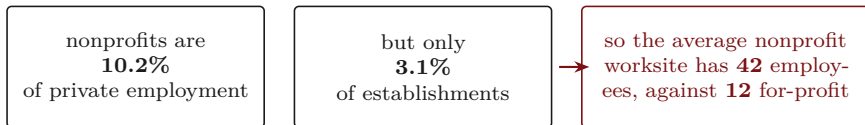
- Now ask the Week 1 question. **The page gives no year, no source, and no definition of who was counted.** I checked; it is not further down either.
- Before reusing these figures, find their year, source, and population.
- **Compare a number that shows its work.** BLS puts nonprofit employment at **12,488,563**: year 2017, universe 501(c)(3) establishments only, method the employment census matched against IRS exemption records.

IRS Internal Revenue Service · BLS Bureau of Labor Statistics

councilofnonprofits.org, read 2026-08-19 · BLS *Monthly Labor Review*, Friesenhahn, January 2024, table 1

The averages trap

Bureau of Labor Statistics, 501(c)(3) establishments, 2017



- Read carelessly, that says nonprofits are big. **It says no such thing.** It says the *average* is pulled up, and an average is a ratio of two totals.
- **What pulls it:** two thirds of nonprofit jobs sit in health care and social assistance, another 16 percent in education, and a hospital or university counts as one establishment. The typical nonprofit is nothing like the average one.

BLS Bureau of Labor Statistics

BLS *Monthly Labor Review*, Friesenhahn, January 2024: shares and establishment sizes from table 1, industry shares from chart 2. 2017 was the latest year published when the article ran.

The resilience trap

Set the national record beside the Indiana record you read last week

Nationally, 2007–2017

nonprofit employment rose *every year*, recession included, ending 18.6% higher. For-profit employment fell 8.1% from 2007 to 2010.

Indiana, 2019–2020

nonprofit employment fell 5%, the sector's first annual loss since 1995.

- Both are true, and the tension is the point. The resilience attributed to the sector is partly a **composition effect**: it is concentrated in health care and education, which are stable industries. A shock aimed at in-person services goes straight through that shield.

*Three questions for any sector statistic: **who was counted, compared to what, and is this an average hiding a distribution?***

BLS Bureau of Labor Statistics

National: BLS *Monthly Labor Review*, Jan 2024, table 1 and appendix table A-1 · Indiana: Grønbjerg and Shanahan, Report 19, Key Findings, p. 9

The first AI fact-check

thirty minutes, one organization each, laptops open

The first AI fact-check

Sheets 1 and 2, collected; 30 minutes.

IN CLASS

1. **You are handed one real organization** with its EIN. Not your site-visit organization.
2. **Ask a chatbot for a three-sentence summary** of what it does and how it is funded.
3. **Freeze the answer.** Paste it in unedited, with the tool name and today's date. Fix nothing yet.
4. **Split it into individual claims.** Founding year, mission, programs, revenue, staff size, leadership. Expect six to ten.
5. **Check every claim** against the organization's website and its 990 on **ProPublica**.
6. **Circle what it got wrong**, and write the true value with the source beside it.

Three failure modes worth checking for by name: an invented founding year, a revenue figure off by an order of magnitude, and a program a similarly named organization runs.

EIN Employer Identification Number

Your organization

Count off 1–13 for your row. Rows 10–13 are not charities.

Thick record

1. Middle Way House
2. Hoosier Hills Food Bank
3. Community Kitchen of Monroe County
4. Stone Belt Arc
5. WonderLab Museum of Science
6. Sycamore Land Trust
7. Area 10 Council on Aging

Thin record

8. Mother Hubbard's Cupboard
9. Bloomington Symphony Orchestra
10. Bloomington Bicycle Club 501(c)(4)
11. The Bloomington Garden Club 501(c)(4)
12. Greater Bloomington Chamber of Commerce 501(c)(6)
13. Bloomington Board of Realtors 501(c)(6)

The EIN for your row is on your handout. Do not search by name alone.

EIN Employer Identification Number

Several of these share a name with a national organization, which is one of the ways the chatbot goes wrong. If it calls a (c)(4) or a (c)(6) a charity, that is a finding. All thirteen verified on **ProPublica**, 2026-08-19

We are also running an experiment

Test the Week 2 prediction: more errors with thinner public records?

Rows 1 to 7 hold thick-record organizations

large, well covered online,
decades of press.

Rows 8 to 13 hold thin-record ones

small, few web mentions, maybe
a one-page site.

- **The prediction:** a model that predicts plausible text should invent **more, and more confidently**, where the public record is thin.
- **Report your error count** when you hand in. We will put the two groups side by side.
- Compare the groups' error rates. Whether or not the prediction holds, verify every claim about your own organization.

Write it as a table, because a table is checkable

Correct, false, or unverifiable

AI claim, quoted	What I checked	Verdict, and what I did
“founded in 1980”	the organization’s own About page	correct ; kept, cited the page
“about \$2M in revenue”	990 Part VIII, line 12, FY2023	false ; actual \$7,594,291; corrected
“runs a job-training program”	990 Part III, and the programs page	unverifiable ; removed

Cite the tax year, part, line, and PDF page so another reader can check your verdict.

EIN Employer Identification Number

Hoosier Hills Food Bank, EIN 31-1051402, FY2023 revenue \$7,594,291 (**ProPublica**)

Before you go

- **Lock in your site-visit organization.** The window opens Monday and runs **Sep 14 to Oct 2**. Proof of contact is required, and arranging a visit takes weeks.
- **Progress check-in, starting now.** The last few minutes of every Wednesday: site-visit status, plan-plank status, blockers. Thirty seconds each, ungraded, and it is the early-warning system.

IN CLASS

Say one of these out loud today: “my organization confirmed,” “I have emailed and heard nothing,” or “I need a different organization.” The second and third are normal in week three. Flag a blocker now so we can work on it.

v221.jima.me/assignments/site-visits

Week 3 review

test yourself before Module 2

Can you define these without looking?

Bromley's argument

Term	You should be able to say
formal organization	what all of Bromley's growth indicators are actually counting
scientific rationality	the first of the two beliefs, and what it does to how work is structured
human rights and capabilities	the second belief, and why Bromley calls it a belief
counting and accounting	the five-step chain from measurement to organizations built to produce a number
decoupling	why two entities with the same legal status can be organizations to different degrees

Can you define these without looking?

Roles, and reading numbers

Term	You should be able to say
the four roles	service, advocacy, expression, community, and how to evidence each from a filing
establishment <i>vs</i> organization	why one hospital counts as one establishment with thousands of jobs
the averages trap	why 10.2% of jobs and 3.1% of worksites produces 42 against 12
composition effect	the reason both the wage figure and the resilience figure mislead
frozen output	why an AI answer has to be pasted unedited before you check it

Six questions you should be able to answer

1. Bromley lists several indicators of the sector's growth. **What do all of them actually count, and what can they therefore not tell you?**
2. Why can't market and government failure explain the worldwide expansion of nonprofits? Give **two** reasons.
3. In Figure 4.1, a contemporary nonprofit sits next to a post-Fordist firm rather than next to an informal association. **Explain why**, using the two axes.
4. Nonprofits are 10.2% of private employment but only 3.1% of establishments. **What follows, and what does not follow?**
5. National nonprofit employment rose every year through the 2007–09 recession; Indiana's fell 5% in 2020. **Are these in conflict?**
6. Name the **three questions** to ask of any sector statistic, and the **three ingredients** of a strong AI-log entry.

BLS Bureau of Labor Statistics

Answers: Q1–Q3 in Bromley pp. 123–124 and p. 131; Q4 in BLS, Jan 2024, table 1; Q5 in BLS appendix table A-1 and Grønbjerg and Shanahan p. 9; Q6 from class

Numbers worth remembering from this week

10.2% / 3.1%

share of private
employment, and of
establishments

42 vs 12

average employees per
worksite, nonprofit against
for-profit

two thirds

of nonprofit jobs sit in
health care and social
assistance

- Another 16 percent are in education. A hospital or a university counts as one establishment, which is what pulls the average up.
- US nonprofits went from fewer than **13,000** in 1940 to more than **1.5 million** by 2000; INGOs from about **0.1 to 8** per million people, 1909 to 2009.
- And the bottom line: **the total number of US nonprofits is unknown**, because religious entities and organizations under \$5,000 in revenue need not register.

INGO international nongovernmental organization · BLS Bureau of Labor Statistics

Shares and establishment sizes: BLS *Monthly Labor Review*, Jan 2024, table 1 and chart 2, 2017 data · counts and the “unknown” quotation: Bromley p. 124, p. 134

Carry into Module 2

- **Your site-visit organization should be locked in.** The window runs Sep 14 to Oct 2, and **A2, the visit evidence, is due Sun Oct 4:** proof of contact, the 990 pulled, and a few lines of raw notes.
- **If your organization has gone quiet,** say so at the next progress check-in rather than waiting. The backup and the fallback ladder exist precisely for this, and using them costs you nothing.
- **Next week** Module 2 opens: where American giving came from, and the traditions that shaped it. Tocqueville, Carnegie, and the Addams counter-case.

Before repeating a sector statistic, check who was counted, the comparison, and what the average hides.