

# **Liability of Location?**

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**Is there a liability of location?** (Are the fortunes of nonprofits a tale of two cities? )

To what extent do revenue characteristics of nonprofits differ across neighborhoods?

How are these organization level patterns influenced by the socio-economic characteristics of the communities in which nonprofits are located?

# Potential Impact of Location

## SUPPLY

NP's as reflection  
of local resources

- Availability of local  
resources

  - “entrepreneurs”

- Access to local  
resources

  - relationships

## DEMAND

NP's as “local”  
responses to  
complex needs

- Externally induced

# Data and Methods

- Data: 2002 Core files (NCCS); census data
- Hierarchical Linear Modeling
  - ANOVA
    - Differences in mean outcomes (intercepts) across neighborhoods
  - Random Coefficient Model
    - Significance of organizational level relationships (slopes)
    - Variability in organization level relationships across neighborhoods (slopes)
  - Intercepts and slopes as outcomes
    - Influence of neighborhood level characteristics on mean outcome (intercepts) and organization level relationships (slopes)

# Findings: Liability of Location

Org. TR and RC differ across neighborhoods

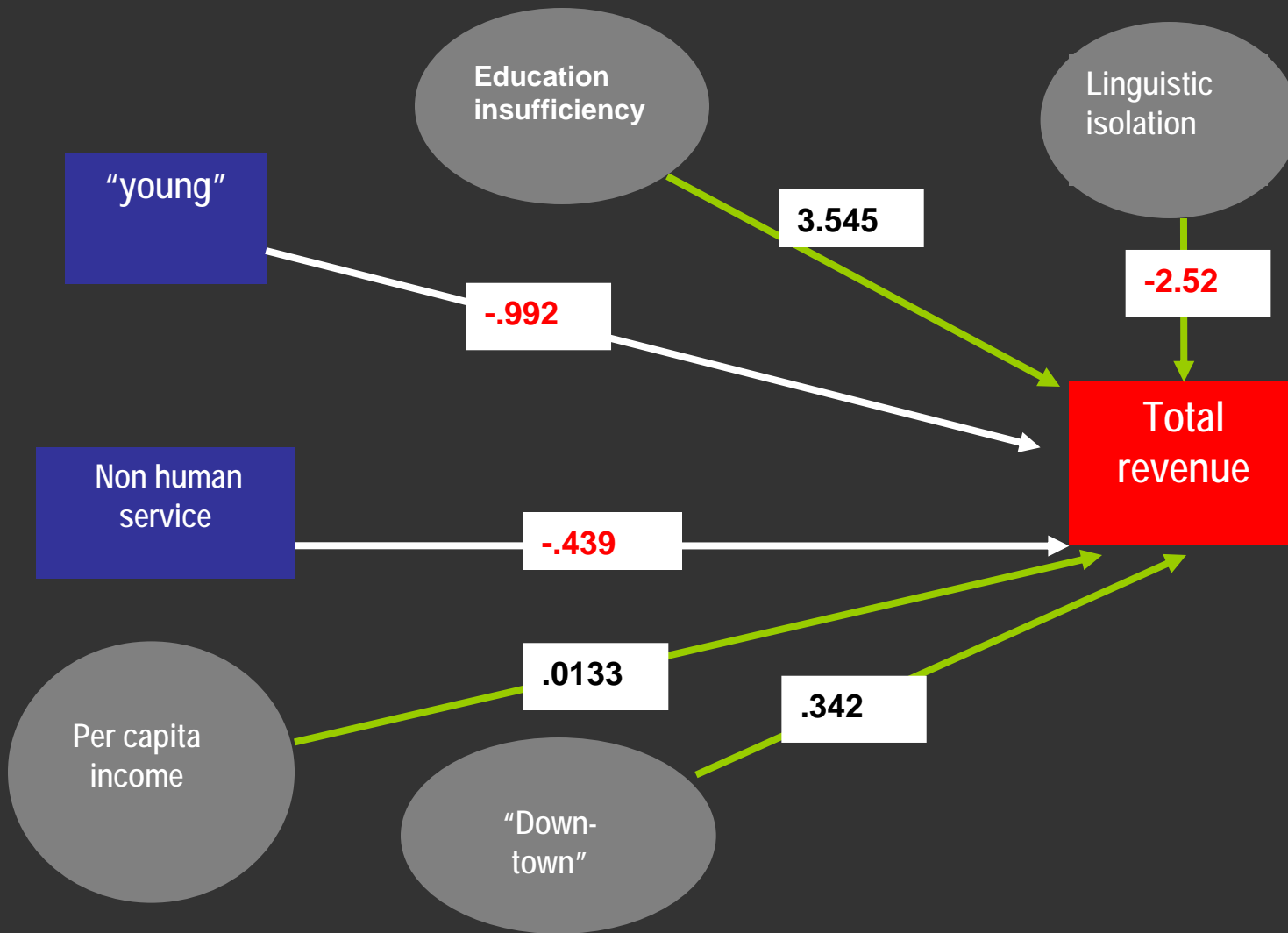
Relationship between TR and org characteristics are stable across neighborhoods

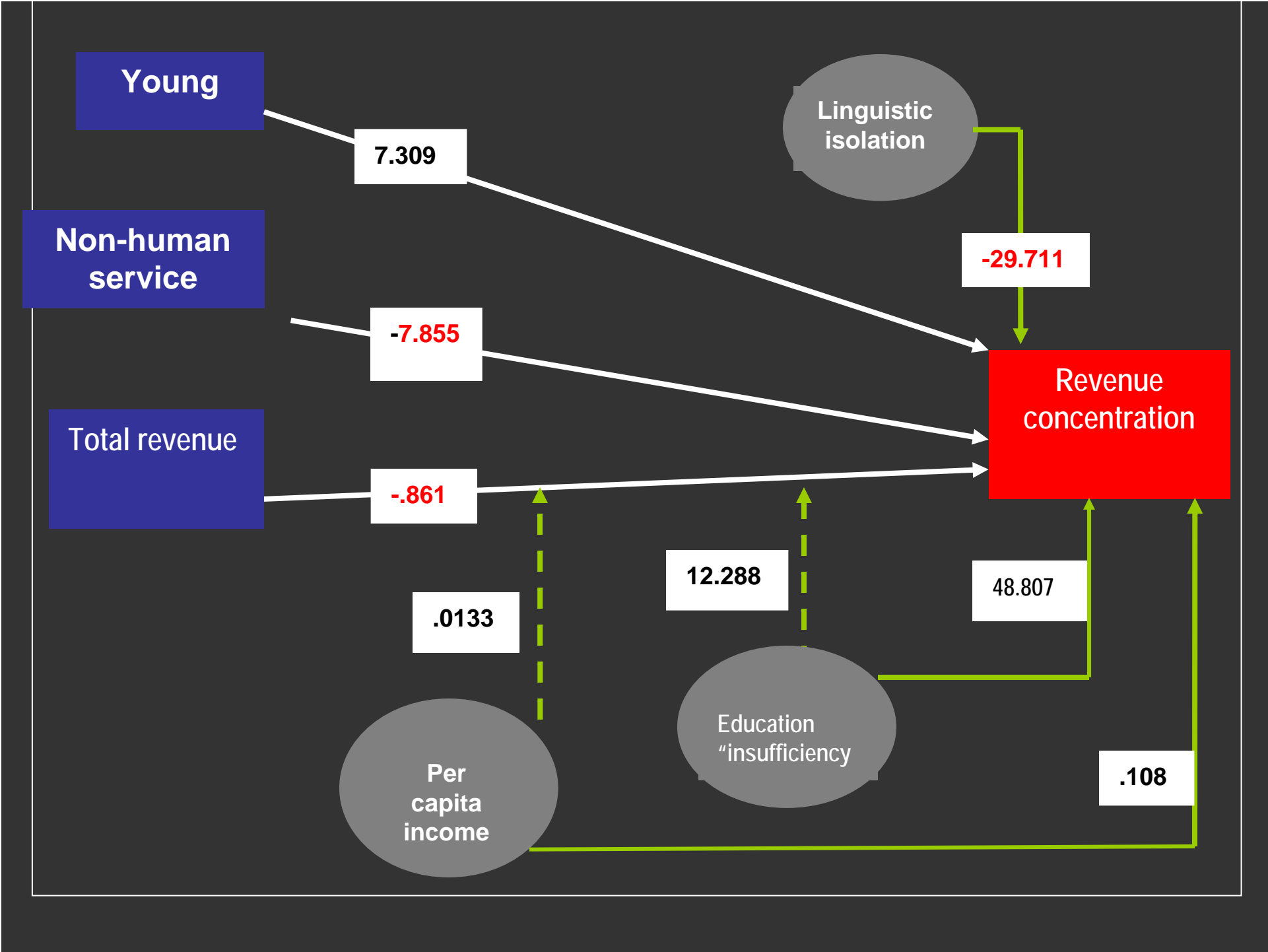
Relationship between RC and size vary

TR=(PC Inc (+), ED INS (+), LI (-), DT (+))

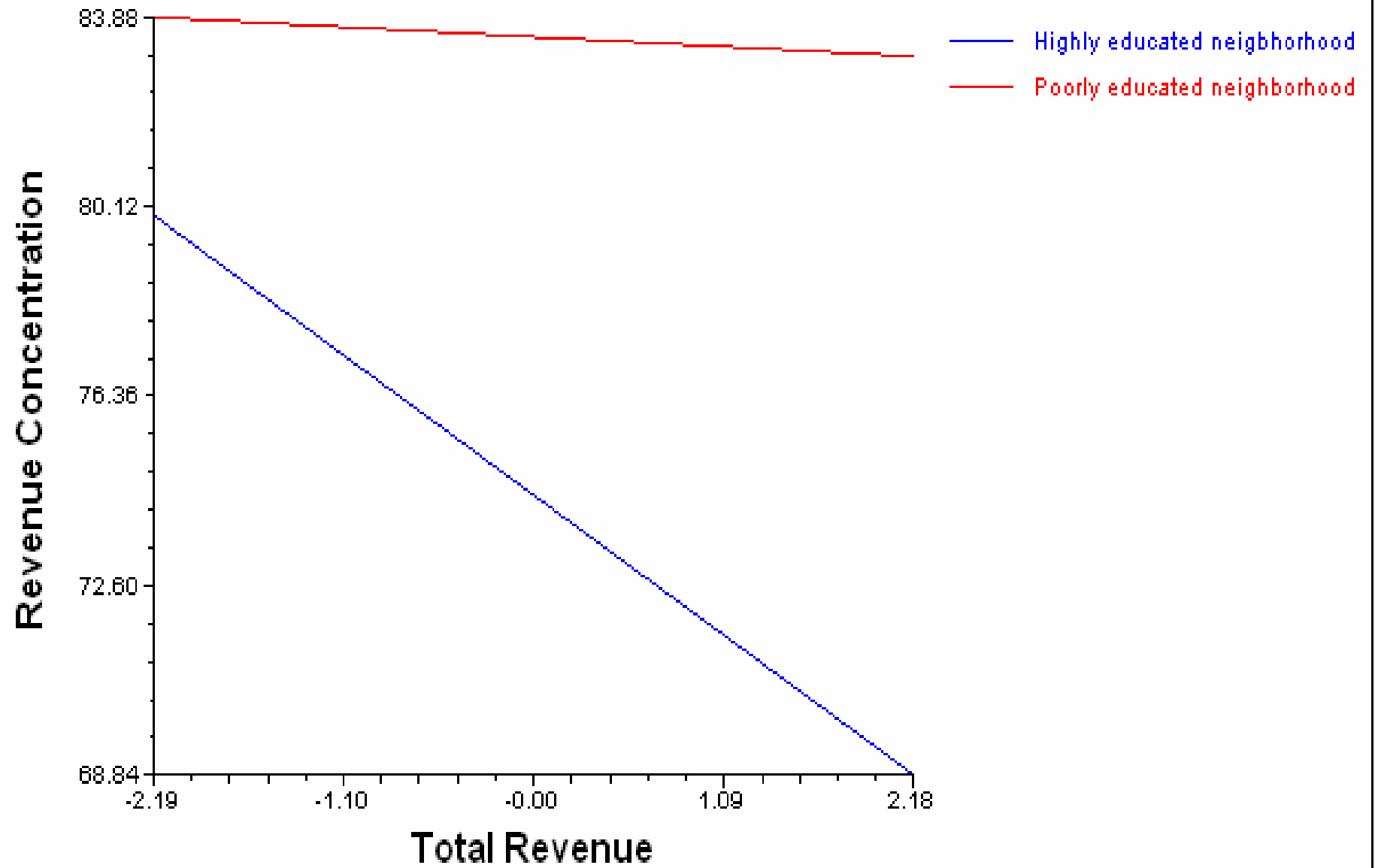
RC=(PC Inc (-), ED INS (+), LI (-) )

Bsize = =(PC Inc (+), ED INS (+))





## Mediating Influence of Neighborhood Education



# Implications

## □ Statistical Analysis

- HLM *may* provide yet another tool to explore the impact of context on the structure of the nonprofit sector..

## □ Management and Policy Implications

- Challenges of relying upon “local” nonprofits as vehicles of service delivery...
  - Obstacles of resource development?
  - Models of capacity development?