A BUSINESS MODEL IS... the combination of three interdependent and critical components that help a nonprofit achieve its strategic goals and translate resources into outcomes

The commons business models of the nonprofit sector

To identify the most common nonprofit business models, we implemented three approaches:

1. Sector-wide survey
2. Financial analysis of 990 data
3. Interviews with nonprofit leaders

Total our analysis considered 370 distinct organizations across the sector

Average Annual Revenue

Years in Business

10 Common Nonprofit Business Models

Government Partners
Collaborate with or supplement government programs

Donor-Funded Service Providers
Develop & deliver interventions not served by a public or private market

Resource Distributors
Provide financial and in-kind resources, frequently paired with services

Technical Assistance Providers
Help clients improve by expanding capacity

Field Builders
Connect organizations, accelerate best practices, elevate a field

Investors
Direct funding and financing to advance the work of other organizations

Network Backbones
Provide shared services to a network of peers

Advocates
Advance policies, opinions and norms to pursue population-level change

Public Good Providers
Preserve and provide public access to assets and experiences

Out of the nonprofits surveyed

85% of nonprofits had more than one business model

Surprisingly, financial health is linked to the number of business models used by an organization

Organizations that meet the baseline for financial health tend to have fewer business models