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## The Changing Role of Civil Society in the United States: Reflections for Nonprofit and Philanthropic Leaders

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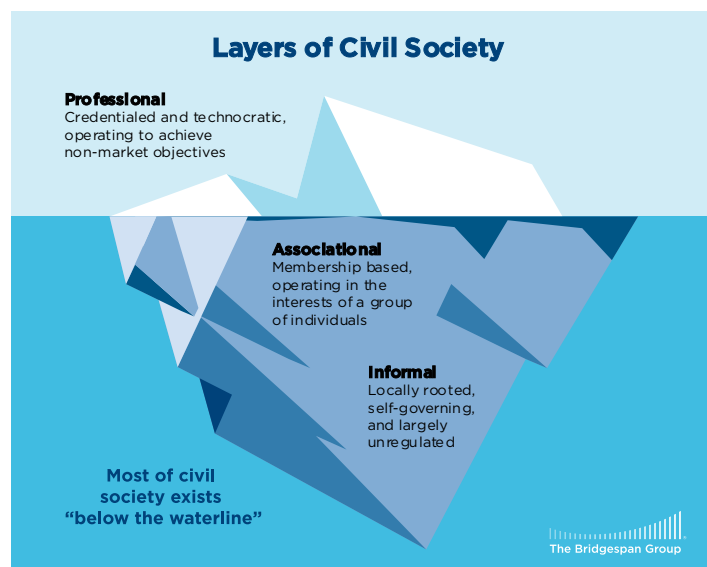
Civil society actors in the United States are operating amid profound change. Political coalitions are shifting, public trust in institutions has eroded, and long-standing relationships among nonprofits, government, and philanthropy are breaking down. Leaders across the social sector are feeling deeply uncertain about the sector’s future. (While similar dynamics are unfolding globally, this memo focuses specifically on the United States.)

We see and feel this challenge at The Bridgespan Group. As we reflected on how best to support organizations in this environment, we spoke with a range of leaders and scholars and originally wrote this memo as an internal resource. By publishing it externally, we hope to help social-sector leaders as they consider how their strategies may need to shift. Below, we (briefly) describe the history of civil society in the United States, the assumptions that shaped its modern form, the turbulent crosscurrents that have upended the sector, and competing visions that point to different paths for how civil society may evolve.

We close by outlining a set of questions for leaders. There are no easy answers, but we hope that making the fundamental questions explicit will be useful for leaders grappling with their own versions of what comes next.

### Civil Society and Its Early Evolution

Civil society is the realm of associations and activities, outside of government and business, where people come together to “[develop and express shared values](#) and take collective action” for the public good, as AEI Senior Fellow Daniel Stid described. It operates at multiple layers, from a largely **informal** layer of mutual aid groups, faith communities, and local civic committees; to an **associational** layer that includes unions, membership organizations, and clubs formed to aggregate interests and mobilize constituencies; to a **professional** layer



of nonprofit organizations, human service providers, multi-service organizations, philanthropies, universities, and advocacy groups, including many operating at a large enough scale to work substantively with public- and private-sector institutions.

The structure and role of civil society in American life have not been static. As relationships among individuals, the private sector, and the public sector have changed, so, too, have the relative influence and shape of civil society's informal, associational, and professional layers. What many leaders today take to be the familiar configuration of civil society is the product of particular political and economic conditions of our time, just as the configurations of earlier eras were shaped by their times.

In the early 19<sup>th</sup> century, Alexis de Tocqueville described what he called the “art of association” in *Democracy in America*. Church congregations, barn-raising societies, and mutual aid associations animated communities and cultivated habits of participation. At the turn of the 20<sup>th</sup> century, industrialization, immigration, and Gilded Age inequality reshaped the country, prompting new forms of civic association to emerge. Unions, political reform organizations, membership organizations, and social and service clubs such as the Lions, Kiwanis, and Rotary emerged in response to these social and economic changes. At the same time, the seeds of professional civil society took root as modern universities expanded and early human service organizations and settlement houses took shape.<sup>1</sup>

The New Deal expanded federal powers during the Great Depression and World War II, creating new public programs and institutions and establishing a more active federal role in shaping the economy.<sup>2</sup> The 1960s saw a major expansion of government support for social-service nonprofits with the War on Poverty and the Great Society. In parallel, membership organizations such as unions and civil rights groups became more influential in public policy and institutions.<sup>3</sup> Professional civil society emerged as a cohort of nonprofit contractors and Atomic Age scientific research establishments, developing alongside expanding public systems.

The period of relative political consensus ushered in by the New Deal began to fray under the political and economic pressures of the 1960s and 1970s. As economic challenges mounted, [neoliberalism](#) emerged with flavors of bipartisan political support for free markets.

During this period, economic growth and an accompanying rise in private wealth increased donors' influence, while [an increasingly employer-friendly legal regime](#), a [fractured labor system, and globalization](#) weakened mass-membership organizations such as unions.

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<sup>1</sup> For more, see Michael Lind, *The New Class War*, (Portfolio/Penguin, 2020); Olivier Zunz, *Philanthropy in America: A History*, (Princeton University Press, 2011); or Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community*, (Simon & Schuster, 2000).

<sup>2</sup> As described in Chris Hughes, *Marketcrafters: The 100-Year Struggle to Shape the American Economy*, (Avid Reader Press/Simon & Schuster, 2025).

<sup>3</sup> For more, see Jacquelyn Dowd Hall, “The Long Civil Rights Movement and the Political Uses of the Past”, *The Journal of American History* 91, no. 4 (March 2005): 1233-1263.

Professional advocacy organizations, such as the Sierra Club and the American Association of Retired Persons, adopted donor-driven models to fund policy experts and lawyers working to advance social change. [As charitable giving expanded and governments increasingly contracted with nonprofits](#), human-service and direct-service nonprofits with formal management, specialized expertise, and program delivery capabilities grew in size and number.<sup>4</sup>

The next incarnation of civil society emerged through this same process of adapting to changing conditions, structures, and norms, with professional civil society growing and gradually eclipsing much of the earlier associational forms of civic life.<sup>5</sup>

## The Strategic Philanthropy Era

The late 1990s and 2000s marked the beginning of a new era for professional civil society. Strategic philanthropy (sometimes encompassing related ideas such as [philanthrocapitalism](#) and [venture philanthropy](#)) emerged as a dominant approach, applying tools from business and management consulting to advance social change. Funders emphasized clear goals, performance measurement, and scalable solutions, often guided by “theories of change” and “logic models.”

The strategic philanthropy era was characterized by a set of interlocking assumptions:

1. Formal expertise matters, and decisions should be guided by those with training and experience, particularly those equipped with advanced education and technical skills.
2. Civil society functions both as a complement to and an extension of government, with revenue from public sector sources serving as an important pathway to scale.
3. Private wealth can serve as a tool for social good, harnessing the diverse interests of donors to address society-wide challenges.
4. Policy advocacy leverages philanthropic capital for systems change, positioning civil society actors as influencers of public systems rather than solely as service providers.
5. Market logic and business templates offer useful models for nonprofit practice, shaping how organizations define performance, deploy resources, and govern themselves.

These assumptions led to Bridgespan’s founding in 2000. From the outset, our work reflected the belief that civil society matters, that it can be strengthened through rigorous strategy and leadership support, and that well-directed capital can expand its impact. Over time, Bridgespan built capabilities to serve nonprofits, major foundations, high-net-worth individuals, and impact investors. In doing so, we participated in and helped shape the professionalization of the

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<sup>4</sup> For more, see Theda Skocpol, *Diminished Democracy: From Membership to Management in American Civic Life*, (University of Oklahoma Press, 2003) and Steven Rathgeb Smith and Michael Lipsky, *Nonprofits for Fire: The Welfare State in the Age of Contracting*, (Harvard University Press, 1993).

<sup>5</sup> For example, [“Growth of the Nonprofit Sector: More Charities, Better Solutions,”](#) Jack Salmon and Patterson Tanner, (*Philanthropy Roundtable*, September 30, 2024), shows that professional nonprofits have grown by 36 percent since 2000, primarily driven by human services, public benefit, and social benefit organizations. [“Union Members Summary”](#) (US Bureau of Labor Statistics), shows that union density is down over the past several decades. Putnam’s *Bowling Alone* documents the significant decline of membership-based civic organizations.

sector. We operated in a context where nonprofits, philanthropy, and government [were largely aligned in their underlying logic and aspirations](#), coalescing into what became a dominant paradigm. To be sure, it was hardly a consensus, and critics accompanied this approach at every step.<sup>6</sup> More on this below.

During this period, [private wealth became increasingly concentrated](#), enabling major fortunes to fuel a new generation of large-scale giving. A smaller group of big foundations grew in influence, and some made larger bets on “scaling what works” and systems change. Other donors embraced [new structures beyond traditional endowed foundations](#), turning to limited liability companies, donor-advised funds, and family offices. These vehicles provided more flexibility, fewer constraints, and closer alignment between philanthropic, investment, and political strategies.

In parallel, nonprofit organizations adapted in ways that both mirrored and reinforced shifts in philanthropy. Business plans, often focused on codifying nonprofits’ models for replication in new geographies, became commonplace. Many service-oriented nonprofits adopted strategies to change the systems—and government policies—in which they operated. A growing set of intermediary organizations (and funders) defined their roles in terms of field-level coordination—aligning actors, capital, and strategy across organizations and sectors in pursuit of shared outcomes. These changes reshaped how many nonprofits pursued impact, positioning them to absorb larger flows of capital and work at greater scale.

Institutions and private-market actors changed as well, further reshaping professional civil society. A growing college-educated professional class—and the universities and other institutions that reproduced it—came to [embrace a politics centered on social liberalism, identity, and representation](#), as well as issues such as diversity and climate change, often [distinct from working-class priorities](#). Prized for their ability to navigate institutions and their credentials, members of the professional class increasingly moved into nonprofits and philanthropy as established career paths. Outside of civil society, this class drove the spread of ESG frameworks, corporate social responsibility, and DEI initiatives in the private sector. Over time, the boundaries among professional civil society, markets, and government blurred as the same network of people moved across and staffed all three.<sup>7</sup>

A set of organizations focused on advancing racial equity also evolved. Work to advance racial equity had taken many forms, but in the strategic philanthropy era, many organizations focused on specific racial and economic groups, often animated by the belief that removing barriers for those they see as most disadvantaged—frequently defined by racial and ethnic demographics—

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<sup>6</sup> For example, see [“Venture Capitalists Alter Face of Charity,”](#) *Chicago Tribune*, August 22, 1999; Bill Schambra, [“The Problem of Strategic Philanthropy,”](#) *Nonprofit Quarterly*, August 12, 2013; and Michael Edwards, [“Just Another Emperor? The Myths and Realities of Philanthrocapitalism,”](#) *Nonprofit Quarterly*, March 21, 2008.

<sup>7</sup> For more, see Musa Al-Gharbi, *We Have Never Been Woke*, (Princeton University Press, 2024).

could close gaps in outcomes among groups and yield broader social benefits (i.e., [the curb-cut effect](#)).

Taken together, these developments expanded the capital and tools available for social change. Nonprofits became more professionalized and more capable of absorbing resources and operating at scale. At the same time, philanthropy, markets, and government became more closely aligned through overlapping professional networks and shared institutional norms.

## Cracks in Core Assumptions

For more than 20 years, the professional layer of American civil society operated within the relatively coherent framework of the strategic philanthropy era. Professional nonprofits, large philanthropies, universities, and public agencies worked in close alignment, often using a shared language of strategy, scale, social entrepreneurship, and measurable impact. Philanthropic capital backed innovation and advocacy, while government funding sustained service delivery at scale. Credentialed experts translated research into policy and program design. Even amid partisan disagreement, there was broad confidence that institutions staffed by professionals could diagnose social problems and engineer durable solutions.

Over those two decades, the broader economic, political, and cultural context in which civil society functioned changed significantly. Economic pressures intensified as many communities faced the loss of stable middle-class jobs, [weakened labor power](#), and [rising costs for essentials like housing, health care, education, and childcare](#).<sup>8</sup> [Political life grew more polarized](#).<sup>9</sup> At the same time, cultural life shifted as [religious participation fell](#) and other indicators of community engagement declined, and the [media fragmented](#) in ways that made shared narratives—and even agreement on what was true or not—harder to sustain.

As these pressures mounted, more people began to criticize professional civil society. Critics from across the ideological spectrum argued that professional civil society had grown [too intertwined with government and market forces](#), [too reliant on large donors](#), [too distant from the communities it sought to serve](#), and [no longer reflective of the broader public interest](#). Some saw professional civil society as [directly implicated in the forces reshaping the country](#), while others saw it as [unable to respond to those forces](#) despite its growing scale, resources, and influence.

Many organizations adapted their approaches in response. Some retained confidence in individuals with formal expertise but shifted toward more diffuse advocacy, narrative change, and movement-building strategies to achieve social change. Others saw an ivory-tower professional civil society as too thinly rooted in association life and too distant from working-

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<sup>8</sup> For more, see Katelynn Harris, "[Forty Years of Falling Manufacturing Employment](#)," *Beyond the Numbers* 9 no. 16 (November 2020), US Bureau of Labor Statistics; "[Union Members Summary](#)," US Bureau of Labor Statistics, February 18, 2026; and Annie Lowrey, "[Americans Are Mad About All the Wrong Costs](#)," *The Atlantic*, June 14, 2024.

<sup>9</sup> For more, see Martin Gilens and Benjamin Page, "[Testing Theories of American Politics: Elites, Interest Groups, and the Average Citizens](#)," *Perspectives on Politics*, 2014;12(3):564-581.

class residents, prompting a greater emphasis on community-driven and place-based approaches. Still others interpreted these fractures as the product of entrenched racial and economic advantages and disadvantages, and directed greater attention, resources, and influence toward groups they saw as having been left behind. At Bridgespan, for example, we moved in each of these core directions as our core work evolved.<sup>10</sup>

Yet the tensions continued to build, and the sector now faces a crisis of legitimacy. Over the past year and a half, the federal government has dismantled USAID, disrupted funding for nonprofit-provided social services and university research, curtailed nonprofit advocacy, and raised taxes on university endowments. Public trust in social-sector institutions, including in universities, nonprofits, and funders, is unsustainably low.<sup>11</sup> Philanthropists face questions about their role in society: whether they are a neutral force for the public good and whether wealthy patrons should have such influence over our lives. Coalitions from across the political spectrum challenge the usefulness and legitimacy of social-sector institutions, as well as the underlying assumptions about their formal expertise, the scale of their operations, and the social change they seek.

Even sympathetic observers question whether the social sector can regain the public's trust.

## Competing Visions

A new generation of ideological coalitions is advancing competing visions for the future of American politics and economics—and of civil society. Elements of the old paradigm still persist and will continue to do so, but civil society will likely evolve in new directions.

Some approach professional civil society with open hostility, seeking to sever its ties to public funding, curtail its advocacy role, and diminish its institutional footprint. This stance is often associated with [MAGA](#).<sup>12</sup> A related strand of [center-right populism](#) argues that professional civil society has grown too distant from the lives of working families.<sup>13</sup> These voices emphasize the need to rebuild labor organizations and community institutions, counter economic

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<sup>10</sup> Bridgespan's work started to explore ways to move beyond the strategic philanthropy paradigm while remaining tethered to many of its core elements. This includes research on [community-driven change](#), [philanthropy's role in supporting movements](#), [funding disparities for nonprofits led by people of color](#), [the impact case for equity](#), [impact-first investing](#), and [policy incrementalism](#). Grappling with the tensions between the strategic philanthropy era and the cracks in the assumptions continues to influence Bridgespan's work.

<sup>11</sup> [Gallup polling](#) shows 56 percent of Americans trust US higher education only some or very little, with similar secular declines across all elite institutions outside of small business and the military

<sup>12</sup> Indicative organizations include America-First Policy Institute and Center for Renewing America. Notable figures include Donald Trump, Russell Vought, and Stephen Miller. To learn more, see American First Policy Institute's "[The America First Agenda](#)."

<sup>13</sup> Indicative organizations include American Compass. Notable figures include Oren Cass, Josh Hawley, Marco Rubio, and J.D. Vance. To learn more, see [Rebuilding American Capitalism: A Handbook For Conservative Policymakers](#), American Compass, 2023.

concentration, and rebalance power between workers and capital—a view also shared by [left-of-center populists](#).<sup>14</sup>

Others call for reform rather than retrenchment. Many in the [Abundance movement](#), spanning the political left and right, argue that formal expertise remains critical, but civil society must refocus on material outcomes, streamline regulatory and procedural burdens, and reorient toward tangible improvements in housing, energy, public safety, and economic opportunity.<sup>15</sup> Many in the American Dynamism movement are ideologically rooted in accelerating [technological progress to advance national competitiveness](#). They see a world increasingly defined by geopolitical rivalry and industrial policy and argue that civil society should align more closely with national interests in economic competitiveness, innovation, domestic manufacturing, and skilled workforce development.<sup>16</sup> Both groups emphasize the need for civil society to engage across differences, work with people and institutions across a range of viewpoints, and remain open to questioning its own assumptions rather than advancing specific ideological commitments.

Within the sector, some equity-focused organizations now feel that targeting communities by race, ethnicity, or gender limits the ability to build durable coalitions and broaden legitimacy. Those advancing this view believe equity work should take an [expansive view](#) that encompasses economic inclusion and shared prosperity for people of all races, ethnicities, and genders. Organizations adopting this shift do not negate the importance of race, ethnicity, and gender, but rather situate those identities—and the words they use to describe their work—[within the shared goal of all people flourishing](#).

Though these visions differ, some common undercurrents are emerging. There is renewed interest in associational and community-based forms of civic life that are more directly embedded in communities; a reorientation toward material improvements in the economic conditions shaping people’s lives alongside the non-material improvements in belonging, connection, and shared purpose; and a recognition of the practical necessity of [working in fluid ways across ideologies](#).

These undercurrents are already reshaping how familiar issues are understood, often cutting across traditional ideological lines. Organized labor, for example, has attracted renewed support from [right-of-center voices who see it as central to rebuilding worker power and](#)

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<sup>14</sup> Indicative organizations include The Roosevelt Institute and New Consensus. Notable figures include Joe Biden, Jake Sullivan, Jennifer Harris, and Zohran Mamdani. To learn more, see Felicia Wong, Suzanne Kahn, Mike Konczal, and Matt Hughes, [Sea Change: How a New Economics Went Mainstream](#), Roosevelt Institute, 2023.

<sup>15</sup> Indicative organizations include Niskanen Center and Coefficient Giving. Notable figures include Derek Thompson, Ezra Klein, and Jerusalem Demsas. To learn more, see [“Varieties of Abundance,”](#) Steven Teles (Niskanen Center, 2025).

<sup>16</sup> Indicative organizations include The Foundation for American Innovation and a16z. Notable figures include J.D. Vance, Marc Andreessen, and Peter Thiel. To learn more, see [The Techno-Industrial Policy Playbook](#), The Foundation for American Innovation, The Foundation for American Innovation, American Compass, The Institute for Progress, and NAIA Foundation, 2025.

[community stability](#). At the same time, some [center-left reformers view unions as constraints](#) on government reform, energy development, and other forms of economic growth. Housing and land-use policy offers another example. Some center-left reformers now [advocate aggressively for deregulation](#) and for [limiting the role of local community input](#) to accelerate housing production. Meanwhile, a [coalition of populist actors on the left and right](#) pushes for rules to constrain corporate concentration in single-family housing. And participatory approaches to democracy are also gaining interest among an unlikely [mix of localism-focused movement leaders and classical conservative funders](#).

The prior consensus on professional civil society has fractured, but the question of the best path forward remains unsettled. Competing visions offer different answers about how civil society should operate now, how it should relate to markets and governments, and how institutions should work to rebuild public trust. Artificial intelligence, geopolitical uncertainty, and other forces add new pressures that will shape the forthcoming paradigm. The prevailing intuition now is that civil society will need to cultivate and evolve the institutions that help citizens participate in the economy and democracy.

## Looking Ahead

Many leaders we work with are navigating pressures that differ in kind from those they faced previously as the core underpinnings of civil society continue to shift beneath their feet. As an example, technology, markets, and worker power are colliding in ways that would have been hard to imagine even a decade ago. This creates openings for both [local ownership](#) (such as co-ops or ESOPs) and national opportunities to [influence industrial policy](#) and [capital-market flows](#). Today, social-sector leaders must decide when to work through government and/or markets versus when to build people's own capacity to act. They need to determine how to operate in unusual coalitions, and—perhaps hardest of all—how to deliver results when so many in society have lost trust in them.

These new realities raise an evolving set of questions for leaders. A few include:

- If partnership with government for direct-service work grows more uncertain, how will solutions reach broad populations?
- If the government's willingness to shape markets continues to grow, what role should civil society play in ensuring those markets work for the people they are meant to serve?
- If professional institutions are viewed as culturally narrow, donor-driven, or insufficiently accountable, how should legitimacy be rebuilt?
- If advocacy and systems-change strategies draw sharper scrutiny, how should nonprofits and philanthropies weigh their potential for influence against the risks to their independence and their ability to carry out their work?
- For organizations whose mission centers on racial equity, how should they pursue that work in a way that remains true to their missions while navigating a more contested environment?

- If a focus on place and local action takes center stage, what does that mean for holding a shared story of what America is and where it is heading (and does that matter)?

Across all issue areas, leaders will need to reassess long-held assumptions about where authority resides, how institutions earn trust, and what role professional civil society should play in a changing civic order. This will go beyond communication or positioning and instead require questioning governance, talent, capital strategy, and the basic theory of change that guides an institution's work. The answers will not emerge quickly, yet the willingness to confront the questions directly will shape the sector's resilience and relevance in the years ahead.

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