

The Aspen Scale Institute

While the business world has reinvented itself in the last two decades for greater reach, efficiency and profitability, most nonprofits use a business model well over a century old, staying small and local and serving limited numbers of people despite the magnitude of the need. Nonprofit sectors as diverse as social services, affordable housing, and workforce development typically serve fewer than 5% of those in need.

How can we reinvent nonprofits, most of which are small community-based organizations, to enable them to operate with greater reach, effectiveness and efficiency without losing the connection to community from which we as a society derive such value?

Working with leaders in community-based nonprofit sectors (e.g., housing, social services, the arts), funders (e.g., foundations, federal/state/local government, high net-worth individuals), policymakers and regulators, and businesses that serve these nonprofits, we seek to answer this question through a new initiative: the Aspen Scale Institute.

The Aspen Scale Institute (ASI) carries out research on how nonprofits can work and organize themselves differently to increase the size and scope of what they do without pursuing unattainable growth, assists in the development of pilots to test new models, and convenes stakeholders to learn about the research and collectively advance the body of knowledge around scale.

The ASI seeks the broad adoption of new ways of thinking about scale in the nonprofit world, development of business models that allow nonprofits to retain their localness and connection to communities while enabling greater efficiency and impact, and initial proof of concept through the implementation of these business models in two to three nonprofit sectors. The ultimate goal of this activity is to enable the nonprofit sector to increase by at least an order of magnitude (10x) the number of people they are serving today.

With over a decade of experience working with nonprofits in the microfinance, workforce, community development and nonprofit finance fields, Aspen has had the opportunity to study scale, sustainability and impact across a wide range of nonprofits. The even greater private sector experience of members of the ASI team allow for cross-fertilization of ideas and models from the for-profit world.

Since the beginning of its scale research in 2003, Aspen has published three groundbreaking articles on scale and partnered with the Federal Reserve System to hold five national meetings with over 1000 participants (nonprofit leaders, policymakers, academics, funders, business) to introduce new ways to think about and achieve scale in the nonprofit sector. In this time, Aspen has seen the adoption of its scale framework by leading community organizations, resulting in seminal attempts to create networks, collaborative business models, and shared infrastructure in such areas as affordable housing, child care and the arts.