6 Reasons to Use the Term "Community Benefit Organization"

Published by *Hildy* Gottlieb on October 12, 2009 in Changing the World and Words Matter

Lately we hear a louder and louder drumbeat to stop using what my friend Mark Riffey calls "the other N word." *Nonprofit.*

This post will not be about that.

After all, if we're mounting a campaign to move to more positive language, it's pretty self-defeating to have that campaign itself be negative! The command to "STOP using negative language" is about as self-contradictory an oxymoron as one could find!

So herewith, 6 reasons to move TOWARDS a positive name for the work we all do – Community Benefit work.

1) "Community Benefit" Says What Our Organizations Are and Why They Exist
Imagine you're going on a blind date. You ask, "What is Joe like?" And you are told, "Well he's not very tall or thin. He doesn't like Italian food. Oh – and he doesn't have a dog."

There is more going on in this description than merely failing to provide pertinent information. The real result of this description is to focus you on particular aspects about Joe. Further, you will notice that none of those aspects is important to who Joe really is.

Is Joe an opera singer? A gourmet chef? A rocket scientist? Is he the most attractive and phenomenal lover the world has ever known? You don't know, not only because I have failed to tell you, but because the facts I HAVE chosen to share are irrelevant to being an opera singer or an amazing lover.

Calling your organization a Nonprofit focuses the world's attention on a particular inconsequential aspect of your being – the financial means that allow your work to be accomplished.

Calling your organization a Community Benefit Organization declares to the world your primary purpose – to provide benefit to the community.

2) The Meaning of "Community Benefit Organization" is Straightforward and Clear
Misperceptions often arise from the emphasis the "nonprofit" label places on money. And while those of us who live and breathe Community Benefit work cannot fathom how confusing the term can be to people who are not similarly immersed, here are just two examples from my own experience.

True Story #1: I was on a plane next to a young man who had just finished his second tour of duty overseas in the military. He asked about the work I do, at which point he asked a question that had been nagging at him for years. "How do they get anything done? If they're nonprofit, doesn't that mean they can't use money? How do they pay for things?"

True Story #2: At the end of their fiscal year, a small arts group was showing a profit. The board believed that was not permissible, because they were a "nonprofit." They voted to donate every penny of those funds to another charitable organization.

I am not alone in these observations. Ellis Carter, an attorney to Community Benefit Organizations, shares similar stories. "This seems so obvious, but I get at least one call a year to settle an argument about whether all the organization's money has to be spent by the end of the year."

Calling your organization a Nonprofit leads people to make all sorts of assumptions about the financial means by which an organization is permitted to do its work. Because those assumptions are overwhelmingly incorrect, they can actually cause harm.

However, if (for example) the arts group thought of itself as a "tax exempt Community Benefit Organization" – and the word "nonprofit" had never been uttered – it likely never would have occurred to them to give away their profits.

3) The Term "Community Benefit Organization" Creates a Strong, Powerful Self-Image
The term "Nonprofit" feeds our insecurities. It isn't often you hear the term used as an excited exclamation: "We are a Nonprofit!" Instead, the term is used (for example) when asking for a discount. "We can't afford much – we're a nonprofit." No surprise there – the name almost screams, "We have no money!"

The term also puts organizations on the defensive, as the name itself is a comparison to something positive, stating unequivocally, "That thing you think of as positive – profit – we are NOT that."

As a result, in addition to the "run like a business" mantra, we are now seeing entire promotional campaigns that declare "Nonprofits Are Businesses Too!" This attempt at self-justification saddens me every time I see it.

Positive words, on the other hand, make us feel – well – positive!

In keynote speeches, when I suggest to the audience that they are NOT "nonprofits" – they are Community Benefit Organizations – audience members sit up straighter in their seats. They gasp. They applaud and cheer.

Whether I am providing a 20 minute luncheon keynote or a full-day workshop, the thing that sticks in their minds as they fill in their evaluations is not the main subject matter, but an almost unanimous reflection: "I love the term Community Benefit Organization!"

Referring to your organization as a Nonprofit makes board and staff feel defensive and weak. A sense of weakness is almost guaranteed to lead to fear-based, short-sighted decisions and plans.

Referring to your organization as a Community Benefit Organization generates an almost palpable sense of strength and power. That sense of strength then pervades every decision that is made, and every action that is taken.

4) The Term "Community Benefit Organization" is Inclusive

Creating visionary change in our communities will take more than just one or two organizations. It will take linking arms between community organizations, government departments, elected officials, social entrepreneurs, and businesses large and small.

Because the term Community Benefit Organization focuses on a group's intent in the world, the inclusiveness of the name allows for its use by all those entities – not just traditional "nonprofits."

A business, for example, might rightfully feel uncomfortable telling its stockholders, "We have a nonprofit component to our work." However, that same project might be received quite differently if instead they said, "We have a Community Benefit component to our work, because strong communities are a critical component to our long term success."

By using the term "Nonprofit," we are suggesting that only tax-exempt organizations do good for the world. That divisiveness precludes our working together to build strong, resilient, vibrant communities.

By using the term "Community Benefit Organization," we encourage anyone and everyone to join in the effort to build strong communities.

5) The Term "Community Benefit Organization" Provides Direct Marching Orders to the Board: Focus on Providing Benefit!

When a board believes it is a "Community Benefit" Board, the name proclaims the board's marching orders – to provide the most benefit possible.

Conversations at the board table will focus primary accountability on the benefit you have promised to provide to the community.

Similarly, the goals of your organization's annual plans will aim at the benefit you have promised to provide.

And that brings me to #6.

6) "Community Benefit" is a Promise

The brilliant Zach Braiker of the international business strategy firm Refine & Focus states, *"Your name is your promise. What outcome is the highest priority for you? That should be your name."*

So what is the highest priority outcome of this work we are all doing to make our communities amazing places to live? Is it to vow never to make a profit? Or are we promising to provide benefit to our communities, now and into the future? Are we promising to build strong, healthy, resilient, vibrant places to live?

In the end, if that community benefit is what we are promising to provide, then that is the promise we should proudly proclaim in our name.

We are Community Benefit Organizations!