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Book Review

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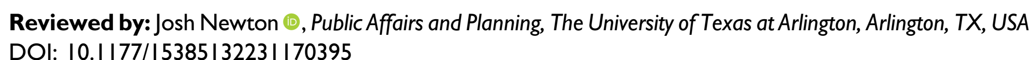
Claire Dunning. 2022. *Nonprofit Neighborhoods: An Urban History of Inequality and the American State*. Chicago, IL: The University of Chicago Press. 341 pp. ISBN: 978-0-226-81989-1.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There are over 1.8 million nonprofits in the United States with expenditures of about $1.94 trillion and most of these organizations are headquartered in low-income communities.[1] Nonprofits are now a mainstay of urban governance, as well as service provision and programmed interventions for community and economic development. Scholars and activists increasingly use the term “nonprofit industrial complex” to refer to the escalating substitution of nonprofit organizations for public sector entities in neighborhood development and new governance regimes consisting of grantmakers, urban elites, politicians, public officials, and community-based organizations.[2] Yet, the size and scale of involvement of the nonprofit sector in these endeavors has only mushroomed within the last four or five decades. How did the nonprofit industrial complex come to exist?

Claire Dunning illuminates the unfurling of the nonprofit industrial complex in the city of Boston in the post-World War II era, primarily from the 1960s to the 1990s. She spatially roots the nonprofit industrial complex in “nonprofit neighborhoods” where “neighborhood-based nonprofit organizations controlled access to the levers of political, economic, and social power and mediated the local manifestations of the state and market.”[3] Dunning claims that these nonprofit neighborhoods did not appear suddenly, but rather were built from grassroots freedom movements of the 1950s and 60s, based on both political and policy decisions, supported by both Democratic and Republican politicians, and perpetuated through the simultaneous neoliberal disinvestment in public institutions and investment in private organizations. She tracks the impact of recent historical trends in Boston such as deindustrialization, gentrification, and globalization to show how nonprofit neighborhoods were not only created through neoliberalism, but also became sites for the (re)creation and maintenance of neoliberal forms of governance and ideology.

The establishment of these nonprofit neighborhoods throughout the United States was catalyzed by federal guidelines enacted during urban renewal programs post-World War II and solidified as a form of governance and service provision during Lyndon Johnson’s War on Poverty and Great Society programs. This was not the first time nonprofit and government partnerships were created for neighborhood revitalization and uplift. In fact, Dunning points to the Progressive Era—especially the settlement house movement—as a predecessor to nonprofit neighborhoods. However, nonprofit neighborhoods of the postwar period differ from the settlement house movement in their attempts to elicit participation of marginalized groups and use of federal grantmaking as a poverty reduction policy tool. Diverging from the popular perception of public, private, and nonprofit organizations as individual entities pursuing similar goals, Dunning dispels the notion of an autonomous nonprofit sector and shows how the government became one of the largest grantmakers funding these partnerships.

However, it was not only the role of the government that changed through the creation of nonprofit neighborhoods. Nonprofits themselves were altered by these new partnerships. Smaller neighborhood nonprofits were steadily held away from more progressive ideas and activities as the state transitioned from provider of services to monitor of nonprofit programs. New rules for attaining tax-exempt status, and by extension the possibility of federal funding, changed how nonprofits practiced bookkeeping, engaged politically, and evaluated their initiatives. Thus, government maintained control in these partnerships and determined what types of activities nonprofits should pursue. These new forms of governance and provision also augmented racial politics and divisions. New funding, board and staff positions, and decision-making opportunities emerged within nonprofit neighborhoods, but access to these benefits was unevenly distributed in a way that created racial animosity between white- and Black-led neighborhood nonprofits. Dunning argues that while nonprofit neighborhoods did open new forms of democratic inclusion for marginalized groups, they just as often created new forms of exclusion as well.

Dunning advances these arguments through a chronological and thematic organization. Her book progresses from urban renewal programs in the 1950s and 60s to place-based coalitions of the 1990s. However, each chapter also thematically deals with a unique type of stakeholder in nonprofit neighborhoods. Chapter 1 discusses changes in "The City," especially postwar flight of white people and tax revenue to the suburbs, that produced a need for government and nonprofit alliances in urban renewal schemes. Dunning uses the story of the partnership between Freedom House and the Boston Redevelopment Authority to examine how neighborhoods became governing units, as well as how nonprofits were activated to inform, engage, represent, and participate with residents in policy implementation. Chapter 2 focuses on "The Grantees," or the new public-private partnerships that were created to determine where resources and power were allocated. Using Action for Boston Community Development as an example, the author shows how the transition to grantmaking as a federal policy tool required the creation of these partnerships, but also reinforced competition and market ideology through them.

Chapter 3 discusses the struggle of "The Residents" to not only participate in these new partnerships, but also gain community control over the resources flowing into their neighborhoods. Neighborhood nonprofits simultaneously became allies in Black freedom movements for poverty reduction and loci of racial conflict and power struggles. Chapter 4 outlines how "The Bureaucrats" at the municipal level maintained control and power in an era of partnerships between the federal government and nonprofit neighborhoods. Johnson's Model Cities program and Law Enforcement Assistance Administration (LEAA) established federal utilization of state and municipal governments as grant distributors, while Nixon's transition to Community Development Block Grants (CDBGs) decoupled neighborhood funding from poverty reduction. The result of these transformations was increased political power for municipal politicians and decreased public participation and program innovation.

Chapter 5 explains how the requirements of "The Lenders" and necessity of return on investment solidified lack of public participation and market ideology in nonprofit neighborhoods. In the 1970s, neighborhood nonprofits such as Greater Boston Community Development were at the mercy of the market instead of large philanthropists and government funding and increasingly supported neoliberal agendas that produced better economic outcomes. Chapter 6 discusses the role of "The Partners," or elite Bostonians, who stepped in to fill the role of funders as government retrenchment occurred. Interventions such as the Dudley Street Neighborhood Initiative gave elites an in-road into policymaking to solidify neoliberal agendas, but ultimately produced more inequality. Finally, Chapter 7 discusses the rise of "The Coalitions" in the 1990s that utilized place-based strategies such as Empowerment Zones to merge the 1960s focus on social welfare with 1980s market ideology. This reinvigorated community-based nonprofits, though in the form

of coalitions of marginalized organizations to amass more power in the sea of stakeholders involved in nonprofit neighborhoods.

In the end, nonprofit neighborhoods in Boston changed systems of governance and service provision, but decentralized governance and democratic participation in a way that ultimately curtailed structural change. Dunning points out in her conclusion that a 2016 Brookings Institution study found Boston to be the most unequal city in the United States and, in some ways, outcomes for low-income neighborhoods and marginalized groups are worse than before urban renewal. Through use of archival materials and attention to historical change, Dunning shows why Boston has unevenly developed. According to her, structural change did not result from nonprofit neighborhoods because grantmaking as a policy product divided the city of Boston through competition for resources and positions of power, discouraged protest and advocacy through federal guidelines, and distracted from evolving changes and crises of capitalist production during this era. In her own words, "nonprofit neighborhoods were not designed as vectors for redistribution" but rather "governing spaces of discipline, selective uplift, growth, and stability."[4] Dunning recognizes that neighborhood nonprofits have accomplished much in terms of the public good but argues that they have likewise been inadequate in their work and produced inequitable outcomes.

Dunning, herself, admits that the narrative of the creation of the nonprofit industrial complex with its associated benefits and ills is not new.[5] However, her focus on Boston across multiple decades allows her to contribute new insights to our knowledge of these public-private partnerships. For instance, by spatially situating the story of nonprofit and government alliances in Boston, the reader is given a better sense of how these transitions in governance, service provision, and community development played out through local processes in actual neighborhoods. More importantly, she seems to draw on urban regime theory to highlight how a wide range of stakeholders contributed to, benefitted (or not) from, and were altered by nonprofit neighborhoods. The actions—whether conciliatory, coerced, or conflictual—of residents, neighborhood nonprofits, private funders, municipal and federal officials and politicians, lenders, and organizational coalitions, all contributed to the solidification of these partnerships as the primary form of governance and service provision in the contemporary United States.

Nonprofit Neighborhoods is a well-researched, comprehensive examination of the nonprofit industrial complex in the United States. Its one weakness is its primary strength: its hyperlocal focus. Its lack of comparison leaves the reader wondering if Boston is a unique case study or if processes in other cities would paint the same picture; however, this is beyond the scope of Dunning's research. In the future, similar studies of other cities in the United States—particularly those in the Sunbelt that did not experience deindustrialization and those with less established or smaller nonprofit sectors—could help bring complexity to the story of local manifestations of the United States nonprofit industrial complex. Overall, Dunning's book is a must-read for anyone doing research or teaching on urban governance, United States urban history, or nonprofit community development.

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Notes

1. Lewis Faulk, Mirae Kim, Teresa Derrick-Mills, Elizabeth T. Boris, Laura Tomasko, Nora Hakizimana, Tianyu Chen, Minjung Kim, & Layla Nath, "Nonprofit Trends and Impacts 2021: National Findings on Donation Trends from 2015 through 2020, Diversity and Representation, and First-Year Impacts of the

COVID-19 Pandemic" (Washington, D.C.: The Urban Institute Center on Nonprofits and Philanthropy, 2021).

2. Incite! *The Revolution Will Not Be Funded: Beyond the Non-profit Industrial Complex* (Boston, MA: South End Press, 2007).
3. Claire Dunning, *Nonprofit Neighborhoods: An Urban History of Inequality and the American State* (Chicago, IL: The University of Chicago Press, 2022), 14.
4. Claire Dunning, *Nonprofit Neighborhoods: An Urban History of Inequality and the American State* (Chicago, IL: The University of Chicago Press, 2022), 248.
5. For more see Jennifer Wolch, *The Shadow State: Government and Voluntary Sector in Transition* (New York, NY: Foundation Center, 1990); Incite! *The Revolution Will Not Be Funded: Beyond the Non-profit Industrial Complex* (Boston, MA: South End Press, 2007); Carolyn T. Adams, *From the Outside In: Suburban Elites, Third-Sector Organizations, and the Reshaping of Philadelphia* (Ithaca, NY: Cornell University Press, 2014).