Book Review

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Bruce A. Seaman Dennis R. Young: Handbook of Research on Nonprofit Economics and Management

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Bruce A.Seaman and Dennis R.Young (Eds.) (2018). *Handbook of Research on Nonprofit Economics and Management*. Northampton, MA: Edward Elgar Publishing. 478 pages, \$255.00. ISBN 9781785363511.

Professors Bruce Seaman and Dennis Young have assembled a new and expanded edition of their seminal Handbook, first published in 2010. The work offers the most comprehensive handling of the intersection of economics and nonprofit management and this edition greatly extends and improves on the original edition.

As a non-Economist, I treaded lightly at first into this revised version of the Handbook to see how my colleagues trained in the dismal science would bring their considerable knowledge to bear on the work of the sector. Collectively, this edited volume offers the full waterfront of material on how economics-informed thinking can be used to interpret, diagnose, and inform the actions of nonprofit managers and organizations. The 43 contributors to the present edition (which include 22 returning authors from the first edition) collectively offer us the current state of affairs in regard to economic perspectives on the work of the nonprofit sector.

Though readers not explicitly trained in economics might pause before picking up the Handbook, I would encourage them to do so. The authors represent a range of disciplinary training and strive to make the material accessible to all those with an interest in the nonprofit sector. Though some jargon is unavoidable in such an enterprise, the authors make efforts to clearly explain the underlying economic principles and theories central to the topics they are covering. They also explicitly tie their data and findings back to the realities of nonprofit management practice. For that, I thank them.

For those who begin with a naïve notion of nonprofit organizations as absolved from a need for market-based thinking, this volume calls our attention to what I see as four key functions in which nonprofits engage. These are in no way exhaustive but they are helpful as organizing themes for the relationships to be explored. Each of 23 chapters delves in to a particular aspect of how economics thinking can be applied to the work and context of nonprofits.

First, we consider nonprofits as organizational consumers in market-based environments. Here we receive insights into how to think about nonprofits as demanding labor (Ch. 8) from the broader labor market as well as clarifying how to think about the value of volunteer labor (Ch. 16). In addition, the practice of nonprofits of contracting out for various organizational needs is explored (Ch. 12). These chapters help illustrate how nonprofits operate as purchasers in selected domains.

Second, the role of nonprofits as competitors in markets where they supply products and services is illuminated. Here, consideration is given to decisions about the product array that nonprofits offer (Ch. 13) and their approach to pricing of the products they offer (Ch. 10). This also extends to the access that nonprofits have and how they compete for governmental funding (Ch. 21). This is well-informed by exploration of how nonprofits pursue income diversification (Ch. 1) and the role that different revenue streams play in their general financial outlook (Ch. 2). There is also specific handling of evidence from instances where nonprofits compete directly with for-profits (Ch. 7).

Third, the broader role of nonprofits as players in the broader economic landscape receives considerable attention. This extends to the treatment of nonprofits in public policy decision making regarding taxation (Ch. 19) including property taxes (Ch. 20), and as entities that possess assets (Ch. 5) and seek capital (Ch. 4) in fulfillment of their missions We also are invited to consider how methods of social accounting may be useful in articulating the value of nonprofits (Ch. 18). The volume also addresses our understanding of the social economy (Ch. 22) in which nonprofits operate and how they contribute to the macroeconomy (Ch. 23). I would also

include here the useful chapter on understanding the particular circumstances facing nonprofit foundations (Ch. 3).

Fourth, nonprofits as organizational forms with a particular set of management challenges is addressed as a theme. In regard to this function authors guide us in thinking about nonprofit behaviors (Ch. 9), issues of governance (Ch. 14), and risk management in nonprofits (Ch. 11). Further, the volume offers content on decisions about franchising and federation (Ch. 15) and judging nonprofit performance (Ch. 17). Finally, the topic of collaboration as a particularly crucial approach for nonprofits in explored (Ch. 6).

Though much of the Handbook provides important updates and reframing of topics included in the original version, this edition includes two new chapters which contribute markedly to the overall presentation. Chapter 22 on the social economy provides a useful approach to understanding the somewhat complex cross-national landscape of organizations that deliver social benefit. The authors distinguish among four types of entities based on their relationship to the public sector and the private sector – social economy businesses, community economic development organizations, public sector nonprofits and civil society organizations. Using cross-national illustrations, the authors remind us how social economy actors have developed in response to varying contexts and histories in their home countries. Chapter 23 addresses the place of nonprofits within the broader macroeconomy, illustrating the key role nonprofits play in driving economic growth, especially through efforts in the arenas of education, hunger, and health. In addition, the chapter explores how patterns of nonprofit growth and density have evolved in response to macroeconomic trends (e. g. the business cycle) sometimes cyclic and sometimes countercyclic in their relationship based on the economic indicator.

The Handbook is comprehensive in its handling of a wide range of important topics. Undoubtedly, specific chapters will be of more or less interest to readers depending on their scholarly priorities or in the case of nonprofit manager, their organizational needs. As a set, these chapters offer us a full and honest assessment of how economic thinking can aid the sector in thinking though its current state of affairs and inform strategies to improve organizational performance. It is of value to better understand what we observe in the sector, but this volume goes farther in that the authors also strive to summarize both what we think we know and what we need to know. The authors carefully lay out not only a provisional research agenda for the domains addressed in their contributions, but clearly explain why the unknowns are important for the nonprofit sector to pursue. This value extends from impacting the decisions of nonprofit managers and leaders to those of policymakers, all with the objective of ensuring better nonprofit performance to mission and contribution to the public good more broadly.