

While nonprofit organizations serve the community in significant ways, their heavy reliance on philanthropic and government funding is increasingly not sustainable, especially in the wake of economic downturns.

The application of social entrepreneurial principles, including social enterprise activities, can improve the sustainability of the business model of nonprofits while bolstering management capacity and enhancing mission.

Increasing numbers of private foundations and funders are aggressively seeking to support social entrepreneurial ideas; many nonprofit organizations need to think “outside of the box” to make their organizations sustainable.

However, incorporating commercial strategies and activities, such as strategically selling goods and services, embracing a fee-for-service approach, or founding a separate commercial for-profit enterprise or hybrid business, may provide new types of revenue streams that will sustain successful nonprofits in the future.

(Source: "Revolutionizing the Nonprofit Sector.")