The path that Cynthia Gentry took, from volunteer to civic activist, is well-traveled.

Our democracy depends on robust civic participation. Volunteer service is one form. So are engagement in the political process—from voting to volunteering in a campaign or running for office—and participating in community or civic organizations. Pursuing a public service career is often counted, and so is policy advocacy—sharing views, persuading others, and even lobbying a policymaker. All of these kinds of actions make up a civically engaged community, and numerous studies document that civic engagement points to heightened social capital, which in turn leads to higher educational achievement, better-performing government institutions, faster economic growth, and less crime and violence.[2] Many advocates have supported federal investment in service because they believe that people who serve will ultimately become civically involved in other ways, even if they do not engage in these activities as part of their service.

These advocates are right, to a degree. The civic outcomes of volunteer and national service take many forms (Table 3.1). Some volunteers, such as Cynthia Gentry, go on to become advocates in the public arena. Many are the PTA moms who move from volunteer to PTA president and eventually to school board candidate. It's easy to find former members of VISTA (Volunteers in Service to America)—and increasingly, AmeriCorps alumni—among today's nonprofit leaders and community activists. Some have run for office. Still others are reformers, tackling challenges through a wide variety of strategies including starting their own innovative nonprofits or inventing new methods to solve problems. When addressing a group

Type	Examples
Democratic participation	Voting, volunteering for political candidates, or advocating for policy change
Public service careers	Working in a government or nonprofit job
Community engagement	Participating in a neighborhood group or staying abreast of issues that affect the community
Personal responsibility	Doing the right thing
Continued service	Long-term volunteering
Forging diverse ties	Learning to connect with people of different backgrounds

Table 3.1. Examples of the Civic Outcomes of Service.

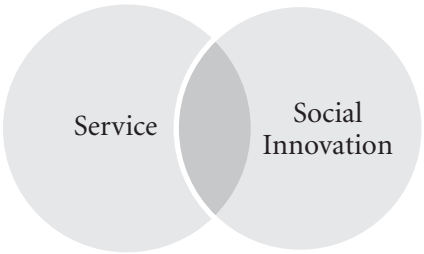

Figure 8.1. The Relationship of Service and Social Innovation.

capital and enabling early investors to realize a profit. Successful companies can fund subsequent inventions using their own financial capital, creating a cycle that supports innovation over the long term.

Now consider the nonprofit sector. When an inventor has a new idea, if he is lucky he may obtain funding from friends or family, but chances are no financial resources will be available. The inventor is likely to try out his idea using volunteer labor—his own and that of his friends and colleagues. Most charitable endeavors never make it past this phase.

If the effort is successful and the inventor is committed to it, he may create a formal nonprofit organization by registering with the Internal Revenue Service (IRS). Even this is no guarantee of success—more than 70 percent of nonprofits registered with the IRS have no paid staff.[2] However, the tax-exempt status granted by the IRS enables the organization to seek tax-deductible financial donations to cover operating costs. This financial capital often comes from individual donations and occasionally from foundations, and typically comes in the form of modest program grants, not substantial operating capital.

If significant financial capital is available, sometimes an organization will choose to professionalize its workforce, turning to paid employees rather than volunteers to carry out its mission. In other cases, the organization will continue to use volunteers as its main delivery system—in essence, this form of human capital reduces the amount of financial capital needed. It's important to recognize that even in these cases, financial resources are usually essential to pay for staff, office space, and other expenses relating to managing the organization, including recruiting, training, and supervising volunteers. Sometimes financial capital comes from philanthropic or