



The Social Meanings of the Third Sector: How Action and Purpose Shape Everyday Understandings of "Nonprofit"

Curtis Child and Eva Witesman

This paper aims to capture how laypeople understand the nonprofit sector. The authors are especially interested in whether nonspecialists consider nonprofit to be a "third sector" distinct from business and government, as well as the entities and activities that are deemed "nonprofit." The authors gathered data using a survey that provided 96 interaction statements and asked participants to describe those interactions as (i) *business*, (ii) *government*, (iii) *a mix of business and government*, or (iv) *different from business or government*. The authors used the Institutional Grammar to identify how the different syntactic components influence how survey participants classified the statements.

KEY FINDINGS

- In classifying an interaction as "nonprofit," laypersons focus more on actions and aims than on actors.
- Lay definitions of nonprofit play an important role in shaping the nonprofit sector.

Action and Aim > Actor

For each interaction statement, the authors calculated the probability that a change in one of the syntactic components (actor, action, recipient, aim) would change whether the interaction was labeled as nonprofit. For example, participants were less likely to label interaction statements as nonprofit if they involved *selling* rather than *donating*. The authors found that changes in a statement's *actions* or *aims* were more likely to change how survey participants labeled an interaction than changes to the *actor*. This results in lay definitions of "nonprofit" that diverge from scholarly or expert conceptions of the sector.

The Importance of Everyday Understandings of "Nonprofit"

Differences from specialist perspectives notwithstanding, the authors find that laypeople do indeed view nonprofit as a distinct "third sector." Lay definitions of nonprofit have many important implications for how the nonprofit sector operates. They inform how nonspecialists engage with nonprofit entities, what they consider "appropriate" activities for nonprofits, and the importance that they assign to nonprofit work.

For more information, please see Child, C., & Witesman, E. (2022). The Social Meanings of the Third Sector: How Action and Purpose Shape Everyday Understandings of "Nonprofit." *Nonprofit and Voluntary Sector Quarterly*, 52(2), 327–345. <https://doi.org/10.1177/08997640221081523>

This Research Case represents an interpretation of the original scholarship which was reviewed and approved by the original author(s).