

The Promise and Perils of Comparing Nonprofit Data

Across Borders

Abstract

The movement to democratize data and the advent of virtual research teams provides a near-perfect opportunity for an explosion of comparative nonprofit research. This manuscript provides a useful framework for scholars interested in utilizing comparative nonprofit data. By documenting how the lived context of the data is influenced by governmental, institutional, and social forces, we illustrate how effective comparative data work will involve knowing both the how (data details) and the why (institutional history) of the data elements. We offer three extended examples to illustrate the complexity of comparative data: the definition of nonprofit; the concept of governance; and the definition of financial liability. This approach provides a thoughtful path of not only careful empirical work but the route to theoretical improvements as well. Further, comparative work also leads the researcher to question assumptions and document the processes which shape the data, even within their singular context.

Keywords

Comparative; charity data; nonprofit; data democratization

Introduction

“That Mars is inhabited by beings of some sort or other we may consider as certain as it is uncertain what these beings may be” (Lowell 1906, pg. 376).

Percival Lowell devoted a substantial amount of energy to the mistaken notion that a system of canals existed on the surface of Mars. Lowell published three volumes on Mars and its development, including detailed documentation of canals and reservoirs, chapters on the rise and fall of life on Mars, efforts to document its vegetation, and theories on the nature of the inhabitants responsible for such an elaborate irrigation system. Lowell arrived at these erroneous conclusions despite a complete lack of evidence for most of the supposed phenomena he depicted (Sagan and Fox 1975) and his success in mapping some of the planet’s larger geographic features (Sharps 2018). In this way, he contributed to a mistaken popular understanding of the planet that has been characterized as a “mania” (Lane 2006). Lowell’s mistake has been attributed to two factors. First, a mistranslation of the Italian “canali” distorted important information, confusing a channel with a human-constructed canal. Second, he perceived a new phenomenon (the Martian landscape), conditioned by an understanding drawn from a more familiar context: the canal-dominated notions of early 20th-century civilization on earth (Hetherington 1981, Sharps 2018, Sharps et al. 2019).

We scholars of the social economy often find ourselves in the situation of Percival Lowell, particularly when we attempt comparative work. As experts in the social sector of a particular context, we are both emboldened that we have an idea of what to look for, but also potentially flummoxed both by the intricacies of other contexts and by the role of our own lenses

in trying to interpret those contexts. Yet, comparative work is becoming more important and more popular as information becomes more available and scholars become more connected across national lines.

One fundamental issue complicating research is that comparative empirical research requires comparable data. As scholars strive to understand the social economy, the wealth of administrative data available across the world has tremendous potential. Accessing data on charities across countries is becoming easier as more datasets are made openly available. This brings great opportunities to address big comparative research questions. But not everything that can be compared should be – things are not always what they seem – and it is very easy to underestimate the inherent complexity of comparative research (Breen, 2013; von Schnurbein, Perez, & Gehringer, 2018).

Our study draws on lessons learned by the authors from the comparative analysis of administrative data across nine countries. This exploration focuses on (but is not limited to) commonly analyzed administrative data such as the archives of the U.S. Form 990, the Canadian T3010 form, the Annual Return of the Charity Commission for England and Wales, and other similar data sources. Though we recognize that this will give our examples a Western bias, it will also illustrate the point that, even when there is a common language, there are many obstacles to conducting high-quality comparative work. Information that seems comparable may vary in significant ways due to political, administrative, or cultural factors. As demonstrated below, similar data items representing financial concepts can mean very different things in different regulatory contexts, as might be expected given the variation in registration and reporting practices (Cordery, Crawford, Breen, & Morgan, 2019). There is even greater uncertainty in items representing more ambiguous concepts, such as transparency or gender. The

presence of these differences in the most concrete and comparable of available nonprofit data sources underscores the critical need to evaluate the concepts, measures, and data used for comparative research.

In writing this paper, we hope both to make international comparative research with administrative data more accessible and also help researchers using these data resources to avoid some tempting over-simplifications. While we acknowledge that the paper and its authors address this issue from a post-positivist epistemological perspective, this paper highlights the need for integrating critical perspectives into comparative empirical research with administrative data. The advent of open data systems and data democratization will provide scholars from all of the world information on contexts outside of the ones with which they are familiar. This article hopes to systematize an approach to comparative work in order to improve the quality of this imminent flood of comparative study by encouraging a discourse that includes not just data differences, but also the legal, institutional, historical, and social differences that the data reflects; this presents the best hope for inter-subjective agreement, triangulation of perspectives, and successful accumulation of knowledge.

The paper proceeds as follows. We discuss existing theory and practice regarding comparative research, then focus on the role of data. We then follow with three extended examples: the definitions of a nonprofit organization, of governance, and of liabilities. We then discuss and conclude with recommendations on how to move forward.

Conducting Comparative Research in the Social Sciences

Whether attempting to describe reality, explain phenomena, or predict them, the process of comparison is essential to empirical research. We identify concepts of interest, define them, operationalize them, collect data, and analyze this data to further our understanding of reality (one approximation of this process found in Figure 1 below). These steps are documented to facilitate communication and, ultimately, facilitate intersubjective agreement between researchers, with the broader goal of building knowledge. Each step of the research process requires generalization and assumption, as we attempt to assess the degree to which concepts are present or absent in a particular case, associate with each other, or might be causally linked. The inherent difficulty of this undertaking is reflected in the array of research methods textbooks across disciplines of the social sciences.

<< Insert Figure 1 about here. >>

Comparative analysis has a long history in the social science, with notable figures such as Alexis de Tocqueville, Adam Smith, and Karl Marx all using comparative analysis and examples to build theory (Mahoney & Rueschemeyer, 2013). Comparative historical analysis, in particular, has been essential to the development of fields such as political science (Mahoney & Terrie, 2009; Thelen & Mahoney, 2015) and public policy (Castles 1990). The discussion of why a particular nation favors democratic versus authoritarian regimes will rely heavily not only on the understanding of that nation's past, but also the behaviors of similar and different cultures in similar situations and how those situations contrast (Collier, 1999; Huber & Safford, 1997). Though always present, comparative analysis enjoyed a resurgence in the 1960s and 1970s with

exemplars of the approach and then again in the 1980s as the methodology itself began to generate scholarship (Mahoney & Terrie, 2009).

As comparative analysis became mainstream in the study of social and governmental structure, it also began to strongly influence the study of the nonprofit sector. Skocpol, considered by many to be one of the thought leaders on modern civil society, produced one of the landmark comparative texts on historical comparative analysis (Skocpol, 1979, 2003). Further, cultural understandings on the proper role of government and social policy necessarily influences those expected to provide such services (Amenta, 2003). However, the siloing that has come from the emergence of nonprofit studies as a discipline has led us to believe that we are discovering things anew, despite the longstanding acceptance that the historical cultural context of both the observed and the observer influence everything from social norm to legal form. Ironically, the same force that has caused issues in comparative research in nonprofit studies has caused tension in political science: the advent of analytical techniques that favor large numbers of observations over the complexities that can be captured in case studies (Mahoney & Terrie, 2016). Discourse continues on how to properly balance the detailed case studies that defined the traditional approach with new standards on methodological rigor (Collier, 1999).

But how has data contributed to the problem? The answer lies in the fact that the flow of empirical research methods does not always travel in a single direction: an ichthyologist can only live in the desert so long before her research turns to the study of local creatures, albeit with potential insights from the sea. As the study of nonprofit organizations became dominated by the use of large databases of financial information, however, the influence of context (or, as we will argue, the perception of the influence of context) became sidelined. Ostensibly objective

concepts such as legal form and revenues became the focus of nonprofit management literature, with a particular focus on the U.S. due to the wealth of available data.

However, as the sphere of study began again to branch out of the U.S., nonprofit academe seemed to rediscover the relevance of comparative work. Of particular note is the work of the Johns Hopkins Comparative Nonprofit Sector Project, which produced empirical and theoretical progress on comparative work starting in 1991 (Anheier, Lang, & Toepler, 2020). First, by offering their own definition of what a nonprofit was, the research team was able to undertake counts of the nonprofit sector in various contexts: number of organizations, number of employees, etc. (Center for Civil Society Studies, 2020.) Second, the comparative empirical work produced social origins theory, which brought the role of socio-historical context to the fore in terms of understanding a nation's nonprofit sector (Salamon and Anheier, 1996; 1998). Though pathbreaking, the Comparative Nonprofit Sector project also recognized the limitations that came through this kind of conceptual standardization, changing its own labeling (but not definition) in the late 1990s from "nonprofit sector" to "civil society" (Anheier, Lang, & Toepler, 2020).

What we consider comparative research complicates this process by making comparisons regarding these concepts in unique contexts, often different nations. This requires even more of the researchers, who, just like Percival Lowell, might be inhibited by an inability to understand unfamiliar information or by a human tendency to ascribe familiar features to novel sensory experiences (Bilalić, McLeod, and Gobet, 2008). Comparative research requires its practitioners to know enough about the contexts to be compared that they can ensure that the socially constructed elements of the research process are appropriate. We posit that the nature of comparative research complicates each stage of the research process outlined above.

The Role of Data in Comparative Research

The availability of large administrative datasets presents much promise for nonprofit research and might be seen as the solution to some of the problems of comparative research. Data on organizations' finances, grant-making, donations, governing boards, and other corporate records are becoming available via open data initiatives at the government and organizational levels.

While the authors are enthusiastic about the potential for this data to facilitate illuminating comparative research, we caution researchers to remember that this data is also a product of the context in which it was created and that failing to take this into account might lead researchers to invalid conclusions. Depending on the scope of the project, there may be opportunities for researchers to contribute to comparative understanding directly (such as the definition of nonprofit and scope of the research), as well as areas where it can only serve to document differences (such as accountancy regulations).

We are focusing on the use of quantitative administrative data about charities and nonprofit organizations in a given country. Administrative data is the information collected routinely within organizations (such as government, regulators or membership bodies) in the course of their work, rather than directly for research purposes. In many jurisdictions data of this sort about charities and nonprofits is openly available or can be accessed on request. There are significant advantages of this sort of data for researchers. It is usually already collected, updated on a regular schedule, and documented to some degree. However there are also challenges: the researcher does not control how the data is collected, what it contains, or how stable the collection instruments are over time. Qualitative research is often harvested directly by the

researcher, which allows for more control (or at least cognizance) of many of these issues that quantitative scholars often take for granted.

These data are often the best, or only, source of information about these organizations across the whole population. But these data are also likely to represent concepts that are at least partly socially constructed; data are a function of historical and institutional contexts where laws, rules, culture, and norms interact. Determining what is, and is not, collected and ‘known’ about charities provides a form of power. This means that we must be critical of what is recorded, who is recording it, and what the recorded information means for the parties involved. Of course, these issues are often present when working with secondary data. Comparing jurisdictions adds an additional challenge to working with the data, as we must understand how these contexts differ across countries in both their make-up and their interaction.

While statistical methods might be considered ‘solutions’ to such problems, we encourage researchers to couple these methods with critical reflection and investigation. For example, fixed effects in panel analyses can account for a difference in group means and dummy variables can identify intercept adjustments, thereby “controlling for” context. While these techniques might account for variance between groups, they might also serve to obscure critical differences in the meaning conveyed by a concept, or in a concept’s measurement, within these groups. The difference between the United States and Canada’s timing of pledge recognition as revenue provides one example. In this case, controlling for whether a charity is Canadian may assist in unbiasing other coefficients, but it also could lead to incorrect assessments of organizations’ relative reliance on donative income in these countries. It also does not provide the unknowing scholar or reader with any indication of the source of this difference, its implications, or suggest adjustments that might lead to a more comparable measure. We would

encourage scholars to interpret significant group differences as a signal of a need for further inquiry and a catalyst for additional exploration, minimizing the potential for findings that are a byproduct of unidentified conceptual or measurement differences.

A significant driver in the large-scale collection of administrative data on charities is in support of attempts to regulate the sector. As charitable sectors have grown in many countries and play an increasingly significant role in contracting to provide public services, there has been a push for greater regulation (Cordery et al. 2017). This has included not just ‘traditional regulation’, but also alternatives such as coregulation and self-regulation. This means that to understand the data that is being collected we must study not just government and law in these jurisdictions, but the broader set of institutions that comprise the oversight of the sector.

In this paper we use a historical-institutional approach to build a framework demonstrating the potential influence of different institutions on the data used for nonprofit research. We consider those three institutional forces: government laws and regulations; industry standards and regulations; and social norms. Within each country, the institutions within each of these forces interact to produce both the data available on the charitable sector and to determine its meaning.

<< Insert Figure 2 about here.>>

Government law and regulation

Within this sphere of influence, we include the different laws and regulations that influence the formation, operation, and regulation of nonprofits. This will include explicit charities law but is also likely to be affected by company law, tax law and solicitation law, as well as the legal context of a given jurisdiction more widely. We also acknowledge that these laws and regulations could be enacted nationally or devolved to regions within a jurisdiction. Charities law can be enacted with different goals: to police misconduct in the activities of a sector; to provide transparency and accountability; to facilitate tax exemptions for pro-social activities; to support the health and growth of the sector; a combination of these, or more. The approach taken in charities law also affects how the regulation of charities is undertaken. A charity regulator could be an independent body established for that purpose (England & Wales); it could be a government department (New Zealand); it could be a role of the tax authority (Canada); or legislation could support a form of self-regulation (Kenya) (Breen et al, 2016). Furthermore, these arrangements can change over time, moving between state and self-regulation within jurisdictions (ibid). How the institution (or institutions) of the regulatory function are constituted and situated can help to determine what information about the charity sector is collected, what it means and how it is used.

Industry regulations and standards

Within this sphere of influence, we include non-governmental rules and standards that might affect charities. These could be domain-specific, such as organizations that set generally accepted accounting regulations or practices. In the U.S., this is the Financial Accounting Standards Board (FASB), which is itself a nonprofit organization that defines Generally Accepted Accounting Practices for nonprofit and for-profit companies (FASB, 2020). In Canada, the Canadian Accounting Standards Board's (AcSB's) generates the Accounting Standards for

Not-for-Profit Organizations. In the UK, the Statement of Recommended Practice (SORP) for charities is developed across jurisdictions to cover both the UK and the Republic of Ireland by the charity regulators, including the Charity Commission for England & Wales, the Office of the Scottish Charity Regulator and the Charity Commission for Northern Ireland. It applies to most charities in these jurisdictions, but there are exceptions for those organizations covered by other accounting regulations such as universities and registered social landlords (The Chartered Institute of Public Finance and Accountancy (CIPFA, 2019.)

Institutional forces within this category could also include forms of self-regulation undertaken beyond the state, such as in the good practice or standards agreed to by sector membership bodies. Charity Navigator, which itself promotes social norms on the management of nonprofits through a rating system, has encouraged certain subsectors to augment the rating system to reflect their own unique best practices; for example, museums are allowed higher overhead rates than other subsectors for the same ranking because they often have large buildings and artifacts to care for (Charity Navigator, 2021). Institutional regulations could also be activity- or provider-specific, such as the standards affecting educators.

Social norms

This circle includes the social and cultural context in which charities operate. At its most nebulous, this could be the public perceptions of charity – what a ‘good’ charity looks like, or the sorts of behavior and activities that are expected of charities. More specifically, it also includes norms around transparency and accountancy: the information that a charity might be expected to share beyond what is legally required. Social norms can also determine quite concrete measures, for example, what level of charity overhead is seen as appropriate or excessive (Lecy & Searing, 2015) or whether government funding is acceptable (Grasse et al. 2021).

In a practical sense, these norms can influence how the data collected is shared and used. This includes whether a public charity register is available, and how that data is shared: as a website, as a downloadable file, or as a machine-readable database. It could also influence how the data is presented: does the data holder provide only raw data, do they visualize it, and do they derive aggregate measures for comparison such as overhead ratios.

Promise and Perils: Three Examples

We propose using the framework of institutional forces we describe above to think critically about the data available on a charity sector. Understanding how these forces differ across jurisdictions, both in their broad influence and in very practical details, is essential in conducting comparative work with administrative data on the charitable sectors across countries. To better illustrate our approach, we include three extended examples of data elements that are often compared across different cultural and legal contexts: the definition of nonprofit; governance; and financial data, as demonstrated by the key financial concept of liabilities.

Example 1: The Definition of Nonprofit

The social economy boasts a wide variety of organizations, even within an individual state or country context. This can include local artisans (such as in Puerto Rico's social enterprise regulation (Act 233, 2016), social cooperatives in Italy (Poledrini, 2015), or community interest corporations in the U.K. (Lloyd, 2010). For the purposes of this article, we will be narrowing our analysis to nonprofit organizations. But what, exactly, is a nonprofit?

The debate around the definition of “nonprofit” can be confusing, even when limited to a single national context. Comparative work to this point generally takes two approaches to this conundrum. The first approach is to craft as universalizable a definition as possible, then see how many of that description fit within a certain country context. This is similar to the approach taken by the Comparative Nonprofit Sector Project of Johns Hopkins (Salamon & Anheier, 1996). Called a “structural-operational definition” by Anheier, Lang, and Toepler (2020, 653), the Comparative Nonprofit Sector Project created a list of attributes and then included all organizations within a society which met those criteria. Though this allowed a high degree of comparability, it also bleached the institutional elements from the civil fabric, akin to attempting to compile a list of all known garments worn above the waist and stipulating that they have holes for arms and a head if they are to be called “clothing.” Yes, this will generate a list with specific criteria, but how many types of clothing – such as saris and other wrapped apparel -- would be eliminated by this definition?

The second approach is to emphasize the institutional elements and enhance comparability by developing a framework from the clustering of attributes. This is the path chosen by social origins theory (Salamon & Anheier, 1998), which began as a four-option classification of country regimes and has since evolved into numerous tests and variations on the best attributes and number of clusters (Salamon, Sokolowski, & Anheier, 2000). Nonprofits are still defined at the country level, but the typology allows for both more granular comparisons between nonprofits within the same regime type and to ascribe some level of difference to regime type in between-type comparisons. This useful approach has allowed comparative work to move forward by partially addressing historical-institutional factors, while avoiding becoming bogged in the narrative details of each context. A recent variation on this approach is proposed

by Zhao et al. (2022), who recommend hierarchical linear modeling as the underlying methodological framework rather than clustering across attributes.

Both approaches are very useful, particularly for inductive theory-building. However, even such landmark approaches become more problematic as the research questions become more contextual and practitioner-relevant. For example, both approaches will generate a list of qualifying organizations within two given countries. However, whether two organizations fit in the same typology group and whether they generate comparable data are not the same question. For example, Salamon and Anheier (1998) classify both the United Kingdom and United States as liberal in the typology. Does this mean that administrative data for both countries can be acquired and compared directly? The answer is no, and the following examples will get into specific regulatory and financial examples. Here we emphasize that the same mismatch in definition that makes comparing financial or governance details difficult can be traced outwards to the institutional bodies and social expectations of the society in which the organizations exist. The key for the data scientist is identifying what parts of being a nonprofit in a context may be distinct from being a nonprofit in other contexts, what the associated data elements are, and how the three spheres of influence will impact those elements in the unfolding of the causal story.

In order to undertake comparative work on charities or other organizations active in the social economy, researchers must answer some questions about each country to be studied:

- Government Regulations and Influence – which laws and regulations define and regulate nonprofits?
- Industry Regulations and Influence – how are these roles modified by industry-level regulations, sector standards, non-governmental bodies, and self-regulation?

- Social Norms – what beliefs and social norms influence the definition of nonprofit?
- Data Context -- what is the lived experience of the data: who collects it, what do they collect, what is made available, and to whom?

Government Regulations and Influence

The technical definition of “nonprofit” often hinges on a suite of regulators who have their own set of criteria on a specific attribute of the organization. We will briefly discuss the four elements which receive the most attention: incorporation, taxation, regulation, and solicitation.

Incorporation refers to the official formalization of a business entity under law.

Nonprofits need not be incorporated, but this can be an important step on the way to hiring employees and attracting donations (Searing & Lecy, 2015). The government entity that handles the incorporation of nonprofits will vary depending on country context. In the U.S., incorporation happens on the state level of government, often with the Secretary of State. In the UK, the national regulator Companies House handles the creation of companies. This process also governs what purposes the organization can have, and what traits (such as profit distribution or the ability to retain earnings) are allowed for other organizational types can have an impact on what becomes a charity.

Most jurisdictions have separate government authorities handling any exemption from taxes. This body designates any tax-exemptions, thereby controlling one of the main conventional definitions of nonprofit. In the U.S., the most influential tax exemption designation is on the national level at the Internal Revenue Service; though tax exemptions also potentially exist on lower jurisdictions, they will often recognize a national tax exemption (but not

necessarily vice versa.) These levels often also reflect different taxes, with federal reflecting income tax and local reflecting property tax. In Canada, there are similar levels of tax authority, though those in Quebec must also file w Revenu Québec (Revenu Québec, 2018). In Italy, there is no formal legal definition of a charity; instead, several different types of organization can qualify for tax benefits, such as recognized and unrecognized associations, cooperatives, and foundations (Poledrini, 2015).

Occasionally, there are government bodies created specifically to regulate the nonprofit sector without any other duties. In Scotland, this is in the form of the Scottish Charity Regulator. In the U.S., this can happen on the level of the states (like the Charities Bureau under the New York State Attorney General's office), but it does not happen in all states. Additionally, some states in the U.S. require that you register in their jurisdiction if you intend to raise funds, even if your organization has incorporated in another state. 40 U.S. states have solicitation registration requirements (IRS, 2020).

A final note on government regulations is to be mindful about whether all applicable levels of government have been examined. First, tax exemption is granted (and sometimes negotiated) at the national and sub-national levels. Though most attention is paid to the exemption at the national level, it is at the local levels that innovations in collaborative financing occur, such as payments in lieu of taxes (PILOTs) (Grønbjerg, K., & McGiverin-Bohan, 2016). Second, the different levels of regulations are not necessarily complementary, which can impose even more administrative burden on nonprofits. Finally, that administrative burden is potentially doubled for INGOs which often operate in the multi-level legal environment of multiple country contexts.

Industry Regulations and Influence

Non-governmental industry organizations and regulations also influence both the operation of and data provided by nonprofits. Industry organizations can be important in different ways, depending on the context they function in. If there is a lack of governmental charity data transparency (such as churches in the United States), then industry groups can be the only way to access information. This is why some of the seminal works for the field as a whole involve the data resources of specific industry organizations, such as a federation of Jewish community centers (Wilsker & Young, 2010) and a membership group of child welfare service providers (Marwell & Calabrese, 2015). Even in a context where government or other administrative data is plentiful, many industry organizations maintain membership lists that are often more updated than the government-level administrative data, and potentially contain more or different information. For example, Guidestar now requires that nonprofits seeking a platinum-level credential submit information on the diversity of their board and staff. This is quickly becoming the largest repository of such information, which will be an invaluable resource when accessible.

As a more regulatory example, accountancy rules are often dictated by a non-governmental body. In the United States, this body is the Financial Accounting Standards Board, which sets Generally-Accepted Accounting Principles for for-profit and nonprofit enterprises (Keating & Frumkin, 2003). Canadian nonprofit accountancy is governed by the Accounting Standards for Not-for-Profit Organizations (ASNPO) published by CPA Canada (Chartered Professional Accountants of Canada [CPA Canada], 2018, Part III), though the type of accounting is dictated by the choice of legal form. So each industrial group will have a definition of what organizations should follow their standards, and these definitions may not match with either the government's or other group's definitions.

Some subsectors (e.g. social care; housing; education) may also have industry-specific regulators that apply to the organizations or those who work within them. For example, nonprofits schools will be subject to the same licensing and accreditation requirements which apply to schools of other sectors. Similarly, health care, child care, and eldercare nonprofits all have different licensing requirements, potentially for both the organizations and for some of those individuals who work for them. Registered nurses will require professional licensure to practice, regardless of the sector in which they work. Individual professional licensure then drives labor market dynamics that, in turn, will have potentially large impacts on nonprofit cost structures.

There are also nonprofit industry groups that can be sector-wide or subsector-specific. These umbrella groups blend self-regulation with peer pressure, providing a way to disseminate best practices without the rule of law. For example, the Council of Family and Child Caring Agencies (COFCCA) in New York State provided an annual financial health report for each organization as a membership benefit, which included where the nonprofit fell in regards to industry benchmarks (Searing, 2018). Though no organization ever had their membership revoked over the report findings (in contrast to licensing or accrediting agencies), this provided a way to both share information and provide a basis for understanding the health and needs of the subsector. The industry organizations can therefore both provide targeted capacity training to their members and know how to interact with and lobby government regulators regarding the needs of their subsector.

As illustrated, industry groups can have a profound impact on the types of data available on nonprofits. Further, the existence and nature of these groups shape the definition of a nonprofit within that context. This potential for data availability to influence the perception of

the sector is a causal direction we don't often consider: has the easier access to data on very large nonprofit organizations in the U.S. influenced perceptions of the sector which may not apply to the vast majority of nonprofits, which are small? Generalizations made based on data that fit an industry group's (and scholars') definition of nonprofit may have actually influenced what the U.S. public views as a healthy, impactful, or efficient nonprofit organization.

Generalizability to a standardized definition of a nonprofit may be even more problematic than trying to define a nonprofit in the first place. Though a child welfare nonprofit in New York City and one in Glasgow may be providing similar services on a daily basis (and both in liberal regimes), they may be relying on different funding models, subject to different disclosure requirements from industry groups, and subjected to different social expectations. So general advice such as avoiding debt to meet payroll may be sound, but the tactics to achieve this (such as having a rainy-day fund) will vary according to the institutional environment.

Social Norms

If the core of a nonprofit is the mission, then how society views a nonprofit's activities has a strong influence on what it means to be nonprofit. For example, in the UK, a common misconception is that charities are all volunteers, donation-dependent, and amateur (National Council of Voluntary Organisations, 2014). This perception can create outrage about pay for charity staff, particularly senior staff. A similar situation exists in the United States, where New York State passed a state-level mandate requiring that nonprofits that receive state contracts pay their CEOs less than USD \$199,000 (Limits on State-Funded Administrative Costs & Executive Compensation, 2012). Though a local government regulation, it is an encapsulation of normative belief.

Other manifestations of social norms are organizations such as Charity Navigator, Charity Watchdog, and Guidestar. Aside from providing easier access to data such as the U.S. Form 990, these organizations also provide their own rating systems for charities based on different factors such as financial health or transparency metrics. In the United States, the popular fascination with free-market efficiency for organizations has caused a fixation on the overhead expense ratio; though Guidestar, Charity Navigator, and others recognized the harm of this fixation via *The Overhead Myth* (Guidestar, 2013), metrics which reward minimal amounts of overhead persist (Charity Navigator, 2021). The cultural expectation that nonprofits should operate in similar ways but with less financial resources than business is baked into the definitional debate over what a nonprofit “is” and will vary from country to country. We have a tendency to paint government regulation with a broad brush of administrative burden, but phenomena such as the nonprofit starvation cycle are primarily driven by social forces (Lecy & Searing, 2015).

Social norms not only have a strong influence on the practices of a nonprofit, but also on what a nonprofit is and should be. In England, the National Trust (a charity founded by Act of Parliament to preserve historic buildings) published a report into the slavery-related history of some of their buildings. There was public outrage from across the political spectrum, and the charity regulator asked them to justify how this fitted with their charitable purposes (Hope, 2020). They almost certainly did not violate charities law by producing the report, but some people felt they overreached their role as a charity, and that was sufficient for the regulator to step in.

Perceptions regarding the appropriateness of financing sources can also influence the definition of a charity. In the U.S., fee income that is not related to charitable activity is

permitted but taxed over a certain threshold. Provided that the activity does not provide too large of a share of the income portfolio, charitable status is generally not threatened. In Canada, however, participation in such an activity is forbidden and potentially grounds for losing charitable status (Canada Revenue Agency, 2003). On the contrary, marketization appears to be considered beneficial in Chinese NPOs, particularly in relation to the inclusion of grassroots organizations (Yu & Chen, 2018). So the resources that a charity consumes are both regulatory and also socially-dictated, and comparative scholars should be aware not only of the regulatory differences but also the degree to which they stem from underlying social preferences toward free-market activity.

Social norms will also influence the degree of transparency of a nonprofit, which is often considered a core tenet of the form due to its special tax treatment in many countries. Where there is voluntary disclosure, or variation across the sector due to social and cultural norms, researchers must be careful to consider sample selection. Organizations providing additional transparency may offer better measures of both positive and negative outcomes, but the willingness to disclose negative outcomes may be evidence of good governance rather than an indication of the prevalence of misconduct. Where disclosure is not mandated, the choice to disclose is endogenous both within and between countries, leading to the potential for bias in any comparative analysis.

The Importance of Data Context

There are often numerous sources of information on a nonprofit, so researchers should keep in mind not only *what* is available, but *who* collected it and *for what purpose*. Accordingly, when

seeking nonprofit data, the data source should be placed within a context and ideally triangulated with other sources.

On an aggregate level, many governmental regulators will have lists of organizations that fit within their oversight. For example, the U.S. Internal Revenue Service maintains a list of all nonprofit organizations with tax-exempt status. However, if you were interested in nonprofit organizations with and without tax-exempt status, you would need to check the applicable state-level agencies whose resources and transparency will vary across states. In the UK, if you went to the regulator for a list you would get all charities. If you went to National Council for Voluntary Organizations (NCVO) data would include voluntary organizations (most, but not all charities, plus some nonprofits that are not charities). If you went to the social enterprise bodies, data would include some charities, some voluntary organizations, and lots of organizations that are neither. If you went to Companies House, data would include all the charities, voluntary organizations, social enterprises and others that had the legal form of company. All of these sources collect information on nonprofits, but exactly what they mean by “nonprofit” should be kept in mind.

There is also a wide variety of data that organizations can collect, and this will also be determined by the purposes of the organization. Some very generic information, such as organization name, will likely be collected almost universally; however, other universal identifiers (such as identification numbers) may depend on incorporation or tax-exempt status.

<< Insert Table 1 about here. >>

We would like to caution against relying too heavily on a single definition or typology, even those that have roots in socio-historical elements. These tools can work very well in addressing the reasoning behind *how* the data details have come to be, but in working with the data itself, a researcher needs to be aware of minute details which may not be captured by a statist model. For example, knowing that both Canada and the U.S. are considered “liberal” by social origins will help explain revenue portfolio composition (Einolf, 2015), but it will not let the researcher know that Canadian charities (but not U.S. charities) need to seek permission from the government to retain non-charitable assets from year to year (Canada Revenue Agency, 2019). Without knowing this, even basic comparisons such as average organizational size might lead to erroneous conclusions about the strength and support of the sector. Effective comparative data work will involve knowing both the *how* (data details) and the *why* (institutional history).

Comparative data work on what constitutes a nonprofit is not only necessary, but often a first step toward answering other research questions. Despite this section being primarily cautionary, linkage across country datasets is possible even when definitions vary. Aside from understanding the *what* and *why* of context, using elements of similarity such as subsector, size, or whether assets must remain in the nonprofit sector (an “asset lock”) can improve comparability. If the organizations provide similar services day to day, then the differences in governmental, institutional, and social forces surrounding how they perform their work can be shown in sharper relief.

Example 2: Working with Governance Data on Charity Board Members

In studying the governance and control of an organization researchers may want to access data on the individuals forming the board. These are the individuals with ultimate responsibility for the charity, and in different jurisdictions may be charity trustees, company directors, or simply board members.

Many jurisdictions collect and share data on the people in these roles. But both the meaning of these terms, and the data that is collected and held on them, can vary across countries. In order to undertake comparative work in comparing board composition and dynamics, researchers must answer some questions about each country to be studied:

- Government regulations – which laws and regulations define and regulate charity boards?
- Industry regulations and Standards – how are these roles modified by industry-level regulations, sector standards, and self-regulation?
- Social norms – how are these roles influenced by social norms about governance, good practice, and the requirements of funders and other stakeholders?

While accessing unstructured or non-standard data can be a significant technical challenge more broadly, this is particularly true for personal data due to the range of ways that textual data can be presented and organized. For example, in the UK charities must list their board members in their annual accounts in a fairly standard format. These accounts are public documents, usually available online but certainly available on request. And yet, extracting textual data like this from even digitized accounts documents is a challenging and error-prone task for the researcher if conducted at scale. Alternatively, the data on board members may be

limited to names, requiring further data preparation and coding on titles and first names if the researcher wishes to operationalize a variable such as gender.

What we know about charity board members in a given jurisdiction is a product of the interaction of the institutions within and surrounding the sector. We use our three-part framework to consider how data on charity board members is produced.

Government Regulations

The laws governing who is a board member, what that role entails, and what data is collected by regulators about the individuals can come from charities law, law related to legal form (e.g. company, trust, etc), or both together. These laws can interact, making understanding the roles challenging. But it also means that data might be collected, held or shared by more than one body.

In understanding data quality and coverage, researchers should consider the motivation and purpose for the collection of data on board members. A regulator may have a role in policing the suitability of board members, perhaps by maintaining a list of banned individuals. This requires a high degree of certainty about the identity of individuals that may not be necessary if the role of the regulator collecting this data is simply to make lists available for transparency and accountability.

In contrast with organizational or financial data, the data on board members is personal data, and so its collection, storage and sharing may also be influenced by data protection or privacy legislation. This may affect the ability of a regulator to collect or share the details, but also has implications for its use in research as exemptions for anonymous data may not apply. For international comparative work, it means being aware of the laws in different jurisdictions

around the storage and transfer of personal data across borders. For example, GDPR legislation in the UK places a higher burden on the transfer of personal data outside of the UK and EU than on its use within those jurisdictions that could constrain researchers' use of identifiable data. There are also ethical implications: where individuals can be identified the data may show evidence of misconduct or illegal activity, such as acting as a company director while disqualified. Researchers must be clear on their ethical duties, and what the procedure will be in these instances, complicated by the cross-border nature of comparative research.

Industry Regulations and Standards

While public bodies such as charity regulators or tax authorities are the most likely source of board member data at scale, in some jurisdictions this information may also be published by individual organizations, such as the independent social enterprise Benefacts in the Republic of Ireland which aggregates and publishes a range of nonprofit data including board membership. Accounting regulation may require some disclosure of board member details in the annual accounts. These accounts may be made publicly available, or on request from the charity. Sector infrastructure or standards bodies often produce 'good practice' guidance or rules on the roles of board members, and this may include the level of transparency expected in disclosing their details, either through the returns made to public bodies or through organizations' publications.

This potential for variation at the industry level means that there may be different standards of data available for some sub-sectors of charities in particular industries, such as education providers. This poses a challenge of consistency if data is to be combined across the charitable sector.

Social Norms

Within the governmental and industry frameworks that cover charity boards, social norms also play an important role in how this plays out as data is made available to researchers. Societies with either expansive views of personal privacy or suspicion toward the nonprofit sector may not publicly declare the details of their trustees or members of the board of directors, or they may restrict that information on otherwise public forms to retain privacy. Different jurisdictions may strike quite different balances in the tradeoff of privacy and transparency. In Scotland, the charity regulator does not disclose trustee names and redacts them from the charity annual reports published on its website. In contrast, the Canadian tax authority published names and details of charity trustees in a publicly accessible dataset.

Given expectations about transparency, some funders may require that information on governance is disclosed, either to them or publicly, even beyond the level required by law. This has the potential to provide alternative data sources with further detail on specific sub-samples of a wider charitable sector, but access to this potential data is likely to be more restricted or by individual arrangement.

Access to such information can be a convenient way to gauge underlying power dynamics in a comparative context: since many institutional funders and regulators require this information, nonprofits do track it; yet, it is deemed a privacy violation for the public and potential small donors to have access. If power travels with information, what does this say about the context in which such a system exists?

Data Context: Collecting and Using Data on Individual Board Members

Given the influences outlined in our framework, researchers should consider for each jurisdiction who collects the data on board members; why the data has been collected; and how this might

affect both the quality and coverage of data available. Potential motivations for bodies collecting this data might include:

- Statutory duty / required by law
- To ensure appropriate persons or in order to police disqualifications;
- Provide transparency/accountability or build trust in the sector
- Achieve diversity/equality objectives in board composition
- Encourage professionalization of board roles, building skills and experience
- Manage organizational or sector risks from board size and composition

These motivations will influence what data items are collected, what the coverage of the sector is like, and how accurate the data collected is likely to be given the incentives facing both regulators and charities. Data on board members may also be held by different bodies beyond the regulators. Their objectives can influence what is collected and how it is used. We consider some of the more common potential sources of data on board members in Table 2 that researchers might access.

<< Insert Table 2 about here. >>

We distinguish between regulatory data, other administrative sources, and unstructured public data. Regulatory data is likely to be well-specified by law, relatively well-documented, and may well be publicly available. Administrative data is likely to be smaller, distributed across organizations, and less likely to be public. Unstructured data is public and freely available, but more challenging to gather and analyze.

The collection of different data items by different bodies creates an opportunity for data linkage, connecting records on the same organization across data sources. In practice, this is often challenging, as different bodies do not necessarily record each other's unique identifiers, and some form of probabilistic matching may be required.

Related to the previous discussion on definitions, coverage of the intended sector can also be an issue where this does not map nicely to one data holder. This is amplified if the data needed draws on industry-specific regulators, organizations such as funders, or voluntary disclosure of charities themselves, where data availability and quality are endogenous.

Example 3: Financial Data and the Definition of Liabilities

As mentioned, much of quantitative research in the last twenty years has relied on financial data, with a great deal of this scholarship focused on Form 990 data from the United States. Resources such as the NCCS Digitized Data and core files¹ (Urban Institute 2020), as well as the new data sources based on the Internal Revenue Service release of electronic tax form filer data through Amazon Web Services, have allowed for the detailed examination of the finances of charities and nonprofits in the United States using this regulatory administrative data.² Similar data resources from other countries have been utilized in research on charities from England and Wales, Scotland, Canada, Belgium, and China.³

The availability of this financial data naturally leads researchers to consider comparative research questions to examine how policy, regulatory, and societal differences might affect charities. This provides an excellent opportunity to expand our understanding of charities and their role in society, but also requires researchers to understand the multiple contexts to be

examined in the research. This might be particularly important in financial research, where measurements are made in units of respective currencies, which might lead researchers to consider one dimension of comparability while overlooking larger concerns.

Although one might expect that accounting regulations and the availability of detailed information from the taxing authorities would convey tremendous advantages when attempting to make comparisons with financial data across jurisdictions, we can look to the measurement of one concept, liabilities, in two countries to illustrate the potential difficulty of comparative research with financial data.

The concept of liabilities is concrete, and this example relies on two similar countries, the United States and Canada; making this a case of comparison that should be among the easier available in nonprofit comparative research. For example, these countries rely on the following definitions of liabilities, adopted from the International Accounting Standards Board's (IASB) in Canada and provided by the Financial Accounting Standards Board in the United States.

1. IASB

- a. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits (IASB 2020).

2. FASB

Liabilities are probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of a past transaction or event (FASB 1985).

Although liabilities are understood similarly in these jurisdictions, legal environments, government regulations, industry standards, and social norms manage to create differences that, while seemingly minor, could have major ramifications for comparative research. This includes the potential to generate misleading results whether attempting to understand organizations in aggregate or compare seemingly similar organizations across jurisdictions.

To demonstrate the potential complexity of comparative work even in the most similar of cases, the following example focuses only on data provided by the government taxing authorities and does not address additional complications that might arise from comparing other sources of data (collecting and aggregating financial statements, etc.). Despite this intentional simplification, careful attention to context would be required to ensure that any conclusions drawn were reasonable and to acknowledge potential limitations.

Government Regulations

Government requirements influence the reporting of liabilities in regulatory data and would have implications for research whether concerned with aggregate comparisons of the nonprofit sectors of two nations or comparing organizations located in two jurisdictions. This includes broad concerns such as the comparability of the populations of organizations represented in the data, as well as narrower differences in concept definition or measurement. In the cases of the US and Canadian tax data, the broader concerns would include questions about whether data was available for the entire population of nonprofits, whether data on charities included religious organizations, and whether small charities were represented in the data.

More specific regulatory differences between these nations would create complications as well, even if researchers are attempting to make more limited comparisons, for example, those between similar organizations or sub-sectors. These stem from the varied conceptual definitions

of liabilities used by the nations' taxing authorities, present despite the noted similarity of the definitions for the term "liability" in each nation's financial reporting and accounting standards.

One primary source of distinction between the US and Canadian taxing authorities in the area of liabilities stems from variations in rules of the tax authority regarding the recognition of restricted contributions as revenue. In the US, these are recognized as revenue and classified as restricted funds in most cases⁴, but Canadian charities are directed by their primary government regulator to classify these as deferred revenue, a category of liability, until the conditions of the restriction are fulfilled. This difference leads to variation in the reporting of liabilities across the two countries, with many restricted contributions classified as liabilities in Canada, while classified as restricted assets in the United States. Without regard for this difference, it is not possible to accurately assess the relative financial position of organizations relying on these contributions.

While adjusting for this may seem straightforward or trivial, the details of the reported financial data create complications. For example, deferred revenue is reported in Canada's T3010 data, but is only available for charities filing one of two sections (Schedule 6) of the tax form, which provides more detailed financial information for organizations that have total revenues exceeding a threshold (100,000 CAD), hold an amount of property not used in charitable activities (over 25,000 CAD), or have the permission to accumulate funds. Organizations not meeting any of these criteria complete a shorter section of the form (Part D), which only requires the organization to report total liabilities. Without additional information, it is not possible to assess the prevalence of deferred revenue in the liabilities of these organizations, despite their likely presence.⁵

Beyond the influence of the tax regulators and required forms, there are other important regulatory differences between the US and Canada that might influence the measurement of liabilities. For instance, Canadian charities are required to submit financial statements along with their tax forms, while charities in the United States are not required to do so, which could influence the error rates in the two nations.

Industry Regulations and Standards

Within these datasets, differences due to industry standards or regulations would also have the potential to distort comparisons. First, we would like to note that the accountancy standards boards in both countries are nonprofit organizations rather than governmental regulators. Indeed, the regulators need not have the same definitions as the accountancy boards (and in the cases of concepts such as inventory valuation, there can be direct conflicts even within a single country.) This is true to a degree in Canada, as the regulatory standards allow for either the use of the restricted fund method or deferral method of accounting for restricted contributions (Chartered Professional Accountants of Canada [CPA Canada], 2020, Part III – 4410.10), but tax return instructions dictate that restricted contributions be recognized as revenue only when a pledge is honored (Canada Revenue Agency 2019). Other examples of differences in industry standards with the potential to manifest in liability data include those between IFRS standards and US GAAP, which include the classification of liabilities as current or non-current, the recording of some liabilities created by investment vehicles, and the treatment of bank overdrafts (KPMG 2020).

Second, not only regulatory differences, but the timing of changes could be problematic. For example, prior to SFAS 158 in the United States and the implementation of IFRS – FRS 102

in Canada, defined benefit pension liabilities would likely have been minimized relative to current understandings of their value (Soroosh and Espahbodi 2007), the specific timing of these regulatory changes could complicate comparisons across nations (and certainly complicate comparisons over time within these nations).

Social Norms

Social norms too could complicate comparisons of the liabilities of charities using US and Canadian tax data. Researchers might consider donor tolerance of debt, the reporting of debt by non-governmental watchdogs, charities' access to capital, the degree to which volunteers contribute to the workforce, and preferences for physical capital. For example, the financial analysis of one of the primary non-governmental oversight groups in the United States, Charity Navigator, examines the balance of assets and liabilities as one dimension of an organization's financial condition; this is in contrast to Canadian contemporaries, such as Charity Intelligence, that focus on transparency, reporting, revenue generation, and expenses.⁶

Data Context

Looking more broadly at the regulatory data available for comparative research, other countries that would seem very likely to be similar to the US and Canada provide data on liabilities that is fundamentally incomparable— England and Wales have data on short and long-term credit and total net assets for charities with revenues over £500k, but much more interpretation would be required to ensure this data could be compared with either the US or Canada. Scottish charities reporting over £250k in revenue report only their net assets on their annual tax return, without

providing the specific amounts of assets and liabilities. For comparative purposes, assessing organizations' liabilities would be possible in three of the four cases, with modifications required to make the United States and Canada roughly comparable for organizations above a certain revenue threshold, no way to assess differences in smaller charities, and major efforts necessary to account for the differences in the populations of the organizations included in the administrative data (such as the absence of small charities and religious congregations in the United States). England and Wales would allow some comparison for large charities, with particular attention required due to differences in reporting practices similar to the United States and Canada example above; while Scotland's administrative data would seem to make direct comparisons impossible.

Although more concrete conceptually than either of the two preceding examples, the data context for the measurement of financial variables, such as liabilities, remains critical. Even in the narrow context of tax data, the goals of the regulators and variations in industry standards can create important differences in the conceptual and operational definitions of these liabilities. These are likely to be nested in important differences in the nature of the organizations represented in the available data, as well as differences in the granularity of the data available to researchers. Concern for the statutory or regulatory definitions of this concept, the specifics of its measurement, and changes to these factors is essential to comparative research.

Discussion and Recommendations for Comparative Data Scholarship

We have applied our framework of institutional forces on three examples within three different domains. In each, we sought to highlight how the comparative researcher must consider the

historical-institutional context involved in order to work with charity administrative data to conduct comparative research. These examples are not intended to be comprehensive, but instead to illustrate the potential pitfalls that await, and how they might be considered when using data about different aspects of charity.

In our examples, we highlight several challenges that researchers must wrestle with to conduct robust comparative work. But in fact, we argue that this approach - and the critical engagement with the data generation process – is beneficial even when conducting work within one’s ‘own’ jurisdiction, where it is easy to lose sight of the implicit assumptions and hidden institutional structures that determine the data produced.

Applying this approach will be different in different contexts, and in addressing different research questions. However, in support of encouraging high-quality comparative research using the abundant data resources becoming available, we propose five recommendations for empirical researchers in this field.

Recommendation 1: Context is crucial

Hopefully, the examples have illustrated how context can influence even the broadest of conceptualizations and complicate comparative work. In considering the role of context, use the framework to explore how the different spheres of influence impact the data. For example, how do these influences shape conceptual definitions in each nation? The existence of a charity regulator may bode well for data availability, but the legal context and attitudes toward regulation may impact the validity and reliability of that information. There may also be nuance to the role of a non-regulator that either helps or hinders the ability to gain data. Beyond

acknowledgement, how much can researchers account for differences in these concepts?

Whether differences in the definition of nonprofit between two countries is something that can be controlled for through subsector matching or whether the underlying historical differences in the proper role of private provision of public goods is at the heart of the research question will be something determined by the author team (that, ideally, would have representatives of all contexts under study).

Recommendation 2: Consider how context influences data collection

Researchers should map out what data is collected by whom and why, including noting what is *not* collected that might normally be expected to be collected. Examine data collection instruments and accompanying forms and instructions, which will provide insights on how the data are gathered from organizations, what questions are asked, and how concepts are explained. Though on one level, this information is useful for valid empirical research, such questions also lead to theory development. For example, the benefits theory of nonprofit finance predicts that ideal revenue types exist for certain nonprofit activities (Young 2017). The theory was developed in the U.S., so there has been limited application to houses of worship due to the lack of transparency and public filing requirements for churches in the United States. On one hand, this is a data question; on the other hand, it speaks volumes about social and political context, and investigation could further develop nonprofit financial theory.

Recommendation 3: Context will also vary within country

Though this article focuses on national contexts, these insights and best practices apply to any empirical work whether comparative or not. Each local government, activity subsector, and profession will have some discipline-specific knowledge for working with some types of data, e.g. accounting for financial data. Key terms should be defined at the outset of the study, even when the words are the same across country boundaries. These definitions should also be revisited through the study as the research team learns more about the how and why. Though keeping a field or logbook may be common for qualitative work, one of the authors of this piece also keeps logs for both qualitative and quantitative research for many of the same reasons. This will help keep track not only of the working definitions for the study, but will make clear descriptions of the terms easy for paper development in addition to cataloguing all of the useful contextual information that will be explored in later work.

Recommendation 4: Be cognizant of changes over time

Contextual differences in data are not static. Not only do administrative and regulatory forms change over time (sometimes every year), but political regimes and social institutions also evolve. Researchers accustomed to panel data should be aware of changes in form and variable labeling; regulations; institutions; data collection instruments; and the way data is stored and shared. We should reflect on how these might change the content and meaning of the underlying data from both the perspective of the data collector and the data subjects); this applies to both within- and between-country comparisons. As an example, Toepler et al. (2020) conducts an interesting analysis of the relationship between subnational government and the nonprofit sector in Russia; not only do we expect that recent world events has changed the institutional landscape, but how and why such changes occur are research questions unto themselves.

Recommendation 5: Data access has an ethical element

Researchers should consider how the data can practically be collected: institution, medium, software used, storage, the regularity of collection, and consistency of response. Researchers should be aware of the legal and governmental context in which nonprofits provide and researchers can access, share and use data from different jurisdictions. We should fully understand the ethical context in which we can access, share and use data from different jurisdictions. This will include things such as whether third sector organizations are even comfortable providing information to a regulator and what the reliability of that information might be.

Recommendation 6: Incentivize the creation of open data systems

We have remarked repeatedly about the increasing availability of administrative data from charities around the globe. However, the ability to download metadata is only one part of a healthy and open data system. Increased data access should come with increased opportunities for scholars to develop best practices and share their knowledge of specific data niches. However, current standards regarding the sharing of data preparation steps or code are in their infancy. Efforts such as the Nonprofit Open Data Collective, which includes access to novel data and links to code repositories, are also necessary to encourage the sharing of cautionary or evaluative information on data. Further, the creation of such data resources should be incentivized by departments through recognition as a scholarly contribution. Documentation on how data resources were curated should have recognized value. Articles in a scholarly journal

are vetted by a handful of reviewers, but public data and code are subject to constant scrutiny. Recent steps by journals to require data publication also incentivizes higher quality data as the data creator or curator will then receive recognition for their citable data set. Tenure committees should recognize such work as scholastic achievement, and scholars should seek out such work prior to embarking on a data project.

Conclusion and Future Research

This manuscript has provided a useful framework for scholars interested in pursuing research using comparative nonprofit data. By documenting how the lived context of the data is influenced by governmental, institutional, and social forces, we illustrate how effective comparative data work will involve knowing both the how (data details) and the why (institutional history) of the data elements. These considerations should be revisited throughout the research process and documented as fully as possible in the resulting research. This approach provides a thoughtful path of not only careful empirical work but the route to theoretical improvements as well. One does not have to engage in comparative work to reap the benefits of the approach. Comparative work can benefit non-comparative work because the process leads you to question assumptions and the processes which shape the data. It can be easy to lose sight of the assumptions or ‘hidden structures’ we make in working with data in one jurisdiction, particularly if there are large amounts of curated data available. Comparing jurisdictions can help us to think critically about the data available in our ‘own’ jurisdictions.

Looking to the future, recent developments in open data and scholarly transparency will make comparative research more accessible. Data democratization, like all democratic processes,

is both an opportunity for great good and great chaos. In providing a blueprint for a thoughtful approach to both the data and the underlying governmental, institutional, and social implications, we hope that both empirical and theoretical work will deliver on that potential.

Endnotes

¹ See the data catalog at <https://datacatalog.urban.org/>

² Such as the Nonprofit Open Data Collective <https://nonprofit-open-data-collective.github.io/overview>

³ See the global register of nonprofit data sources at <https://www.grnds.org/countries>

⁴ Unless, conditions exist that are outside of the control of both donor and recipient (CPA Journal <https://www.cpajournal.com/2019/04/29/applying-the-new-accounting-guidance-for-contributions/>)

⁵ As 31% (in 2015) of the organizations that would be required to complete Schedule 6 due to the revenue requirement have deferred revenues constituting more than 5% of their total liabilities, including 15% of the organizations between 100,000 and 200,00 of total revenue, it seems reasonable to expect these liabilities to be present in small charities.

⁶ As seen in MacLean's top rated charities (<https://www.macleans.ca/society/canadas-best-charities-2020-top-100/>) and in Charity Intelligence reporting (<https://www.charityintelligence.ca/index.php>).

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