

Beyond bridging and bonding: the role of social capital in organizations

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Abstract Social capital has been described as a vital asset that can be used to improve communities. More recently, researchers have focused on how bonding and bridging social capital functions to aid organizations. Yet, the actual mechanisms associated with organizational social capital remain unclear. The literature posits that expressive and instrumental actions may help explain the effects of social capital. Merging these concepts, we examine the role of social capital in community development organizations (CDOs). We extend the resource-based view of network theory to demonstrate the role of social capital within organizations. Findings indicate that organizations vary in their ability to access the benefits of the network. Paradoxically, there may be an underlying minimal prerequisite capacity for CDOs to access benefits in the network. Such findings challenge some traditional theoretical narratives of social capital for smaller organizations.

For decades, social capital has been described as an asset that can be accessed and mobilized through social networks to improve communities (Gouldner, 1960; Grootaert and Van Bastelaer, 2002). The majority of the literature to date has primarily focused on building consensus around the idea that social capital is both an individual and a collective good (Lin *et al.*, 2017; Pena-López and Sánchez-Santos, 2017; Kroll *et al.*, 2019), validating methods for measurement (Coleman, 1988; Putnam, 2000; Patulny and Lind, 2007; Rostila, 2011), and proposing network typologies (Coffé and Geys, 2007; Patulny and Lind, 2007; Leonard and Bellamy, 2010). More recently, there

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has been a shift in focus centering on how organizations can leverage social capital to improve an organization's performance (Son and Lin, 2008; Schneider, 2009; von Schnurbein, 2014; Ryu, 2017). The extant literature has not thoroughly considered how the dynamic nature of bonding and bridging capital functions to serve organizations (Schneider, 2009; Ryu, 2017).

Through the lens of non-profit community development organizations (CDOs), we assess the actions involved in accessing and mobilizing social capital to enhance an organization's performance. Capacity is broadly defined as the attributes that enable an organization to fulfill its mission and objectives (Eisinger, 2002; Christensen and Gazley, 2008; Doherty *et al.*, 2014). We theorize that social capital can support an organization's ability to improve and fulfill its mission. Previous scholarship has shown that bonding social capital strengthens networks of trust, communication, and information exchange *within similar* groups while bridging social capital support networks of trust *across different* groups to produce reciprocal exchanges (Wilson, 1997; Sommerfeldt and Taylor, 2011; von Schnurbein, 2014). The literature suggests that bridging capital is more likely to improve organizational performance (Knudsen *et al.*, 2000; Coffé and Geys, 2007; Zhang *et al.*, 2011), but this may differ based on the organization's level of capacity (Ryu, 2017). Many CDOs are faced with endemic funding constraints that limit their ability to collaborate and engage with other organizations. Therefore, a discussion focused on which type of social capital 'is best' does not suffice. Hence, the findings of this paper extend our understanding of how social capital can be used to improve organizational performance in CDOs and other organizations.

CDOs are non-profit organizations that function to provide programming and services that meet local needs. These organizations serve communities by developing initiatives to remediate deteriorated housing, joblessness, welfare dependency, high crime rates, high school dropout rates, health disparities, and disinvestment of private capital. The term CDO also applies to organizations with various initiatives in small business assistance, consumer credit counseling, and property redevelopment. While there is no single definition for a CDO, they can be categorized by their area of focus. For example, Community Development Corporations are non-profit organizations that provide programs, offer services, and engage in other activities that promote and support community development. Community Development Financial Initiatives are private financial institutions dedicated to delivering responsible, affordable lending to assist low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.

Given the critical role these organizations fulfill, our findings contribute to research and practice in three ways. First, we provide implications for applying research and theory to community development because our

findings illustrate the dynamic and often paradoxical relationship between the activities undertaken to develop or use social capital and improve an organization's capacity. Second, empirically, this research builds on the network-based theory approach of the bridging and bonding typology to understand the role of social capital in community-based organizations. Third, the findings advance our understanding of how social capital mechanisms can be used to facilitate organizational performance.

Defining social capital

Though often difficult to operationalize, social capital has broadly been defined as transactions and features of organizations that can 'improve efficiency of society by facilitating coordinated actions' through shared trust, norms, and networks (Putnam *et al.*, 1994, p. 167). The causality relationship between social capital and positive outcomes is often debated, but the literature shows strong support for the general idea that there is a connection between social networks and improved opportunity (Lin, 2017; Eagle *et al.*, 2010). Social capital networks are embedded with resources that organizations can leverage, but access and mobilization of those resources are *not* automatic. Organizations must engage in purposeful actions to facilitate and mobilize embedded resources (Bray *et al.*, 1982; Burt, 2000; Abbasi *et al.*, 2014; Lin, 2017).

Though Putnam *et al.* (1994) definition is frequently used as the working definition of the term, it does little to illuminate how organizations leverage social capital to improve organizational performance. Therefore, this study also incorporates a more nuanced resource-based view of networks proposed by Lin (2017). Through this lens, social capital networks contain resources embedded within networks that organizations can access or mobilize through reciprocal transactions. This definition is helpful because it distinguishes the connection between resources within social capital networks and how they can support an organization's performance. Identifying ways of improving organizational performance is particularly important for CDOs because they have long been recognized as having chronic capacity constraints (Light, 2004). This line of inquiry contributes to the conversation by illustrating how social capital can be used to support an organization's capacity by extending Lin's framework to organizations.

The role of social capital in organizations

CDOs and similar organizations have long been recognized for their cross-sector role in promoting grassroots social capital networks (Squazzoni, 2008). Concurrent with their mission and goals, most CDOs engage in

these activities primarily at the local level. In practice, this means these organizations are shaped by a constellation of community-level variables that promote or suppress capital at the organizational level (Dhesi, 2000; Kay, 2006). To be effective, CDOs must embed themselves within local networks, but this is often difficult due to capacity constraints and other factors beyond their span of control (Eversole *et al.*, 2014; Ling and Dale, 2014).

The literature focused on organizational social capital is sparse (von Schnurbein, 2014). Hence, there is little consensus on the inputs, outputs, and outcomes associated with organizational social capital (Martínez-Pérez *et al.*, 2021). For this research, social capital is conceptualized through two different—but ultimately complementary—typologies: bridging or bonding (Coffé and Geys, 2007). Based on the network theory approach, the types of network used to describe social capital transactions correspond to its function (Coffé and Geys, 2007; Patulny and Lind, 2007). Organizational bridging capital helps strengthen networks of trust *across* organizations with heterogeneous, social, economic, and demographic characteristics. In contrast, organizational bonding capital strengthens networks of trust *across* organizations *within* homogenous, social, economic, and demographic factors. These types of social capital are generated by CDOs and can be leveraged to support capacity, which is pertinent to the survival of the organization (Schneider, 2006, 2009).

It is important to note that there is a third category—linking capital—which is sometimes incorporated into social capital typologies. Linking capital refers to transactional relationships between organizations across differential power hierarchies or social strata (Woolcock, 1998; Woolcock and Narayan, 2000; Evans and Syrett, 2007). When viewed through the lens of network theory, linking transactions are conceptualized as an outgrowth of bridging activities. For CDOs and other non-profits, this type of social capital most frequently arises in the context of relationships with private funders and government entities (Schneider, 2006, 2009).

In reference to organizational social capital, the resource-based view of a network assumes that resources, legitimacy, information, and other benefits espoused within organizations can be accessed and mobilized through ‘trust-based connections among organizations or communities... that an organization can use to further its goals’ (Schneider, 2009, p. 644). Distinctively, it is the quantity and diversity of the relationships within a network that enables access to additional resources, which can improve organizational performance (Ling and Dale, 2014). At the organizational level, linking capital is often brokered over very long time periods (Snaveley and Tracy, 2002). In our analysis of CDOs, the bulk of respondents were engaging in intermediate-term bridging and bonding networks to secure resources via their political capacity. However, most CDOs lack the capacity

and power brokers required to build linking capital. It is unclear of the extent to which linking capital engenders organizational growth (Kianto and Waajakoski, 2010). Therefore, while not an extensive review, this section discusses how an organization's ability to use social capital can be affected by the characteristics of the network (von Schnurbein, 2014; Lin, 2017; Igalla *et al.*, 2019).

Membership affects access and mobilization. The activities focused on improving organizational performance are facilitated by an organization's membership in social networks, precisely by their ability to connect and exchange resources and information with other actors in that network (Coleman, 1988; Kikuchi and Coleman, 2012). Tian *et al.* (2011) showed that organizations strategically focused on engaging with bridging networks benefited from access to higher quality information, leading to better outcomes. These findings allude to the structural nature of social capital: bridging or bonding. The type of network can either increase access or limit access to knowledge and resources for organizations (Karahanna and Preston, 2013).

Organizational social capital helps organizations respond to changes in their environment. As is true of any non-profit, CDOs do not exist in a vacuum. Strategically fostering connections with organizations and stakeholders with similar or different characteristics help CDOs remain knowledgeable about their environment and identify opportunities to innovate (Letts *et al.*, 1999). Sussman (2003) demonstrated that organizations that strategically utilized connections to reinforce different capacities were more adept at responding to environmental changes such as increased demand for services or financial stressors. Additionally, the nature of the work executed by CDOs necessitates that they also are attuned with critical stakeholders in the community. Wright (2018) demonstrated that CDOs engaged with community representatives during strategic planning periods had higher levels of organizational effectiveness. These organizations benefited from increased awareness of community needs, interaction with public officials, and consensus-building needed to develop new policies.

The differences in strategic management can explain discrepancies in derived benefits. von Schnurbein (2014) demonstrated that social capital could provide an increased advantage for an organization if there is alignment between goals and actions. Strategic alignment between goals and actions helps promote administrative agency (defined as the ability to enact processes that drive change), which actuate internal and external innovation (Ling and Dale, 2014). Other studies have illustrated how social capital provides organizations with greater coherence of action by creating connections to others that share their goals (Cohen and Prusak, 2002; Varda, 2011). Pursuit of shared goals allows organizations to identify partnerships

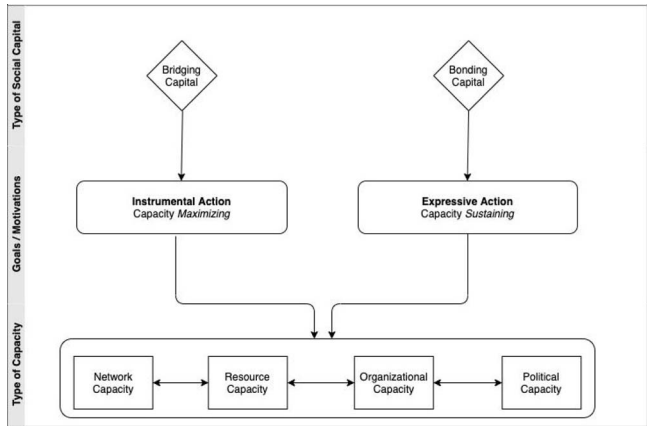


Figure 1 Conceptual role of social capital in organizations.

with other organizations that reduce the cost of transactions and information exchange (Nahapiet and Ghoshal, 1998; Coupet et al., 2019).

Conceptual role of social capital in CDOs

Lin's (2017) framework describes the outcomes of a social capital network based on the goals associated with those actions, expressive or instrumental. *Expressive actions* seek to preserve or maintain existing resources or relationships (Lin, 2017). Expressive actions are extrinsically motivated by goals associated with the need to share a limited amount of information and/or resources (whether that be due to capacity constraints or other strategic reasons). As illustrated in Figure 1, the use of bonding networks for expressive goals to preserve or maintain existing resources or relationships may be more effective in bonding networks (Putnam, 2000). Bonding networks are more closed in nature, which may allow for resources or relationship preservation (Yuan and Gay, 2006).

Conversely, actions based on an *instrumental* goal involve obtaining resources or building new relationships that did not previously exist. Actions associated with instrumental goals are extrinsically motivated by the need to acquire economic, political, or social resources (Putnam, 2000). Therefore, the use of bridging networks for instrumental goals may be more effective (see Figure 1). Though these concepts were initially used to understand individual-level actions, there are strong theoretical reasons to believe that they also apply at the organizational level (Son and Lin, 2008; Rostila, 2011). This discussion prompts us to extend these theoretical assumptions to demonstrate the role of social capital within organizations.

As discussed previously, an organization's actions should be strategically aligned to utilize either bonding or bridging networks (Yuan and Gay, 2006; von Schnurbein, 2014). However, organizations may likely access social capital through *both* bonding and bridging networks for *either* expressive or instrumental goals, resulting in distinct forms of access and resources, which bolsters their ability to improve organizational performance. These patterns have been somewhat demonstrated at the individual level but, to our knowledge, they have not been explored at the organizational level for CDOs (Umphress *et al.*, 2003). To examine the social capital mechanisms that organizations use to improve organizational performance, our interviews with CDO leaders focused on how social capital is used to support or improve capacity. The literature offers many variations on the definition of capacity (Roman and Moore, 2004; Sobeck and Agius, 2007). For this article, we are primarily concerned with capacity, which secures financial resources—resource capacity (Glickman and Servon, 2003); involves the creation or maintenance of key stakeholder relationships—political capacity (Casey, 2015); improves overall operating efficiencies—organizational capacity (Taylor, 2000); and establishes connections to other community groups and institutions that allow exchanges of resources—network capacity (Brown *et al.*, 2016). In many cases, these capacities reinforce each other and are often connected (Glickman and Servon, 2003; Lin, 2017).

We theorize that accessing bridging and bonding social capital networks while using expressive or instrumental actions will generate distinct support for different types of organizational capacities. Therefore, we explore two primary research questions: (i) what actions are used to support capacity and (ii) what are the differences in how bridging and bonding networks are being used to support organizational capacities?

Methodology

To answer these questions, we use a qualitative research design involving semi-structured interviews with leaders from CDO and CDO-like organizations (collectively referred to as CDOs hereafter) throughout North Carolina. A complete description of organizational characteristics is available in the appendices. This approach aligns well with the complexity associated with operationalizing social capital (Ashworth *et al.*, 2019).

To create our sampling frame, we identified and contacted leaders from organizations with three structural commonalities: engaged in promoting development within a defined geographic area, a mission to improve their communities, and a high value on community participation. All interviews were recorded and transcribed with the permission of the respondent ($n = 25$). The interviews took a phenomenological approach and were

semi-structured in design. Phenomenological inquiry is appropriate because it captures the motivations for using social capital (Husserl, 1989). The purpose of the research design was to understand how respondents perceived their use of social capital to improve their organization's ability to achieve its mission. Thus, the interview protocol was developed to identify phenomena associated with the intended actions to generate organizational capacity. The aforementioned literature was used to develop interview questions.

After interviews were completed, data were coded. The research team met before coding began to discuss *a priori* ideas and ensure alignment between data and theory (e.g. Marshall and Rossman, 2014). A codebook was created based on the concepts outlined in the conceptual diagram (see Figure 1, Appendix D). Coders first analyzed transcripts based on the type of social capital used, the type of social capital networks associated with expressive or instrumental goals, and the type of capacity being supported (resource, organizational, network, and political). Initially, coding was done at the paragraph level.

Next, codes were assigned at the organization level. Organization-level codes were based on the frequency of the actions used to generate capacity. A Cohen's kappa was calculated using 45 percent of the coded data via MaxQDA software. The observed agreement ranged from 65 to 87 percent. This approach is in line with the 75 percent threshold level, which previous social science research has suggested as needed to ensure the validity of qualitative research findings (Shanahan *et al.*, 2018).

Finally, the team reviewed the coded segments to illustrate the connections between actions, type of network, and capacity. This process involved iterative discussions based on the theoretical concepts in the conceptual framework, the codebook, and the perceived confirmability of the examples being discussed. The team primarily focused on quotes associated with codes that exhibited high agreement among coders. These quotes are presented and reviewed in detail throughout the findings and discussion sections.

Findings and discussion

Two key findings from the data help demonstrate the use of social capital across bonding and bridging networks to support organizational capacity. First, expressive actions (to preserve or maintain existing resources or relationships) were considered necessary by respondents for maintaining a CDO's ability to engage community members (a form of political capacity). Secondly, instrumental actions (to obtain resources or build relationships) were primarily limited by the organizations' requisite capacity. In other words, not many organizations set out to create instrumental goals because

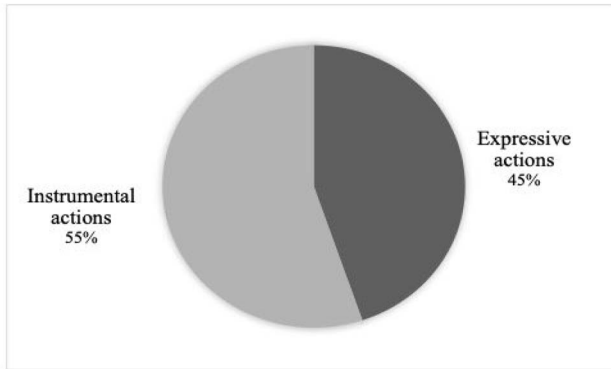


Figure 2 Actions used to support organizational capacities.

they lacked the capacity to do so. In the following section, we elaborate on these findings in relation to the research questions that guided our study.

What actions are used to access, mobilize, and facilitate organizational social capital to support or improve organizational capacities?

Our results indicate that CDO leaders mainly utilized instrumental actions to access social capital (see Figure 2); however, they described instrumental actions, actions that would allow them to gain access to resources and valuable connections in an aspirational sense. In other words, most were not actually engaged in instrumental actions. There were also some differences in how CDO leaders described accessing, mobilizing, and facilitating social capital. Participants described setting goals related to instrumental actions to strengthen networks, seek out resources, and engage political leaders. Expressive actions were described in discussions about goals for partnering with other organizations to provide services, learning from other organizations, and remaining connected with the community. As demonstrated in Figure 4, these actions were used to support different types of capacities.

Most of the interviewees in our sample described their CDO as having relatively low organizational and resource capacity. Although participants expressed a desire to engage in instrumental actions (i.e. actions to obtain resources or build relationships) to support capacity, they described the need to prioritize short-term program demands with limited staffing and resources. Participants discussed lacking the ability to engage in activities related to establishing new connections and obtaining new resources 59 percent of the time (see Figure 3). To compensate, many leaders indicated relying on expressive actions (to preserve or maintain existing relationships) to support different types of capacity. Suggesting that while bridging and

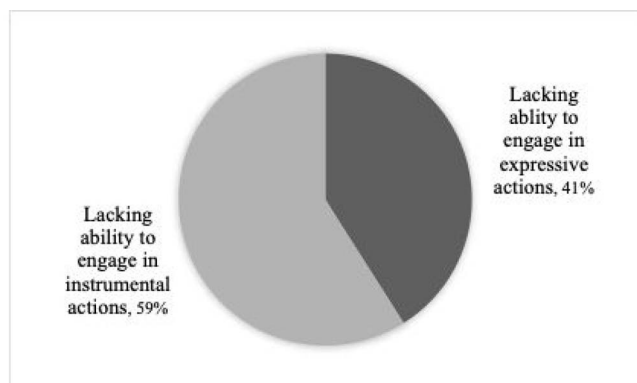


Figure 3 Description of inability to engage in expressive or instrumental actions.

bonding networks can theoretically be leveraged to support organizational capacities, prerequisite capacity is necessary to engage and benefit from the network.

What are the differences in how bridging and bonding networks are being used to support an organization's capacity?

Our second research question examines differences in how bridging and bonding networks are used to support organizational capacities. To answer this question, we first consider the type of social capital (bonding or bridging) considered essential to meet CDO goals. Our findings suggest that both types of social capital are critical to CDOs in the context of community economic development. As one respondent stated:

‘I think both are equally important . . . I don’t think one is more important than the other . . . If you’re going to, you know, run any type of organization, you have to have not just local relationships, you have to have relationships, in other places as well’.

In addition, participants provided multiple examples alluding to the fact that CDOs were operating in survival mode. This affected their ability to engage in instrumental actions, which could also limit organizational capacity. Given the dwindling stream of funds from foundations and the discontinuation of state-appropriated funding for many community organizations, there was a strong consensus among respondents about the need to be self-sustaining. Some organizations focused on preserving resources and existing relationships with organizations with similar characteristics—engaging in bonding networks with expressive goals. In these cases, participants described the theoretical use of bonding networks to produce

expressive actions to build connections within the community. For example, one respondent stated:

‘I would lean towards the relationship with the community . . . Without using the social capital to develop the relationships with the stakeholders and actors in your community . . . to access capital . . . it doesn’t happen’.

‘it is important to maintain ties with . . . key stakeholders and people in the community that are maybe not formally engaged, but they hold a lot of sway’.

Interviewees most frequently described using bonding networks with expressive actions (i.e. actions to maintain or preserve resources or relationships) when giving examples around political capacity. Political capacity refers to the creation or maintenance of key stakeholder relationships. For CDOs and similar organizations, political capacity helps support civic engagement, social inclusion, and managing internal conflict (Shrestha, 2013). Our findings elaborate this aspect of existing theory. We find CDO actions associated with expressive goals are primarily deployed to sustain political capacity. As illustrated by the quote below, interviewees stated that it was imperative to maintain political connections to key community leaders.

Another interesting finding was related to the role of place in determining the use of actions associated with expressive goals (Lambe, 2008). Many respondents indicated their actions in bonding networks were intrinsically motivated by the need to maintain connections within their service areas while confronting changing demographics. Especially during times of economic uncertainty, the regions served by CDOs can have large inflows and outflows of their targeted population(s). This presents challenges when, for example, there is an influx of individuals with different and sometimes more unstable socioeconomic situations (e.g. retirees or immigrant populations). When development resources are limited, such inflows can create conflict between new arrivals and the existing population. Reflecting this theme about the need for political capacity to support the organization’s goals, one respondent stated:

‘We’re really able to get a different perspective, you know, hone in [on] things that we might need improvement or things that . . . may or may not work’.

Although less frequently mentioned, some interviewees gave examples of organizations engaging in instrumental actions within bonding networks for supporting political capacity (see Figure 4). In these situations, legitimacy was accessed through either bonding or bridging networks to build new

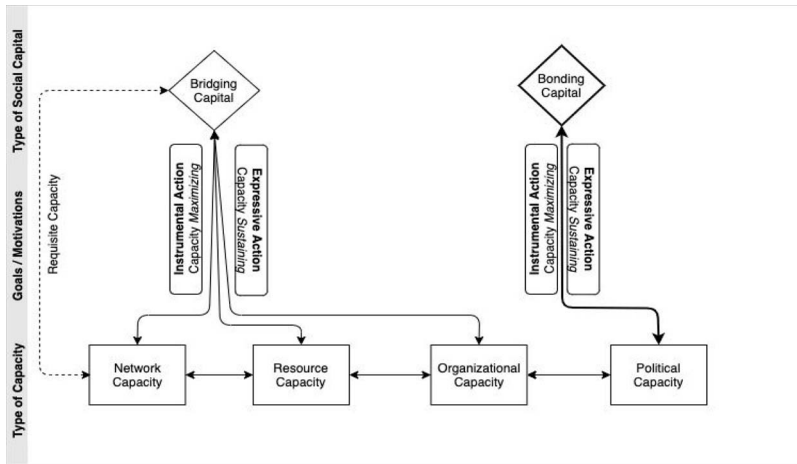


Figure 4 The use of social capital in CDOs to support capacity.

relationships. CDOs used political capacity to support networking capacity, to make connections with organizations that had already obtained the community's trust (see Figure 4). This mainly occurred when introducing new initiatives within the CDO's service areas. Respondents stated that initiatives yielding positive economic or social benefits to the community were often rejected by residents due to fear or resistance to change. Community members were usually resistant to change if they assumed that those changes were not aligned with community needs. Though the organizations in our sample are located within the cities they serve, establishing new initiatives in different communities presents challenges. In these cases, interviewees described how political capacity supported an instrumental use of social capital by increasing network capacity. Networking capacity allowed organizations to engage in bridging networks. The following statement reflects this sentiment:

'Through identification of who the influencers were within neighborhoods ...and pockets of neighborhoods...identifying those who advocated change... That change agent...bringing legitimacy to work that we're doing. Through coordination collaboration, not only have kindred minded people. But raising the sensitivity to external sources that have them realize that that they had left out these communities and that they became more sensitive'.

These patterns observed in the data are a departure from the theoretical use of instrumental and expressive actions. Instrumental actions are thought to be associated with obtaining additional or new resources within bridging networks, while expressive actions are motivated by the need to

preserve resources within bonding networks (Lin 2008). However, some respondents described seeking out new relationships with different organizations outside of their networks to maintain relationships with hard-to-reach populations (see Figure 4). This demonstrates that a CDOs ability to access or mobilize social capital in a bridging network is contingent upon an organization's political capacity to support other types of capacity: organizational, resource, and network capacities. In other words, key stakeholder relationships created opportunities such as training for staff, attracting additional volunteers, sharing financial resources, and identifying opportunities to engage outside of the network.

The other types of capacity included in our analysis—resource, organization, and network—were supported by bridging networks that produced instrumental actions. However, our data suggest that bridging social capital tends to be less utilized by CDOs. Respondent answers show that prerequisite capacity was a necessary condition for supporting organizational capacities. Without exception, respondent CDO leaders indicated low levels across each type of capacity discussed in the semi-structured interview process. Their descriptions of instrumental actions were almost unanimously aspirational—specifying what CDO leaders would like to do but could not. This sentiment was articulated by statements such as the following:

'And again, it is the absence of capacity...especially small CDCs to explore hideaway network...and then how do we reach out to [these] organizations that perhaps have resources that will help me meet the objectives that I'm trying to do in this community. And the absence of financial resources...'

As a result, organizations typically focus on maintaining existing capacity through expressive actions within bonding networks. Despite the capacity constraints, CDOs have developed unique and innovative approaches to generate resources and cultivate relationships within bridging networks by way of political capacity (see Figure 4). For example, a few participants discussed leveraging existing stakeholder relationships to support organizational and resource capacity. This was particularly notable around issues concerning financial resources. Respondents gave examples like sharing costs to pay for workers' compensation insurance and combining efforts to create significant joint grant proposals. One innovative strategy was to combine efforts for a large grant and set up pass-through grants to smaller partner organizations. As one participant detailed:

'When we may get a large grant and if the foundation that we got the grant from doesn't want to administer, a bunch of small grants. They provide us with a grant. And then we pass through funds to a lot of smaller organizations'.

Finally, our participants frequently highlighted how access affects an organization's ability to use social capital that may exist within a network (Knudsen *et al.*, 2000; Lin, 2017). Many CDOs were aware of bridging networks but also recognized that they lacked the capacity to utilize them. The issue is multifaceted, but a primary cause is related to how CDOs gain resource capacity. Most CDO activities are supported through grants, but this type of funding is frequently project-specific and cannot be used for general operating support (Mitchell, 2018). This results in low resource capacity, which creates a domino effect, hampering the CDO's other capacities, and a feedback effect limiting its ability to tap into the benefits of the network (see Figure 4). Consequently, organizations that were more successful in acquiring unrestricted funds were more successful at engaging in bridging networks and further supporting other types of capacity.

Discussion

Our findings illustrate the complex nature of how organizations use social capital at the organizational level. Respondents in our dataset shared a common goal of using social capital to improve organizational performance. Despite the wide variation in programs and geographic service areas, there are commonalities across how community development organizations (CDOs) leverage norms, legitimacy, trust, and reciprocity through social capital networks. Overall, the findings demonstrate a departure from the theoretical assumptions of the role of social capital in organizations. Bonding and bridging networks can leverage instrumental and expressive actions to support an organization's capacities. Most surprisingly, these findings demonstrate that a CDOs ability to access or mobilize social capital in a bridging network is contingent upon an organization's political capacity to support other types of capacities: organizational, resource, and network (see Figure 4). There may be a need to reconsider theoretical narratives that portray social capital networks without feedback loops, specifically in smaller organizations.

The implications of our findings are notable for both scholars and development practitioners. The places served by CDOs were often devastated by the 2008 financial crisis, and many of them never fully recovered. Now amidst the COVID-19 pandemic, the neighborhoods served by CDOs face even more challenges. The demand for services is higher than ever, but decades of declining support for community economic development efforts have made CDO work more capacity constrained than ever before. Respondents predominantly engage in social capital networks to maintain existing relationships with external institutions and policy actors with similar goals. An increased focus on expressive goals within bonding networks

appears to be intentional, as maintaining relationships for political capacity is critical to short-term sustainability. This is rational at a surface level because bonding networks in community economic development are characterized by organizations with similar goals and missions. However, these organizations also share similar capacity constraints. Unfortunately, this increased focus on bonding networks may pose a long-term challenge for CDOs and other non-profit organizations. Building relationships with heterogeneous external institutions—be they governments, businesses, or other non-profits—is vital for long-term success (Warren, 1998; Turner, 1999; Wallis and Dollery, 2002).

One of the biggest challenges for CDOs is accessing bridging networks to support network, resource, and organizational capacities. Participants reported that it was beneficial to use bridging networks to generate adequate funding continuously, remain abreast of innovative approaches, and support professional development (Silverman, 2005; Lang and Roessl, 2011). However, effective use of instrumental actions through bridging networks requires higher levels of prerequisite capacity that are often not present. According to Vidal (1992), 'the most important constraint on the growth of [CDO] activity is the need for additional capital' (p. 12). In other words, capital begets capital. Given this challenge, respondents identified ways of using political capacity to support different capacities to access bridging networks. CDOs with access to bridging networks that support long-term operating resources that can also help growth and learning were better positioned to meet the increasing demand for services.

The findings also suggest several additional avenues for future research. First, while data explores the role of social capital in the context of community development organizations, understanding how other local organizations use these networks (e.g. governments and businesses) is equally important (Warner, 2001; Boutilier, 2007; Dale and Newman, 2010). Second, our findings concur with research suggesting that one dimension of social capital may compensate for another (Knudsen *et al.*, 2000). The purpose of this article was to explore the assumption that the core components of organizational social capital—both the actions (expressive or instrumental) and the type of network involved (bridging or bonding)—support organizational capacities. Our findings provide support for this assumption, but we do not specifically test this assumption. Future research should focus on establishing empirical elaborations of these mechanisms.

To conclude, our results illustrate the role of organizational social capital in bonding and bridging networks. Persistent and enduring low levels of capacity have resulted in CDO's inability to access social capital. The inability of CDOs to access bridging networks to increase resources, for example, may limit the long-term sustainability of these organizations. In

general, our data suggest a need for organizations to strategically utilize key stakeholder relationships (i.e. political capacity) to access bridging networks to support network, resource, and organizational capacities. It is intuitive to suggest that the onus to act is on the CDOs themselves; however, many lack the skills, resources, staff, or financial ability to access or mobilize available social capital. Our findings serve to implore foundations, governments, and other funders to think about how they can best support CDOs' capacity. We recommend that funders consider how they can best support the prerequisite capacity needed for CDOs to access bonding and bridging social capital networks.

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Appendix A

See Table A1.

Table A1 Organizational characteristics of interview respondents ($n = 25$)

ID #	Organizational characteristics			Geography		Financial capacity and sustainability characteristics (five-year mean ^a)			
	Type ^b	Founded	FTEs	Service area	Rural % ^c	Unrestricted net assets	Net income	Earned revenue ^d	Program expenses ^e
01 ^f	CDC	1998	Unknown	3 Counties	16%	\$89,703.80	\$(75,980.60)	94%	50%
02	CDC	1974	3	1 City	0%	\$7,501,669.60	\$(171,235.00)	11%	81%
03	CDC	1995	9	1 County	0%	\$2,521,404.40	\$260,722.00	58%	76%
04	CDC	1996	18	1 County	0%	\$1,368,410.20	\$186,426.80	52%	82%
05	CDC	1999	24	1 County	0%	\$53,927.60	\$(448.20)	53%	81%
06	CDC	1988	6	1 County	0%	\$3,736,316.00	\$138,857.60	70%	76%
07	CDC	1992	5	1 County	100%	\$523,042.60	\$11,214.20	66%	86%
08	CDC	1990	2	4 Counties	80%	\$807,121.60	\$(222,079.60)	3%	77%
09	CDC	1990	12	1 City	100%	\$722,415.00	\$99,092.60	73%	77%
10	CDC	2004	0	1 City	100%	\$5,730,316.60	\$(208,777.20)	49%	99%
11	CDC	1991	34	1 County	100%	\$5,246,749.60	\$(20,273.80)	75%	80%
12	CDC	1985	221	National	15%	\$258,320,080.40	\$9,705,297.40	51%	98%
13	CDFI	1990	54	Statewide	22%	\$10,573,246.60	\$482,766.80	70%	83%
14	CDFI	1999	17	Statewide	22%	\$916,060,274.00	\$1,087,078.40	36%	94%
15 ^g	Funder	1947	14	Statewide	22%	\$554,339,173.40	\$7,564,291.40	0%	80%
16	Funder	1936	17	Statewide	22%	\$18,792,239.80	\$21,187,190.40	98%	16%
17	Funder	1986	35	Statewide	22%	\$1,786,703.40	\$(163,950.40)	77%	87%
18	Other CDO	1995	0	1 County	100%	\$(34,689.60)	\$11,942.60	100%	90%
19	Other CDO	2015	24	1 City	100%	\$753,532.00	\$346,825.67	82%	88%
20	Other CDO	1993	13	3 Counties	0%	\$1,951,575.80	\$501,487.40	92%	79%
21	Other CDO	1987	11	1 City	0%	\$3,122,893.80	\$476,921.00	35%	78%
22	Other CDO	1990	16	Statewide	22%	\$264,311.60	\$(27,638.40)	83%	76%
23	Other CDO	1972	41	Statewide	22%	\$1,254,637.20	\$(41,637.00)	37%	77%
24	Other CDO	1993	14	Statewide	22%	\$3,970,394.00	\$69,830.20	90%	67%
25 ^h	Other CDO	2002	2	Statewide	22%	Unknown	Unknown	Unknown	Unknown

^aFigures are averages of data from the respondent's Form 990 for years 2015–2019. If the respondent had not yet filed for 2019 or the organization was defunct, the data represent the most five recent Form 990 tax filings available. The exception is Respondent 19, who only had three years of data available for 2017–2019. ^bTypes of organizations: Community Development Corporation (CDC) are non-profit organizations that provide programs, offer services, and engage in other activities that promote and support community development. Community Development Financial Initiative (CDFI) are private financial institutions that are dedicated to delivering responsible, affordable lending to assist low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream. Funders are private or non-profit organizations that provide funding to CDO-like organizations. Other CDOs include non-profit organizations that provide programming focused on community development. ^cPercentage of the 2019 total population in the respondent's service area that resides in a non-metro county as classified by the USDA's urban–rural continuum coding system. ^dForm 990, Part I. Ratio is the value of line 8 contributions and grants for the current year divided by line 12 total revenue for the current year. ^eForm 990, Part IX. Ratio is the value of line 25 column B total program service expenses divided by line 25 column A total expenses. ^fRespondent 01 filed a 990EZ in their most recent tax year, which does not contain a count of employees. ^gRespondent 15 is a trust that funds community development activities, and it thus reported no earned revenue. ^hRespondent 25 is a community development-oriented subunit that operates as a subsidiary of a large private organization.

Appendix B

See Table A2.

Table A2 Descriptive characteristics for organizations represented by interview respondents^a (*n* = 22)

Respondent characteristic ^b	Minimum	Maximum	Mean	St. Dev.
Organizational age	6	49	28.95	9.16
FTE employees	0	54	16.15	14.92
Unrestricted net assets	\$(60,347)	\$11,566,779	\$2,634,810	\$2,851,414
Net income	\$(2,974,149)	\$1,870,900	\$77,313	\$451,043
Earned revenue ratio	0%	100%	63%	28%
Program expense ratio	20%	100%	79%	12%

^aFor purposes of showing descriptive statistics, financial characteristics are based on the five most recently filed tax years for the respondent. ^bThis table also excludes data for respondent #12, which was a local office of a CDO with a national presence.

Appendix C

See Table A3.

Table A3 Programmatic area(s) of organizations represented by interview respondents (*n* = 25)

ID #	Personal Finance Programs			Other Personal Assistance			Small Business Assistance		Commercial Development	Policy Advocacy	Grantmaking
	Affordable Housing	Financial Counseling ¹	Financial Products	Child Services ²	Public Health	Workforce Training	Financial Products	Business Counseling			
01	✓	✓	✗	✗	✗	✓	✗	✗	✗	✗	✗
02	✓	✗	✗	✗	✗	✗	✗	✓	✓	✗	✗
03	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✗
04	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗
05	✓	✓	✗	✓	✓	✓	✗	✗	✗	✗	✗
06	✓	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗
07	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
08	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
09	✗	✓	✗	✗	✗	✓	✗	✓	✗	✗	✗
10	✓	✗	✗	✗	✗	✓	✗	✗	✓	✗	✗
11	✓	✗	✗	✓	✓	✓	✗	✗	✗	✗	✗
12	✗	✗	✗	✗	✗	✗	✗	✓	✓	✗	✗
13	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓	✗
14	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✓
15	✗	✗	✗	✓	✓	✗	✗	✗	✗	✗	✓
16	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
17	✗	✗	✗	✗	✗	✗	✓	✓	✗	✓	✗
18	✗	✗	✗	✓	✓	✓	✗	✗	✗	✗	✗
19	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗
20	✗	✓	✗	✗	✗	✓	✗	✓	✓	✓	✗
21	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
22	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗
23	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗
24	✓	✗	✗	✗	✗	✗	✗	✗	✓	✓	✗
25	✗	✓	✗	✗	✗	✗	✗	✗	✗	✓	✗
Sum	13	9	1	4	5	9	3	7	8	6	3

^aIncludes credit counseling, home buyer education, and other types of one-on-one/individualized assistance related to personal finance. ^bIncludes programming related to childcare and K-12 education.

Appendix D

See Table A4.

Table A4 Codebook

Category	Definition	Key characteristics	Example
Step 1: Indicate which type of social capital is being described: <i>only select one</i>			
Bonding capital	Describes interactions with homogeneous, social, economic, and/or demographic characteristics. Interactions with people like you.	Organization initiatives to build comradery within their own group of employees or staff. Or other organizations that are similar to them.	Organization-level initiatives to build comradery within their own group of employees or staff. Or other organizations that are similar to them.
Bridging capital	Describes interactions with heterogeneous social, economic, and/or demographic characteristics. Interactions with people/orgs unlike you.	Interactions between individuals and/or organizations that are fundamentally dissimilar to the respondent. Includes linking capital.	Small business event where recipients of CDC loans have the opportunity to build their supplier network, allowing for better financing, products, quality.
Step 2: Indicate the type of action described by the respondent: <i>only select one</i> .			
Expressive	Describes actions or processes used to preserve pre-existing resources or relationships.	Respondent describes an intrinsic motivation, and the interaction has clear <i>reciprocal benefits</i> for both parties.	Putting a client in contact with another affordable housing program that can meet a specific set of needs (which cannot otherwise be met by the respondent organization) but going above and beyond to transfer information about the client to the program.
Instrumental	Describes actions or processes used to obtain resources or relationships that are not otherwise possessed by respondent.	Respondent describes an extrinsic motivation, and the interaction has no clear <i>reciprocal benefits</i> for the other party.	Offering a program outside of the organization's normal area of operations in order to secure political support for government funding.
Step 3: Indicate what type(s) of capacity or lack of capacity is associated with expressive or instrumental actions: <i>multiple responses are okay</i> .			
Political capacity	Describes the ability to develop good relationships with internal and external stakeholders (individuals and institutions).	Respondent describes actions that are aimed at engaging internal and external stakeholders or interested parties. The action does not need to involve policy actors to be classified as political capacity.	Public meetings, newsletters, engages in collaborations to raise the organization's profile in the area, etc.
Resource capacity	Describes the ability of an organization to increase, manage, and sustain funding of their operations.	Respondent primarily describes actions that seek to secure funding or make receipt of funding more likely.	Actions involving monetary resources of any type, directly or indirectly—e.g. securing public funding for operations.

(Continued)

Table A4 Continued

Category	Definition	Key characteristics	Example
Resource capacity	Describes the ability of an organization to increase, manage, and sustain funding of their operations.	Respondent primarily describes actions that seek to secure funding or make receipt of funding more likely.	Actions involving monetary resources of any type, directly or indirectly—e.g. securing public funding for operations.
Organizational capacity (<i>focus is on internal organization actions</i>)	Describes the organization's overall operational efficiency: ability to manage effectively, improves organizational competence, offers training, seeks to attend conferences, opportunities to increase management knowledge, etc.	Respondent describes actions that primarily seek to improve the organization.	Actions that develop the respondent organization's human capital—number of full-time staff, etc.
Network capacity	Describes the ability to interact and work with other community groups and institutions, both inside and outside the community.	Respondent primarily describes actions that lead to obtaining strategic connections to other groups for the purposes of sharing resources.	Actions such as entering relationships with governments, private firms, or other community-based organizations that allow CDCs to extend their reach to new services and operations.