

## Rural America as Philanthropy's Frontier: A Call for Increased Commitment



Like many, I am very familiar with images of poverty, squalor and hopelessness in the shadows of America's cities. The majority of my orientation as a funder has been formed by work in urban America. But serving as a funder in Louisiana and Arkansas over the past three years, I have discovered that dislocation, poverty and pain are as prevalent in rural communities as in any city.

I have also begun to wonder why the plight of rural communities is not more evident in the funding priorities of private foundations. Those of us funding in rural communities need philanthropic partners. We want to collaborate on long-term systemic change initiatives.

Rural America is the land of opportunity for philanthropy. It is a frontier for philanthropy to test assumptions, take risks, leverage dollars, influence public policy and learn lessons. We can support innovation and then disseminate information about the new programs, processes, knowledge, skills or concepts in play to improve the capacity of communities and organizations providing services and supports in rural America.

That's why this journal is such a historic document. It calls on our nation's philanthropic community to increase its commitment to rural America. The authors collectively respond to several compelling questions: Why increase philanthropy's commitment to rural America? What are the opportunities for supporting change in rural communities? And what would be the impact of such funding in rural communities? The authors successfully frame funding opportunities of national significance in rural communities. These funding opportunities work to address rural society's challenges by engaging its people, by building resilient communities and by developing a strong knowledge base for supporting long-term systemic change in rural America.

Rural America deserves philanthropy's attention. Our children, families and communities in rural America are suffering from poor education, health, wealth and other outcomes, contributing to a lack of

social, economic and environmental progress. We should no longer neglect the needs and priorities of a rural America struggling to educate its children and employ its families.

It is important to state that this is in no way an urban funding versus rural funding debate. If we are to achieve positive outcomes for children, families and communities in America, we must increase grantmaking to rural America. We must go beyond our comfort and bias in support of urban America and provide additional resources to rural America to build its social, political, human and other capital to improve the lives of rural Americans. By 2015, philanthropy must work as diligently in rural communities as it does in urban communities. We must significantly increase grantmaking to address the priorities of rural America.

### **Philanthropy Must Provide Resources to Address the Issues Facing Rural America**

Let's revisit what we mean by "rural America." In chapter one of this journal, Linda Reed notes that when you've seen one rural community, you've seen one rural community. In her essay in chapter two, Ivey Allen suggests that to determine whether an area is rural, "ask the locals—they'll tell you the correct answer." Neither author is just being cute. As Karl Stauber notes in chapter two, the federal government has six definitions of rural, from the Census Bureau's focus on population density to the Department of Agriculture's focus on an area's population and proximity to urban. Specifically, the USDA says that "rurality" includes "all places and people living outside the primary daily commuting zone of cities of 50,000 people or more." Based on this definition, latest estimates from the USDA indicate that approximately 50 million people live in rural areas, or nearly one in five Americans.

A common theme throughout this journal is that rural America contributes to all of America. According to a 2001 study of rural America supported by the W.K. Kellogg Foundation, respondents perceived that rural America helps perpetuate the values that define America, like individualism and self-sufficiency. Rural Americans are also perceived as the nation's backbone as the suppliers of food. Rural America contains the last vestiges of open space often targeted for a rapidly developing suburban landscape.

Respondents of the Kellogg study cite lack of money, price of crops and lack of opportunities as the most important problems facing rural America. Of greatest concern to those surveyed was the low agricultural profitability and job insecurity facing rural America. Also of concern were inadequate access to health care, along with few educational choices, opportunities for professional advancement and cultural resources.

In a 2004 analysis, the National Committee for Responsive Philanthropy identified fewer than 200 foundations actively engaged in grantmaking to rural areas and roughly \$300 million in grants classified as rural—out of a total of more than 65,000 active foundations and \$30 billion granted annually nationwide. In a report last August, the Center for Rural Strategies noted there's little evidence to suggest this has changed since. Furthermore, Michael Schechtman points out in chapter two of this journal that the “philanthropic divide,” or gap in in-state foundation assets between those states with the least and those with the most, has nearly quadrupled between 1990 and 2007, to \$36.1 billion. The result of this inattention and lack of investment in rural people and communities is very apparent and consistent with the perceptions of the respondents in the Kellogg study.

Raising these and other issues pertinent to people in rural America is important because, as Miriam Shark, Rachel Tompkins and Mario Gutierrez observe in their respective essays in chapter five, millions of children and families in rural America experience multiple “preventable deprivations,” to quote Marian Wright Edelman of the Children’s Defense Fund. That is, millions of children and families in rural America lack adequate health care and/or health insurance; lack enough food to stave off hunger; are legally homeless when they are doubled-up or tripled-up in a home or cannot find or afford housing; and lack safe and quality child care and after-school programs. Poor children in many rural communities are denied quality preschool to help them get ready for school. Millions more students coming out of some rural school systems cannot read or write, or are at risk of dropping out or being pushed out of school, resulting in fewer ready for college or for careers providing wages to sustain a family.

As Steve Gunderson said at the Council’s conference last August in Missoula, Montana: “In the end, I do not believe we achieve these goals through a simple redistribution of existing philanthropy; rather, we do so by making a total commitment to grow philanthropy in rural America while growing philanthropy’s role in service to the rural life we celebrate.” Through philanthropy’s collective wisdom and experience we can provide a clear vision, firm commitment and persistence to remove the barriers to enduring social change in rural America.

Now that I work as a funder with the farm belt in walking distance, I have seen first-hand that many children in rural America struggle to thrive in working-poor families. Their families often play by America’s rules, expressing more patriotism and national pride than those in nearly any urban community, but still cannot earn a livable wage or compel sufficient support from local, state and national governments to escape

intractable poverty cycles. The resulting discouragement and despair is familiar to urban funders. As a field, philanthropy has the unique capacity to be a catalytic resource that raises concern, highlights potential and fosters advocacy for rural communities. Philanthropy must provide resources to address issues facing rural America. Like previous authors in this journal, I too am confident that philanthropy can help to transform these devastating disparities and inequities to hope and healing. But whether the field will recognize that what happens positively or negatively in one part of America affects all of America—that remains an unanswered question.

### **Philanthropy Must Support Long-term Systemic Change Opportunities that Address the Priorities of Rural America**

Peter Pennekamp, Janet Topolsky, James Richardson and Athan Lindsay point to a growing number of funders and social change agents taking bold action in rural communities to help tackle the grave social and environmental challenges to America's collective future. These funders and change agents, including the Nebraska Community Foundation and the McKnight Foundation-supported Minnesota Initiative Foundations, are becoming intentional about shifting structures, cultures and institutions. They are pioneering an emerging area of practice called Rural Development Philanthropy.

Such practices are not yet widespread in rural America. As mentioned earlier, rural America is fertile ground for initiatives of national significance that seek to address challenges for rural communities by engaging local people; by helping them to build resilient communities; and by increasing awareness and knowledge about the positive potential of strategic philanthropy. The mirrored needs of rural and urban communities also create an opportunity for philanthropy to create human linkages and dialogue across race, class and cultural divides. Philanthropy must support long-term systemic change opportunities that address the priorities of rural America.

Let's discuss some of these priorities.

**Stem the rural brain drain**—Anecdotally, we often hear of the exodus of young people, usually the best and the brightest, from rural areas who seldom return. Conversely, the young people who stay often do so because they cannot afford to leave—they don't have the opportunity. Whether these obvious social realities discourage and diminish expectations is unclear, but the average rural high school dropout rate of 19 percent (compared to 15 percent among urban schools) and rural residents' college completion rate of about 17 percent (compared to more than 29 percent of

urban residents) suggest that generational poverty will continue in rural America. Also complicating matters: The Economic Research Service of the USDA reports that median weekly earnings for college graduates in 2006 were 24 percent higher in urban areas than in rural areas. Little wonder young people who can leave, do. Working to help convince them to stay, and others to return, will require stepped-up efforts, such as the Lumina Foundation's work (profiled in John Beineke and Martha Lamkin's essay in chapter five) to help youth prepare and succeed in college. Also required are workforce efforts to help rural residents earn more, such as those documented in Miriam Shark's essay in chapter five. This is a role tailor-made for philanthropy.

**Replace the “philanthropic divide” with the “philanthropic tide”**—When we talk about the “philanthropic divide” we often mean that giving by larger foundations disproportionately goes to urban and not rural areas. This picture is changing thanks to the work of the community foundations and community-based giving traditions that are creating a new tide of “place-based” philanthropy in which those who live and work in rural areas are investing in the future of their own communities. Further, community foundations are the dominant type of funder in rural America. We must support and build the grantmaking capacity of community foundations. Community foundations are excellent vehicles to act as catalytic hubs for supporting the long-term systemic change many rural communities are seeking. For large foundations without the capacity to deploy staff to work directly in rural communities, community foundations—as well as other funding intermediaries—are the agents of change. Rural America is increasingly in search of resources to build its community philanthropy capacity—a role tailor-made for philanthropy.

**Move from adversity to diversity**—Many of us are familiar with stereotypes of rural America. Such stereotypes do not usually evoke the folksy empathy of Garrison Keillor's “News from Lake Wobegon” reports from *A Prairie Home Companion*. Rather, we are likely to dismiss the needs and opinions of people and communities that we may assume to be backwards, culturally isolated and even bigoted. Culture, class and racial barriers exist here, just as they exist in the rest of America. But rural America is also experiencing increased diversification due to economic necessity. If many rural communities are to survive, they must attract and retain both the labor and civic participation of new people and maximize the engagement of all of their residents. As a result, rural America is increasingly in search of approaches to develop inclusive leadership structures and broader civic participation—a role tailor-made for philanthropy.

**Move to healthy, wealthy and wise**—Health, economic development and education continue to be major issues that funders working in rural areas must address. To improve outcomes in these and other critical indicators of child, family and community well-being, philanthropy should work with rural communities to develop strategies to positively address the factors and to measure progress. Moreover, philanthropy will need to think differently about the pathways and models to deliver services and supports and to achieve results. For example, hospitals are far and few between in many rural communities. Building a network of community-based health workers to deliver quality health care services may be the most efficient way to deliver health services. Another example: It is highly improbable that rural communities will attract large manufacturing plants or other types of large-scale employers paying livable wages to most of the residents in the community. Thus, small- to medium-size businesses are major employers in rural America. To support them, investments need to be made in culture and asset-based entrepreneurship. A final example is that of workforce development, which must be supported in rural America to decrease the number of poorly educated young people entering the penal system. Rural America is in desperate need of strategies, approaches, lessons learned and more to address these factors—another role tailor-made for philanthropy.

**Move from “programs and priorities” to “places and people”**—The idea that funders can isolate their funding in silos and programmatic priorities and still manage to adequately address the needs of our communities is outdated. Exceptional work at making a difference builds upon the distinctive set of institutions, geographies and opportunities specific to each community and region. At the Annie E. Casey Foundation, I learned from its place-based community change work like *Making Connections* and the Rebuilding Communities Initiative that achieving sustainable results requires four things: (1) *Authentic demand* from residents and others not normally at the decision-making table; (2) *Committed allies* within and across the faith community, business sector, community organizations and government who champion the work and can “make things happen”; (3) *Dedicated resources*, including dollars but also data and volunteers; and (4) *Vigorous leadership* that can replenish and sustain itself over time. Rural America is increasingly in search of approaches to place-based sustainable change—a role tailor-made for philanthropy.

Naturally, as funders address these indicators, they will run up against barriers, such as a lack of capacity in nonprofit organizations, political or institutional resistance to change, or a lack of resources affecting a community’s ability to sustain the innovation. These challenges are familiar to philanthropy. Barriers notwithstanding, finding

long-term solutions is necessary to challenge existing systems and will demand new skills, relationships and mindsets. Philanthropy should be the catalyst for change in dysfunctional, ineffective systems.

### **Philanthropy Can and Must Do Better to Improve Outcomes in Rural America**

Philanthropy should highlight the opportunities to make a difference in rural America. Urban America and rural America have the same legacy with twin affects. Lack of investment and ignoring the needs of the poor anywhere in this country opens them to fall prey to negative child and family well-being outcomes. Holding government accountable for providing services and supports to rural communities is as vitally important. Philanthropy has to provide the resources to highlight the needs of children and families in rural communities.

Now that I am exposed to the needs of rural America, I more deeply appreciate the passion that the late Dr. Martin Luther King Jr. brought to the issues affecting the poor in America. In 1967-1968, Dr. King launched a Poor People's Campaign to bring attention to rural communities and to raise the voices of the disempowered. The promise of that campaign was cut short.

Admittedly, when I was at Casey I did not pay a lot of attention to rural communities. Now that I have been working in rural communities for a short while, I am confident that there is a role for philanthropy to make the priorities of rural communities and the inequities experienced by millions of people transparent. I also find myself wondering why funding in rural areas does not seem as sexy as funding in urban areas. Do some people actually think that people in rural communities are less deserving of philanthropy's attention? Some may assert that you get more bang for your buck, media attention and economies of scale funding in urban areas. But I question the efficacy and morality of a philanthropy guided purely by such a cost-benefit analysis. It's a type of approach that deepens the neglect shown to Native Americans, African Americans, Latinos and others struggling to thrive in rural areas.

Philanthropy has the resources to fund advocacy and public policy to bring issues to light. Rural areas are lacking the philanthropic community to build organizational capacity and empower residents to influence public policy and influence how public resources are spent in their community. Yet despite what we know, it remains exceedingly challenging to encourage philanthropy to invest in community revitalization,

workforce development, school readiness, child health and other initiatives that intentionally and explicitly address the formation of social capital, political capital, human capital and more that are critical to achieving better outcomes for vulnerable children and families. We have remained categorical in our thinking, our funding, our practice

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and our policy, despite all the evidence that tells us we have to connect the dots between building civic muscle through positive social networks, robust civic engagement, strong resident leaders and sustaining comprehensive social change. In our multifaceted roles as funders it is important that we highlight the opportunities to influence social change in rural America.

If we do not make investments in building the capacity of rural America to address its priorities, the capacity will not grow. If philanthropy continues to not invest in rural America, we send the message that rural America does not matter. If we do not get clearer about the strategies and approaches that are most effective in addressing social, economic and environmental change in rural America, we will continue to send the message that citizens of rural America are not worthy of philanthropy's support. Why not invest in Wyoming, Mississippi and Nebraska, or in rural areas of California and Florida? Is it because many of us are more comfortable funding in urban areas?

Is it our duty as funders to maximize our comfort? As I understand history, Congress allowed private money to be set aside tax-free in charitable foundations with the specific intent of creating funds providing additional support to help further the public good. By 2015, we need to think beyond our comfort and work to build the political, social, human and other capital necessary to effect change in rural America; to further the rural public good. It's a role tailor-made for philanthropy.

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