Acknowledgements

The ten-year experiment undertaken by the National Rural Funders Collaborative represented an attempt to devise and implement a responsive philanthropic approach to rural communities, regions and leaders themselves and to think out of the box in doing so. Of course, philanthropy always seeks to be responsive. But NRFC’s work was designed to take responsiveness to another level, to put aside the traditional guidelines and restrictions in favor of a more open, more collegial, more power-neutral approach to structuring the relationship between funders and practitioners.

By design NRFC was an evolutionary enterprise – ready to learn from the field, test the waters with new strategies as it went along and even go so far as to define and redefine its theory of change, ultimate outcomes and measures of success as it moved forward. This was in large part due to the unique set of funders who were involved – not only because each of those institutions were forward-thinking and risk-taking each in their own way, but also and especially because of the unique individuals who were the institutional representatives and rural champions.

Two of those individuals deserve special mention. Teri Yeager, Senior Program Officer of the William Randolph Hearst Foundation in San Francisco (now the San Francisco office of Hearst Foundations), was my co-chair (at the time I was Senior VP for Bank of America) of the Rural Funders Working Group, a collaborative-in-formation working under the auspices of the Neighborhood Funders Group of the Council on Foundations. This small working group - interested in understanding more completely the dynamics, challenges and successes of rural communities and regions and meaningful, effective approaches to alleviating rural poverty - included the core group of funders responsible for launching NRFC’s decade of work. Teri, more than anyone else, fully owned the challenge. She always seemed to have the connections, strategy and charm for pulling a rabbit out of the hat and getting us beyond each hurdle that presented itself over the three years from 1998 – 2001 as we discussed, convened and planned our way from a breakfast table discussion at the New Orleans Council on Foundations annual meeting in spring of 1998 to a full-blown initiative in the summer of 2001. Teri was always patient, optimistic and convinced that we could find a way to get to the next step in our evolution - even when things appeared to be at the point of unraveling.

The other person worthy of special recognition is Rick Foster, then Vice President for the WK Kellogg Foundation. Rick always had the vision and long view of what this eclectic group of philanthropic institutions and individuals could accomplish in funding impact, learning from the field and policy change. Rick was also NRFC’s quintessential champion. In the formative years before NRFC actually took shape, one of the most important challenges was to move this group of funders from conversation to action, from planning to implementation. And so the always present, but rarely voiced question in these formative discussions was, “Who would be the first penguin in the water?”, “Who would be the first to actually commit funds that would enable this philanthropic venture to begin its work?” Rick was that person, always giving cover for his colleagues to jump in behind him. Rick was never hesitant to see that WK Kellogg committed the lion’s share of funding ahead of and to incentivize his colleagues to their part. And Rick was the consummate consensus-builder throughout: whenever there were serious hesitations, impasses or disagreements about next steps forward, Rick was able to frame the issues in a fully neutral, fully supportive way and at the same time challenge all of his colleagues to step back and take a larger, more inclusive and more focused view of the path ahead.
No less important were the others who gave of their time and energy to work arm in arm in NRFC’s work: Peter Beard, then Program Officer of Fannie Mae Foundation; Shari Berenbach, then Executive Director of Calvert Social Investment Foundation; William Buster, Program Officer at WK Kellogg Foundation; Linetta Gilbert, then Program Officer of Ford Foundation; Mario Gutierrez, then Senior Program Officer for The California Endowment; Bettie Hodges, then Program Officer of William and Flora Hewlett Foundation; Ellery July, then Vice President for Northwest Areas Foundation; Sharon King, then President of FB Heron Foundation; John Kostishak, then Executive Director of Otto Bremer Foundation; Jill Kramer, then Program Officer of Lumina Foundation for Education; Annika Little, then Senior Vice President for Bank of America Foundation; Chris Perez, then Program Officer for FB Heron Foundation; Miriam Shark, Associate Director for Annie E. Casey Foundation; and Gayle Williams, Executive Director of the Mary Reynolds Babcock Foundation. This outstanding group of leaders in philanthropy gave tirelessly of their time, experience and imagination and, time after time, kept their institutions at the table as NRFC’s work unfolded.

A word is also in order for the outstanding staff who assisted me in managing NRFC’s work throughout: Stacy Caldwell, Tracey Dorsett, Athan Lindsay, Melissa Reddick and Allison Van. This unique group of emerging leaders within philanthropy gave their best efforts throughout the journey and worked shoulder to shoulder with me as we sought to broker and actualize very unfamiliar working relationships between funders and practitioners. Thanks to their commitment, distinctive gifts and willingness to innovate and devise new ways of working in an environment for which there were few models, NRFC successfully completed its ten-year experiment and its many accomplishments and lessons.

Finally, a word of thanks to those without whom this report on NRFC’s work would not have been possible. First, a big thank you to Kresge Foundation and Winthrop Rockefeller Foundation, whose CEOs, Rip Rapson and Sherece West, recognized the value and promise of documenting NRFC’s work and to their staff members who worked with me in completing this project: Tamitha Walker at Kresge and Regan Moffitt and Andrea Dobson at Winthrop Rockefeller.

For the actual writing of the document I have to thank, first and foremost, Allison Van, former NRFC staff member and current staff member at Annie E. Casey Foundation, who worked with me as chief collaborator in the actual writing of this report. John Haffner, intern at UC Davis, provided invaluable help in the initial framing and research throughout. Tracey Dorsett, former staff member and current program officer at Z. Smith Reynolds Foundation, helped to distill, condense and articulate many of the lessons and insights for NRFC’s ten years of work – especially as they pertain to NRFC’s learning community, strategic planning model/theory of change and efforts to measure performance among its grantees. Trish Kelly, principal at Applied Development Economics, who meticulously edited this document throughout. And a special word of appreciation, both professionally and personally, to Jonathan K. London, PhD, Assistant Professor of Human and Community Development at UC Davis, who has collaborated with me on previous publications about NRFC’s work and was immensely helpful in thinking through the organization of this publication and in framing the discussion about the economics of rural poverty. Finally, thanks to Mario Gutierrez, Kathy Moxon and Judy Sulsona for reading various drafts of this document and giving feedback along the way.

Jim Richardson
Dallas, Texas
November 2012
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RACE, POVERTY AND TRANSFORMING RURAL ECONOMIES

TEN YEARS OF FUNDING, LEARNING, COLLABORATION

Understanding and Addressing Rural Poverty

A 2012 Salvation Army report captured in stark detail the challenges of a country where one in six people live in poverty, yet 55% of respondents believe it’s not possible to eliminate poverty in the U.S.\(^1\) Notwithstanding the short-lived War on Poverty in the 1960s and 1970s, this sense of hopelessness (and complacency) about addressing poverty in this country continues to grow (despite impressive anti-poverty efforts overseas), in part fueled by a growing cynicism about who the poor are. As this report will show, increasingly the faces of poverty are the working poor who often work two or three jobs and still live below the poverty line and are unable adequately to support their families. This is especially true for the working poor in rural America and for people of color living in poverty.

In 2001, a team of foundation representatives approached the issue of rural poverty as a problem with solutions, but in dire need of greater investment. They recognized that large pockets of poverty in the U.S. are found in rural areas. Indeed the 2000 census classified one in six rural counties as persistently poor between 1960 and 2000 while only one in twenty urban counties were persistently poor. But these funders also recognized that their understanding of both the nature of embedded, persistent rural poverty, and successful approaches to combating it, were limited. Hence in an attempt to find a more complete perspective on the problem and more compelling examples of successful poverty alleviation strategies, they committed to spending ten years learning from, investing in, and increasing the visibility of poor rural regions seeking to re-define and re-invent themselves. Together these funders formed the National Rural Funders Collaborative (NRFC). The purpose of this report is to tell their story, distill lessons learned and suggest an unfinished agenda for rural practice, philanthropy and policy ahead.

During its ten years, NRFC funders invested more than $7 million in direct grants in persistently poor rural areas and leveraged an additional $75 million in private and public resources. As importantly, NRFC intentionally worked in such a way as to break down the barriers of power and wealth between funders and practitioners, and explicitly lifted up the role of the practitioner by giving those doing excellent work in some of the poorest places a spotlight and the opportunity to work directly with philanthropists and policymakers. More than the money and influence, the value of NRFC lay in finding, nurturing and building common understanding among those who potentially can champion the efforts of impoverished rural communities and families, and infusing a sense of hope and enthusiasm into places where hope is rarely felt. Throughout its tenure as a funding and learning collaborative, NRFC was inspired and guided by the words of the Honorable James A. Joseph, former ambassador to South Africa, addressed specifically to this collaboration-in-formation in April of 2001:

There are still two rural Americas — the rural America of our romantic dreams and the rural America of contemporary reality. I want to speak this morning about the new rural America that is no longer dominated by agriculture or represented by agricultural interest groups; the rural America that increasingly means not only poor, but diverse minorities; the rural America that is poised and well-positioned to protect our natural resources and provide for our recreation; the rural America that is badly in need of reinvestment and nurture.\(^2\)

It was this second, contemporary rural America that NRFC sought to champion.

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Phase I: Casting a Broad Net and Creating the Learning Network

NRFC went through two major phases in its ten years of work. The first phase, begun in 2001, involved initially a core group of seven funders\(^3\) - W. K. Kellogg, Mary Reynolds Babcock, F.B. Heron, Fannie Mae, Annie E. Casey, William & Flora Hewlett, William Randolph Hearst – who were focused on finding innovative practitioners and effective strategies with high potential for impact and then learning from them about the rural context and about what works in addressing persistent poverty. Together they accepted the challenge of working collaboratively and mapping out a common course for addressing rural poverty.

In July of 2001, NRFC was officially launched and a call was put out for innovative, regional-scale collaborations addressing poverty in rural places. 284 applicants responded, far exceeding what any of the funders expected from under-resourced and often isolated areas. From these, NRFC selected a highly diverse cohort of projects – some funded deeply with core support over several years, others funded more narrowly on project-specific strategies. Others still went unfunded but were nevertheless included in its learning network (see below). Over the next three and one-half years, NRFC funded and learned from nearly 40 organizations and initiatives\(^4\) that held the potential to teach them about what persistent poverty looked like on the ground and what made for effective strategies for reducing it. These diverse strategies and models were found far and wide: in Appalachia Ohio and western Maine to the Southwest and West of New Mexico, Texas and California; from Northern Montana through the plains of Colorado and Nebraska to the Mid South of Arkansas, Mississippi, Louisiana and to the Deep South of Alabama, Georgia & the Carolinas; and in the remote, isolated rural communities of Alaska and Hawaii. This grantmaking and learning strategy of casting a broad net and learning from diverse rural initiatives throughout rural America characterized the first phase of its work from 2001 – 2005.

As a major focus in this early phase, NRFC used its broad and diverse grantmaking strategy to fuel a learning network of grantees, other practitioners, foundation staff, politicians/public servants and representatives of other rural serving organizations, all of whom participated in a collegially-structured forum of challenging events that brought the field together around major issues and facilitated deep discussion among diverse stakeholders. This learning network was a major feature of the early phase of work and created a platform for bringing together representatives from racially, ethnically and culturally diverse communities to learn from one another and develop a policy voice for an alternative vision of rural community transformation. And it was this same diverse learning network that provided the seeds from which NRFC was able to move from a rather simplistic initial theory of change that proposed to bring new resources to communities that historically had experienced disinvestment to a much more complex theory of change that recognizes both the rich assets of place and culture that so many communities bring to the challenge of reversing the trends of persistent poverty and overcoming historic barriers of social injustice.

Strategic Planning and Revising the Theory of Change

In 2005 – 2006, NRFC took the better part of a year (as it was finishing this first phase of grantmaking) to pause and reflect on its grantmaking and learning to date and to consider what revisions and redirections it might make in order to increase the impact of its grantmaking, to take its learning to a new level, and to strengthen its theory of change. By this time, several new NRFC

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\(^3\) Calvert Foundation for Social Investment Foundation served as fiscal agent for and advisor to NRFC.

Phase II: Narrowing the Focus and Demonstrating Impact

At the end of this period of reflection and planning, NRFC moved into a second phase of grantmaking and learning (2007 – 2011) with a clearer and more profound understanding of how extreme poverty in rural America is both regionally concentrated and disproportionately experienced by communities and families of color. As a result, NRFC collaborators were ready to focus their grantmaking and learning more narrowly – hoping for greater impact and more tangible measures of success on three regions: Mid South, Northern Plains and West, where poverty has existed for decades and primarily among families and communities of color (African Americans, Native Americans and Latinos/Hispanic). And they did so with a commitment to support and strengthen community-based initiatives working to develop alternative rural economies in which low-wealth leaders/ families of color can fully participate, benefit and lead.

In this second phase, NRFC funded more deeply and restricted their funding to a very small number of initiatives, or “demonstrations” as NRFC named them, that were larger in scope and more comparable in vision and outcomes than in the earlier phase. These demonstrations were framed in response to NRFC’s revised and more narrowly crafted theory of change. In this phase, NRFC funded five collaborative initiatives, (three of which were successful in sustaining their work for the entire four year period, with the idea of going deeper in understanding rural poverty and its linkage to race, class and power and, at the same time, more actively supporting sustainable regional models for changing the systems that perpetuate poverty while advocating for more just rural economies.

The learning community was different in this phase as well. Rather than providing a big tent under which diverse practitioners and funders could learn together about poverty and community transformation broadly, NRFC now framed the learning context as three interlinked circles of learning: quarterly regional forums and dialogues within each region to facilitate performance measurement and development of policy and philanthropic supports for each initiative; annual learning events in which funders, practitioners and other strategic allies gathered to discuss challenges and progress for all of the demonstrations funded; and twice yearly steering committee/funder forums in which NRFC core funders, other regional funders and representative demonstration partners gathered to discuss broader issues of relevance for rural economies.

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philanthropy and rural policy. The learning community was much smaller in this second phase, but no less diverse and now focused on: broad common objectives of developing “alternative rural economies;” a common theory of change to address obstacles of race, class and power while building on assets of culture; devising innovative area models community philanthropy and regional policy; and developing a shared system of performance measurement.

Lessons Learned and an Unfinished Agenda
This document is meant to be both retrospective and prospective. Retrospectively, it documents the key themes, issues, challenges, insights and lessons from ten years of work in which funders and practitioners – and, to a lesser extent, public-sector representatives and policy advocates – worked together to address and learn from the challenges of persistent poverty, especially in rural communities and regions where race and poverty are concentrated and overlap. Prospectively, there is an unfinished agenda – much work to be done – the success of which will continue to depend on the engagement and investment by rural-based, rural-serving and rural-committed funders who are willing to partner with rural communities and regions going forward. Above all, this report is an attempt to share lessons about what all of us – funders, policymakers, practitioners – can learn from rural communities, regions and initiatives themselves and how they are working to reframe and reinvent themselves and insights as to the kinds of support and resources that are needed to support these communities and regions in strategies and initiatives of their own design to reverse historic trends of persistent poverty.

What is most remarkable in all of this is the innovation and resiliency demonstrated by so many rural communities and leaders who gave of their time and energy to work with NRFC funders in this ten year journey of understanding. To all of them, NRFC funders owe a huge debt and commitment to continue to herald the amazing success so many rural practitioners demonstrate year after year with meager resources at their disposal. From the beginning through to the end of this journey, it has been imminently apparent that rural leaders clearly grasp the size of the challenges before them and the long years and decades it will take to address them. They also are characteristically well-skilled and tirelessly dedicated to the daunting task of developing successful, sustainable community-based solutions and strategies for overcoming poverty and building wealth. What they lack are the financial resources and institutional support – from the philanthropic, private and public sectors - to build sufficient capacity and wage a sustainable attack needed to overcome decisively the systematic and structural issues that perpetuate poverty in these areas. That is not to say that such capacity could not be built or that such an attack could not be mounted, but only that the leaders and institutions of power and wealth in this country have as of yet lacked the will and the courage to make this possibility a reality. Above all, this report is a call to action to champion and help fuel and sustain these efforts in the decade ahead.
I. THE ECONOMICS OF RURAL POVERTY

A History of Underinvestment and Neglect

Rural America has long suffered from underinvestment and persistent poverty is the long-term result. Poverty in rural America is a complex problem with deep historical and structural roots, and a long, diverse history of community-based efforts to overcome it. The intractability of this problem, however, has not so much to do with the commitment or ability of rural leaders, communities and regions to devise and construct effective strategies for lasting change as it has to do with structures and priorities within the institutions and sectors of power and wealth. Especially in the poorest of rural regions, it is a story of long-term neglect and abandonment.

Some would argue that this historic underinvestment and neglect is due, at in part, to an image problem. Research commissioned by W.K. Kellogg Foundation summarized this image problem in the following way:

Respondents hold strongly positive views about rural life in America, seeing it as the repository of traditional values, closely-knit communities and hard work. At the same time, these perceptions are tempered by the economic and social challenges facing these regions and the poor prognosis for their economic future. This means that perceptions of rural America are centered on a series of dichotomies - rural life represents traditional American values, but is behind the times; rural life is more relaxed and slower than city life, but harder and more grueling; rural life is friendly, but intolerant of outsiders and difference; and rural life is richer in community life, but epitomized by individuals struggling independently to make ends meet.8

The lack of investment in rural America, however, is much more than a matter of perception or image. Rural communities and regions in this country have over several decades gone through substantial changes in the underlying reality of who and what they essentially are. As framed in Zeroing In, a study done by Applied Research Center for NRFC, the common image of rural is one of bucolic agricultural landscapes – “serene and beautiful, populated by animals and livestock and landscape covered by trees and family farms” and one in which the economy is “almost completely agricultural.”9 In reality “seven out of eight rural counties are dominated by manufacturing, services, and other employment unrelated to farming,... [consist of] ‘a collage of people and places—a diverse mix of races, ethnic groups, terrain, climate, amenities, businesses, and institutions’...and also contain some of the highest levels of poverty in the United States.”10

And despite the image of acres of corn or wheat that many of us envision when thinking of rural America, large-scale farming is no longer the driving economic force for most rural places. In terms of land use, cropland represents just 18% of the U.S. land base.11 Agriculture and land-based strategies are no longer the dominant sources of income for most rural people. “Farming-dependent counties” – those in which more than 15% of income or employment is in agriculture - made up only 20% of non-metropolitan counties in 2000, almost all of them in the mid-west12. In

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2011, 1.6% of the U.S. population was employed in agriculture while about 17% lived in rural areas. Moreover, about 16% of the rural population worked in government or related-industries, 12% in retail, 12% in manufacturing, and 9% in health care and social assistance. Therefore, the image of an agrarian rural landscape in which the majority of residents are able to bootstrap themselves successfully and carve out an independent, sustainable livelihood is no longer the reality, but one that masks the breadth and depth of rural poverty.

Rural Poverty is Structural
Rural areas of the United States (as elsewhere) can be understood as “internal colonies” to urban centers. As such, there are powerful economic, political and cultural forces that place and keep rural areas in this subservient position. Natural resource and agriculturally dependent communities have been shown to produce – but not benefit from -- the significant value of their natural endowments. An economic geography of consolidated and absentee corporate land owners, an unequal exchange between rural and urban areas, a spatial distribution of high value-added processing, distribution, and marketing functions outside of rural regions, hostile work environments for organized labor, and the boom and bust patterns of single-industry dominated regions all perpetuate the patterns of rural poverty.

Rural economies in the past 20 years have been transformed – negatively – by trends that tend to exacerbate these patterns. Most notably shifts from labor-intensive to capital-intensive industries as well as the financialization of the economy have led to job shedding in rural regions. The increasing mobility of capital, coupled with lower rural labor force education levels, has also increased competitive pressure on rural areas and served to draw industry and economic value away from many rural places to urban centers in the U.S. and to overseas locations, as well. Greater dependence on single industries or narrow industry portfolios have made rural areas and rural workers more vulnerable to these losses.

When mapping out its strategic plan to help transition from phase I to phase II of grantmaking and learning, NRFC made note of a number of these factors. “The real causes of rural poverty are integrally linked to changes in the rural economy, particularly the changes in the kinds of employment. The lack of diversification, the growth of “big box retailers,” prisons, and high-risk, low-wage, non-union retail, meat-packing, and poultry industry jobs are converging to create an

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economy that keeps people poor. These industries tend to offer low-wage jobs without benefits, poor and often hazardous working conditions and job insecurity.\textsuperscript{22} Because rural areas tend to have higher rates of underemployment and fewer community resources, when rural workers do find work, they are more likely to be employed and still poor.\textsuperscript{23}

The result of this economic system is that across sectors, rural Americans earn 29% less per capita than those in metropolitan areas (both urban and suburban)\textsuperscript{24}. Across persistently poor rural areas many residents, particularly the poor, often piece together their livelihoods from multiple sources, with limited employment stability and benefits. These circumstances almost certainly mean decreased general economic wellbeing well beyond the income differential of that in urban areas. An analysis of rural poverty that factors in the lower cost of living in rural areas has found that even so, an income-to-need ratio in rural areas is still 26% less than in urban areas\textsuperscript{25}. The dramatic picture of poverty in rural areas was starkly revealed in the figures of the 2000 Census that served as the backdrop for the NRFC’s development in its initial period.

In 2000, while only one in twenty urban counties was categorized as “persistently poor” (counties with poverty rates of 20 percent or more in each decennial census between 1960 and 2000), the number for rural counties was one in six. Median family income is 25 percent lower and the poverty rate 28 percent higher than in metropolitan areas. Rural counties make up 95 percent of the persistent poverty counties in the United States. Although poverty rates vary considerably along a rural/urban continuum, with suburbs having the lowest poverty levels and the most remote rural areas the highest, rates in rural areas have been higher than urban areas since the census first recorded poverty levels.\textsuperscript{26}

\begin{figure}[h]
\centering
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\caption{Rural and Urban Poverty Rates, by Race/Ethnicity, 2005.}
\end{figure}

\textsuperscript{23} National Rural Funders Collaborative (2006). NRFC Strategic Plan., p. 10.
RACE, POVERTY AND TRANSFORMING RURAL ECONOMIES

Rural poverty is not only an issue of disparities in income and wealth of rural residents. In addition to these economic statistics, rural areas suffer the additional price of limited institutional resources to change their circumstances. One analysis of grantmaking by the top 1,000 U.S. foundations shows that although rural America accounts for 50 million people or 17 percent of the nation’s population and 28 percent of those who live in poverty, grants to rural America accounted for only 6.8 percent of overall annual giving by foundations. This sets up a vicious cycle in which organizations in rural areas lack the capacity to compete for philanthropic and public funding which perpetuates this inequity over time. A related problem is the rural “brain drain” in which talented young people seek professional and personal opportunities outside of their home communities, in turn reducing the vitality of these areas and their ability to retain the next generations.

**Rural Policy Increases Rural Poverty**

Public policies at the federal, state, and local levels have tended to increase, not decrease the problems outlined above. Examples include the policies of providing subsidized water, energy, land, capital, and other inputs to large-scale industries that promote further consolidation and absentee ownership, regulations that privilege large-scale producers over the small and medium producers (such as USDA meat processing regulations that are prohibitive for smaller facilities), and “right to work” laws that strip labor of the right to organize.

Much of what would be classified as “rural policy” today is actually “farm policy” and much of rural policy both federally and at the state level is about maintaining and recruiting industries that often are not fundamentally invested in the regions in which they are located. So rural policy is generally a mix of commodity price supports, ethanol subsidies, manufacturing incentive programs and service provision that at best does not help to alleviate rural poverty, and at worst exacerbates it. Most champions of rural policies in federal and state legislatures tend to resist any reform of the status quo, as evidenced most strongly in the epic battles over maintaining commodity subsidies in the Farm Bill reauthorization.

Most local chambers of commerce and economic development agencies spend a significant amount of their resources attempting to recruit existing businesses and industries to relocate or place a hub or plant within their region. For persistently poor rural areas, this is often a losing proposition. Businesses seeking cheap land and labor often have options in more populous areas and increasingly overseas with recent advances in technology, telecommunication and the internet. Moreover, businesses and industries focused on domestic expansion, particularly creative, technical and skilled-labor industries, generally seek areas with urban-type amenities that appeal to their potential workforce. It is important to note that there are counter-trends to this urban bias, with advanced and post-industrial firms gravitating to the environmental amenities of rural areas and assisted by the virtual work space of the internet.

**Rural Poverty Hits Some Harder than Others, Especially People of Color**

Poverty is concentrated by both race and place. Seven of ten rural African Americans in poverty live in six Southern states: Mississippi, Georgia, North Carolina, Louisiana, Alabama, and South Carolina. Nearly three quarters of all poor rural Latinos live in five Southwestern states: Texas, New Mexico, California, Arizona, and Colorado. Over half of all poor rural Native Americans lives in five Western

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27 Murphy, T. (2006). The Rural Challenge. (Unpublished Research By L&M Associates Using Data on the Top 1,000 Foundations as Provided by the Foundation Center.) In possession of the primary author.

states: Arizona, New Mexico, Oklahoma, South Dakota, and Montana.

Over seven million Americans living in rural areas are poor. Among this number, people of color are a disproportionate segment. Combined, communities of color account for only 17 percent of the total rural population, but they are low-income at two to three times the rate of their European American counterparts. African American and Latino poverty rates are 34.5 percent and 25.4 percent respectively, and the rate for Native Americans is 34 percent.29

Current patterns of rural poverty are largely the result of historical patterns, some generational, some measured in centuries. Consider: the genocidal conquest of North America resulted in the displacement of Native Americans from all but 2 percent of their original territories. Since 1910, African Americans have lost 60 percent of the agricultural land they once held. Of the almost 16,000 farmers who received funds from the USDA in the 1980s to purchase land, only 209 were African American.30

The Need for a More Equitable and Just Vision of Rural Economies
It should be clear, then, that rural economies must develop and expand if they are to survive – economically and politically- and must provide more livable wage jobs with benefits if they are to make progress in bridging the wealth creation gap in our rural areas. But as the discussion above indicates, traditional strategies for economic expansion are often themselves the structural purveyors of an unjust economic system that perpetuates persistent poverty where low-wealth individuals and families work two and three jobs and still remain poor and fail to accumulate wealth over time. This is a reality that is often hidden not only by the images of a nostalgic rural America where everyone has an equal opportunity to make it on their own, but also by policy biases and the local bent of economic development institutions that serve as the public face of rural economies.

NRFC funders did not come to this realization all at once: only over the course of its ten year history did they come to understand increasingly and ever more profoundly the harsh realities of rural poverty experienced daily by many who live and work in rural America. Through its grantmaking and learning over the span of a decade, NRFC chose with increasing intentionality and commitment to support rural initiatives that are working to create and sustain more just economic models for rural communities and regions. This also meant an increasing commitment to calling out historic issues of race, class and power and championing those communities and efforts to transform their own rural realities through utilization of indigenous assets at hand – culture, geography, political voice, social infrastructure and relationships.

29 National Rural Funders Collaborative (2006). NRFC Strategic Plan, p. 6
In Search of Models of Rural Success

Rural poverty is a problem that is decades old in the making, complex in its causes and not easily addressed in its alleviation. Hence in its initial funding phase, NRFC sought to cast a wide net across the rural U.S. in order to be able to learn from, as well as strengthen, promising models of success in addressing rural poverty.

After receiving nearly 300 proposals in response to its RFQ ("Request for Qualifications") issued in July of 2001, this wealth of potential opportunities to fund was whittled down to a group of twenty that formed the initial learning network and cohort of grantees. The map below provides some idea of the diversity of this group – geographically, demographically and in approach.

Because of its commitment to being a learning, as well as funding, collaborative, NRFC sought to find the atypical, community-based models of success in responding to rural poverty. This also meant an openness to defining rural communities differently, i.e., not in terms of their deficits, but rather in terms of their assets.

Rural community change relies upon regional economic development to feed and sustain its success. There is a need for a fundamental shift in thinking about poverty alleviation. Poverty is not merely about income; persistent poverty is strongly connected to a lack of assets. By shifting the focus to building wealth among the poor, a strong conceptual framework for economic development can emerge. Wealth creation involves not only jobs and income levels, but assists individuals keep their money and save it to invest in long-term goals.

The traditional approach to poverty alleviation and community development focuses on community deficits. A more useful framework for thinking about development focuses on community assets that can be enhanced to build economic opportunity.\(^{31}\)

\(^{31}\) NRFC Annual Assembly Summary Report, Nebraska City, Nebraska, September 2 - 6, 2003.
Community Capitals: Building Blocks for Change

The concept of “asset-based community development” has been helpfully explained by Cornelia and Jan Flora in their delineation of various “community capitals” as the building blocks for rural community transformation. Borrowing from Flora and other asset-based community development theorists, NRFC worked with its grantees in the first phase of its work to develop a common language, if not a common and fully-formed theory of change, among highly diverse places and projects. For this common language, NRFC adapted Flora’s work to be used as a working language and framework for NRFC partners. By understanding each place and initiative funded as having distinctive assets or capitals as the basic building blocks for transforming communities and regions, funders and practitioners were able together to create a rich and engaging forum in which a diverse set of partners could view their work within a common framework: even the poorest places have treasures and talents with which to bring about lasting, positive change.

This emerging theory of change came to be known within NRFC’s network as “rural community transformation”: basically the idea that even “poor” communities without accumulated wealth or ready access to financial capital have community assets or capitals on which they can build. Persistently poor places can bring about lasting community transformation by utilizing all of the various types of assets or capitals that they are able to marshal and effectively employ for positive, lasting change or transformation. In this way, NRFC partners came to understand that effective community transformation efforts are fundamentally context dependent, i.e., inextricably connected to the geography, culture(s), socio-economic environment, political context, and history of the region.

Place-based Models for Achieving Wealth, Self-sufficiency and Civic Participation

In this sense, each initiative that NRFC funded over its ten years relied heavily on a deep understanding of place for the development of its strategy. For instance, the most defining feature of rural Alaska is the isolation of its many native communities. The long distances and rugged terrain between tiny, remote villages make it virtually impossible for fully licensed health care professionals to access them easily, especially in winter months, except by sled or plane, or vice versa for villagers to be able to traverse the miles to centrally located clinics hundreds and even thousands of miles away. Asking licensed doctors and nurses to relocate to these remote villages was neither a practical nor affordable option. At the same time, health outcomes among Native Alaskans are

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among the worst in the country. When the Alaska Native Tribal Health Consortium (ANTHC)\(^{36}\) examined their community capitals with regard to health, they found village-based leaders, trusted by the community and skilled in traditional social and healing arts who could be trained, under close medical supervision in contemporary medical practices and supervised over long distances through telemedicine. Building on these human and social assets within the remote villages themselves, ANTHC developed a plan to train local people to become medical paraprofessionals able to perform routine medical, dental or behavioral health work, leaving only the most complicated cases for fully-licensed professionals and hospitals. This approach simultaneously utilized multiple community capitals and achieved several outcomes: increased civic participation and leadership through development and training of village health providers, employed a health strategy that borrowed and built upon cultural assets of Native Alaskan healers, increased overall well-being of remote villages and villagers and increased family self-sufficiency and community wealth through accessing state and federal Medicaid programs to pay livable wages and benefits to these village paraprofessionals for these services.

In the opposite corner of the country, the Black Family Land Trust\(^{37}\) recognized that most of the rural poor in the Southeast are black, and that one of the primary assets in the rural South, land, was slipping away from black farmers at a rate far higher than for white farmers. A dedicated cadre of lawyers began working with the farmers one on one and as a group to ensure that they could maintain their land, while an environmental group helped them make their farms more sustainable and capture conservation easement funds. Together these groups helped the farmers develop self-advocacy skills, gain political support, and capture new markets. The collaboration was built on the firm belief that land is a critical capital for persistently poor black southerners and that maintaining control of that land is vital to re-invigorating the region. At the same time, the strategy seeks to simultaneously build natural and human capital, thus also bringing in a greater diversity of financial and political supporters. One important feature of BFLT’s work was that they were not attempting in a single initiative a grand-scale effort to fundamentally transform persistent poverty in the south. Rather, they were specifically focused on the retention of a capital that would be critical in helping rural black families lift themselves out of poverty. That in itself may be the work of decades: not losing ground is a critical start.

**An Emerging Theory of Change: Community Transformation**

Throughout its ten years, NRFC was able to identify and support dozens of community-based strategies such as these that were built on the assets of their communities within these communities themselves. In that way, each of these place-based strategies were able to identify and develop unique, innovative and typically lasting solutions to longstanding challenges. The clear call to NRFC funders was to broaden their perspective to understand persistently poor rural communities as places with an abundance of assets and vibrant, exciting opportunities ready for investment. Because so many of these places have for so long been under-resourced and have faced seemingly insurmountable challenges, NRFC found them to be typically led and sustained by an unexpected high level of commitment and creativity.

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The ultimate challenge then for low-wealth, persistently poor rural places, then, is not a lack of assets with which to respond to historic problems. Here are places rich in leadership, innovation, social connectedness and often coupled with natural and cultural assets for developing successful strategies from within. Far more challenging for these rural regions, communities and families is the prospect of marshaling the necessary financial capital and harnessing their inherent political capital in a way that they are able to fuel, expand and sustain these strategies over time and develop their capacity and effectiveness to have lasting impact. In short, their challenge is to harness and amplify the elements from within for lasting, positive transformation. To do this, they must also undo age-old traditions and patterns of disinvestment and disenfranchisement that have kept them poor for so long and which tend to be repeated even as the external forces for change threaten their livelihoods and work against self-determination and wealth creation.
Grantmaking Outside of the Lines
When NRFC launched its ten-year initiative, it did so with a very broad agenda: increase visibility of rural communities and the need, identify models of collaboration and success in responding to rural poverty, leverage additional funding. This broad mission and approach was a necessary evil since the funders who formed NRFC did not have much experience in funding in rural areas or rural areas of poverty and wanted to learn. And so initially they committed to a course of looking nationally for successful, vibrant models for addressing rural poverty and transforming rural communities and regions. In the beginning, the models were disparate. They varied widely in the issues addressed, scope and impact. Some sought merely to test a single strategy for some element of asset-building or community transformation, while others were more comprehensive in nature. Many were successful; others were not.

This broad-based experiment for funding and learning consisted, on the one hand, of a flexible funding model in which different sorts of commitments were made: “strategic investments” ($100,000 per year over three years) to those strategies that were comprehensive nature and provided a strategic opportunity for investment potentially long-term, lasting change; “learning opportunities” ($50,000 per year for one and possibly two years) for strategies or initiatives from which NRFC funders could learn more singular lessons; “promising strategies” ($25,000 - $50,000 for one year only) for more nascent, but innovative approaches in areas lacking in more substantial opportunities; and network grants for travel and lodging to unfunded initiatives that were invited to participate in the learning network. Equally important was the learning network: collaboration among such an eclectic and far-reaching set of practitioners made for a rich and inspiring learning experience, including for the funders and policy partners as well.

Building a Learning Network
During the first phase of grantmaking, the learning component focused on bringing together practitioners, funders and policy makers in the field to learn from the lessons and experiences of the various initiatives funded. Convenings of the learning network were framed and structured to engage this diverse cohort of grantees in dialogue about their respective work and provide a supportive mechanism for peer coaching, feedback, and collaboration. These learning events were held in poor, but asset rich rural areas and intentionally integrated with a deep sense of place, culture and community. Much like the rural Chatauqua meetings of the late 19th and early 20th centuries, these meetings were intended to provide a big tent under which a variety of ideas and experiences could be shared. While a far cry from any kind of rigorous method of performance measurement or evaluation, it did provide a rich experience of sharing strategies and challenges and providing at least anecdotal accounts of success.

As a learning collaborative, NRFC had clear, and at times challenging, expectations of its philanthropic partners:
- By being genuinely focused on learning, NRFC sometimes went in directions that were not perfectly aligned with the larger funding priorities of member foundations. While this alternative approach can be immensely valuable to foundations in times where there is freedom and room to learn and potentially expand their impact, it proved exceptionally challenging as foundations cut what were defined as non-core bodies of work in the recent recession.
As a learning collaborative of this sort that brings together funders, practitioners, and policy shapers on equal footing, it could only succeed in a context where there is a culture of respectful challenge and a genuine freedom of dissent. Though this made reaching consensus challenging and often time consuming, it significantly enriched the quality of the discussion informing NRFC’s learning agenda.

It was important to discover the strengths and leaning priorities of each member and keep them engaged, learning, teaching, thinking and potentially teaming up outside of the collaborative with other members on other projects. This was a real and continuous challenge for NRFC staff as they sought to ensure that the learning aspects of the collaborative generated significant value for those who gave significant time or money to participate. It was clear throughout NRFC’s work that a significant amount of effort was sometimes necessary to bridge the gap between what philanthropic partners were asking to see and learn and what the practitioners were able to accomplish in challenging contexts. And, in lieu of a more rigorous evaluation framework, practitioners, policy makers, and funders worked to build a common understanding of what success looked like and what sorts of milestones were realistic along the way.

**Learning Opportunities and Promising Strategies**

Among those singular learning opportunities and promising strategies with potential, there were short-term successes and failures, but most had impact beyond the immediate work:

The **Nebraska Community Foundation** successfully launched a new “transfer of wealth” strategy as a new approach and set of tools to capture some portion of native Nebraskans wealth to leave behind in small community foundations statewide working to promote good works in smaller rural Nebraska communities. This strategy continues to expand twelve years later and is being copied in other states as well.

In Colorado, a project known as the **Community Alliance for Interdependent Agriculture** sought to start a new “Family Farm Brand” for marketing and distributing locally grown produce and beef over a multi-state regional area. The regional brand promised to be a forerunner for producer-owned regional brands that would mean more money and increased control of farm goods for local growers and producers. Yet despite investment and technical assistance from USDA, the strategy fell apart and CAIA’s Family Farm Brand never came to fruition due to inherent difficulties of uniting a for-profit strategy with nonprofit culture. Even so this strategy and similar efforts laid the groundwork for USDA’s national program of support for “Know your Food, Know your Farmer” which is now, ten years later, successfully supporting local farm to table efforts nationwide.

The **Delta Education and Tax Fairness Initiative** sought to influence the Arkansas legislature from a grass-roots perspective to reform education finance and, hence, the quality of education for disadvantaged communities throughout the state. In the year that NRFC funded this project, DETFI was successful in lobbying the courts to find the current structure of financing public education to be both inequitable and inadequate, thus forcing the state to restructure and increase Arkansas school finance. Here was a discreet success with a large and lasting impact.

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In the rural Southeast, the Black Family Land Trust, a coalition of black farmers, community advocates and legal professionals, worked together to implement a strategy for land conservation and ownership retention using public easement funds and other sources to restore historically Black family lands to local communities to manage as limited development, land-based economies. Under the auspices of the North Carolina Land Loss Prevention Project, a small but dedicated group of advocates and attorneys continue to work to return land ownership and management to black residents and leaders of long-disenfranchised communities in the rural South.

The Montana’s Home Ownership Network partnered with the American Indian Tribal Homeownership Task Force to develop native-based programs of financial literacy on all seven of Montana’s landed reservations, thereby helping to create greater family self-sufficiency within tribal communities. Although this particular partnership itself was short-lived, a later demonstration effort funded by NRFC took up the task and successfully convinced the state legislature to require, fund and support a curriculum for financial literacy among Native American families statewide.

In the remote islands of Hawaii, the Hawai‘i Alliance for Community-Based Economic Development launched a statewide collaborative effort and network to promote creation and retention of assets and wealth in low-income families and communities throughout rural Hawaii. Although rural poverty is still an issue for many families in rural Hawaii, the Ho’owaiwai Network continues to address asset poverty and advocate for state policies/implement programs to build the wealth and financial stability of Hawaii’s working families.

All in all, these learning opportunities and promising strategies (and others) provided a broad array of innovative and potentially successful approaches to addressing rural poverty in ways that were culturally competent, geographically focused and aligned in their assumptions and values. Together, along with the larger, more comprehensive strategies and initiatives, they provided a very broad tapestry from which to view rural poverty and a number of very appealing, if often young, approaches to poverty alleviation. Together they sought to teach one another, based on their respective place-based experiences, about relying on their own assets of place and people to bring about community-based alternatives to the “poverty of place” that was their past. Together they shared ideas and experiences meant to inform the learning community’s understanding of the true meaning of the ultimate outcomes of wealth creation, civic participation and family self-sufficiency.

Strategic Investments and the Search for Impact

Yet, even in this earlier phase of funding and learning, there was a more intensive conversation and learning process engaging funders and policy advocates with those larger scale, intentionally more comprehensive efforts - “strategic investments” - to alleviate rural poverty and bring about lasting rural community transformation. These initiatives represented attempts, each in its own way, to craft strategies for greater, lasting impact with the intention of making systemic changes for addressing rural poverty:

39 Discussed above in section II.
The Appalachian Ohio Regional Investment Collaborative sought to connect across the 29 counties of Appalachian Ohio the social, cultural, natural and entrepreneurial capital of the region by creating a broad tapestry of seasonal fairs and festivals, arts projects, conservation efforts and small town revitalization projects, held together by a comprehensive program of nurture and the growth of entrepreneurship. The driving force was the Foundation for Appalachian Ohio with its unique approach to linking community capital of financial wealth with other types of capital. AORIC per se no longer exists, yet the residual effects of its catalytic efforts are readily apparent in the vibrancy of activity that pervades Appalachian Ohio even today — in part carried on through the Central Appalachia Network for policy change.

In Alaska, the Alaska Native Tribal Health Consortium\(^{41}\) worked to create a village-based health care system, which works with residents of isolated Alaskan communities to train them as medical technicians, dental aides, therapists and the like in order to provide a network of trained, certified health providers where remote tribal villages had no health care. In the process, ANTHC also created health-based career ladders, stronger civic leaders, more viable livelihoods for these remote tribal villagers.

South Carolina Association of Community Development Corporations’ Public Policy Collaborative organized a coalition of CDCs from African-American led, low-wealth communities and organizations statewide to press the state legislature to allocate and release community development block grant funds to provide affordable housing and small business development in those communities. The result: a strong, vibrant network of nonprofits statewide promoting prosperity, leadership and family success in communities that otherwise would have abandoned hope for a sustainable future.

New Mexico’s Rural Livelihoods Collaborative helped to develop emerging leaders working to restore culture-based rural livelihoods within the region and to strengthen microenterprise development based on community assets and using new credit/debt tools to expand these ventures. Once again, the efforts of an area community foundation, the New Mexico Community Foundation inspired a broader, more inclusive view of assets with the region to be conserved and helped to revitalize diverse culturally-based economic efforts throughout the state.

And the Central Valley Partnership for Citizenship brought together more than 20 grassroots nonprofits within the Central Valley of California working together to celebrate the diverse cultures of immigrant communities now living and working in the valley. And CVPC worked to train and organize merging immigrant youth leaders to prepare for and assume responsibility for leadership and leading valley communities to a new, more inclusive chapter in its long history of substandard labor.

Of these larger efforts, two are still ongoing in their original fashion (the South Carolina Association of CDC’s and the Alaska Native Tribal Health Consortium) and two are no longer formally organized as such, though their lead organizations (Foundation for Appalachian Ohio and New Mexico Community Foundation) are still working to grow assets in the region. The Central Valley Partnership, no longer exists as a viable initiative, yet it celebrated many successes through its vision and ability to bring together diverse leaders and organizations.

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\(^{41}\) See discussion in section II above.
Taking Stock: Mid-term Lessons Learned

It was this patchwork of relative success and failure which, in part, led NRFC to suspend its grantmaking midway through its journey, take stock of what it had learned and retool for the next round of grantmaking and learning. And in preparation for its mid-term process of evaluation and planning, NRFC identified several lessons from which to learn and on which to improve:

1. **Limited capacity and readiness among collaborative grantees**
   Central to the initial NRFC strategy was investment in successful multi-partner initiatives with capacity to advance a regional agenda and achieve regional results. Although NRFC found mature, high-capacity organizations participating in regional collaborative strategies, the collaborations of which they were a part were in most cases nascent and tenuous at best and, therefore, limited in their potential for long-term success. Significant capacity development, time, and resources were needed to plan, coordinate, and sustain this emerging collaborative work.

2. **Challenges of achieving regional impact**
   NRFC originally envisioned its collaborative grantees working at a regional scale. But without a clear vision of regional action in practice, there was little ability to assess grantees’ capacity to carry out such an agenda or the policy environment necessary to support regional action at a significant scale. Not surprisingly, NRFC’s evaluation at the end of its first phase of grantmaking concluded that although all of the groups funded were working regionally, most were not working at regional scale and/or were not able to measure their work beyond the community impact level.

3. **Policy must be addressed as a structural element in addressing rural poverty**
   NRFC also intended that its grantee partners develop and pursue a collaborative policy agenda relevant to their regional and national objectives for reducing rural poverty. Effective efforts to overcome rural poverty must address the political, as well as economic and social, factors that contribute to or hinder the eventual success of these efforts. In its final evaluation of its initial set of grantees, NRFC determined that the collaboratives were at various levels of development in terms of their understanding of policy processes and formation. Overall, the grantees lacked the type of networks that can achieve broad policy changes and can advance and sustain change on a large scale.

4. **Lack of common measurements of success**
   NRFC originally decided that it would not impose a single evaluation framework on its grantees but instead would work to build a participatory evaluative framework built upon evaluation efforts of each and aiming at a more comprehensive yet “bottom up” approach to evaluation. In reality, NRFC found that evaluation capacity of partners varied, but most sites wanted and needed enhanced skills in measuring, tracking, and documentation of program outcomes, as well as in utilizing evaluation data for program and organizational improvement. NRFC recognized that a consistent evaluation structure and language is needed to allow the groups to communicate their success and impact clearly, appropriately, and strategically.

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5. Partial success of national funding to leverage regional investment
NRFC envisioned that its investments in regional collaboratives would attract new regional investments to support and sustain these efforts. In reality, the ability of grantees to achieve intended milestones in attracting and retaining philanthropic partners was often heavily impacted by the regional historical context, race, and diversity, and by the lack of regional philanthropic partners committed to supporting issues of rural community transformation. The ability of regional collaboratives to communicate their impact and importance to the region was a key variable in attracting and retaining regional philanthropic partners. Significant relationship building, brokering, time and resources were needed to coax regional partners to attend learning events focused on philanthropy and resource development strategies. Even so, in many cases area funders were slow and reluctant to invest alongside of national funders in issues of rural community change, but they were content to let national funders provide most of the support.

6. Lack of intentionality in addressing issues of race/class/power
The NRFC theory of change intended that collaborative strategies would be formulated to reverse persistent poverty resulting from a framework of social and economic justice: race, class and power. While some partners framed their work in these terms, most grantee partners did not explicitly articulate their work in terms of poverty reduction or social justice. In some instances, work was specifically not about poverty reduction or social justice per se but about other goals such as “rural community preservation” that only partially coincided with NRFC’s central goal.

Post Script: Emerging Leaders
Before leaving this section on NRFC’s early broad-based approach to funding and its investing in developing a large, intense learning network of practitioners, a word or two is needed about NRFC’s emerging leaders program. The learning network, as a forum for engagement, learning and, to a lesser extent, policy development, provided an open venue in which funders and practitioners were able to put aside differences of wealth, class and power and celebrate together the diversity of race, culture and place that the network and its participants personified. The network was for all practical purposes a fellowship of rural believers bound together by their love for rural places and people and committed to working together to make a difference for the poorest of rural regions.

Beyond that, the network was populated and led by a large cohort of young adults – represented in all sectors: NRFC staff, rural grantees, program officers, government staff and interns – who brought to the learning experience an enthusiasm and curiosity that provided a fresh, leading edge to the network’s deliberations and explorations. It also provided an opportunity for young leaders in their respective fields and from diverse communities to step up, many for the first time, and test their own mettle at leadership and voice.

This group operated as an adjunct cohort, as well as an integral part of the network itself, in which these young adults were able to encourage one another and begin to find their own voice. Many of them are the leaders of today in their respective fields and regions. Perhaps one of the most enduring legacies to NRFC’s ten years is the incubation and growth of these young leaders and their coming of age in championing a future rural agenda.
IV. RACE, POVERTY AND ALTERNATIVE RURAL ECONOMIES

Racial Disparities in Poverty and Wealth Creation
It was clear early in NRFC’s work that poverty in rural areas is not simply a story of economics: it is also a story of income and wealth disparity among racial and ethnic groups. In NRFC’s first phase, the learning community was notable both for the depth of passion and intelligence among participants and for their racial and cultural diversity, as well as their diversity of strategies. The diversity of leadership and membership among the early initiatives funded by NRFC provided a clear enough indicator of correlation between race and poverty. Further confirmation of which was provided by more formal research and documentation from the Applied Research Center in Oakland, CA, in their Zeroing In study for NRFC’s mid-term strategic planning process:

**African Americans:** One-third (34 percent) of the African American population is poor versus 13 percent of the rural white population. Seven of every ten poor, rural African Americans live in six Southern states: Mississippi, Georgia, North Carolina, Louisiana, Alabama, and South Carolina.

**Latinos:** One-quarter (25 percent) of the rural Latino population is poor. Nearly three-quarters (73 percent) of all poor, rural Latinos live in five Southwestern states: Texas, New Mexico, California, Arizona, and Colorado.

**Native Americans:** One-third (34 percent) of the rural Native American population is poor. Over half (57 percent) of all poor, rural Native Americans live in five Western states: Arizona, New Mexico, Oklahoma, South Dakota, and Montana.

These rural regions where race and poverty have co-existed and been concentrated for decades, have come to be known by rural demographers and sociologists as “poverty pockets.” Appalachia is often considered to be the quintessential pocked of poverty, but at the map below indicates, for some time now poverty has been moving South and West (as indicated by dark areas).

**Poor Counties in the U.S.** Map developed by RUPRI with data from the U.S. Census.

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The poorest rural counties closely correspond to those with the largest concentrations of racial and ethnic minorities – those with an historic plantation economy footprint in the South, tribal reservations and enclaves in the plains and farmworker communities in the West and Southwest. Even in rural areas where they are few minorities, rural people of color earn significantly less income, have far fewer assets, and are more likely to be poor: Blacks, Hispanics and Native Americans are more than twice as likely to be poor compared to whites in rural areas.\textsuperscript{44}

This correlation between race and poverty and the corresponding disparities in income and wealth were of no surprise to NRFC partners. The data provided by ARC, along with the various experiences of NRFC grantees/community advocates themselves, were evidence enough to make the case for understanding the inextricable linkage between poverty and race. However, midway through the planning process this reality was personified in a compelling manner: Hurricanes Katrina and Rita hit the Gulf Coast with a vengeance. The stark images of thousands of displaced residents along the Gulf Coast – especially the African American poor huddled together in New Orleans’ Superdome – became a powerful reminder that poverty and race are closely tied.

Revising NRFC’s Theory of Change

These considerations about the importance of race, class and power led NRFC to rethink and revise its theory of change. NRFC’s earliest theory of change for rural areas of extreme poverty was informed by the notion of “rural community transformation.” Emerging in large part from NRFC’s early work with its strategic investments, this theory argues that rural poverty results from and persists because of decades and generations of environmental and economic disinvestment; cultural and social isolation; and barriers of race and class. Changing these longstanding, generational patterns can then only occur through regional, community-based and sustainable strategies for achieving the opposite outcomes: building community wealth; increasing family self-sufficiency; and creating greater civic participation/more inclusive leadership structures. One important note: NRFC partners viewed race not only as a structural barrier to overcome, but also thought of race and culture as positive assets on which to build.

This triple outcome framework provided an early attempt by NRFC funders and practitioners to develop their own “triple bottom line” standard for success in reversing historic trends of rural poverty. But in the final analysis, this early theory of change failed to recognize the place of structural racism as key to understanding and addressing poverty at its worst. Clearly the new theory had to recognize that race, class and power needed to be explicitly addressed in overcoming rural poverty in its most extreme and concentrated manifestations:

Rural America is experiencing a seismic, economic and demographic shift. Decline of the manufacturing sector, consolidation of agriculture, growth of large scale “big box” retail stores, and the growth surge of the meat packing and poultry industry in rural areas have all converged to create economies that are built on the backs of high-risk, low-wage, non-union jobs. With annual turnover rates of more than 50%, Blacks and Latinos finding themselves over represented in low-end retail and meat processing ...

These changes in the economy are converging to make poverty more intractable for rural people of color.\textsuperscript{45}

Not surprisingly, the explicit recognition that race, class and power are structural elements for understanding rural poverty meant a more proactive stance by NRFC regarding race and poverty:


The reinvention of rural economies – ones with living wages, career ladder employment and jobs that respect the environment and the health and safety of employees – is fundamental to addressing extreme and persistent rural poverty and forging positive transformative change in rural America. Poverty is often a factor of race, class, culture, and power dynamics that are linked and concentrated.

Efforts aimed at poverty alleviation and wealth creation must first recognize that the work of building rural economies also entails confronting the structural barriers that foster racial disparities and discriminatory practices. Transforming extreme and persistently poor rural communities and regions into healthy and viable living environments will ultimately require the creation of a rural movement for social and economic equity: a convergence of grassroots efforts to envision, develop, implement, and monitor a policy context grounded in the newly emerging realities of rural life.46

**Focus on Alternative Rural Economies**

This more profound understanding of the connection between race and poverty resulted in clear implications for the type of economic change and community transformation envisioned by NRFC and its nonprofit partners. In essence, the revised theory of change called for a new mission with “alternative rural economies” at the forefront.

NRFC seeks to build a movement of support and advocacy for alternative rural economies based on community assets of culture, land and human capital and grounded in relationships and values of equity and justice.47

This new emphasis - not simply on stronger, asset-based, sustainable economies, but even more so on economies that are equitable and just - led to adoption of the notion that NRFC and its partners were committed to genuinely alternative economies and economic strategies.

The experiences of NRFC initiative partners in framing their own work, along with research conducted by Applied Research Center and others, made clear that traditional models for rural economic development are often less than winning strategies for rural communities and regions in terms of return on investment. Yet the insufficiency of these strategies goes beyond their failure to bring about economic prosperity for most rural areas; these strategies also are inherently inequitable and unjust – especially in terms of disparate effect for persons of color.

As a key element of its revised theory of change, NRFC came to focus on “alternative” rural economies, i.e., “asset- and culture-based economic strategies – either an alternative to existing/previous economies for the region or an alternative within the existing dominant economy - grounded in principles of community self-determination, wealth creation, broad civic participation and family self-sufficiency.”48 NRFC’s new theory of change now focused on economic strategies that paid equitable benefits in terms of social, cultural and environmental, as well as financial, capital.49

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49 See Appendices A & B for a more detailed account of the theory of change and a tool for helping nonprofits and other institutions assess their own awareness about issues of race, class and power.
Narrowing the Focus, Increasing Impact

As a result of NRFC’s reflection, research and strategic planning on the heels of its early phase of grantmaking and learning, its revised theory of change sought to address a number of the key lessons or findings at this mid-term point in its work. To begin with, this new phase would focus on the linkage between poverty and race by way of focusing on regions where race and poverty are concentrated and overlap:

NRFC will focus its attention on three regions: California and the Southwest, the Northern Great Plains and the rural South. We will especially focus on communities and constituencies of color: African-Americans, Latinos, Native Americans, Immigrants and others who are disproportionately poor because of race, color and national origin. We will also focus on those regions where poverty is increasingly defined by jobs and economic strategies that diminish community assets and perpetuate patterns of poverty, racism and injustice.50

In contrast to the earlier phase of grantmaking, this second phase did not consider initiatives nationwide but rather considered only proposals from these three broadly-defined regions and only proposals that explicitly addressed constituencies of color and the disparities of poverty and wealth creation experienced by those constituencies. No longer seeking to learn broadly from a spectrum of strategies and initiatives, NRFC now sought to focus on those places where obstacles of race, class and power are defining issues for poverty in order to identify regional approaches for overcoming persistent poverty resulting from historic patterns of racism and injustice.

Taking this more focused approach in its grantmaking to funding places and strategies where race and poverty are concentrated and overlap anticipated funding and working at a regional scale in the hope of increasing impact. This required finding organizations or collaborations capable of working regionally and not simply at the community level. After all, its new theory of change was clear that the key to creating wealth and overcoming economic disparities by race was in cultivating and sustaining “alternative rural economies,” by definition regional in scale. The new model for grantmaking in this fashion was styled as regional “demonstrations.”

Regional Demonstrations: A Learning Laboratory for Change

NRFC’s Strategic Plan describes its new approach to grantmaking – the demonstration program – in the following way:

a regionally-based learning lab that will support...targeted projects focused on restructuring rural economies [i.e., strategies that lead to new or enhanced economic activity that stimulate living wage employment, entrepreneurship and community wealth in extreme and persistently poor communities and regions, with priority given to programs that promote cultural, land-based and/or other community asset-based economic development strategies for communities and regions] , forming alternative philanthropic models, and developing grassroots policy networks.51

Underlying this new approach are several assumptions related to NRFC’s revised theory of change:

- Strong regional economies are essential to the success and well-being of local communities and families;
- Cultural and land-based economic development ventures and strategies offer significant opportunity to create healthy local and regional economies;
- Developing grassroots efforts to shape and develop the vision and change agenda is an essential aspect of growing local rural economies;
- The ability of rural community groups to identify and develop appropriate strategies to address race, class, and power are key to the success of their efforts to transform their economies;
- Healthy economies exist within a “grounded” policy framework that support and sustain them; and
- New philanthropic models of “civic participation” and engagement must be developed to support these alternative, community asset-based rural economies.⁵²

Whereas in the early phase of grantmaking, NRFC funders were open to a broad array of strategies and initiatives from which to learn, collaborative members now had a much clearer vision of the requisite elements for successful, lasting transformation at a regional level: regional in scope, culture- and land-based, fueled by grassroots leadership and participation and attentive to issues of race, class and power. Additionally, NRFC funders and practitioners had come to believe that successful efforts must also be engaged in regional policy change and in developing community-based philanthropic models as support mechanisms and opportunities for broad civic engagement.⁵³


Nearly 50 initiatives were considered for the demonstration program, but only five were selected – one or two in each region. However, in the end, only three initiatives – one in each region - were funded for the full four years. Each demonstration took a unique approach to building alternative economies that explicitly addressed race, class and power differentials. Like those in the first round, each was deeply embedded in a sense of place and in the cultural context and traditions that defined the region.

- In the Mid South, NRFC chose to fund an initiative known as the “Local Food and Culture” economy or economic strategy. As a collaborative effort between marketumbrella.org and Mississippi Association of Cooperatives, these two organizations are working together at the regional level to build value around and enhance both the demand side (farmers markets) and supply side (farmers coops) of a local and regional economy driven by the desire of consumers, producers, elected officials, institutions and communities for fresh, locally grown and caught food - which in turn means better health, better local economics for consumers and producers alike and better care for the environment (triplet bottom line economy). These two nonprofits have been working together for nearly two decades, with their work originating around the historic site of the Crescent City Farmers market as a place to create a market based on principles of social justice and fair wages.

⁵³ More about these last two in pp. 26 – 27 below.
for small, historically minority farmers who for decades have worked to eke out a living in a region dominated by large agriculture.

Having worked together for ten years when Hurricanes Katrina and Rita hit the area, these two organizations now found themselves collaborating in a context of a devastated greater New Orleans and lower Mississippi region struggling to re-invent and re-vitalize itself. Given that context, the historic Crescent City Farmers Market as a physical place became less important than the need to build community wherever farmers and consumers could gather. As a result, the connection between local food production and consumption has become a key strategy for economic growth and social justice in the region and also for rebuilding the social capital in the area – using food and culture as fulcrum for doing so.

- The demonstration in the Northern Plains was known as the “Economic Sovereignty” framework or approach. Supported by its two main collaborative partners, the Native American Community Development Corporation and Indian Land Tenure Foundation, this alternative economy has the goal of demonstrating how tribes in that region and elsewhere can achieve economic sovereignty, viewed as a fundamental extension of tribal sovereignty. Economic sovereignty is achieved when tribal communities gain a high level of financial independence and greater control over the direction of their economies, and also greater control over their natural assets of air, water and minerals. The strategy’s focus is to recapture, protect and utilize tribal and environmental assets and, through wise development and maximization of value, build a sustainable economy that reverses longstanding conditions of poverty and evens the balance of power within the region.

As the Northern Plains continues to go through a major social and economic transformation, the non-Indian population in the region continues to decline, especially in the many small communities that are part of the region’s agricultural economy. With the decline of the traditional family ranch and farm operations, the corresponding growth of larger corporate agricultural enterprises and the expansion of resource extraction activities, the region as a whole is a growing source of wealth generation for outside interests. Within this broader reality, the tribes of the northern Great Plains and their growing populations are in a unique position to be leaders in the rebirth of the region, to influence the power structure that has had so many negative consequences for Indian people and to begin to address longstanding negative social and economic conditions in a sustainable way. For the tribes, the demographic shift represents an opportunity to capitalize on their passionate commitment to the region by reacquiring lands and resources lost over multiple generations and to take steps to build sustainable economies, which will benefit not only the tribal communities, but the region as well.

- The third and final regional demonstration in support of “Culturally Vibrant and Diverse Economies” in the Salinas and Pajaro Valleys of Monterey County, California, was formed out of a collaboration between the Agriculture and Land-based Training Association (ALBA) in Salinas Valley, and El Pajaro Community Development Corporation, in Pajaro Valley to the north. These two mature nonprofits are working together to support an ag workforce economy and small retailers through a regional collaborative strategy to provide technical assistance, training, micro-finance and credit. In short, the strategy is designed to train and incubate emerging small farms and small businesses now
being created by men and women from farmworker communities who wish to create new, more fulfilling wealth creation opportunities for themselves and their families.

Farmworkers in Monterey County have for decades lived as the invisibles in the shadow of large-scale agriculture. And, much like what is happening in the other two regions, big Ag is no longer king in a monopolistic way, but still wields a major influence in the region. The difference is that with the organizing of Cesar Chavez half a century earlier, there is now a recognition that the agricultural heritage and bounty of the region is dependent on small producers as well as the large, landed owners who have traditionally held all of the power. This ever-changing, somewhat fragile coalition of interests is held together by a growing cohort of Latino mayors, council members, county supervisors in the area who possess a natural sympathy for the farmworkers of today, given their own farmworker roots, but also have a new relationship of shared power with the traditional large farm communities. However, this equation is still challenged by current immigration laws and their enforcement, as well as changing sentiments with regard to undocumented families and workers by other residents in the region. It is within this context that ALBA and El Pajaro CDC are working to create new opportunities for documented and undocumented workers alike and a regional economy that is socially just while economically viable.

Each of these demonstrations of alternative rural economies show remarkable leadership, innovation, capacity and determination and offer a more just vision and example of how rural economies can be built utilizing assets of culture and geography. It is also important to note that wealth creation and success in each of these contexts has a somewhat distinctive meaning: livable, sustainable and health livelihoods in the case of the food and culture economy in the Mid South; greater autonomy and control in utilization of cultural and natural resources in the case of the economic sovereignty model in Indian Country; greater diversity and empowerment of farmworker families and their ability to participate in the ag-related economy in the West.

**Philanthropy and Policy: Key Elements for Success**

The success of these three regional initiatives isn’t simply a matter of implementation of their distinctive approaches to building strong, culture- and land-based alternative regional economies. It also has to do with developing and maintaining philanthropy and policy supports to enhance the sustainability of these economic strategies. In the earlier phase of NRFC’s grantmaking and learning, considerable time and attention were given to community philanthropy and grassroots advocacy/policy change as important supports to the work on the ground. However, in many cases it was an afterthought or appendage to the strategy itself. In this latter phase of grantmaking, philanthropy and policy were built into the strategy and learning as an essential element of support.

**Community philanthropy** emerged as an important theme in the earlier phase of NRFC’s work, in part from the participation of some regional community foundations in supporting community change efforts. Those found their own voice within NRFC’s learning network, at least in part, in the Community Investment Network that has developed out of North Carolina. The common thread for all involved in this network is that even poor communities also have financial assets, which, while they may not be substantial, nevertheless can make an important contribution to sustaining...
community-based regional strategies. In the words of the Black Belt Community Foundation of Alabama, “We take what we have to make what we need.”

In this latter phase of grantmaking and learning, NRFC required that each of its demonstration partners give some attention to a community philanthropy strategy to support its work:

- In the case of the Northern Plains initiative, there was already a vibrant model in place: The Harvest Moon Ball. Through this annual event and fundraiser in the Blackfeet tribe, funds were raised annually to support tribal economic development efforts.

- The Mid South initiative established a program called “Market Shares” in which consumers in the market are asked to make a small contribution to a common fund when they purchase wooden tokens, the common currency of the market. Use of the wooden currency allows its consumers to purchase within the market without having to find an ATM, in the case of mid- & high-end consumers, and by being able to purchase tokens with EBT cards, in the case of seniors and SNAP participants. In this way, low- and higher-income shoppers can equally participate in the same market conveniently and without stigma. And by asking for a small donation in lieu of a transaction fee at the time tokens are purchased, a common fund is developed out of which community-building projects are funded as chosen by consumers and vendors in the market.

- ALBA and El Pajaro CDC are working to set up similar giving strategies. ALBA considers its working incubator model of leased land, shared knowledge and farm equipment as their distinctive form of community philanthropy, while El Pajaro CDC is working to establish regional structures for community credit as a shared investment model.

Like community philanthropy, **grassroots advocacy** and policy change were also important aspects of the early initiatives funded. In the case of the three successful regional initiatives, there was greater attention to political advocacy already built into their overall strategy.

- In the Mid South, marketumbrella.org and Mississippi Association of Cooperatives regularly work to influence their respective state legislatures to allocate funds and other means of support for their common work that joins small farmers with area markets. Each also advocates for needed policy change in keeping with their regional vision and work, as with the work to lobby state legislators to allow use of EBT funding in the markets. And both organizations work – separately and together - on a national level as well to ensure broader and deeper support for their efforts: USDA, the Southern Federation of Coops and national farmers markets/farm to table efforts.

- In the case of the regional strategy in the Northern Plains, the collaborative team continues to influence state legislators in Montana, the success of which is attested by the state’s current requirement of the native-based financial literacy curriculum in public schools statewide. NACDC and ILTF also continue to work with tribal and government entities nationally to reclaim Native assets stolen by treaty.

- Finally, ALBA and El Pajaro CDC work to host periodic meetings and seminars with county and state officials to engage their support for the work they are about in farm and small business development and finance for farmworkers. Furthermore, they participate and lead in national networks for public markets, small business finance and the like to ensure broader, national support.
Lessons from “Constructive Efforts”: Capacity, Leadership & Policy Change

There is more to say about the success of these three regional demonstrations discussed above – especially about performance measurement in the next section. However, two other initiatives, the ones that didn’t make it, deserve some mention as “constructive efforts.” These were the two demonstrations that were not able to complete their work as NRFC demonstrations. To call them failures would be wrong: there was much in each of them that they got right and, therefore, succeeded. However, the circumstance and events that prevent them from going to term as demonstrations are themselves constructive in providing lessons from which others can learn.

- The first such constructive effort was a second initiative originally funded in the Mid South. In this strategy, a mature CDC with good credentials was working in the poorest of Louisiana parishes along the Mississippi to convert detention facilities holding mostly young, African Americans from the area into a regional educational institution focused on workforce development training and opportunities for those same nonviolent offenders (young men and women) instead. The larger strategy included recruitment of a light industrial plant of modular housing to develop affordable housing in the area.

The vision for this transformational economy was very ambitious and would have taken several years to implement even in the best of circumstances. At the time that NRFC first began to work with this nonprofit in advancing this compelling, if ambitious economic strategy, great strides had been made in the course of the last 5 – 10 years to mobilize political support and potential economic resources. Whereas the CDC had traditionally focused on affordable providing housing and supportive services to the community, it had more recently taken on a much larger political role as advocate for a new economic model in a region that historically had no economy once the reign of cotton plantations in the area was over. For decades this region has been among the very poorest in the state and in the nation, with no sustained industry or source of jobs/economic development.

Most remarkable about this strategy was the acumen and success of the leadership and board of this nonprofit in influencing state government and creating a policy environment supportive of this initiative, at least at first. This new strategy for economic growth and social justice held the promise of wealth creation for communities and families in the area for the first time in generations, but depended on the willingness and ability of the state to dedicate resources to buy back lands and buildings on which the detention facilities were located. It also meant renovating those facilities for their educational use and recruiting/incubating new light industries as part of a regional workforce strategy.

Initially state government and key officials within it were supportive and working to allocate needed resources to launch this strategy. However, within twelve months of initial funding from NRFC, the administration and political climate changed and the ensuing political struggle to continue to fight for support of this vision reached a point where it exceeded the capacity of the CDC to sustain and win it.

- The other constructive effort was a second initiative in southern Monterey County. In this instance, one local city government had proposed a partnership with NRFC to provide additional resources and support, alongside existing federal funding, to enable the city to provide affordable housing, small business development and supportive services to undocumented as well as legalized farmworker families. The challenge was to assist the city to fully integrate farmworker families into the overall community fabric.
This southern Monterey County town had several years earlier identified itself as a sanctuary community, ready to embrace the largely Oaxacan population from two different indigenous communities in the region as contributing members to their new community on this side of the border. Although this town had historically been run by wealthy white landowners in the area, the current mayor – Latino whose father had organized with Cesar Chavez a generation earlier – and most of the city council were now Latino and supportive of Oaxacan residents. City officials had a vision of a community guided by principles of social justice, but one in which economic growth would also result from a program of training and equipping industrious and talented Oaxacans to start their own farms, create their own businesses and reclaim traditional/cultural livelihoods to build wealth for their families, while simultaneously increasing tourism and prosperity within the region. Although the vision was sound, implementation of this demonstration took eighteen months to gain momentum due to a series of deaths, relocations and unfilled positions within city government, leaving a void in leadership at the outset. Yet thanks to the efforts of an area nonprofit, appropriate project management was secured and the initiative began to take shape through several promising developments: small business planning and development for a taqueria and other entrepreneurial efforts, opportunities for aspiring young Oaxacan farmers to get their goods to area farmers markets and intensive work with women in the community to rekindle and market traditional weaving/textile goods. Unfortunately, just as momentum began to build, political winds in the area were shifting: immigration raids were being stepped up, some area residents were beginning to face deportation and unfortunate incidents began to occur in which Oaxcans were held in suspicion of minor disturbances. These events, along with discontinuation of monthly informational/town hall meetings with Oaxacan workers, resulted in this initiative’s progress coming to a sudden halt, accompanied by increasing distrust between city officials/local citizens and Oaxacan families. Here was an initiative with great potential for community transformation and a more inclusive regional economy. But it was short-lived due to the changing political climate and inability of city leadership to see it through. Even so, this constructive effort had developed one of the most creative, potentially sustainable models for community philanthropy. Oaxacan families, eager to do their part to contribute to the well-being of the community, have regularly hosted festivals, at their own expense, featuring food, culture and crafts from their hometown communities across the border. By sharing expenses for these festivals through their hometown associations, Oaxacan families created a vehicle for community philanthropy/civic engagement that has been effective for building wealth and sustainability on both sides of the border.

In both cases, these failures suffered due to issues of internal leadership/capacity and external political support. However these examples, successful or not, provide important lessons about advocacy, political leadership and community philanthropy/civic engagement. In sum, these regional demonstrations represented a more intensive, more focused approach to grantmaking and learning for NRFC. Demonstration grantees and their initiatives were asked to carefully plan their work and measure performance around four critical areas: alternative rural economies, race, class and power, grassroots advocacy and community philanthropy. The hope was that supporting these regional demonstrations in this way would result in greater impact in addressing rural poverty – the final determination of which raises the issue of performance measurement and indicators of success.
VI. PERFORMANCE MEASUREMENT AND INDICATORS OF SUCCESS

The Need for Performance Measures
In the first phase of its work, NRFC focused on the broad outcomes of family self-sufficiency, wealth creation and civic participation as indicators for alleviating persistent poverty. And various community capitals or assets – social, human, natural, cultural, political and built, as well as financial – were used as building blocks for achieving those outcomes. Yet together these did not constitute an adequate framework or system for measuring performance. To be fair, much of the work in this phase was bringing together the partners in an intense effort to define the nature of the work, the elements of success, and the means of measuring progress. And, multi-dimensional and dynamic community change efforts usually take a long time to demonstrate results and are difficult to measure because of their complexity and time horizon.

More specific to the grants made in the early phase, two competing issues were at play in measuring change. The first was the challenge for each initiative to develop performance indicators appropriate to the work at hand and attuned to its distinctive demographic, geographic and cultural context. Hence the need for each to develop its own progress measures and benchmark performance against those. Second, despite both the difficulty of mapping these distinctive measures to categories common to community development generally and the time it takes to see real outcomes, NRFC funders wanted some tangible indication that the work being funded was more than simply well-intended activities and was actually leading to lasting changes for the better. In the end, performance measurement attempts in the early grantmaking phase were largely efforts at more carefully defining NRFC’s overarching outcomes of wealth creation, family self-sufficiency and civic participation and of developing a common language and frame for understanding the work in terms of community assets or capitals and community transformation. The search for reliable, tangible measures and outcomes, however, was largely unfulfilled.

Constantly challenged by their boards and external stakeholders alike to prioritize investment opportunities and justify those priorities, funders must be able to give some objective evaluation of the success or efficacy of these investments. Hence NRFC foundation partners knew that more had to be done by way of performance measurement even if much of the work is non-scalable, long-term, highly complex and not adequately understood in terms like jobs created, sales, etc.

Adapting a Measurement System
At the end of the mid-term reflection and planning process, NRFC funders were clear about the need both find a common, simpler system of success measurement that could be used among all of the initiatives. In addition to focusing its second phase on demonstrations in three key geographies, NRFC also looked to find a ready-made evaluation tool that could be adapted to the work of its grantees. NeighborWorks Success Measures was chosen as its model for measuring progress, though with adaptations to take into account NRFC’s revised theory of change.

Success Measures staff was engaged to adapt its model in a way that was appropriate to the kind of initiatives that NRFC was now funding and a consultant was hired to work with NRFC grantees to help them map distinctive indicators for each initiative and then align those to the four essential elements of NRFC’s theory of change: 1) alternative rural economies; 2) race, class and power; 3) community philanthropy; and 4) grassroots advocacy/ policy change. Each of the resulting data plans looked very different and provided a way of articulating each grantee’s work to multiple audiences, as well as providing key measures to outline what each hoped to achieve. Each grantee also had access to a consultant to help with data collection and developing an overall plan/evaluation for improving their work, as well as demonstrating impact.
While it was clear that this was a better approach to evaluation and measurement than the process used in the first phase, it meant a dedication of staff resources within each initiative to track data and present its significance on a semi-annual basis. And though the work was more targeted and the evaluation approach more structured, a major challenge from the first round of funding remained: long-term, incremental change in persistently poor, racially-marginalized contexts is difficult to break down into discrete, measurable and lasting outcomes in relatively short time periods. This led to a process of identifying indicators that could measure activity/progress in the short-run, but still point to a direction or level of progress in moving toward lasting change.

Success Measures, as a data-gathering and analysis tool, had been heretofore utilized in the fields of affordable housing and community healthcare, both of which now have some fairly standard measures. But there are no such standard measures for alternative economies, mitigation of race, class and power, community philanthropy or grassroots advocacy. As a result, the first two years of the new four-year demonstration initiatives were spent training initiative staff to develop performance measures and data collections tools. It was not until year three that data was actually collected with any precision or regularity, and analyzed in any helpful way.57

**Demonstrating Results and Impact**

Two remaining years of data collection and analysis at the end of the demonstration period still leave much to be desired in the way of hard, standardized data for measuring these alternative strategies for regional economies, even though each has an impressive story and pedigree to show it is enjoying a healthy measure of success. Nevertheless, final takeaways from NRFC’s measurement tools for these demonstrations are meant to provide a somewhat more objective assessment, the final data report and analysis for each is summarized below:

- **Mid South “Local Food and Culture” Economy: marketumbrella.org/Crescent City Farmers Market and Mississippi Association of Cooperatives (MAC).**

  Measurement of the impact of this regional economy of public markets and local farmers of color in the greater New Orleans/lower Mississippi region cannot be done with numbers alone, but must also be seen in terms of levels of engagement. In sheer volume, the Crescent City Farmers Market grew from $9.88 MM in sales at the end of 2009 to $11.2 MM by end of 2011: CCFM shoppers are increasing their purchase value per visit - indicating that a growing number of shoppers treat the Farmers Market as a destination for shopping, rather than as an entertainment outing. At the same time, this increase in consumer dollars spent in the market also means increased economic impact and economic opportunity for limited resource farmers and fishers during recessionary times. As a result, rural food producers themselves are designing their businesses around the CCFM as their entry point into the New Orleans food economy.

  SNAP participation continues to grow thanks to an array of creative healthy incentive programs, e.g., MarketMatch, in which EBT payments for seniors are matched 2 for 1. In 2010, SNAP transactions increased by 89% (from 729 in 2009 to 1,381 in 2010), indicating that CCFM’s targeted efforts to reach vulnerable families is resulting in a customer base at the CCFM that more closely reflects the region’s demographics. For farmers and fishers on the margins with limited resources and limited social networks, CCFM’s decision to expand upon its customer base by reaching out to vulnerable communities has resulted in a more stable market place to sell goods directly to the public during unstable times.

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57 The attached Appendices E & F provide examples the types of indicators and data collection tools that were developed for each demonstration.
Beyond these local indicators of success, muo/CCFM is part of a national story of engagement and success through its participation and leadership in the Fair Food Network, Roots of Change, and Wholesome Wave, working together to conduct a cluster analysis of farmers markets that deploy incentive programs to positively impact consumer behavior. While data may not yet be available until 2012 from the cluster evaluation, estimates are that markets that deploy healthy incentives fare better in every way.

On the production side, the Mississippi Association of Cooperatives is on a path that has taken the Cooperative membership as well as individual farmers to a scale in which it now is able to support black farmers on both the Louisiana and Mississippi sides of the river from the Gulf to Jackson and has started two new Mississippi and two new Louisiana coops. Within a four-year span, MAC has increased what were formerly periodic loan workshops and cooperative development training to monthly workshop and training sessions. During this same period, MAC has increased its access to USDA programs: 80 members have been able to take advantage of USDA loan and grant programs in the last year.

And MAC has worked with the department to break down administrative barriers to participation of its members in USDA programs and been able to facilitate the participation of an additional 685 farmers of color in the Pickford settlement. MAC has also been able to work with USDA to overcome predatory lending to farmers and to increase access to USDA’s farm to school nutrition program and a coalition has been formed to shape farm policy at the state level in Mississippi: the Coalition for a Prosperous Mississippi (CPM). CPM addresses public policy challenges through the development of specific strategies and approaches created to enable economically challenged people to accumulate long-term and practical assets such as savings, investments, homes, educational opportunities, and to accrue capital for retirement and estate building.

- **Northern Plains Initiative: Indian Land Tenure Foundation and Native American Community Development Corporation**

  The economic strategy for tribal communities in the Northern Plains is admittedly much longer-term by design that the other two, meaning much more difficult to measure. In essence, this strategy involves a series of groundbreaking deliberations among tribal leaders about economic sovereignty and its implications for tribal planning/development. The collaborators in this strategy worked intensively over four years to incubate this economic approach in two Northern Montana tribes: Fort Belknap and Fort Peck.

  In Fort Peck, leaders have developed and diligently worked toward a master plan for future growth, the centerpiece of which is full collaboration with a nearby non-tribal city, Poplar. Together the tribal community, City of Poplar, Fort Peck Community College, and government agencies, such as the BIA and Indian Health Service have worked together to map out and begin to realize this larger vision for a sustainable regional economy in which Fort Peck is an influencer and decisionmaker on equal footing with other partners. A new airport is currently under construction and the old airport property adjacent to Poplar provides a tremendous opportunity for development uses which complement or reinforce existing land uses in Poplar. And with the local tribal college and SBA as partners, a major new workforce development initiative is in the making: an estimated 100 permanent jobs are envisioned for new manufacturing operation. As an added benefit, other area tribes have come into the planning process as observers in order to learn from the discipline and pathway being forged by Fort Peck.
In Fort Belknap, the progress has not been as dramatic and has taken a different form, namely in reclamation and utilization of tribal resources. Currently, the community is working to complete a new facility that will be a community focal point for multiple activities and a land parcel is available in the immediate vicinity of the current Tribal headquarters to serve as future site mini-industrial park/resource conservation center. The presence of this facility will help the Fort Belknap Tribes to enhance its identity as the focal point of the Fort Belknap Reservation and expand its economic influence in the region by providing opportunities for small business incubation.

These steps may seem small, but represent a major seachange in how tribal communities have traditionally done planning and development. These micro-efforts on the local level are supported on the policy front through ongoing efforts of these two collaborative partners to successfully advocate for return of funds and lands previously taken from tribal entities and for a state wide curriculum of financial literacy in public schools. Indeed, the greatest success here is the work these Native American organizations are undertaking to bring about important policy changes within the state and nationwide.

- **Salinas/Pajaro “Culturally Vibrant and Diverse Economies” Initiative: Agriculture and Land-Based Training Association (ALBA) and El Pajaro CDCD.**

  Annually El Pajaro CDC provides training and business services for nearly 25 new businesses to open. These new businesses created 50 jobs and retained in excess of 65 jobs last year. ALBA trains approximately 15 new farmers each year, 10 – 20% of whom on an annual basis move out of the land incubator and onto land of their own. El Pájaro CDC and ALBA identified the lack of access to credit as one of the major barriers for many budding farmers and entrepreneurs. The two organizations are working with area banks and credit unions to establish accessible sources of business and farm capital for the area. In a few instances, this farm and business incubation strategy is returning big dividends. For example, one company in King City is investing $1,300,000 to develop a retail store, car wash, warehouse and family residential complex that will generate 12 new jobs, offer housing to two families and increase the City and County property tax base.

  In the field of Micro Enterprise Development Organizations (MDO), nonprofit enterprises/initiatives such as this one seem to constantly swim against the current, especially when dealing with communities and stakeholders who have in mind the traditional factory or big box model for economic development. On a macro-level, El Pájaro CDC and ALBA have become regional leaders in entrepreneurial training and micro-credit finance, not only in Watsonville and Pajaro Valley, but throughout the three-county region.

  Across the Salinas and Pájaro Valleys (SPV) Initiative’s region, there have historically been stark differences in political cultures and attitudes toward economic development. Protracted poverty and cultural pride combine in myriad ways to manifest vibrant and simultaneously disenfranchised communities. However, the growth of immigrant communities throughout California results in growing political and economic power – yet the struggle continues in relating and inspiring leaders to act on the basic tenets of asset-based opportunities and wealth creation.

  In each of these regional demonstrations, it is apparent that progress is measured in terms of distinctive indicators and may not be linear from year to year. Each of these initiatives is still refining data collection procedures and working to strengthen their case for measurable progress and success in achieving larger outcomes of wealth creation, civic participation and family self-
sufficiency. In doing so, it is clear that these strategies are having some regional impact – not only in terms of growth and numbers of individuals and families reached, but also in terms of engagement in these economic strategies. At some point, it will be important to measure the success in terms of families moving above the poverty line, but these efforts are still too nascent in their data-collection and measurement to demonstrate that level of success. It is clear, however, that each of these is successful in shoring up their efforts through advocacy efforts at the local, regional and, in some cases, national levels. Less developed are regional efforts to connect their efforts to models of community philanthropy.

Ultimately, this work around performance measurement represents an unfinished legacy of NRFC that may provide something for future funding initiatives to embrace. All the same, NRFC and its grantees were able to develop together a template of indicators was developed for each initiative, corresponding to the four pillars of NRFC’s theory of change. In many ways, the task of measuring the value of the investment each foundation put into NRFC represented a far greater challenge. Many of NRFC’s investments, particularly in its second phase of work, involved real risk and sometimes slow, incremental gains. Many of these organizations had to build the infrastructure for community change while doing the work itself. Such infrastructure building includes developing effective working partnerships with area organizations, enhancing the means of citizen involvement, devising and implementing effective strategies for bringing about policy change and creating/sustaining appropriate community philanthropy strategies to marshal area resources.

**Measuring Triple Bottom Line Impact of Generational Change**

If successful, these economic models must succeed at several levels: greater economic success for direct participants, greater sustainability for businesses and enterprises, and ultimately lower poverty rates within the region. Beyond these economic outcomes, each model economy must also be measured by the other two legs of its triple bottom line impact: its ability to foster greater stewardship of the land and natural resources within the region and to promote overall better health, as well as success in closing the gaps on income and wealth disparities and increasing civic participation. The indicators developed for these demonstrations were attempts to provide some rather primitive tools or indicators to demonstrate progress, but much work is still needed here. NRFC also tried to gain some sense of impact at the family level by measuring family economic success, to use Annie E. Casey’s terminology.\(^{58}\)

It is important to remember, however, that alternative regional economies, like community development itself, are not fully measurable in terms of traditional economic indicators. Because they represent economic strategies that operate under the traditional economic development radar, there are no ready industry standards to indicate true success. And the time in which it takes to develop these strategies as sustainable would also seem to fall far outside the norm for traditional businesses or industries. Also, traditional measures seem to be inadequate to capture all that these strategies deliver when one considers the various capitals applied and developed in these intentional community transformation models. Funding and measuring impact of such strategies requires a recognition of the difference between economic development traditionally understood and asset-based community development, which is far more difficult to measure and longer to develop. But what these latter types of strategies contribute to the health and well-being of communities long term is so much more, meaning a patient approach is needed.

\(^{58}\) Family Economic Success is a term successfully coined by Annie E. Casey Foundation to cover a number of income supports and wealth creation strategies to move working poor families out of poverty. See NRFC diagram of various strategies utilized and measured by NRFC demonstration grantees to contribute to family economic success.
VII. RURAL POLICY: MOVING THE ISSUE OR BUILDING A MOVEMENT?

Time for a New Rural Policy

In the 1800s, as industrialization and urbanization flourished in the U.S., attempts were made to develop a robust system of rural improvements and services such that the rural farmer would not become a peasant class. Many are still in place today. Indeed, that is much of the problem with rural policy today – so much of it was designed for a bygone era. Much of what would be classified as ‘rural policy’ today is actually farm policy and much of rural policy both federally and at the state level is about maintaining and recruiting industries that often are not invested in the regions in which they are located. So “rural policy” is generally a mix of commodity price supports, ethanol subsidies, manufacturing incentive programs, and service provision that does not track with the less nostalgic, non-bucolic reality that is rural America today.

Anyone who lives or works in rural America will tell you that there is a need for a comprehensive rural policy that helps to re-establish the economic base and individual livelihoods in rural communities and regions. Although substantial public funding makes its way to rural regions annually, current rural policy and public funding do little to help rural places develop and thrive and little to help transition working poor families out of poverty and along a sustainable career path or livable means of support for rural families.

Early NRFC Approaches to Transforming Rural Policy

National Rural Funders Collaborative engaged for all of its ten years to support practitioner-based efforts to transform rural policy. Some were small victories at the state and local level. Others were big gambles with minimal payoffs at the federal level. In all of these efforts, NRFC came to understand that a movement to re-define rural people and rural places is critical – that a bold vision is necessary. While NRFC made strides in this area, there is still a need for a very different, comprehensive rural policy agenda that acknowledges the new realities and circumstances for rural communities and regions and explicitly addresses the needs of the rural poor, who in many cases, the most vulnerable in the country. By and large, this remains work undone.

In its efforts to influence the government and public sector at various levels, NRFC made many attempts to support and engage in policy impacting rural development. Despite a wide variety of approaches, NRFC was never able effectively to influence federal policy as a collective entity - though individual grantees did achieve some success.

In its earliest stages, NRFC engaged the Wallace Center at Winrock International to convene learning network stakeholders and attempt to define a common rural policy agenda. Several challenges became apparent rather quickly: policy priorities were very different from place to place; funders, federal agency employees, and regional non-profits were all very interested in garnering support for their policy priorities but unable or uninterested in more than general support for policy efforts; the task of transforming rural policy far exceeded NRFC’s reach. All of these were true. But, most of all, while everyone easily agreed to a wide range of rural policy issues requiring focus, from housing to transportation to banking services to education and workforce training, to rural healthcare, there was little incentive and little experience for distilling this broad canvas of rural policy issues to a well-focused, strategic and actionable rural agenda.

Creating a New Dialogue with Federal Partners

Within the first couple of years of its work, NRFC made the decision to bring on a staff member to specifically work on policy, whose initial efforts revolved around engaging federal and regional policy partners (representatives from USDA Rural Development, USDA Cooperative State...
Research, Education and Extension Service, HHS Office of Rural Health Policy, HUD, Treasury, Appalachian Regional Commission and others) in the work of individual grantees and the collaborative as a whole. And as a way of enticing federal partners (especially those from multiple parts of USDA initially, but later also representatives from HHS and the Appalachian Regional Commission) to make it real, a working group of practitioners, funders and federal officials was convened to utilize NRFC’s involvement in and support of collaborative efforts in Appalachian Ohio to transform the region for positive, lasting change.

Since virtually all of the federal partners involved administered public-sector grants and loans to projects in central Appalachia, the group was convened with the purpose of looking at overlaps, linkages and unnecessary policy/administrative obstacles and taking a reality check of actual funds available and/or awarded to the funding needs of the region. While these deliberations started smoothly with useful discussion about the overlaps and missed opportunities through the investments and grants of various USDA agencies, federal representatives found themselves bound by congressional mandates, priorities and burdensome rules and regulations and hence unable to respond when pressed to think and work differently and consider funding something like a “reverse RFP” – i.e., a scenario in which regional practitioners and funders might come together to define unmet needs within the region as a whole, rather than chasing multifarious RFPs that might provide some funding for a small portion of those needs, at best.

Over the next three years, several other major attempts were made to engage federal partners and, yet, an escalating war in Iraq and a besieged administration increasingly fearful of having federal agencies veer from the official script and agenda resulted in a closing of the window of opportunity for influencing policy change at the federal level. In light of this unfolding scenario of less access to and less involvement by federal officials, NRFC also tried other strategies for maintaining a conversation at the federal policy level.

One such attempt was hosting a major NRFC-USDA jointly-sponsored policy event in Washington D.C. focused on the development of a consistent rural policy on the topic of Wealth Creation, featuring Michael Sherraden, an expert on individual development accounts (IDAs) and asset building among the poor. This convening looked at a wide variety of ways in which rural Americans are challenged with gaining and retaining assets. Not surprisingly, this event provided a very different kind of opportunity for public officials and agencies to engage directly with on-the-ground rural practitioners and leaders in thinking about ways in which existing tax laws and congressional mandates could effectively be employed to increase wealth among working poor families and in historically impoverished rural regions. In the end, however, this event like other meetings provided much in the way of lively, engaged dialogue, but little in the way of real attempts to work collaboratively together in public-private partnership.

**Focus on State-Level Influencers**

As frustration increased regarding the inability of the NRFC learning network to gain significant traction in moving forward a comprehensive, actionable rural policy agenda, the decision was made midway through NRFC’s early phase, i.e., 2003 – 2004, to abandon the previous level of engagement with federal partners and instead focus on partnerships with intermediaries interested in rural policy - particularly those where NRFC might engage state-level policy. And so, in an effort to work in a different way to organize NRFC’s network of practitioners to engage in collective advocacy, NRFC changed approaches and began to focus on strategic relationships with national intermediaries working at the state and regional levels: National Council of State Legislators, National Association of Counties, National Association of Development Organizations,
NRFC was actively involved in a series of discussions to develop a common policy message with a special emphasis on communities and families of color living in poverty. However, these efforts ultimately faltered, leading to the NRFC network collectively holding a Congressional briefing in which several member presentations focused on separate rural issues. NRFC did, however, manage to hold a day of policy conversations with these organizations and with its practitioner and funder learning network members on the final day of its “Assets and Opportunities” conference in the spring of 2006 at the last major gathering of the original learning network.

**Assets and Opportunities: An Emerging Policy Frame**

The Assets and Opportunities conference itself was a watershed event for NRFC. In part, it was a way of bringing together all of its former grantees in the first phase of its work and celebrating the work and learning they shared together. In part, it was an opportunity to introduce new research commissioned with Sheraden’s working team on wealth creation to consider challenges and opportunities for creating wealth and addressing disparities among low-wealth families and individuals and families and individuals of color in rural regions. In part, it was a venue for introducing NRFC’s newly modified theory of change (following its strategic planning process) and introducing the regional demonstration funding model, the new RFP for next phase funding and the new approach and roles NRFC would adopt in working forward.

It was also an opportunity to try yet again to identify a few strategic policy issues on which practitioner and funder members of the learning network might work together in small cluster groups. At the policy convening of the Assets and Opportunities convening, network participants selected three major areas of common interest: 1) Wealth Creation, with a focus on banking services, utilization of the Earned Income Tax Credit, the expansion of individual development accounts, and the regulation of predatory banking practices; 2) Globalization, with a focus on re-building rural economies including supporting small farms and green practices in the Farm Bill, funding and supporting rural entrepreneurs, and supporting rural community colleges; and 3) The Federal Budget, trying to hold onto – in light of impending austere budget cuts - the minimal funding to which rural communities currently had access. Regular calls began happening with sub-sets of grantees interested in each of the three issue areas. Current legislation related to the issue area was discussed and the group attempted to plan their responses. Over time, however, each of the issue-based groups petered out, due largely to an inability to clearly, decisively and quickly act together on any of the issues.

**Shift to Regional Policy Coaching**

As NRFC moved forward into a new approach to funding and learning, centered around the regional demonstrations, the focus on policy was shifted to supporting regional policy efforts of its yet-to-be selected regional demonstration partners. Hence, as soon as demonstration funding decisions were made in early 2007, NRFC quickly moved to identify policy coaches in each region to support the new demonstration partners in devising and advancing a regional policy agenda. In each region, coaches were selected who were familiar with the region, culturally competent with the racial/ethnic constituency(ies) with whom NRFC was working and well-versed and experienced in framing and implementing policy agenda at the regional level.
From its earliest funding of “strategic opportunities” in the initial phase of funding, NRFC funders understood the value and power of grassroots advocacy and practitioner-led policy efforts. In all five of those early strategic grants, significant regional policy efforts were very much part of the package. It is no wonder, then, that grassroots advocacy and regional policy development was a key ingredient in its revised theory of change and demonstration grantmaking in the second phase. And in each of the regional demonstrations funding, policy development was an important ingredient from the beginning…and may have been, in fact, one of the most important – if not the most important – key in determining early success or failure. In Section VI above, considerable discussion has been given to the ways in which shifting policy winds contributed in a major way to the short-lived efforts of the two demonstrations that didn’t make it to term. Just as important, it figured prominently in the strategies of those that did.

In each of the regional demonstrations, devising and implementing an active and actionable regional policy agenda had real impact.

- In the Northern Plains, regional support for a culturally-competent, public-school based curriculum for financial literacy led to state legislature approval and mandating of this native-based curriculum throughout the public schools.
- In the Mid South and lower Mississippi Delta, marketumbrella.org has successfully moved forward an agenda whereby the state of Louisiana now allows EBT payments to be used at public farmer’s markets and with incentives. This program has been so successful that USDA is considering it as a federal initiative. And the Mississippi Association of Cooperatives, through its Coalition for a Prosperous Mississippi has successfully engaged the state of Mississippi in embracing and helping to support a broad-based effort for wealth creation in low-wealth communities and among families of color. MAC has also been successful in convincing USDA to waive or amend some of the more onerous requirements of 90% upfront self-funding of several USDA loan programs.
- Finally, ALBA and El Pajaro CDC are galvanizing a regional coalition of Latino leaders in a three-county area to back community-based asset-building economic development efforts and also to build a regional coalition to advance micro-financing to area nonprofits focused on small business development.

**Finding a Voice vs. Winnable Actions: Defining a Niche in the Policy Game**

While this last development of NRFC’s policy efforts was not the approach to policy development originally envisioned, it was nevertheless its most successful policy effort by strengthening the voice and reach of its grantees in advancing their own political agenda. Even so, what NRFC was and was not able to accomplish in terms of policy support may be the greatest frustration in a decade of work. Several considerations suggest themselves in asking why its work to develop a policy voice was so challenging and frustrating.

First and foremost, NRFC wasn’t focused on clear, specific policy reforms, limiting its ability to focus time and resources in a way that led to specific, measurable outcomes – the final standard to which most, if not all, policy work is held.

Second, NRFC did not have staff with sufficient policy experience to be able to identify actionable, winnable policy objectives that would galvanize NRFC and its funder and practitioner partners to champion real-time issues for positive, systemic change.
Third, in its work with federal partners much about NRFC’s collaborative nature, theory of rural community transformation and broad set of outcome goals were foreign to federal government culture and, at the end of the day, represented an approach to supporting lasting change in both on-the-ground outcomes and policy to which the public sector players were unprepared and unable to adapt. While NRFC consistently found federal officials and staffers interested in engaging with funders and grantees in rural policy work, the barrier between what NRFC and its constituents were asking and what the public sector could deliver was unbridgeable.

Fourth, the initial decade of the new century in which NRFC’s work can be found became an increasingly poor political environment for addressing issues of poverty environment (at least until the early years of the Obama administration, at which point, NRFC’s political direction and influence, or lack thereof, were largely already determined)– cuts were taking place across the government and even experienced policy institutions and movements were having difficulty finding their voices in an environment where the windows of government were rapidly closing.

Fifth, NRFC was unable at the end of the day to fully clarify and define how and why NRFC and the communities in and with which it worked with were different from “rural interests” more generally. No doubt, part of the reality here was that NRFC engaged its grantees in both phases for only three or four years – hardly enough time to develop a true and successful policy movement, especially when so many were operating with meager resources and had little time or capacity to engage in serious policy work in contrast to larger, more established rural interests. In the second phase of its work, NRFC attempted to address this capacity issue by focusing on support for regional policy development of its various partners. Even so, there was never a final, precise delineation of an alternative rural agenda that would have galvanized the larger learning network in NRFC’s earlier phase. This is part of the larger, unfinished agenda yet to be addressed.

Sixth, and finally, in its commitment to be fully inclusive of funders and grantees alike in the ongoing work of NRFC, the disparate means by which philanthropy and practitioners bring about policy change – top-down driven policy development by research and education on the part of philanthropy and practitioner-led advocacy and movement-building among rural nonprofits – led ultimately to frustration and indecision within NRFC whether to try and harness the movement it was supporting on the ground or alternatively to educate and influence its funders to play a more strategic role in effecting policy change. From the outset, NRFC sought to do both while in the end it could fill neither role adequately.

NRFC’s clear intent at the outset was to provide an alternative policy voice for the typically-overlooked-and-disenfranchised grassroots rural America. This was always the hope and promise of NRFC, especially from the perspective of its grantees. But its grantmaking, learning and funder engagement tasks demanded the full energy of NRFC’s small staff: to have engaged more strategically in policy work, thereby becoming a serious movement for policy change, would have required additional staffing resources and energy beyond the level of support NRFC funders were comfortable providing. In reality, meaningful engagement in the policy arena required a level of experience and staffing beyond NRFC’s reach. The lesson is that policy work is a necessary endeavor, but requires a level of sustained funding and support beyond what many important nonprofit and philanthropic initiatives are able to marshal above and beyond work on the
Despite its failure in constructing an effective policy voice – either strategically among funders or in building a lasting movement among practitioners – NRFC, as a result of its own strategic reflection on its grantmaking and the influence of its grantees on its understanding (both of persistent rural poverty and effective strategies and models for bringing about lasting community change in alleviating and overcoming poverty), was able to make an important contribution both to philanthropy and practice (and potentially to policy in the future) by way of stepping up and unapologetically taking a stand on issues of race, class and power in understanding rural America.

NRFC never lost sight, but rather intensified its focus on “the second rural America” as the decade of funding and learning unfolded. In this sense, NRFC, while perhaps not changing the conversation about rural policy altogether, offered an alternative voice and perspective in the discussion by, amplifying the work and voices of so many individuals and organizations working on behalf of rural areas and constituencies where poverty and race are concentrated and overlap.
CONCLUSION: LESSONS, LEGACY & IDEAS FOR AN UNFINISHED AGENDA

The difficulty in trying to distill ten years of work into a single document such as this is that there is almost no way to capture the richness of the experience:

- the tireless devotion and commitment of our funders in supporting the work and sharing their knowledge, as well as their funds, in the hope of enriching, expanding and stabilizing the great good work of practitioners in rural areas;
- countless weeks spent on site visits with various grantees learning about their work, cultures and commitment to their values of inclusiveness and justice;
- the intensity of trying to get it right – funding the best projects in the right way and seeking appropriate, meaningful language and measures for conveying their impact;
- the heartbreak of seeing some of the most promising strategies fall short of their desired outcomes despite their best efforts;
- the camaraderie and friendships developed from having worked and funded and learned together for over a decade; and
- the belief that together this diverse, ever-changing group of funders and practitioners could take a problem that a majority of Americans think is unsolvable or intractable and could make real progress in understanding the problem and advancing so many innovative and valiant strategies for making a difference.

Hopefully, this snapshot of the last ten years provides, at minimum, a reflection on what were some of the most compelling themes, issues and learning experiences and also gives some insight into how NRFC tried to work differently in the field of philanthropy: more collegially, more engaged, transparent and trusting as funders, practitioners and policy advocates. It should also provide some glimpse into the transformative process of the learning network itself, with its mutual learning and reshaping of values based on the relationships among people of different cultures and life experiences. And above all, there are lessons, big and small, all along the way – many of which are noted in the various sections above.

This final section represents an attempt to distill and crystallize the most important lessons from ten intensive years, to discern the enduring legacy of NRFC and to suggest an unfinished agenda for those who might follow in attempting to embrace rural poverty in the U.S. and participate in writing the next chapter in philanthropic/community-based partnership efforts to alleviate it.

LESSONS LEARNED FROM A DECADE OF COLLABORATION

Even after ten years of funding and learning, it would be greatly overstating the case to suggest that NRFC funders (and grantee-practitioners) had final answers, solutions or strategies for addressing the challenge of alleviating rural poverty in the U.S. In many ways, NRFC participants only touched the surface of the reality of rural poverty. Moreover, there are no magic formulas or special insights to pass on to a next generation of rural funders and advocates that would relieve them of the responsibility for walking their own path in embracing rural communities and challenging rural poverty. Each of us must make our own mistakes in supporting people and places that are not easily summed up but readily loved. Hopefully, however, each will make new mistakes. Hence this final section on what was learned, including mistakes made.
Lessons Learned about Rural Poverty

There are a number of lessons and insights learned and reinforced throughout the NRFC’s decade of grantmaking, which together provide an alternative frame for understanding current rural America and persistent rural poverty. Just as important, this alternative frame has implications for how the rest of America is understood as well. These same lessons have relevance not only for addressing and alleviating rural poverty, but also for strengthening the regional context and sustainable rural-urban regional landscapes of which they are a part.

1. **Rural America has changed and is changing.** No longer the bucolic picture of an agrarian landscape, rural communities and regions are more diverse economically and demographically than often perceived and will continue to change even more radically as they reflect an increasingly diverse population. In this current environment of economic austerity, many, if not most, will increasingly struggle to remain economically viable. Yet the ability of these communities and regions to succeed and be sustainable are not likely to be determined by the adoption or recruitment of large scale economic development strategies (big box retail, prisons, hog and poultry farms, meat-packing plants and the like), which typically do not benefit these areas in building human or social capital, and often don’t result in financial capital for the region either.

2. **Rural poverty is inextricably linked to these patterns and trends of economic and demographic change.** Rural communities and regions are experiencing worsening poverty and disparities in wealth due to worsening unemployment and underemployment. Studies have shown that in good times rural poverty may marginally close the gap on urban poverty, but in bad times rural poverty grows disproportionately worse – especially as the lion’s share of scarce philanthropic and government resources are prioritized for urban over rural areas.

3. **Rural poverty is exacerbated by structural elements of race, class and power in the poorest of rural economies and regions.** Unless lessons of structural bias from the past with respect to race, class and power are taken to heart, these economic disparities between rural and urban areas will only be exacerbated as working poor families of color become the majority in the poorest of rural areas.

4. **Lasting positive change and transformation of rural (and urban) communities can only come from within.** As urban cities continue to grow more crowded and natural resources come into increasingly scarce supply, regional landscapes that include rural and urban areas alike will become increasingly attractive not only as more desirable places to live, but as the treasure houses of our natural resources. By developing asset-based strategies for growth and sustainability, rural communities hold the promise not only of their own survival, but survival of their urban neighbors as well.

5. **Place-based regional strategies are, therefore, ones that are distinctively creative and unique in their approach, use of resources and array of collaborative partners; however, they are historically underfunded, lack capacity to go to scale, but merit greater investment.** Often born out of relative scarcity, these examples of community transformation are unique and distinctive insofar as they are defined by a sense of place and shaped in response to distinctive circumstances and challenges that give rise to them. In that way they are often models of efficiency, productivity and innovation. Increasing support and visibility for rural strategies that are scalable and that have regional relevance for the interdependence of rural and urban communities have the potential of inspiring
and influencing more effective models for revitalizing urban communities as well. To be successful, however, they require flexible, culturally-responsive and empowerment-oriented philanthropic, and public, support.

6. Many rural communities are practicing and historically have practiced models of community philanthropy based on principles of voluntarism and self-help rather than charity. By cultivating and investing in these models, philanthropy itself has the potential of being transformed. Rural community, or community development, philanthropy has demonstrated itself to be democratic in organization and ultimately pragmatic in purpose: inclusive models of self-help and investment in which are embedded principles of equity and justice. This vision of philanthropy has the potential of bridging the disparities between the haves and have nots by joining them together in the common tasks of community improvement, human dignity and shared responsibility.

7. Despite the difficulty in measuring community change, some consistent, reliable way of measuring success or progress is needed to demonstrate impact in order to help make the case for greater rural investment. Measuring success and impact of rural strategies for community transformation is in many ways an imprecise science – because of its complexity, place-based nature and typically long-term time horizon. NRFC’s attempts at devising a methodology for measuring performance provides some ideas and tools mapping progress of strategies for transforming rural communities and regions, but still don’t go far enough in demonstrating ultimate and lasting impact. More patient participatory models of measuring impact must be developed to help make the case for investing in rural communities: this is a challenge worthy of philanthropy’s attention!

8. Rural communities and regions need a stronger, more active policy voice, which can only come from grassroots advocacy and leadership development. While some of the initiatives and partnerships funded by NRFC were effective and disciplined in making their voices heard locally and regionally, advocacy/policy development is often the aspect that receives the least attention and support. Without a consistent policy voice, the successes and strides made by rural communities and regions will continue to be short-lived and will fade with the lack of funding and loss of leadership. One of the most important contributions that mainstream philanthropy can make to rural efforts is to encourage and support stronger policy efforts at the grassroots and regional levels.

9. Beyond local and regional policy efforts, a stronger national movement for transforming rural areas and regions is needed. Perhaps the most powerful aspect of NRFC’s decade of work was the early learning community. The diversity of leadership, innovative strategies and positive energy for transforming rural communities exhibited in those gatherings was a powerful experience and testimony to the importance of building a voice and movement across rural America in support of community change and alleviation of rural poverty. Much more needs to be done in terms of unifying the diverse rural voices and building a strong multi-regional coalition for increasing resources and efforts to support positive, lasting rural community transformation.

10. Rural America needs stronger, more consistent support from the public sector in advancing the collaborative efforts often undertaken by nonprofits and philanthropy alone. The ultimate partnership needed in support of rural transformation is a tri-party collaboration of practitioners, philanthropy and the public sector. Although early in NRFC’s work, there was substantive and helpful involvement from a number of federal
and regional agencies whose mission is to support rural areas. In a time of fiscal austerity, there is a need for greater involvement and commitment by public agencies to work collaboratively with nonprofit and philanthropic entities to help provide leverage, momentum and redirection of needed resources. This is true not only for the larger agencies with a mandate to focus on rural, but also for public-supported local and regional institutions who are likely partners: community colleges, regional development agencies, area planning councils and districts. Philanthropy, as the partner of nonprofits and emerging grassroots groups throughout rural areas and regions must use their influence to attract and keep public sector partners at the table, engaged and open to new ways of working together for lasting impact in rural America.

Reframing the Value Proposition for Rural Investment
The above ten lessons, though by no means exhaustive, together constitute a manifesto and the beginning of a reframing of the value proposition for rural investment. Succinctly put, this reframing reflects that the values and principles characteristic of the work around race, culture and rural poverty gleaned and refined from NRFC’s ten years of grants and investments in rural communities and regions are relevant beyond rural contexts alone. While this list is not exhaustive, it captures key insights and concepts that can lead to a new, more vibrant and relevant framework for understanding the realities of race, culture and poverty in rural America and the reasons why philanthropy, the public sector and others should continue to invest, and invest more, in areas which in many cases have been forgotten yet hold rich opportunities for the future! And implicit in this reframing is an unfinished agenda for funding and working in rural communities in the decade ahead.

NRFC’S ENDURING LEGACY: PRECURSOR TO AN UNFINISHED AGENDA?
Considering the time and energy it took to frame, launch and sustain the NRFC initiative for a decade, its longevity insofar as intensive philanthropic initiatives go, is remarkable in and of itself. No doubt it was in many ways for those who participated – funders, practitioners, staff and public-sector stakeholders – a labor of love. But honesty demands the admission that many times it was simply labor:

- countless long meetings of funders and other stakeholders in framing and reframing the value proposition,
- months of site visits to surveying the landscape of rural practitioners and initiatives in order to discern which ones to fund,
- intense and sometimes even heated discussions (with and without practitioners) about true impact and appropriate and meaningful measures of performance,
- backroom and side discussions about programmatic fit and priority ranking for NRFC’s work among all the other demands on its philanthropic members.

Any legacy that NRFC leaves behind is by no means anything like an ultimate or definitive word on rural regions, rural transformation or rural poverty. What seems more appropriate is to suggest that the legacy that NRFC leaves is a sustained, serious discussion of how philanthropy can more effectively understand and work collaboratively to support and better resource rural regions, which historically have failed to receive their fair share of philanthropic support. In that respect, NRFC attempted to devise a language, value proposition, theory of change and still-incomplete system of performance measures for others to build on in future new attempts to champion rural transformation and the alleviation of rural poverty. In this sense, NRFC leaves behind an unfinished agenda for others to consider and, hopefully, for others to champion.
The hope in chronicling NRFC’s journey, accomplishments and lessons in this way is that in the remaining months of 2012 and into 2013 there can begin a strategic discussion among a diverse group of stakeholders in rural America – rural-based and rural-serving funders, rural practitioners and governmental agencies – about the future of rural communities and regions, the issues they will confront and the tools, support and funding that will be needed for them to realize their potential. Above all, it will require patient attention to a number of face-to-face conversations, webinars, site visits and the like to listen to what ideas and priorities that rural communities and regions themselves are raising and addressing as an unfinished agenda for alleviating rural poverty and redefining a livable, sustainable rural landscape for the future.

It would be premature to outline such an agenda in advance of those conversations. However, NRFC’s work during the past decade may suggest some issues to be considered for that agenda, as well as some lessons as to how a next decade of work might be launched and conducted.

Suggestions for an Unfinished Agenda

1. **Rural America must be reframed in terms of its regional linkages to/interdependence with urban areas.** Just as undertaking NRFC’s work in the last decade meant cutting through stereotypical images and frames for rural America in order to understand their changing reality, so must contemporary discussions about rural areas and persistent poverty be transformed into a discussion about **regional change** and the **interdependency of rural and urban areas**. In part, the line between rural and urban is becoming more blurred and rural areas, as with their urban counterparts, must reframe their relevance and impact regionally, across rural-urban landscapes. In a word, the new value proposition must be stated in terms of shared benefits, linkages and regional change.

2. **Future collaborations focused on regional change and these urban-rural linkages must themselves be more regional in character.** When NRFC was formed, the core group initially consisted largely of national funders who hoped to leverage the participation of other regional funders along the way. To some extent this happened in at least a couple of ways. On the one hand, large regional funders like Babcock, NWAF and the California Endowment worked alongside of Kellogg, Annie E. Casey, Ford, Heron and other national funders as compatible working partners collaborating on a national/multi-regional scale. Each benefitted from the complimentary perspectives on geographic scope and priority of interests. On the other hand, smaller regional community foundations the Nebraska Community Foundation, the Black Belt Foundation in Alabama, the Humboldt Area Foundation in northern California - were often on-the-ground partners with community-based partners behind the initiatives NRFC funded. They provided another level of collaboration that was closer to the ground and more integrated with practitioners actually implementing the work. Looking to the future, regional community and family foundations, and their partners and allies, must take the lead – as they historically have – in funding rural areas and rural-urban regions. But rather than having a national group of funders frame the value proposition, each regional collaboration must frame the value proposition and terms of engagement for national funders to follow and become engaged; not vice versa. Smaller collaborations, both regionally-focused and issue-based, working together to bring about and fund regional change are the likely successors to and champions of an unfinished agenda.
3. Funders likely to champion an unfinished agenda are not likely to fund as broadly, but instead will choose narrower issues, strategies or regions to fund and from which to learn. More likely is that funders will take more discrete issues and geographies, and hopefully will work together to fund more deeply and for longer periods of time. Based on NRFC’s work, focus on discrete issues, communities, regions, etc. for a sustained period of time is more likely to demonstrate impact than funding more broadly over a shorter period. Examples of emerging work that would demonstrate this approach could be regional collaborations working in forested areas on restoring land management to communities of poverty, collaborations exploring the ability of community colleges to provide greater support and resources to asset-based development efforts, collaborations working together on asset-based strategies for families, or collaborations to work on issues of population diversity and/or immigration as an ongoing reality that will continue to change and shape our rural communities and regions in increasingly significant ways.

4. Future collaborations interested in working together on regional change must involve important and unlikely partners, especially from the public sector, to ensure sufficient influence in terms of allocation of and access to public-sector resources. Although short-lived, NRFC’s early work to engage federal partners to think and work differently in response to rural communities represented a ground-breaking effort. Engaging public sector officials and agencies to understand, if not participate in, innovative philanthropic-practitioner collaborations is an important challenge in helping to create greater buy-in by and access to public-sector partners and resources.

5. Collaborative funding in rural communities and regions should include a policy component and not simply implementation of discrete projects and strategies. Rural policy is long overdue for a reframing and complete overhaul since it tends to be focused on a bygone era in which rural policy was “farm” policy. No wonder then that rural policy is the work that is often left out of rural efforts. Practice-based work must include a policy element to influence and bring about lasting, systemic change. Policy is one of the most critical, yet often neglected aspects of philanthropy-driven initiatives. Policy change should be at the forefront of future efforts, yet funders must realize that in funding policy efforts they should also be willing to support staffing and capacity development of practitioners to undertake policy work and be successful.

6. Further work and collaboration is needed in support of developing and sustaining innovative and engaged models for community philanthropy. An important lesson from NRFC’s work was that philanthropy in rural communities can take many forms – both institutionalized as with community foundations and more informal as with giving circles. Community philanthropy is not simply a matter of sharing financial resources – it also includes voluntarism, sharing of built and natural assets and other, often common-sense, strategies for pooling resources, building on community assets and shared investment in a more sustainable future. Developing sustainable strategies for resource development specifically dedicated to community transformation needs more funders and champions.

7. Future collaboration for supporting rural development must also include funding, training and coaching for measuring and communicating impact. If there is one grand omission in rural initiatives, it must certainly be the inability of meaningful, innovative and effective rural initiatives and strategies to demonstrate and communicate impact. As NRFC’s own work shows, even with every good intention of doing so, the challenge is
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formidable, costly and painstakingly slow. In part, this is because rural initiatives are typically not sectorally focused, but often are cross-disciplinary or multi-disciplinary in character and hence very complex to measure in all aspects. But there are also the challenges of scale and time. In the case of scale, many rural initiatives are unclear as to what scale they are working and hence equally unclear in terms of how they should be measured: measuring performance and impact at the family or community level are very different from measuring at the regional level. And much has already been said about how funder expectations are often unrealistic in terms of performance measurement when funders usually participate for only a few years in what may be generational work. All of this points to the need for the next generation of rural funders to consider the expense, staffing needs, training and time to equip rural practitioners to adequately accomplish and measure the work to which they are committed.

The final legacy of NRFC’s work will be a product of upcoming discussions and site events in which NRFC will bring together funders and grantees to explore various ideas and opportunities for funding together regionally in such a way as to bring about lasting change and impact. Only then will it be possible to speak more explicitly about the unfinished agenda it leaves behind.

Post Script: The Challenge of Collaboration

As a final word about moving the work forward, it seems appropriate to end with a few closing thoughts about meaningful funder-practitioner collaborations in support of rural transformation.

Practitioners. Philanthropy has for a while now encouraged collaboration among grantees as a way of avoiding duplication of efforts while providing maximum leverage of all too scarce resources. Collaboration is also a good way to help ensure that partners on the ground are working at scale (whatever that means in specific context) and have capacity to achieve real and lasting impact. But, as NRFC’s ten year history will attest, collaboration is much more of an art that a science: it requires willing and able partners who can come together to share a common vision, utilize their respective strengths and agree to well-defined, complementary roles.

Typically, the vision is there and there is usually some awareness of and respect for the respective strengths that member leaders and organizations bring to the table. What is often less clear, though, is what the appropriate roles are for each and all. Who will lead and who will follow? Who will ask for funds and who will play the role of collaborative accountant/fund manager? What work has and will be done to ensure that respective boards, and not only staff, are all on the same page with respect to which organizations shoulder what responsibilities and how much collaborative funding/support each will receive for their respective roles? Are the leaders and organizations involved sensitive to cultural and work ethic practices and traditions so that everyone involved has adopted realistic expectations not only for themselves, but for the other partners as well? And who—one organization or all—will be responsible for measuring and communicating impact to funders, the community and beyond?

Despite the compelling vision and impressive organizational strength demonstrated by most initiatives funded by NRFC, there were often inequities and imbalances within collaborative structures. In part, this was due to many collaborations being put together for the sake of meeting the guidelines for a particular RFP. This meant too little planning and thought was put into discerning and agreeing to who would be providing what and at what cost. To be done well, collaboration takes a lot of forethought and preparation and added attention on the part of all in the early months and years to get it right. This is something funders often forget and forget to
budget for in the work they fund. Planning grants may be a necessary evil and a saving grace in any particular collaboration. But even after the planning is done and the work begins, funding and support needs to be provided for the jelling and maintenance of collaborative efforts: it is unfortunate to see highly dedicated, highly skilled leaders and organizations burn out early simply because the early expectations for performance and coordination are too high.

**Funders.** Many of these same recommendations hold true for funder collaboratives as well, except that funders forget that they often don’t have to live by the same sense of urgency, budget constraints and scrutiny as their on-the-ground partners/practitioners/grantees. Critical for the funder collaboratives, if they are to learn and invest deeply and make the most of their work together, is to keep in mind some agreements and practices that NRFC funders adopted.

- **First,** a clear commitment to **inclusiveness** of and partnership with their grantees. From the beginning of their work together, NRFC funders agreed to work collaboratively with its grantee partners by including them in the decisionmaking process as NRFC worked to learn and make a difference for rural philanthropy, That agreement stemmed both from a commitment both to mitigate and bridge disparities of power between funders and grantees and also to work shoulder to shoulder to discover and champion effective strategies for alleviating rural poverty and rebuilding rural communities and regions.

- **Second,** there was a decision not to form NRFC as a new intermediary that would exist in perpetuity but rather as an **informal entity,** legally operated as a program of Calvert Social Investment Foundation rather than as a separate 501(c)(3). NRFC funders wanted to have maximum flexibility in structuring its work to meet the demands of the work itself rather than having a pre-determined structure to support. Also they wanted to send a signal to the nonprofit field that they were not creating another top down model that supported an intermediary rather than have its funding reach the ultimate beneficiaries on the ground.

- **Third,** NRFC funders agreed to make decisions by **consensus.** Cognizant that in collaborations the larger, more powerful members can inadvertently dominate, the principle of acting by consensus was adopted. This meant that sometimes there were long discussions about how to move forward, but the benefit was that in moving forward there was a confidence that all members had reached an agreement together and owned it.

- **Fourth,** the early funders wanted to get 80% of the original framing right and then proceed, but were willing to live with a certain amount of **openness** in its eventual launch and implementation. They recognized that not all of the framing of an initiative can happen up front and that as initiatives move forward the framing may change if it is truly a learning initiative. Therefore, NRFC funders were willing to take a certain amount of risk based on relationships of trust developed over several months (nearly a year) of planning before the initiative began.

- **Fifth,** the collaboration understood the need for **revisiting the value proposition for engagement** as NRFC moved through its work. Not only did the changing understanding of the context and framing of the initiative change the value proposition, but also NRFC funders recognized the need to revisit the value proposition as the membership of the collaborative changed and new members decided to participate for different reasons.
Six, NRFC funders saw the need for a clear time horizon from the outset, in this case ten years. In this way, funders had some sense of the commitment ahead, recognizing that program priorities, foundation assets and the field itself all change. Effective collaborations exist for a time and then their relevance and/or mission changes. In the case of NRFC, the funders chose a horizon that was long enough to go through significant phases of funding and see some real progress and development. On the other hand, holding together the collaborative over a ten year period, with changes in institutions and funding environment, can be a challenge given the typical time horizon for funding.

No doubt, other lessons about collaboration can be found, but at least these convey the spirit and commitment with which NRFC funders came together to work for so long and so well.
APPENDICES
NRFC’s FOCUS AND THEORY OF CHANGE:
Rural America is experiencing a seismic, economic and demographic shift. Decline of the manufacturing sector, consolidation of agriculture, growth of large scale “big box” retail stores, and the surge of the meat packing and poultry industry in rural areas have all converged to create economies built on the backs of high-risk, low-wage, non-union jobs.

While combined, communities of color only account for 17 percent of the total rural population; they are poor at two to three times the rate of their white counterparts. The “coloring of rural poverty” is demonstrated by glaring wage, health, and educational disparities among people of color in rural regions. These changes in the economy are converging to make poverty more intractable for rural people of color.

NRFC seeks to build a movement of support and advocacy for alternative rural economies based on community assets of culture, land and human capital and grounded in relationships and values of equity and justice. The reinvention of rural economies – ones with living wages, career ladder employment and jobs that respect the environment and the health and safety of employees – is fundamental to addressing extreme and persistent rural poverty and forging positive transformative change in rural America. Strong regional economies are therefore essential to the success and well-being of local communities and families. Cultural and land-based economic development ventures and strategies offer significant opportunity to create healthy local and regional economies.

At the same time, NRFC understands that poverty is often a factor of race, class, culture, and power dynamics that are linked and concentrated. Efforts aimed at poverty alleviation and wealth creation must first recognize that the work of building rural economies also entails confronting the structural barriers that foster racial disparities and discriminatory practices. Transforming extreme and persistently poor rural communities and regions into healthy and viable living environments will ultimately require the creation of a rural movement for social and economic equity.

NRFC’s new direction lies at the nexus of economic development, movement, and transformative change. In these terms, success will not only require sustained support for asset- and culture-based rural economies and explicit attention to barriers of race, class and power, but will also demand increased civic engagement of those communities themselves – both through community-based and –controlled models of philanthropy and grassroots advocacy and policy networks.
INVESTMENT AND LEARNING OBJECTIVES OF NRFC’S DEMONSTRATION GRANTS

In light of this new direction and revised theory of change, NRFC’s new demonstration grants are intended to support community-based initiatives that are working to alleviate poverty within their region of focus and whose own strategy and/or theory of change addresses each of the four key elements or components of NRFC’s theory of change in the following way:

(1) **alternative or asset-based rural economies** -- utilizes an asset- and culture-based economic strategy either as an alternative to existing/previous economies for the region or as an alternative within the existing dominant economy, which alternative is grounded in principles of community self-determination, wealth creation, broad civic participation and family self-sufficiency;

(2) **race, class, culture and power** -- is intentional in addressing historic barriers of race, class and power through strategies that a) seek to achieve social justice and economic equity, b) are inclusive in structuring/restructuring power relationships and c) build upon the diversity of rural communities through recognition and respect for the rich cultural and social assets of communities and families of color;

(3) **alternative giving/community philanthropy** – promotes alternative giving strategies and/or community-controlled philanthropic strategies that empower disadvantaged populations within rural communities and regions to invest in their own futures and develop local resources that can support and sustain the economic strategies and goals they seek to accomplish; and

(4) **grassroots advocacy/policy change** – develops/utilizes grassroots advocacy and community-responsive institutions and organizations working to bring about policy change from the ground up that will result in more inclusive allocation of community resources and a more sustained and systemic approach to addressing poverty and restructuring local and regional economies.

Together, these several regional demonstrations comprise NRFC’s multi-regional demonstration to show how strategic, multi-year investment in these four aspects of rural poverty alleviation and transformational change (i.e., alternative rural economies; race, class and power; community philanthropy; and grassroots advocacy) can begin to create new momentum and impact in transforming rural communities and regions.
APPENDIX B: RACE, CLASS AND POWER ASSESSMENT TOOL

SKILLS USEFUL FOR WORKING ON ISSUES OF RACE, CLASS, AND POWER

Self-Assessment / Organizational

Consider the issues of race, class, and power equity that surrounds the project you’re working on. Now consider the goals you’ve set for yourselves for this project, and the outcomes (or measures of success) that you’re striving for.

Here’s the question: Which of the challenging organizational skills below will you and your organization need to get better at, to reach your goals? For each skill (for each row), give yourselves an assessment (check one of the three columns).

<table>
<thead>
<tr>
<th>PREPARING THE ORGANIZATION</th>
<th>We’re OK on this for now</th>
<th>It would be good to upgrade.</th>
<th>We need to get a lot better.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting better information and advice on how to deal with the opportunities and challenges of taking this on</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aligning our activities, roles, resources, and ourselves resources so we can better address the Issue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generating and harnessing more organizational horsepower (from our people and resources) to move our agenda, learning and refocusing as we go</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HELPING PEOPLE TALK SAFELY AND PRODUCTIVELY ABOUT THE ISSUE</td>
<td>We’re OK on this</td>
<td>It would be good to upgrade.</td>
<td>We need to get a lot better.</td>
</tr>
<tr>
<td>Creating opportunities for mutual understanding, and for building leadership that bridges divides</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building on the natural social capital that exists in our community</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promoting discussion of issues and ideas in media and networks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RACE, POVERTY AND TRANSFORMING RURAL ECONOMIES</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>-----------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CRAFTING AND ADVANCING SOLUTIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helping your community get a better understanding of the way this RCP Issue works.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identifying and promoting promising ideas for consideration.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helping promising solutions advance to approval and on to successful implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STRENGTHENING RELATIONSHIPS, NETWORKS AND LEADERSHIP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helping to build relationships built on trust</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expanding circles, networks, associations, and coalitions that can contribute to progress on this RCP Issue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helping individuals and organizations exercise leadership that bridges divides</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INCREASING PHILANTHROPIC RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helping community members and segments understand our mutual interests, and develop opportunities for them to contribute.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing opportunities for “our communities” to contribute to our organization or issue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securing more resources that can be used on shared goals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REDUCING BARRIERS AND CHANGING CONDITIONS</td>
<td>We’re OK on this for now</td>
<td>It would be good to upgrade.</td>
<td>We need to get a lot better.</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>--------------------------</td>
<td>------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Finding the best places in the system or context to intervene, in ways that stand to change our CRP Issue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keeping our eyes focused on the Issue, and our efforts directed at the Goals.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discovering how to use our assets (and their weaknesses) in the best ways possible.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX C: COMMUNITY PHILANTHROPY TOOL

NRFC: Alternative Philanthropy

This indicator measures the variety of ways individuals, businesses and organizations contribute to the community or communities in which an NRFC project is underway.

1. Data Collection Tool: Individual Survey

This survey collects information from individuals about the ways in which they give of their time, money, or expertise. It can be used before the project launches efforts related to philanthropy as well as after the project has been underway to track changes over time.

Instructions: Use this survey annually with individuals participating in your NRFC to track information about changes in their giving behaviors.

Individuals Giving Back to the Community

We’d like to learn about the different ways in which you give of your time, expertise or money to your community, neighborhood or other people.

Respondent Name [optional]: 

I served as a member of a nonprofit board, public commission, or committee in the past year

Volunteered in the past year

Plan to volunteer in the future

Unlikely to volunteer in this way

I volunteered my time in the past year on behalf of a group or nonprofit organization — for social service organizations, schools, hospitals, art or cultural groups, religious organizations, or sports, neighborhood or community associations.

Volunteered in the past year

Plan to volunteer in the future

Unlikely to volunteer in this way

I gave my time informally in the past year for an individual who is a friend, neighbor or relative who does not live in my home — unpaid activities not associated with an organization, such as helping a neighbor with cooking or cleaning, reading aloud to an elderly relative, driving a neighbor to the store, etc.

Volunteered in the past year

Plan to volunteer in the future

Unlikely to volunteer in this way
<table>
<thead>
<tr>
<th>Activity</th>
<th>Past Year</th>
<th>Future Plans</th>
<th>Likely to Participate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acted as a mentor in the past year</td>
<td></td>
<td>Plan to be a mentor in the future</td>
<td></td>
</tr>
<tr>
<td>I served as a mentor to another individual in the past year — sharing</td>
<td></td>
<td>Unlikely to be a mentor</td>
<td></td>
</tr>
<tr>
<td>my knowledge or expertise, helping that person with his or her business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in some way, coaching them, providing guidance, or giving them assistance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on a task or with a decision.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lent tools/equipment to others in the past year</td>
<td></td>
<td>Plan to lend my tools/equipment to others in the</td>
<td></td>
</tr>
<tr>
<td>I lent tools or equipment to another individual in the past year</td>
<td></td>
<td>future</td>
<td></td>
</tr>
<tr>
<td>Made a contribution in the past year</td>
<td></td>
<td>Unlikely to lend my tools/equipment</td>
<td></td>
</tr>
<tr>
<td>I made a financial contribution to one or more charitable organizations</td>
<td></td>
<td>Plan to contribute in the future</td>
<td></td>
</tr>
<tr>
<td>, giving circles, or causes in the past year</td>
<td></td>
<td>Unlikely to contribute</td>
<td></td>
</tr>
<tr>
<td>Helped raise funds for an organization, a cause, or for the community</td>
<td></td>
<td>Plan to fundraise in the future</td>
<td></td>
</tr>
<tr>
<td>in the past year</td>
<td></td>
<td>Unlikely to help raise funds</td>
<td></td>
</tr>
<tr>
<td>I helped organize or participated in an event to support the community</td>
<td></td>
<td>Plan to be involved in the future</td>
<td></td>
</tr>
<tr>
<td>in the past year</td>
<td></td>
<td>Unlikely to be involved in a community event</td>
<td></td>
</tr>
<tr>
<td>I participated in making decisions about giving away or distributing</td>
<td></td>
<td>Plan to fundraise in the future</td>
<td></td>
</tr>
<tr>
<td>funds to community groups, projects or causes in the past year</td>
<td></td>
<td>Unlikely to help raise funds</td>
<td></td>
</tr>
<tr>
<td>I gave back to my community or neighborhood in a different way in the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>past year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gave back in the past year</td>
<td></td>
<td>Plan to give back in the future</td>
<td></td>
</tr>
<tr>
<td>Unlikely to give back</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you gave back to the community in some other way, please describe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>what you did</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Individuals’ Participation in Community Organizations/Activities

This survey collects information from individuals about their participation in organizations or community activities. It is meant to be used on a regular basis to track changes in their involvement with the community over time.

**Instructions:** Use this survey annually with individuals participating in your NRFC to track information about their community involvement.

Name/ID: __________________________

Date: (mm/dd/yyyy)

**Instructions:** In Column #1 below, check all the organizations or activities in which you participate. For each organization or activity you check, identify how often you participate in Column #2 by writing in the appropriate number, and the role you play in that organization or activity in Column #3 by writing in the appropriate number.

<table>
<thead>
<tr>
<th>Organizations/Activities in which you participate:</th>
<th>How often you attend meetings or engage in the organization or activities:</th>
<th>The role you play in the organization or activity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident or tenant meetings</td>
<td>Once a week or more = 1</td>
<td>Participant = 1</td>
</tr>
<tr>
<td>Block club meetings</td>
<td>At least once a month but not weekly = 2</td>
<td>Contributing member = 2</td>
</tr>
<tr>
<td>Neighborhood association</td>
<td>A few times a year = 3</td>
<td>Volunteer = 3</td>
</tr>
<tr>
<td>Community organizing</td>
<td>Once a year = 4</td>
<td>Board member = 4</td>
</tr>
<tr>
<td>Social activities</td>
<td>Less than once a year = 5</td>
<td>Founder = 5</td>
</tr>
<tr>
<td>Cultural programs/events</td>
<td></td>
<td>Other = 6</td>
</tr>
<tr>
<td>Business meetings/economic development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organized youth activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crime watch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neighborhood clean-up, beautification and/or gardening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School groups, PTA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Church groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City/County Commissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonprofit agency board or committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community task force</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteer work days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing development activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If you checked “Other” above, please describe the type of activity or organization.
How many total neighborhood and community associations or organizations do you participate in?

- 0
- 1 - 2
- 3 - 4
- 5 or more

Has involvement in these organizations had an impact on your life?

- Yes
- No

If so, please describe how.
3. Data Collection Tool: Business or Organization Survey
This survey collects information about the ways a business or organization supports the community or provides opportunities for its employees to do so. It can be used before the project launches efforts related to philanthropy as well as after the project has been underway to track changes over time.

Instructions: Use this survey with businesses or organizations in the community to track information about changes in their giving behaviors.

Businesses or Organizations Giving Back to the Community

We’d like to learn about the different ways in which your business or organization supports the community or neighborhood or provides opportunities for your employees to do so.

<table>
<thead>
<tr>
<th>Business/Organization Name:</th>
<th>(Short Text)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>(mm/dd/yyyy)</td>
</tr>
</tbody>
</table>

Please check the boxes below for activities that your business or organization supported in the past year. [Check all the boxes that apply]

- Made a financial contribution to a community group, nonprofit organization or cause
- Held a special event to raise funds for a community group, nonprofit organization or cause
- Loaned employees to community group, nonprofit organization or cause
- Provided scholarship(s)
- Donated equipment or products
- Participated in a group volunteer event such as Day of Caring
- Provided employees with paid time off to volunteer
- Sponsored a sports team
- Sponsored a community or cultural event, festival, potlatch, or other celebration
- Provided pro bono assistance

The business or organization gave back to the community or neighborhood in a different way in the past year

- Gave back in the past year
- Plan to give back in the future
- Unlikely to give back

If the business or organization gave back to the community in some other way, please describe what was done. (Long Text)
<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>How often did the business or organization make financial and/or in-kind contributions (e.g., products, services, equipment, loaned personnel) during the past year?</td>
<td>Frequently</td>
</tr>
<tr>
<td></td>
<td>Sometimes</td>
</tr>
<tr>
<td></td>
<td>Rarely</td>
</tr>
<tr>
<td></td>
<td>Not all this past year</td>
</tr>
<tr>
<td>What is the approximate value of the financial and/or in-kind contributions the business or organization made during the past year?</td>
<td>$50,000 or more</td>
</tr>
<tr>
<td></td>
<td>$25,000 - $49,999</td>
</tr>
<tr>
<td></td>
<td>$10,000 - $24,999</td>
</tr>
<tr>
<td></td>
<td>$5,000 - $9,999</td>
</tr>
<tr>
<td></td>
<td>$2,500 - $4,999</td>
</tr>
<tr>
<td></td>
<td>$1,000 - $2,499</td>
</tr>
<tr>
<td></td>
<td>$500 - $999</td>
</tr>
<tr>
<td></td>
<td>Less than $500</td>
</tr>
<tr>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>What proportion of the business’ or organization’s employees have served as volunteers with community groups or nonprofit organizations?</td>
<td>All</td>
</tr>
<tr>
<td></td>
<td>Around three quarters</td>
</tr>
<tr>
<td></td>
<td>About one half</td>
</tr>
<tr>
<td></td>
<td>Less than one quarter</td>
</tr>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td>To how many community or business associations did the business or organization belong to during the past year?</td>
<td>5 or more</td>
</tr>
<tr>
<td></td>
<td>2 - 4</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>How active is the business or organization in the associations to which it belongs?</td>
<td>Very active</td>
</tr>
<tr>
<td></td>
<td>Quite active</td>
</tr>
<tr>
<td></td>
<td>Somewhat active</td>
</tr>
<tr>
<td></td>
<td>Not at all active</td>
</tr>
</tbody>
</table>
4. Data Collection Tool: Foundation Development
This tool collects information about the activities of a community-based foundation during the implementation of an NRFC project. It is meant to be used more than once during the implementation of the project to track changes in activity or the growth of a foundation over time and to summarize the activities of the foundation for semi-annual reporting to NRFC.

Steps for Completing Tracking Form:
A) Identify the name of the NRFC project and the name of the foundation.
B) Identify the time period on which you are reporting.
C) Complete the information on donations, donors, and grants or allocations for the time period specified.
D) In the final field, write any comments or reflections regarding activities of the foundation during the time period, including information about important donations, donors, or grants/allocations.

Foundation Development

Instructions: Please use data from your records to answer the following questions.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of NRFC project:</td>
<td>(Short Text)</td>
</tr>
<tr>
<td>Name of foundation:</td>
<td>(Short Text)</td>
</tr>
<tr>
<td>Time period for reporting: (MM/YYYY to MM/YYYY)</td>
<td>(Short Text)</td>
</tr>
<tr>
<td>What is the total amount of donations made to the foundation during this time period?</td>
<td>($)</td>
</tr>
<tr>
<td>What is the total number of individuals or organizations making donations to the foundation during this time period?</td>
<td>(#)</td>
</tr>
<tr>
<td>What is the total amount of grants or allocations made by the foundation during this time period?</td>
<td>($)</td>
</tr>
<tr>
<td>What is the total number of grants or allocations to the foundation during this time period?</td>
<td>(#)</td>
</tr>
<tr>
<td>Comments and reflections on foundation activities during the time period:</td>
<td>(Long Text)</td>
</tr>
</tbody>
</table>


APPENDIX D: POLICY DEVELOPMENT TOOLS

NRFC: Policy Development and Implementation

This indicator documents the activities undertaken to develop policies related to an NRFC project, the steps taken to advocate for or move that policy toward implementation, and the results of those actions.

1. Data Collection Tool: Policy Development and Implementation

This tool documents the development and implementation of specific policy efforts related to an NRFC project.

Instructions: This tool includes a Policy Worksheet for your use in tracking activities related to policy work over a specified period of time. The Policy Summary consolidates the information from the Policy Worksheet and poses additional questions for entry into SMDS to provide an overall picture of policy work associated with the project.

Steps for Completing the Worksheet & Summary:

A) On the Policy Worksheet, identify the name of the NRFC initiative and the specific policy effort(s) being undertaken.

B) Identify the time period being tracked.

C) In the first column, list the names of all organizations and individuals involved in the policy work related to the NRFC project. When new ones join the effort, add their names to the list.

D) For each organization, identify the type(s) of activities undertaken during the specified time period, making checkmarks in the appropriate boxes.

- Advocacy or contact with public officials or decision-makers
- Business/Entrepreneur training
- Communication or information-sharing
- Leadership development
- Media contact
- Meeting facilitation
- Mobilizing / organizing
- New resource development
- Outreach/work with new partners
- Planning/Goal-setting
- Preparing/duplicating materials
- Public speaking
- Other

E) Use column 3 to include a fuller description of the activities undertaken and any notes or comments that you feel are pertinent to the partner’s actions, learnings from the effort, challenges faced or overcome, or success stories that you’d like to remember to share with NRFC.

F) Complete the Policy Summary semi-annually for reporting to NRFC.
Policy Development and Implementation Worksheet

NRFC Initiative: ____________________________________________

Time Period: From __/__/__ to __/__/__

<table>
<thead>
<tr>
<th>1 Org/Indiv Name</th>
<th>2: Activity</th>
<th>3 Description and Comme nts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Advocacy</td>
<td>Trg</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### NRFC Policy Development and Implementation Summary

*Instructions: Please use data from the Policy Worksheet to answer the questions.*

<table>
<thead>
<tr>
<th>Question</th>
<th>Response Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the NRFC project</td>
<td>(Short Text)</td>
</tr>
<tr>
<td>Time period covered: (MM/YYYY to MM/YYYY)</td>
<td>(Short Text)</td>
</tr>
<tr>
<td>Specific policy effort(s)</td>
<td>(Long Text)</td>
</tr>
<tr>
<td>What is the total number of organizations involved in policy work for this project during the time period?</td>
<td>5 or fewer, 6 - 10, 11 - 15, More than 15</td>
</tr>
<tr>
<td>How were the policy issues identified? [Check all that apply]</td>
<td>Staff research or discussion, Board or Committee deliberation, Partnership decision, Response to immediate opportunity or threat, Formal adoption of advocacy agency, Stakeholder input, Community planning process, Other, No new policy issues identified in this time period</td>
</tr>
<tr>
<td>If you selected “Other” above, describe how policy issues were identified.</td>
<td>(Long Text)</td>
</tr>
<tr>
<td>How were priorities set among different policy issues? [Check all that apply]</td>
<td>Staff decision, Board or Committee decision, Partnership decision, Response to immediate opportunity or threat</td>
</tr>
</tbody>
</table>
If you selected “Other” above, please describe how policy priorities were set. (Long Text)

How were strategies for policy action determined?
[Check all that apply]

- Staff research and discussion
- Board or Committee decision
- Partnership decision
- Response to immediate opportunity or threat
- Formal adoption of advocacy agency
- Stakeholder input
- Community planning process
- Vote
- Consensus-building
- Other
- No new policy strategies set in this time period

If you selected “Other” above, describe how strategies were determined. (Long Text)

Using the Policy Worksheet, for each Activity category estimate the percentage of the organizations involved in the initiative that represent the category. [Note: This will total more than 100% as organizations likely will fit more than one category]
If you selected “Other” above, list the other types of policy-related activities taken. (Long Text)

Please add any comments here that you feel are pertinent to policy work related to the NRFC initiative, lessons learned, challenges, or success stories. (Long Text)
2. Data Collection Tool: Policy Tracking Worksheet/Summary
This tool provides a worksheet and form with which to track and summarize the effects of efforts to influence changes in government, public official, or other organization’s responses to advocacy efforts related to an NRFC initiative. They are meant to track a specific policy issue, identifying any actions or events that occur, incremental gains that reflect progress, and results that signify success in accomplishing the goals of the advocacy effort.

Incremental gains might include, for example, whether key individuals shift from a position of opposition to support (or at least neutrality). Whether the policy issue comes to the council or legislative floor for discussion and gains more attention than in the past. Whether a proposal is put to a vote, garnering more support than in the past, even if it doesn’t pass. All of these may be important gains and provide information about potential champions or valuable advocacy strategies.

Considerations: Documentation related to public policy and legislative actions should be maintained (e.g., copies of hearing minutes or testimony, proposed and adopted legislation or regulations, budgets, records of votes, etc.). Such documentation can be requested from public government sources and is increasingly available through public government websites.

Instructions: Follow the steps below for completing the worksheets and summary. The worksheets are for your use in tracking the needed information. The Summary consolidates this information for entry into SMDS to provide an overall picture of government and public official action about policy and advocacy work. The worksheet can be printed as a hard copy or used in Excel to keep notes for later entry into SMDS. It is suggested that SMDS data entry be done or the worksheet be updated no less than every other week in order to help ensure all actions, activities, and events are captured.

Steps for Completing Policy Tracking Worksheet & Summary:
A) Identify the name of the NRFC project and policy issue you are tracking.
   If you are tracking more than one policy effort, use a separate worksheet for each one.
B) Use one row to document each important action or event that occurs related to the issue. Provide the date and a brief description of the action or event.
C) In column 3, identify [by letter] the type of action or event.
   I = Information-seeking: individuals or organizations request information regarding the policy issue, the policy work or process underway, how to become involved, the NRFC project, etc.
   W = Willingness to become involved: individuals or organizations express a willingness to meet or talk by phone to learn about the issue or project, offering to convene meetings or hearings, sign petitions or agreements, etc.
S = Speaking out: individuals or organizations make positive statements in support of the policy issue, including statements in public meetings, hearings, on the legislative floor, etc.

P = Proposing: individuals introduce legislation, regulations, policies, budget allocations, etc. or changes to current legislation, regulations, policies, budget allocations, etc. that support the policy issue

V = Voting: individuals vote in support of a proposal or change in legislation, regulations, policies, budget allocations, etc.

A = Adoption: passage or adoption of legislation, regulations, policies, budget allocations, etc. that reflect support of the policy issue

O = Other: other actions or event not described above (please be specific in your description in column 5)

D) Use column 4 to identify the type of individual associated with the action or event from the list below. If no individual is specifically associated with the action, leave it blank or type N/A for “not applicable.”

P = Partnership Member

E = Elected Official

M = Member of Your Organization’s Board

B = Business Leader

S = Staff from Your Organization

O = Other: please use column 5 to describe this individual

E) Use column 5 to reflect on progress made or for notes relevant to specific strategies and their success, or lack of it, or other comments that are important to document. For example, if the action was a vote, how many vote for/against? If there was a public meeting, how many people attended? If there was testimony, how many people spoke for/against? This space is meant to provide you the opportunity to share your thoughts about how things are going, successes, barriers encountered, or information about things going on in the community that might affect your advocacy effort. They could serve as reminders in the future about potential champions or valuable advocacy strategies.
Policy Tracking Worksheet

NRFC Initiative: _____________________________________________________________

Specific Policy Issue: _____________________________________________________

Time Period:  From __/__/__ to __/__/__

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Description of Action or Event</td>
<td>Type of Action or Event</td>
<td>Key Individual Involved</td>
<td>Notes and Reflections on Progress</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Policy Tracking Summary

### Instructions: Please complete the information below for the specific policy effort being undertaken.

<table>
<thead>
<tr>
<th>Name of the NRFC project:</th>
<th>(Short Text)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the policy issue:</td>
<td>(Short Text)</td>
</tr>
<tr>
<td>Time period covered: (MM/YYYY to MM/YYYY)</td>
<td>(Date) - (Date)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How frequently did <strong>Information-seeking</strong> actions occur during the time period covered?</th>
<th>Did not occur</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Once</td>
</tr>
<tr>
<td></td>
<td>At least once and likely more than once</td>
</tr>
<tr>
<td></td>
<td>Many times</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key individuals involved in <strong>Information-seeking</strong> actions [Check all that apply]</th>
<th>P = Partner organization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>E = Elected official</td>
</tr>
<tr>
<td></td>
<td>M = Member of organization’s board</td>
</tr>
<tr>
<td></td>
<td>B = Business leader</td>
</tr>
<tr>
<td></td>
<td>S = Staff of organization</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How frequently did <strong>Willingness to become involved</strong> actions occur during the time period covered?</th>
<th>Did not occur</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Once</td>
</tr>
<tr>
<td></td>
<td>At least once and likely more than once</td>
</tr>
<tr>
<td></td>
<td>Many times</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key individuals involved in <strong>Willingness to become involved</strong> actions [Check all that apply]</th>
<th>P = Partner organization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>E = Elected official</td>
</tr>
<tr>
<td></td>
<td>M = Member of organization’s board</td>
</tr>
<tr>
<td></td>
<td>B = Business leader</td>
</tr>
<tr>
<td></td>
<td>S = Staff of organization</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How frequently did <strong>Speaking out</strong> actions occur during the time</th>
<th>Did not occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question</td>
<td>Options</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>How frequently did <strong>Speaking out</strong> actions occur during the time period covered?</td>
<td>Did not occur, Once, At least once and likely more than once, Many times</td>
</tr>
<tr>
<td>Key individuals involved in <strong>Speaking out</strong> actions [Check all that apply]</td>
<td>P = Partner organization, E = Elected official, M = Member of organization’s board, B = Business leader, S = Staff of organization</td>
</tr>
<tr>
<td>How frequently did <strong>Proposing</strong> actions occur during the time period covered?</td>
<td>Did not occur, Once, At least once and likely more than once, Many times</td>
</tr>
<tr>
<td>Key individuals involved in <strong>Proposing</strong> actions [Check all that apply]</td>
<td>P = Partner organization, E = Elected official, M = Member of organization’s board, B = Business leader, S = Staff of organization</td>
</tr>
<tr>
<td>Was a vote taken on by a decision-making body on the policy issue?</td>
<td>Yes, No, Not applicable</td>
</tr>
<tr>
<td>If a vote was taken, did it pass?</td>
<td>Yes, No, Not applicable</td>
</tr>
<tr>
<td>How frequently did <strong>Other</strong> actions occur during the time period covered?</td>
<td>Did not occur, Once, At least once and likely more than once, Many times</td>
</tr>
<tr>
<td>If you selected “Other” above, describe other policy-related actions taken.</td>
<td>(Long Text)</td>
</tr>
</tbody>
</table>
Key individuals involved in Other actions [Check all that apply]

- P = Partner organization
- E = Elected official
- M = Member of organization’s board
- B = Business leader
- S = Staff of organization

Notes and Reflections on Progress (Long Text)
**APPENDIX E: PERFORMANCE INDICATORS TOOL**

<table>
<thead>
<tr>
<th>Overall Goal/ Objective</th>
<th>Mid South mu.org/MS Assoc of Coops</th>
<th>Salinas/Pajaro Valleys ALBA/ El Pajaro CDC</th>
<th>Northern Plains ILTF/NACDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>To demonstrate impact of farmers markets as alt. economy in South</td>
<td>To demonstrate impact of small farm/small bus ownership for Latino farmworker communities in West</td>
<td>To demonstrate impact of economic sovereignty for tribal communities in Plains</td>
<td></td>
</tr>
</tbody>
</table>

**Alternative Economies/Overriding Outcomes:**

- **Family Self Sufficiency** (family/individual)
  - Viable small farms for Black/minority farmers

- **Civic Participation** (individual/community)
  - Increased leadership/access to resources & markets

- **Wealth Creation** (family/community)
  - Increased income, accumulation of wealth

- **Competitive Advantage** (regional)
  - Replicability, scalability for Southern regions where small crops are still viable income stream, livelihood

<table>
<thead>
<tr>
<th>What are indicators/data</th>
<th>of progress for families,</th>
<th>in these demonstrations?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viable small farms for Black/minority farmers</td>
<td>Viable small business/farm entrepreneurs among historic farmworker class/region</td>
<td>Increased viability of tribal families on reservation</td>
</tr>
<tr>
<td>Increased leadership/access to resources &amp; markets</td>
<td>Increased leadership in community and access to power</td>
<td>Increased civic engagement &amp; leadership among broader group w/I tribal community</td>
</tr>
<tr>
<td>Increased income, accumulation of wealth</td>
<td>Increased income, accumulation of wealth</td>
<td>Increased wealth and sustainability of tribal communities</td>
</tr>
<tr>
<td>Replicability, scalability for Southern regions where small crops are still viable income stream, livelihood</td>
<td>Scalability, sustainability as sub-economy in farmworker regions</td>
<td>Long-term strategy for competitive advantage for tribes via reclamation of assets &amp; resources</td>
</tr>
</tbody>
</table>

**2007 – 2009 Progress to date**

<table>
<thead>
<tr>
<th>2007 – 2009 Progress to date</th>
<th>Market umbrella model for tokens to democratize marketplace, increase access to good nutrition and increase sustainability for vendors</th>
<th>Pajaro increased viability of small business owners and greater access to capital &amp; small bus. opportunities for all</th>
<th>Increased civic participation/leadership in visioning/planning process</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAC strategy for nurture, increasing # and sustainability of niche Black farmers</td>
<td>ALBA increased viability &amp; access to land for farmworkers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 2009 – 2011 Goals/Proposed Short-term Outcomes

<table>
<thead>
<tr>
<th>What are short-term outcomes/achievements</th>
<th>to show progress?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export NO market innovations (incl. tokens and community philanthropy) to smaller, more rural markets</td>
<td>Increased # of strategies to utilize assets, financial literacy as entrepreneurial, small business opportunities?</td>
</tr>
<tr>
<td>Create stronger, more consistent approach to nurture and cultivation of small, minority farmers</td>
<td>Increased &amp; broader participation in decisionmaking at tribal level?</td>
</tr>
<tr>
<td>Demonstrate replicability of market/small farm model as alternative, asset-based rural competitive economy</td>
<td></td>
</tr>
</tbody>
</table>

### Race, Class, Culture, Power

<table>
<thead>
<tr>
<th>Food and culture as economic driver within the South</th>
<th>Increased participation in “ownership” strategies as a means for achieving greater access and equity for Latino workers</th>
<th>Decreased isolation of tribal and non-tribal communities and leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers markets &amp; coops as institution to help break down historic barriers of economic discrimination and achieve equity in economy</td>
<td>Alliances with growers and producers to strengthen Latino bargaining power and voice</td>
<td>Increased # of elected officials in non-tribal positions and resulting legislation?</td>
</tr>
<tr>
<td>Greater access and voice for black farmers</td>
<td>Increasing # of Latino/farmworkers in elected positions</td>
<td></td>
</tr>
</tbody>
</table>
### Accelerators:

<table>
<thead>
<tr>
<th><strong>Policy</strong></th>
<th><strong>Community Philanthropy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocate for greater allocation of resources on state and regional level for small, minority farmers</td>
<td>Advocate for additional capital resources to expand ownership opportunities</td>
</tr>
<tr>
<td>Advocate for EBT, token and other strategies to increase access to markets and good nutrition</td>
<td>Advocate for land/bldg use that will capture for purposes of incubating new owners</td>
</tr>
<tr>
<td>Work with small towns to convince to devote energy and resources to market/ farm development</td>
<td>Work at city and county level to convince elected officials to support and allocate funds</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Community Philanthropy</strong></th>
<th><strong>Policy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Formalize, document and replicate market-based philanthropy to increase participation, buy-in and sustainability of vendors</td>
<td>Formalize, document and expand “shared assets” model of philanthropy within ALBA program – not only tools, also land</td>
</tr>
<tr>
<td>Formalize, document and replicate coop-based models for community philanthropy to help sustain niche farmers</td>
<td>Identify, develop and expand philanthropic model for participation and mutual self-help among Pajaro incubator tenants</td>
</tr>
</tbody>
</table>

| **Identification of barriers** at tribal level to economic dev and strategies to overcome those? | **Visioning of regional competitive advantage for tribal communities using “economic sovereignty”?** |
| **Identification of policy opportunities/strategies for overcoming family dependency on govt resources and increased self-sufficiency through asset-based strategies** | **Identify and document tribal model(s) at Ft. Belknap and Ft. Peck for increasing giving traditions and leveraging/sharing of assets within tribes and among tribal members/families?** |
## APPENDIX F: DATA COLLECTION TOOL (EXAMPLE)

<table>
<thead>
<tr>
<th>Alternative Rural Economies</th>
<th>ALBA and El Pájaro CDC Outcomes/Deliverables</th>
<th>Indicator</th>
<th>Data Collection Method / Tool / Schedule</th>
</tr>
</thead>
</table>
| Increased access to wealth-creating opportunities for farmers and other product vendors | New start-up and “at risk” businesses are sustained and thrive | # of clients completing business plan or updating of an existing plan  
- # of new businesses starting up  
- # of at-risk existing businesses who remain in business  
- # of businesses entering incubator  
- # of loan applications and # and % of applications approved  
- Total $ amount of loans awarded | Monthly tracking through ALBA or EP CDC records/system |
| Growth in gross sales and net profit over 3 years | Average gross sales (or income) growth  
- # and % of businesses assisted who show an increase in gross sales (or income)  
- Average net profit  
- # and % of businesses assisted who show an increase in net profit | Monthly tracking through ALBA or EP CDC records/system |
| New permanent FT/PT jobs will be created | # of new FT jobs created and # of FT jobs retained  
- # of new PT jobs created and # of PT jobs retained | Monthly tracking through ALBA or EP CDC records/system |
| Businesses created are health-promoting and/or adhere to sustainable business practices | # and % of businesses assisted that are “certified Green”  
- # and % of business assisted that are in the process of obtaining certification  
- # and % of businesses assisted demonstrating the adoption of and adherence to health-promoting or sustainable business practices | Monthly tracking through ALBA or EP CDC records/system |
| Expand the resources available for aspiring businesses | Increased client access to business training, technical assistance and support services, financing, and relationships | New and/or expanded business loan program  
- # of new business resource providers linked to the Salinas and Pájaro Valleys initiative  
- # of business resource fairs/expos conducted and average # of vendors at each event  
- # of new direct market and/or wholesale relationships established among beginning farmers and food-related businesses | Monthly tracking through ALBA or EP CDC records/system |
<table>
<thead>
<tr>
<th>Alternative Rural Economies</th>
<th>ALBA and El Pájaro CDC Outcomes/Deliverables</th>
<th>Indicator</th>
<th>Data Collection Method / Tool / Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion of financial options for the Salinas and Pájaro Valleys initiative</td>
<td>Creation of long-term service delivery plan, building on analysis of the economic development inventory created by the Community Foundation for Monterey County</td>
<td>Completion of long-term service delivery plan</td>
<td>Monthly tracking through ALBA or EP CDC records/system</td>
</tr>
<tr>
<td>Race, Class and Power</td>
<td>ALBA and El Pájaro CDC Outcomes/Deliverables</td>
<td>Indicator</td>
<td>Data Collection Method / Tool / Schedule</td>
</tr>
<tr>
<td>Increase participation of a diverse group of constituents in small business/farm and community issues affecting them</td>
<td>Increased involvement of ALBA and El Pájaro clients in activities within or in support of their communities</td>
<td># and % of clients reporting participation in some type of community organization or business association</td>
<td>Questions from C2.1b Participation in Community Organizations SMDS tool</td>
</tr>
<tr>
<td></td>
<td></td>
<td># and % of clients reporting a leadership role in some type of community organization or business association</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td># and % of clients reporting regular participation in some local decision-making body</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td># of clients attending City Council meetings and % of those who speak at these meetings</td>
<td>Monthly tracking through EP CDC records/system</td>
</tr>
<tr>
<td></td>
<td></td>
<td># of clients who participate in local, state or federal advocacy efforts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increased sense of self-sufficiency among ALBA and El Pájaro clients</td>
<td># and % of clients reporting greater power within their families, communities and the political process</td>
<td>Questions from C15.1a Sense of Efficacy SMDS tool</td>
</tr>
<tr>
<td></td>
<td></td>
<td># and % of clients reporting that their economic standing has improved</td>
<td></td>
</tr>
<tr>
<td>Greater constituent voice in planning and decision-making regarding the Salinas and Pájaro Valleys initiative</td>
<td>Increased involvement of members of affected communities in the work of ALBA and El Pájaro</td>
<td># of clients joining ALBA and El Pájaro committees</td>
<td>Monthly tracking through EP CDC records/system</td>
</tr>
<tr>
<td>Policy Development Change</td>
<td>ALBA and El Pájaro CDC Outcomes/Deliverables</td>
<td>Indicator</td>
<td>Data Collection Method / Tool / Schedule</td>
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<tr>
<td>Increase support for regional economic development and the Salinas and Pájaro Valleys initiative</td>
<td>Development of new strategic partnerships with municipalities (cities, business associations, chambers of commerce) working for regional economic development with the initiative</td>
<td>Attendance at key meetings at city councils, chambers, regional planning efforts, etc. and narrative description of presentations and/or case studies on the impacts of the initiative</td>
<td>Monthly tracking through ALBA or EP CDC records/system</td>
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<td></td>
<td></td>
<td># of meetings/persons attending Business Advisory Committee and/or policy work groups</td>
<td></td>
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<td></td>
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<td># of invitations to bring initiative’s work to community/business association meetings</td>
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<td></td>
<td></td>
<td># of referrals of clients from these entities to ALBA or El Pájaro CDC</td>
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<td></td>
<td>Expansion of the membership of the business advisory council</td>
<td># of new business advisory council members from East Salinas</td>
<td></td>
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<td></td>
<td>Increased support for development of a new economic development commission for the region sensitive to social and environmental needs (similar to Sierra Business Council)</td>
<td># of organizations or individuals endorsing and/or working partnership to support creation of the new commission</td>
<td></td>
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<tr>
<td></td>
<td>Introduction of and action on local, regional and state policy changes that support economic development for small farm and business enterprises</td>
<td>Progress on identified policy changes to support regional economic development and small farm and business enterprises</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increased funding available for economic development efforts in local communities</td>
<td>Total $ amount of new RDA, City, and County funds available</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increased involvement of clients in advocacy efforts to support regional economic development and/or small farm and business enterprises</td>
<td># and % of clients reporting participation in local, state or federal political advocacy efforts</td>
<td>Questions from C2.1b Participation in Community Organizations SMDS tool</td>
</tr>
<tr>
<td></td>
<td></td>
<td># and % of clients reporting regular participation in some local decision-making body</td>
<td></td>
</tr>
<tr>
<td>Alternative Philanthropy</td>
<td>ALBA and El Pájaro CDC Outcomes/Deliverables</td>
<td>Indicators</td>
<td>Data Collection Method / Tool / Schedule</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Increase utilization and proceeds of community philanthropy opportunities</td>
<td>Increased contribution of time, money or talent among ALBA and El Pájaro clients</td>
<td># and % of clients who report participating regularly in some form of community philanthropy</td>
<td>Monthly tracking through ALBA or EP CDC records/system</td>
</tr>
<tr>
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<td># and % of clients supporting ALBA and El Pájaro fundraising efforts</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td># and % of clients who incorporate philanthropy models into their business plans</td>
<td></td>
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</tbody>
</table>
DISCUSSION GUIDE

I. THE ECONOMICS OF RURAL POVERTY
   a. What are the demographic and geographic characteristics of the rural area in which you live or work? What makes it rural?
   b. What businesses or industries can be found there? Which are dying? Which are growing or thriving? To what extent do these employment opportunities provide livable wages, benefits and are free from safety and health hazards?
   c. To what extent do you see poverty (or does poverty exist) in your community/region? What do you think are the causes of poverty in your area? To what extent is it disproportionately experienced by individuals and families of color? How prevalent are the opportunities to stay in the community/region and be able to move out of poverty?

II. ASSET-BASED TRANSFORMATION: CHANGING COMMUNITIES FROM WITHIN
   a. What are the community assets or capitals that make up your rural area, i.e., natural features, infrastructure, culture, political clout, etc.?
   b. Which ones provide the greatest opportunities/building blocks for restructuring the economy or creating a more livable and sustainable future?
   c. Are there existing community-based programs or strategies that promote wealth creation, civic participation/leadership or greater family success/self-sufficiency? Who are the organizations and leaders advocating for and implementing those programs and strategies? What kind of a difference are they making?
   d. What are the indicators and measures of success?

III. RACE, CLASS AND POWER
   a. How sharply drawn are the divisions between the haves and the have-nots in your community/region? To what extent are these divisions made along color lines? Which races/cultures are marginalized and which are dominant?
   b. To what extent are there programs/opportunities to confront/unpack the divisions of race, class and power? What are the structures that are helpful in becoming more aware of those divisions and addressing them, both on the individual and community level? What are the structures/traditions that impede or hinder confronting barriers of race, class and power?
   c. What culture-based programs or initiatives exist to help individuals and the community move beyond traditional divisions of race, class and power? To what extent does the community embrace those efforts to overcome historic biases or race, class and power?

IV. ALTERNATIVE RURAL ECONOMIES
   a. What are the economic consequences of area divisions of race, class and power and to what extent are they disproportionately experienced by individuals and families of color, ethnicity or national origin?
b. What are the community- or regionally-based economic strategies that are designed to, have the potential for and/or are in fact making a difference in mitigating, reversing or overcoming those economic disparities? What are the community assets or capitals employed in implementing those strategies? Do they offer short-term gains or successes in addressing those disparities or do they represent systemic, long-term approaches?

c. To what extent and in what ways do these strategies take advantage of the complementarity and interdependency of rural and urban areas within the region? Are there ways that these linkages could be strengthened?

d. To what extent are those strategies sustainable long-term? What are the supports, resources and/or trends that will reinforce those strategies and help them gain momentum? What circumstances, events or area traditions could derail or shorten the life and success of those efforts?

V. COMMUNITY PHILANTHROPY

a. To what extent are you aware of philanthropic efforts in the area – whether formal and organized or more informal?

b. What difference are they making, positive or negative, in supporting or disrupting efforts for positive, community change in the way of changing historic inequities and disparities of race, class and power?

c. What more can be done or is needed is providing community philanthropic, investment or giving supports to undergird these efforts for community change? What new philanthropic structures/institutions or changes to existing philanthropic structures/institutions are needed?

VI. POLICY/GRASSROOTS ADVOCACY

a. What does policy – at the local, regional or national level – mean to you? Why is policy important for positive, lasting change?

b. What local, regional or national policy efforts are you aware of and what difference are they making for your life/ in the lives of others?

c. To what extent do these alternative rural economic efforts match up with area governmental jurisdictions and to what extent do they cross them? What special policy challenges are created by these cross-/multi-jurisdictional lines?

d. Are there policies, practices or laws in your area that reinforce divisions of race, class and power and/or impede development of a more just area economy? Are there policies, practices or laws that promote greater economic justice and equity for individuals and families in your community/region?

e. What policy efforts are needed in your area and what difference will they make if successful?
For more information or to provide feedback go to www.nrfc.org or contact jr@nrfc.org.