

Executive Summary

Current grantmaking behavior and trends are skewed heavily toward support for urban-based or urban-focused programs. In *Rural Philanthropy: Building Dialogue from Within*, the National Committee for Responsive Philanthropy explores both real and perceived barriers between rural nonprofits and foundations in urban areas, as well as strategies for overcoming those obstacles.

NCRP's research revealed that rural nonprofit directors and seasoned rural grantmakers agree on many of the obstacles that deter foundations from engaging in more aggressive rural grantmaking. Overwhelmingly positive and negative perceptions and stereotypes of rural America may deter foundations from supporting rural causes and nonprofits. In addition, foundations agree that it is important for nonprofits to build relationships with grantmakers to secure funding, but rural nonprofits have little or no access to major foundations. Foundations also look to achieve the greatest impact by funding dense populations, which rural areas don't have.

Moreover, funders perceive a lack of organizational capacity and sophistication among rural nonprofits, which raises serious concerns regarding the level of effectiveness and sustainability of potential rural recipients. Finally, rural nonprofits that are located far from major metropolitan areas are most likely to operate without the benefit of a strong local nonprofit infrastructure.

NCRP's research identified four strategies for strengthening rural philanthropy, and assessed the effectiveness of each.

The first strategy is to use flexible multiyear core grantmaking that sufficiently allows rural nonprofits to hire and retain needed staff, and to seek appropriate technical assistance. Also, when rural organizations have foundation support for "organizational slack" and building reserves, they are more likely to survive times of crises and turbulence.

The second strategy is to use regrants and capacity building intermediaries, which are important delivery systems in rural areas when foundations lack the internal capacity to meet grantee funding and capacity needs.

A third strategy is the use of funding collaboratives to increase flexible grantmaking to rural areas by drawing in foundations that are not already active rural grantmakers.

Finally, research suggests that local endowment-building as a rural philanthropic strategy does not address pressing, current local needs and opportunities, and has serious limitations without the help of large foundations.

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