

Bridging the Rural Charity Gap

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Rural areas get fewer charitable dollars per capita than urban parts of the country. Now some charities are trying to tackle this philanthropic divide.

Behind the gap are issues of perception and geography. Most foundations are based in urban centers and have a limited picture of what constitutes "rural," says Karl Stauber, chief executive of Northwest Area Foundation of St. Paul, Minn. Rural America includes four types of regions, all of which can have economic needs, he says: scenic areas that attract tourism, areas within commuting distance of metropolitan centers, agricultural regions and isolated parts of the country such as mountains and deserts.

In addition, the prevailing thinking at many foundations is that rural areas of whatever stripe are self-sufficient, with a can-do attitude that precludes outside help -- even though issues of poverty, health care and economic development plague these regions as much as cities, says Rick Cohen, who wrote a recent study on the topic and works at a quarterly magazine about nonprofits. That thinking is compounded by the limited foundation infrastructure in rural regions, meaning rural charities can have trouble meeting the people who give grants. Grant makers, in general, don't travel to rural regions, and "therefore they're not aware of the multiplicity of [charity] groups in the rural areas," he says.

The gap between urban and rural philanthropy can be seen both in the location of foundation assets and who gets their money. Montana ranks 48th nationally in foundation assets, with \$23 per capita compared with the national average of \$108, says the Big Sky Institute for the Advancement of Nonprofits in Helena, using figures from the Foundation Center's 2006 Foundation Yearbook. And a recent study by the Foundation Center shows that some states with significant rural areas get vastly less foundation money than more-urban states. (The study examined grants from most of the 1,000 largest foundations.) In 2005, North Dakota was awarded \$3.3 million, South Dakota \$3.2 million and Montana \$10 million -- compared with \$3 billion for New York and \$2 billion for California.

Still, some large national foundations are committed to rural philanthropy. The Ford Foundation

and the W.K. Kellogg Foundation have both contributed to rural-based groups, such as the Nebraska Community Foundation. That group tries to encourage residents who inherit land or other assets to donate a percentage of it to help develop businesses there. The Ford Foundation had \$68 million in active grants and loans to rural areas in its fiscal 2006, out of \$360 million overall in the U.S., says Susan Beresford, the foundation's president. That rural aid is up slightly from 2005. The foundation makes a point of traveling to rural regions to "kick the tires" and see firsthand the variety of causes, she says.

Meantime, the National Committee for Responsive Philanthropy plans to release a report this year on why rural nonprofits don't receive adequate support. And in August, Sen. Max Baucus, a Montana Democrat, will co-host with the Council on Foundations a symposium in Missoula on the problems of rural philanthropy.

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