

Rural States Possess a Small Percentage of the Nation's Foundation Assets

By Suzanne Perry
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The Big Sky Institute for the Advancement of Nonprofits, in Helena, Mont., has documented what it calls a "philanthropic divide" between states that have large foundation assets and states that do not.

It notes that the 10 states at the bottom, which it calls the "divide states," are home to a minuscule amount of the nation's foundation assets — less than 1.5 percent in total.

The bottom 10 states in foundation assets among the 50 states and the District of Columbia are as follows, according to data for 2005 collected from grant makers by the Foundation Center, in New York:

North Dakota, \$193-million; South Dakota, \$360-million; Montana, \$443-million; Vermont, \$459-million, Alaska, \$681-million; Mississippi, \$987-million; West Virginia, \$1-billion; Idaho, \$1-billion; New Hampshire, \$1.2-billion; New Mexico, \$1.2-billion.

(In 2004, the last time Big Sky conducted such an analysis, Maine and Wyoming took the place of Idaho and New Mexico.)

At the other end of the spectrum, the top 10 are New York, \$91-billion; California, \$84-billion; Washington, \$38-billion; Texas, \$30-billion; Michigan, \$25-billion; Pennsylvania, \$24-billion; Illinois, \$24-billion; New Jersey, \$20-billion; Florida, \$17-billion, and Ohio, \$16-billion.

To account for population differences, Big Sky also analyzes giving per person by foundations in each state — and the "divide states" tend to rank low there too: In 2005, North Dakota was dead last at \$15; Mississippi 50th at \$23; Montana 46th at \$28; and West Virginia 42nd at \$33. That compares with a nationwide average of \$124.

Michael Schechtman, Big Sky's executive director, acknowledges that those figures are imperfect measures of how much money specific regions take in — data that the Foundation Center does not compile.

Any state that is home to one or more big grant makers — New York, for example — is bound to rank high in assets and per-person giving even though many of the grants go to other states, says Mr. Schechtman.

He says the institute needs better data about giving to rural states and plans to conduct more research to get it. The institute is now analyzing giving by the 50 foundations that awarded the most grants to each of 2004's "bottom 10" states using Foundation Center data and information from tax reports and interviews.

Among its preliminary findings are that overall giving from those foundations increased from \$206-million to \$320.9-million from 2000 to 2004, but that most of the growth came from in-state grant makers. Specifically:

- Grants by in-state foundations among the top 50 grew from \$22.5-million, or 10.9 percent of total giving to the 10 "divide" states, in 2000 to \$122.6-million, or 38.2 percent of total giving, in 2004.
- Grants from national foundations among the top 50 fell from \$103.8-million, or 50.3 percent of total giving, in 2000 to \$96-million, or 29.9 percent of total giving, in 2004.

Mr. Schechtman says that despite the overall increase in grants to "divide states," he is disappointed by the results for national grant makers.

"The big money for grants that really make transformational changes comes from large foundations," he says.

Other studies have examined aspects of rural philanthropy, for example:

- The James Irvine Foundation, in San Francisco, found in a 2006 study that California's foundations were clustered around the populous coastal areas, with two-thirds in just two regions: the San Francisco Bay Area and Los Angeles.

Nonprofit organizations in outlying areas paid a price: While San Francisco County received \$678 per person from foundations in 2003, almost a third of the state's 58 counties, encompassing California's more rural areas, received less than \$10 per person in foundation grant money.

- [A study by the National Committee for Responsive Philanthropy, in Washington, found in 2004 that only 184 of 65,000 foundations made grants in 2001 and 2002 that were categorized by the Foundation Center as "rural-development grants."](#)

[Two foundations made 42 percent of the roughly \\$100-million in such grants — the W.K. Kellogg Foundation \(\\$31-million\) and the Ford Foundation \(\\$10-million\).](#)

While national foundations might not provide much to rural regions, community foundations are increasingly channeling resources to remote areas.

The Aspen Institute, a think tank in Washington, found in 2005 that community foundations had set up more than 3,000 special funds, many to serve rural regions — up 132 percent since 1999.

(Table: Foundation Grants to Rural States: Where the Money Comes From)

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