

Rural America Must Be Philanthropic Priority, Conference Speakers Say

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Foundations could help alleviate many of the nation's most pressing problems by focusing more on the challenges and opportunities of rural America, speakers at a conference on rural philanthropy here said.

While they receive fewer philanthropic dollars than urban areas, rural regions have been hit hard by some of the issues that are at the top of the country's policy agenda — access to health care, immigration of low-wage workers, the need for better schools, and the loss of industrial jobs, they said.

"There are a whole lot of folks out there in what looks like this very simple or idyllic world that are struggling like crazy to keep their family's heads above water," said Karl Stauber, former president of the Northwest Area Foundation, in St. Paul, who just became president of the Danville Regional Foundation, in Virginia.

Mr. Stauber said attention to rural areas is critical because they often serve as bellwethers of economic issues that affect American society at large. For example, he said, farmers were among the first to feel the impact of increased global competition.

"In many ways, that economic transition in rural America started 15 to 20 years before many of the folks in urban America started to wake up to it," he said.

About 180 foundation leaders are attending the conference, which is sponsored by the Council on Foundations and Sen. Max Baucus, the Montana Democrat who chairs the Senate Finance Committee. Senator Baucus, who will speak at the conference on Thursday, wants foundations to increase their giving to rural areas like his home state.

The Council on Foundations has asked the conference participants to draw up a "21st-century agenda for philanthropy and rural America."

Steve Gunderson, president of the council, urged participants to think of ways to increase giving overall, rather than at the expense of urban areas — for example, by tapping into the huge transfer of wealth that is expected to take place over the next 50 years as people die and leave their estates to their heirs.

"I don't think we solve this by redistributing philanthropy from an urban area to a rural area," he said. "Our job has to be to grow philanthropy across the board."

While speakers emphasized the needs of rural regions, they also highlighted ways those areas can serve as laboratories for innovative projects.

For example, Brad Crabtree, a program director at the Great Plains Institute, in Minneapolis, said the fight against global warming presents rural areas with an “unprecedented economic opportunity” because they can be a major source of alternative energies such as wind power and ethanol.

He added that North Dakota is home to the world’s largest project to capture carbon dioxide from a power plant and store it rather than release it into the atmosphere.

“Philanthropy can play a major strategic role in expanding rural America’s capacity to respond to this energy and climate challenge,” Mr. Crabtree said.

John Molinaro, associate director of the community strategies group at the Aspen Institute, a think tank in Washington, urged foundations to help rural areas develop new economic-development strategies.

He said the predominant strategy now — trying to win the “Toyota lottery” or provide economic incentives to entice industries to rural areas — is not effective and should be replaced by one of developing local businesses with strong ties to the area that will be less likely to move.

In an age of “big box” stores and other business models that operate on a large scale, rural areas also need to band together to plot their economic futures, he said.

“Rural communities that are trying to go it alone and not focusing on a regional strategy are pretty much doomed to failure,” he said.

Several speakers highlighted barriers that make it difficult for nonprofit groups to get grant money — for example, an emphasis by some foundations on “metrics,” or the need to demonstrate impact by assessing how many people were helped.

“When we think about impact, it’s more than just population, more than just numbers. This kind of trend only goes to exacerbate the kind of problems we’re facing,” said Mario Gutierrez, director of an agricultural health program for the California Endowment, in Los Angeles.

Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy, in Washington, said a new report by his organization recommends that grant makers measure impact in ways that are more appropriate to rural areas — for example, “the breadth and depth of impact achieved by serving entire communities, counties, and even regions that would otherwise go unserved or underserved.”

The report, *Rural Philanthropy: Building Dialogue From Within*, also suggests that grant makers send their staff members on more site visits to rural areas and pay for events that bring urban foundations and rural nonprofit groups together.

“People fund people they know,” Mr. Dorfman said. “Relationships matter.”

Another study that was released to coincide with the Montana conference found some evidence, albeit from a small sample, that awareness of rural issues is growing among foundation officials.

The Center for Rural Strategies, in Whitesburg, Ky., updated a [survey](#) it conducted in 2004 of 50 grant makers on the state of foundation giving to rural areas. The new survey, based on 10 recent interviews, said many of those interviewed were optimistic that giving to rural areas would increase, partly because of the new attention to the issue by the Council on Foundations.

However, that optimism has not yet translated into dollars, according to the report: “Most note that the overall funding situation has not really changed in the past few years.”

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