

Cultivating Rural Prosperity:
A Case for Investment, Inspiration
and Innovation



Report of the
Rural Philanthropy Roundtable

Facilitated by



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Preamble

The following report expresses a 'collective of voices' shared through the Rural Philanthropy Roundtable. Between June and December of 2004 leaders in philanthropy and community transformation engaged in a dialogue process aimed at developing a better understanding of the perceptions of rural Canada and stimulating investment toward rural society. The various individual consultations and a full day facilitated group dialogue brought to light a variety of insights and perspectives.

The themes and ideas presented in the report are not a comprehensive account of the consultation nor do they necessarily suggest a consensus view point. Particular ideas are not associated with individuals. Rather, a selection of points considered most relevant and representative of the insights shared are presented with the endorsement of Roundtable members.

Rural Philanthropy Roundtable Participant List

Bill Reimer Prof. of Sociology, Dept. of Sociology and Anthropology Concordia University	Gary Davison Chair Foundation for Rural Living
Jim Richardson Executive Director National Rural Funders Collaborative US	Denyse Guy Executive Director Ontario Co-operative Association
Paul Born President Tamarack - An Institute for Community Engagement	Ray Fenton Chair Bruce-Grey Education Foundation
Ken E. Friesen Executive Director C.P. Loewen Family Foundation	Arthur Woods Past International Director Lions Clubs International
Sam Coghlan Chief Executive Officer Stratford Public Library	Sandy Houston President George Cedric Metcalf Foundation
Hugh Arklie Executive Director Thomas Sill Foundation Inc.	Cathie Brown Executive Director The Ontario Rural Council
Rowena Santos Program Manager, Imagine Canadian Centre for Philanthropy	Alan McGregor Project Director Southern Rural Development Initiative (USA)
Walter Ross Director Temagami Community Foundation	Sheila Simpson Regional Program Manager Ontario Trillium Foundation
Sandra Morris Associate Vice President United Way of Canada	Arthur Gibson Project Officer HRSDC
Steven Campbell Director of Community Partnerships Ontario Arts Council	Stephen Woeller President Appropriate Development
Marilyn Struthers Provincial Program Manager Ontario Trillium Foundation	Roger Jonathon Councilor Six Nations
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Facilitators:

Cathy Lang (Moderator) Consultant, C. Lang Consulting	Michelle Quintyn , Executive Director Foundation for Rural Living
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Executive Summary

Rural non-profit and voluntary organizations make a substantial contribution to rural life, yet research suggests the sector is experiencing significant challenges. Rural non-profits tend to be small, driven primarily by volunteer effort and often lack the structural capacity to effectively pursue their goals.

Rural society may not garner adequate attention from our nations leading philanthropists and large-scale funders. A preoccupation with the pressing urban agenda, a lack of knowledge of the opportunities and challenges facing rural and a lack of connection are the likely barriers to engagement.

The **Foundation for Rural Living** (FRL) with funding support from **The Ontario Trillium Foundation** launched the *Rural Philanthropy Roundtable (Roundtable)* in the spring of 2004. This consultation engaged private foundation, corporate and community leaders, and rural practitioners in a dialogue to gain a leadership perspective on rural, share knowledge and garner ideas for future change. The aim is to improve understanding, stimulate rural investment and link philanthropic interest to effective rural grant making and community opportunity.

The *Roundtable* is unique and a first for Canada. The National Rural Funders Collaborative (US), Southern Rural Development Initiative (12 State, US) and The Thomas Sill Foundation (Manitoba) are models and inspiration for the program¹.

A position paper describing the social, cultural and economic concerns in rural and among rural non profits titled ***Cultivating Rural Prosperity: A Case for Investment, Inspiration and Investment*** helped to build knowledge, provoke good discussion with rural stakeholders and motivate change.

A series of individual and small group consultations captured rich feedback from a wide range of funders, practitioners and rural experts and aided the development an agenda for dialogue. These consultations culminated with a full-day facilitated gathering of leaders on September 28th, 2004.

Listening to a Leadership Perspective

Roundtable participants considered how rural is perceived and who cares about it, how perceptions impact investment, key challenges and opportunities and specific strategies and actions for change.

It was acknowledged that many people do not have an understanding of what “rural” means and have no direct relationship to it. Some understand “rural” as the land base, the environment, but may not necessarily put people in their picture of rural.

¹ National Rural Funders Collaborative www.nrfc.org Southern Rural Development Initiative www.srdi.org , Thomas Sill Foundation www.thomassillfoundation.com

Rural Is... home to roughly a third of our nation or 9 million Canadians, living on 97% of our vast land base. The steward of our country's resources, food, nature, transportation network, rural is significant to the economy and a major source of export wealth. Rural is innovating. Despite rural Canada's substantial assets, there is desperation in the landscape today.

Rural is challenged by declining or stagnate population, high morbidity and mortality rates, low literacy levels. Rural communities have poor access to health care, and special and higher education. Our rural environment is clearly under siege.

The rural non-profit sector is small in scale and highly volunteer driven. It lacks infrastructure, is competing poorly for financing and is isolated from large-scale funders. With few vehicles to inspire donors and a trend toward program centralization favoring urban, it is time for strategies to build capacity and interest.

Does Rural Matter? 'Urban verses country' is becoming an increasingly prevalent perspective for Canadians as we reform land use policy, address environmental change, ensure safe food, while pushing a global economy forward.

Many of us do not think about rural as a priority... there are so many pressing concerns in urban. For many decision makers, situated in urban centres, rural is "out of sight, out of mind". Others care deeply about rural communities and the rural environment but they are likely connected in some way and have experienced the joy - and perhaps the desperation.

Key Themes and Strategies for Change

Translation of 'Rural' is Key to Broadening Interest The meaning of rural, and the language used to promote philanthropy, must reflect the importance of our countryside as steward of our resources; producer of our food and a place that connects us through networks and heritage... Philanthropists need to view rural as leading and innovating, transforming and changing and above all else, as a critical to the prosperity of all.

A common 'case for rural' could compliment specific program proposals and inspire rural grant making. The paper *Cultivating Rural Prosperity* has potential to serve this purpose if more focused on assets.

Funding must Reflect Rural Reality There is a need to work with governments and funders to shift away from the traditional project-based funding toward more sustainable program and development-oriented support. A best practice framework for funding rural addressing small grant sizes, site visits, technical assistance in meeting grant criteria, flexible timelines...should be developed and linked to the existing Voluntary Sector Forum Funder Accord.

Enhance Conditions for Donor Investment Solutions to local philanthropic challenges, including new funding mechanisms such as community funds, need to be defined and led locally, relying on local vision, initiative and assets. Efforts by Community Foundations Canada and United Way to expand resources and opportunities for rural are key and should be endorsed by a rural funders collaborative (below). Capacity concerns of smaller charities and foundations need to be addressed through shared resource models and the creation of structures that inspire donor confidence.

Foster a Culture of Philanthropy through More Strategic Pursuit Without dampening the community spirit and simple way of helping community, rural must raise the bar toward more large-scale philanthropy, giving that transcends a lifetime and heightened formality to foster more stewardship and a record of the importance of it all.

Urban philanthropy can lead the way as they have the experience and knowledge. Rural stakeholders must work to recast the issues in terms that truly matter to investors. The first priority is understanding donor concerns, creating compelling communications programs that illustrate the essence of rural living and strengthening stewardship programs.

Build Fundraising Capacity through Technical Assistance and New Models An opportunity exists to foster new models that develop technical assistance for rural fundraising and ultimately build capacity for the strategic pursuit of philanthropy. FRL's *Rural Philanthropy Resource Network* is a solution underway.

Develop a Rural Funder Affinity Group A forum of funders, perhaps linked to Philanthropic Foundations Canada, with an interest in rural would serve to strengthen the capacity of organized philanthropy to understand and support rural community transformation. The purpose would be to learn, model and inspire interest in rural and encourage policies and practices that advance rural philanthropy.

Expand and Leverage Resources for Rural – Create a ‘Challenge’ Fund

A *Rural Funders Collaborative* comprised of several investors that would pool funds for rural investment would encourage partnerships with public and private funders, and rural communities. Funds could be leveraged through matching or ‘challenge’ programs. A campaign to encourage individual funder strategic grant programs for rural, such as the Thomas Sill Foundation model of matching locally raised capital for community endowment, could propel rural philanthropy.

Raise Awareness Across all Funders Targeted information campaigns under the guidance of the Rural Funders Affinity Group – may encourage more strategic focus on rural grant making, especially by those formal funders with an obvious rural connection.

Encourage Social Enterprise in Rural Non-profits Tools and knowledge to stimulate more enterprise-based development may be more conducive to sustainability in rural where dependency on government funding prevails.

Championing the Change

It is clear that the perspective gained from the *Roundtable* is that there is a need for action and focus to bring about change. Several *Roundtable* members pledged their personal and organizational support to some of the various activities and all participants have acknowledged the critical importance of a continuation of the *Roundtable* aims and objectives.

The Rural Philanthropy Roundtable

Full Report

"If you asked me, a representative of a predominately urban funder, if we care about rural... if we mean a particular small community maybe no but flip the issue to mean our food, water, green space.... then the answer is clearly yes."

*Sandy Houston, Executive Director
George Cedric Metcalf Foundation*

Introduction

Rural non-profit and voluntary organizations are an integral part of rural life serving to engage citizens in community transformation and address the needs of rural people. Rural non-profits tend to be small; most have no staff and are largely driven by volunteer effort. Despite the significant role these groups play in serving and contributing to society many appear to be experiencing substantial difficulty fulfilling their missions and program objectives.

Research indicates that the rural non-profit and voluntary sector is competing poorly for funding. Although more dependent on earned income and donations, rural organizations often lack the structural capacity to effectively, pursue philanthropy and social enterprise.

Rural society may also lack the attention of our nation's leading philanthropists and large-scale funders. A preoccupation with the pressing urban agenda, a lack of knowledge of the opportunities and challenges facing rural and perhaps most important a lack of connection, are the likely barriers to engagement.

The **Foundation for Rural Living** (FRL) with funding support from **The Ontario Trillium Foundation** launched the *Rural Philanthropy Roundtable (Roundtable)* in the spring of 2004. This consultation was conceived as a means of engaging private foundation, corporate and community leaders, and rural practitioners in a dialogue for the purpose of listening to a leadership perspective on rural and rural investment, sharing information about rural conditions and garnering ideas for future change.

The aim of the *Roundtable* is to improve understanding and raise awareness, stimulate investment toward rural concerns and build community capacity through education and tools that link philanthropic interest to effective strategic grant making and community opportunity.

The following report presents an overview of the *Roundtable's* aims and objectives, and the activities and outcomes of a series of consultations, which culminated in a day long facilitated dialogue on September 28th 2004 in Milton Ontario.

Rationale for the *Roundtable*

Rural communities and agencies have many assets to build on and opportunities for growth and transformation. Research undertaken by the Foundation for Rural Living in partnership with the **Canadian Centre for Philanthropy** highlighted the small scale of rural non-profits, the lack of infrastructure to drive strategic philanthropic pursuits and limited levels of investment. Phase one of this research was published in the fall of 2004 and a report is available at http://www.frl.on.ca/frl/research_expanded.htm

Objectives

- To engage leading philanthropists and community champions in a dialogue about rural and rural community investment toward a better understanding of the issues, opportunities and solutions
- To improve the understanding of rural social, cultural and economic conditions
- To identify leaders in rural investment and create a forum to provide guidance and modeling for change and growth
- To provide guidance to the development of a strategy aimed at relevant individuals, foundations and corporations seeking specific action in giving rural more consideration
- To improve investment to rural nonprofits and registered charities

Phase 1: Development of the *Roundtable*

The process of identifying and recruiting *Roundtable* participation, developing tools and an agenda was key to the learning and outcomes of the project. Highlights of this development phase are as follows:

A) Models: Other Initiatives to Advance Rural Philanthropy

A review of organizations, initiatives or models with interests similar to the *Roundtable* led to the discovery of a number of relevant groups who share a common concern for advancing rural through enhanced engagement of philanthropists and community investors. No Canadian wide or provincial/regional initiative was uncovered. A series of consultations both validated the aims of the *Roundtable* and revealed a keen willingness to share knowledge and provide support. Key relationships explored and developed include:

The National Rural Funders Collaborative (NRFC) is a US based partnership of national and regional funders; grass roots leaders and practitioners; and state, regional, and federal policy advocates and agencies working to expand resources for US rural communities and families facing persistent poverty. NRFC's goal is to leverage \$100 million in new and untapped resources to strengthen and sustain regional strategies for rural community transformation and to build the field by strengthening rural practices, expanding philanthropy, and advancing policy change.

Southern Rural Development Initiative (SRDI): This NGO based in Asheville, South Carolina addresses rural philanthropy development in twelve US states – Georgia, Alabama, the Carolinas etc. They have a 10-year history and recently they completed a second formal study which highlighted the lack of philanthropy in and for rural as well as opportunities for growth. Data

provided on a regional and state-by-state basis indicated *'the South's small towns and rural communities representing 30.1% of the population still get just a small share of grants, only 5%.'* This confirmed the number from earlier SRDI reports. The *Philanthropy Index*, developed by SRDI and its partners, provides a step-by-step process for measuring a rural community's potential for creating a charitable fund. It uses "hard" data about communities, compiled from national sources like the IRS and the Census, to measure the financial wealth that exists in households and businesses within the community

Thomas Sill Foundation, (Manitoba): This private foundation is a leader in rural philanthropy development in Canada. They have strategically endeavoured to stimulate investment in rural by offering their own funding and encouraging community matching programs. After years of investment they have successfully stimulated the development of more than 16 rural community foundations in Manitoba that now hold assets in excess of \$12 million

Stand Up for Rural America (Stand Up): This US Department of Agriculture (USDA) supported initiative is a national coalition, involving 750 sponsors, dedicated to helping rural community developers gain the attention, resources, and policy support their work deserves.

The campaign focuses on four specific goals: securing funding for the Rural Community Development Initiative (RCDI) -- the first capacity building program for community developers in USDA; launching a Rural Funders Group in the Council on Foundations to increase rural philanthropy; stimulating significant private investment in rural community development; and organizing an umbrella network of rural community developers to continue educating funders, lenders and policy makers.

More recently, *Stand Up* added two items to its action agenda: enacting a "rural friendly" federal home ownership tax credit for investors; and supporting the efforts of The Congressional Rural Caucus to secure a more comprehensive, better coordinated federal rural policy.

Tangible results include: \$30 million appropriated from the USDA budget; an active Rural Funders Working Group of the Council on Foundations (it helped foster the National Rural Funders Collaborative above); more than \$111 billion invested by private sources, mainly by Fannie Mae and Bank of America; a *Rural Community Developers Network* and a Congressional Rural Caucus.

United Way of Canada (UW): United Way has established an initiative to address the unique circumstances facing 17 small communities in Ontario. Their goal is to 'promote civic engagement, facilitate community collaboration, enhance the impact of UW and other funding and work with partners to build stronger, healthier communities by undertaking community consultation and priority setting.

Community Foundations Canada (CFC): Substantial growth in rural community foundations and funds has occurred in recent years aided by significant resources and commitment from CFC. Regional structures involving cross community collaborations have effectively overcome the challenge of the small scale of rural communities.

Vancouver Foundation (British Columbia): This high profile Foundation is also a leader in rural investment having long ago expanded this city-based Foundation's geographic and investment criteria to include rural BC.

B) Develop Opening Position: Conditions in the Rural Non-profit Sector

The development of a position paper describing the social, cultural and economic concerns in rural created an awareness platform for *Roundtable* dialogue. The goal was to consolidate relevant existing published information into a brief 'case for rural investment' that would build knowledge, provoke good discussion and motivate change.

The development of the position paper ultimately titled ***Cultivating Rural Prosperity: A Case for Investment, Inspiration and Innovation*** drew upon an abundance of academic and government (primarily Statistics Canada) publications, the findings of FRL/CCP research on the rural non-profit sector and several rural and charitable sector experts. It was completed in advance of the *Roundtable* session and circulated as preparation for the day. The paper is available at <http://www.frl.on.ca>

C) Recruitment of Participants

More than 40 individuals known for their leadership in philanthropy or the charitable sector and rural expertise, were approached to consider involvement in the *Roundtable* or recommend others. The process of recruitment involved an initial meeting to introduce the concept and rationale and a follow-up package. Many individuals unable to commit to a full day at the *Roundtable* requested special meetings to relay their interest and concern for the issues. (See Participant List on page ii; and www.frl.on.ca/frl/roundtable for the recruitment package).

At this stage the dialogue had begun. This phase of the project provided a rich level of feedback captured in the sections below.

Phase 2 - The Rural Philanthropy Roundtable *Coming Together 'Around the Table'*

On September 28, 2004 the *Foundation for Rural Living* hosted a full day facilitated dialogue in Milton, Ontario attended by twenty-eight philanthropists and leading experts from private foundations, corporations, charitable support organizations, community and academic institutions.

Facilitated by Catherine Lang, participants considered the following key questions:

- How is rural perceived? Who cares about rural?
- How do these perceptions impact investment in rural?
- What are some key challenges and opportunities affecting rural investment?
- What specific strategies and actions could increase investment in rural?
- Who else should be involved in these issues?

Prior to the day participants had opportunities to engage in one-on-one discussions to share initial perspectives and review their role. One week prior to the event, the agenda and position paper *Cultivating Rural Prosperity* were distributed to aid preparation. (See www.frl.on.ca/frl/roundtable)

Various presentations and panel discussions presented key themes and served to stimulate plenary discussions and breakout conversations.

The following represents a summary of the presentations and discussions.

Presentation...Setting the Stage

Understanding Rural... *Assets, Challenges and Opportunities*

Michelle Quintyn, Executive Director, of the Foundation for Rural Living presented information about rural and the rural non-profit sector. Highlights from *Cultivating Rural Prosperity* and the research undertaken in partnership with the Canadian Centre for Philanthropy in 2003 entitled, *A Portrait of the Rural Non-profit and Voluntary Sector* were also presented. Key points from the presentation included:

Rural is:

- Comprised of 1/4 to 1/3 of Canadians or roughly 9 million people living on 97% of the nation's land in small towns, (less than 50,000) rural heartland, northern and remote communities
- A major source of export wealth and producer of food – rural is significant to the economy
- The steward of our nation's resources, nature and transportation network
- Innovating and adapting to the new economy – with significant advancements as connecting technology emerges

Rural is challenged by:

- Declining or stagnate population growth
- Youth are out migrating and not returning resulting in a loss of skilled labour – Ontario's youth out-migrated at a rate of 18.5% in 2001 while urban gained by 24% Higher morbidity and mortality than national averages and significant challenge accessing health care
- Low literacy levels and limited access to special and higher education
- The rural environment is clearly under siege

The Rural Non-profit Sector is:

- Small in scale and highly volunteer driven
- Lacking infrastructure – structure, professionals, systems...
- Competing poorly for financing
- Isolated from large-scale funders
- At times poorly structured to inspire donors
- Losing programs as centralization favours urban

Perceptions of Rural: *Does it Matter?*

Listening to a perspective on rural and rural philanthropy

"Urban verses country is becoming an increasingly important concern for Canadians as we reform land use policy, address environmental change, ensure safe food...while pushing a global economy forward"

Gary Davison, Chair Foundation for Rural Living

A key objective of the *Roundtable* was to listen.

Paul Born interviewed Steven Campbell (Ontario Arts Council), Hugh Arklie (Thomas Sill Foundation), Marilyn Struthers (Ontario Trillium Foundation) and Sandy Houston, (George Cedric Metcalf Foundation) about perceptions of rural and how these impact rural philanthropy. This session was followed by a plenary engaging all around the table.

The feed back presented below also captures the one-on-one consultations during the recruitment phase; responses to materials and the position paper; various special consultations and feedback following the *Roundtable*.

What is rural? Perceptions of rural...

- Rural is where we came from – once a predominantly rural country the Canadian population is now mostly urban. Rural is nostalgic.
- Land, agriculture, green space, water and natural resources dominate our image of rural
- It is large geography and small communities, challenged by great distances and limited infrastructure.
- A common view is that rural is primitive, simple, beautiful... But many of the human services issues arise because people are not considered fully in the rural equation
- The amount of artistic and cultural expression coming out of rural is astonishing
- But there seems to be a desperation on the landscape today, one that has always been there but is ever increasing
- Today we talk more about the differences between urban and rural than the connection
- Urban verses country is becoming an increasingly important concern for Canadians as we reform land use policy, address environmental change, ensure safe food...while pushing a global economy forward

Do we care about rural?

- If asked 'do we care about a particular small community' the response by some is maybe no but flip the issue to mean our food, water, green space.... most agree the answer is clearly yes – so it is not 'rural' per say but the crucial role it plays in our sustenance and heritage.
- Many of us don't really think about rural... there are so many pressing concerns in urban
- Others care deeply but they are likely connected in some way ...they understand rural and have experienced the joy and perhaps the desperation

Are philanthropists compelled to care about rural, northern and remote Canada? Are they engaged?

- The role of philanthropy must be part of the context for considering the state of the rural non-profit sector – it's a small component of a large issue. The role of philanthropy is generally to fund innovation, research, leading edge change... it is not usually about 'stepping in' where government draws the line
- Rural has unique opportunity for investment – retention of youth, access to basic health care and education combined with advancing technology, land use reform (Greenbelt) and environmental protection, improving agriculture and farm succession...to name a few
- Not surprisingly rural non-profits are competing poorly for charitable support – small and medium sized organizations lack the capacity, infrastructure... to compete with hospitals, universities... which may garner a disproportionate share of charitable support
- It is sometimes difficult for non-urban grant seekers to access primarily urban philanthropic dollars. Partly it is about simply not having the contacts, but also it is about mindset. It can seem overwhelming to approach the urban grant makers, almost like visiting a different country where they speak a foreign language
- The message to investors should connect rural to its role in the health of all Canadians – our countryside, our food, natural resources, heritage, recreation, export wealth....
- Remember that urban is facing a significant challenge in today's environment and has well organized campaigns underway to motivate needed change – avoid suggesting urban 'has' and rural 'has not'

- Consider the 'resource divide' may be as much about *small scale institutions verses large* as it is about *small town verses cities* – cities have their share of small and struggling non-profits

"The translation of rural is critical to building the case for rural and rural investment – focus on assets, innovation, opportunity...but be clear there are real challenges."

Hugh Arklie, Thomas Sill Foundation

Is there a need for more engaged rural grant making?

- Most participants agreed that rural could benefit from more engaged philanthropy and higher levers of investment.... Some expressed, however, that the need for more investment does not necessarily fall to urban based philanthropists. This position does little to help rural since most (maybe 99%) large-scale formal funders are urban based. – Other *Roundtable* members advocated more involvement on the part of urban funders.
- A case was made for urban philanthropy to become engaged in rural or a part of rural – witness the Thomas Sill foundation, Vancouver Foundation, Lowen Family Foundation...
- Large-scale funders can lead the way... a culture of philanthropy has potential to evolve as it has in urban Canada in the last 20 years

Roundtable Presentations

The following presentations stimulated thinking about change, provided knowledge and shared ideas from other jurisdictions.

Effective Grant Making in Rural: A Practitioners Perspective Shelia Simpson, Program Office, Ontario Trillium Foundation

Shelia described her many years of grant making in a large geographic region of southwest Ontario encompassing both urban and rural communities. She suggested there was a difference between urban and rural grants. Rural is more likely to seek capital costs, grants are smaller and less complex and the focus is more likely to be recreation or heritage grants. Rural groups or non-profits rarely seek operating costs.

Urban on the other hand, seeks large grants more often for social services, which include operating costs as well as capital.

Key Success factors in Rural Grant making

- Presence in the community
- Local Grant Review Team member
- Accessibility
- Knowledge of community
- Understanding of impact
- Site visits
- Flexibility
- Sharing of success stories

Issues Affecting Rural Grants

- Measuring impact
- Cost of regional model
- Quality of applications
- Eligibility requirements
- Paperwork

Transforming Rural Communities

Jim Richardson, Executive Director, National Rural Funders Collaborative

National Rural Funders Collaborative (NRFC) is described above in the ‘models’ section – page 3. Jim has been a mentor to both the *Roundtable* and FRL and is willing to play a lead role in assisting Canada to develop its rural philanthropy interest. Highlights from this stimulating presentation include:

What is ‘Rural Community Transformation’?

‘Rural Community Transformation’ is NRFC’s theory of change for rural areas of persistent poverty. Built on lessons learned from its earlier work around strategic investments, the NRFC’s theory argues that rural poverty persists because of decades and generations of:

- Environmental & Economic Disinvestment
- Cultural & Social Isolation
- Barriers of Race & Class

Changing these longstanding, generational patterns, then, can only occur through regional, community-based and sustainable strategies for achieving the opposite outcomes:

- Building Community Wealth
- Increasing Family Self-sufficiency
- Creating More Inclusive Leadership Structures

The tools for implementing these strategies for bringing about rural community transformation are found within rural communities themselves – namely, six capitals upon which this asset-based theory of change is built: human, natural, cultural, political, social, and financial/built.

NRFC’s work to confirm or verify this theory of change occurs through its funding of and capacity-building for its strategic regional investments.

Key Plenary Themes

Translation of “Rural” key to Broadening Interest

The meaning of rural, and the language used to promote rural philanthropy, has to be examined. While rural involves highly differentiated areas, cultures and people, there is a common and shared experience of isolation and connection with geography, history and natural resources. This is the foundation of the rural identity and needs to be described and understood by both the urban and the rural funding marketplace.

Language must reflect the importance of our countryside as steward of our environment, land and resources; producer of our food and a place that connects us through networks and heritage – and above all else the importance of our rural citizens... issues that are important to all.

There is a sense that rural involves causes and concerns whose times are past. Contemporary challenges or “top of mind” social causes are increasingly understood to be ‘urban’ in character

(i.e. homelessness, youth drug addiction, declining public health) with the greatest needs for support being in urban areas. Rural reality proves that this perception is not correct.

The issue of prejudice needs to be examined especially assumptions about rural being marginal, or somehow less valuable, than urban. This implies a need to re-examine the meaning of wealth, from a rural lens, so that those assets that are uniquely rural, which are valuable to everyone are identified, named and messages about these integrated into rural fundraising campaigns.

Funding that Reflects Rural Realities

There is a need to work with governments and funders to shift away from the traditional 'contractor-contractee' arrangements characteristic of so many past and current funding activities, toward a more partnership-based relationship model. Project-based funding must be replaced with sustainable program and development-oriented support.

The rural constituency must strive to ensure that their own values and goals are not displaced by the urban agenda.

Enabling Investment Mechanisms and 'Local' Approaches

Solutions to local philanthropic challenges, including new funding mechanisms such as community funds, need to be defined and led locally, based on local opportunities, relying on local vision and initiative and drawing on local resources and assets.

While resources are needed from outside the area, it must not be forgotten that many of the assets and tools essential for rural philanthropic ventures are already available in rural areas. Experiences, such as that of Stratford, Ontario, prove that locally generated non-profit ventures can lever considerable sponsorship and investment.

An opportunity exists to reinforce the potential investor and sponsor understanding of the significant economic benefits that many rural non-profit opportunities offer through effective research and communications.

Address Rural Capacity

There is a need to look at the local infrastructure, or lack thereof, and other barriers to raising awareness and capital (i.e. access, cost, ownership). An opportunity exists to create new and innovative mechanisms to invest in the capacity and development of the rural non-profit sector. Rural capacity must be enhanced and supported to effectively act on philanthropic opportunities consistent with its own goals.

More Strategic Pursuit to Foster a Culture of Philanthropy

Rural non-profits need to become more adept at 'making the ask'. Waiting for philanthropy to occur or not being clear about the need for support, will perpetuate the current situation. Rural stakeholders must endeavour to recast their current framework for community involvement - thinking in terms of working together to truly transform communities, more strategic philanthropy, legacy of change and celebration and recognition of good citizenship. Without dampening the community spirit and simple way of helping community, rural must raise the bar toward more large-scale philanthropy, giving that transcends a lifetime and heightened formality to foster more stewardship and a record of the importance of it all.

With their experience and knowledge, urban philanthropists can lead the way... Rural stakeholders must work to recast the issues in terms that truly matter to urban funders and investors. The first priority is understanding the issues urban donors are concerned about and creating compelling communications programs that illustrate the way rural can make a difference in relation to these.

Strategies for Change

A number of concrete strategies were considered by the *Roundtable* as both a possible direction for some members of the *Roundtable* or for organizations such as FRL. Recommendations included the following highlights:

Develop a Rural Funders Affinity Group

A collective of funders with an interest in rural would serve to strengthen the capacity of organized philanthropy to understand and support community-based efforts and improve the economic and social fabric of rural. This theme emerged frequently throughout the dialogue. The purpose of such an affinity group would be to learn, model and inspire interest in rural and encourage the support of policies and practices that advance rural philanthropy and rural.

The group could be national in scope possibly with regional sub groups. It could be modeled after the US organization National Rural Funders Collaborative and affinity groups associated with the Council of Foundations. It was suggested that the group be connected to Philanthropic Foundations Canada.

Hugh Arklie, Jim Richardson and Sheila Simpson offered to champion a rural funders group. FRL will facilitate with a goal of launching in 2005.

Expand and Leverage Resources for Rural

Rural Funders Collaborative and 'Challenge' Fund... Strategic Grant Making Focus on Rural

Expanding and leveraging resources for rural is perhaps the most significant step that can be taken toward building capacity and philanthropy. Two thrusts received the support of the *Roundtable* and tangible examples and results from these efforts were shared through Jim Richardson (NRFC) and Hugh Arklie (Thomas Sill Foundation).

Rural Funders Collaborative: It was proposed that a collaboration of several investors that would pool funds for rural investment be developed and modeled after US based NRFC. The initiative would encourage partnerships with public and private funders, and rural communities. Lead sponsors would be comprised of those with an affinity to rural and the involvement of rural practitioners would be an effective means of fostering and sustaining development.

Grant making could be direct to programs that would improve quality of life and social justice for rural communities or through 'challenge funds' that would match rural community support or locally raised capital thereby stimulating rural investment.

Challenging Rural Philanthropy through Strategic Grant Making: One funder at a time can also make a difference through leadership and rural focused grant making. It was noted that virtually all of our nation's large-scale funders are urban based but many have connections to rural and all

have a stake in a prosperous rural society. A campaign to encourage public and private funders to consider a strategic grant program for rural was suggested. This could include a special rural fund, adoption of a rural region in geographic criteria or a matching program. The Thomas Sill Foundation model of matching locally raised capital for community endowment was regarded as a best practice approach.

Build Capacity through Technical Assistance and New Models

Feedback strongly pointed to the need for assisting rural communities and local programs to improve their capabilities in seeking strategic grants or the pursuit of philanthropy. The fundraising industry has become highly technical and competitive, pervaded with systems, structures and professionals. Small rural non-profits do not have the capacity to develop internal structures thus there is a need for collaborative models, networks and shared resources.

FRL has an initiative underway, *The Rural Philanthropy Resource Network*, intended to develop a new model for rural fundraising and ultimately build capacity. Participants encouraged the continuation of this work and other programs to assist the technical development of rural non-profits.

Develop Guidelines for Rural Grant Makers

The *Roundtable* highlighted the need for a different approach to rural grantmaking. Small grant sizes, site visits, more technical assistance in meeting grant criteria, flexible timelines... were among the many challenges and solutions discussed all pointing to the need for a more thorough investigation and development of a best practice framework, ideally linked to the existing Voluntary Sector Forum Funder Accord.

Create the Conditions/Vehicles for Donor investment in Community Revitalization

The excellent work undertaken by Community Foundations Canada in developing rural community funds and foundations was acknowledged. Clearly this type of vehicle is an essential component of building more engagement in rural philanthropy as few other charitable structures exist. The United Way model was also regarded as ideal for rural regions. Efforts by CFC and UW to expand resources and opportunities for rural are key and should be endorsed by a Rural Funders Collaborative.

Capacity concerns of smaller charities and foundations were raised again as philanthropy depends on accountable and trustworthy grantees. Members question whether more could be done to stimulate awareness at the local level and to encourage shared resource models.

Build a Common Case for Rural Through Mapping and Research

While most philanthropic grants will depend on a well articulated vision and a strategy pertaining to the specific case for investment, it was recommended that a common case could enhance rural specific grantmaking and inspire more strategic grant focus on the part of funders. Many recommendations for improving the paper *Cultivating Rural Prosperity* were made and members felt this paper had potential to serve this purpose if it focused more on assets and the aspects of rural that are important to all. Dissemination to rural practitioners and funders may yield more rural engagement.

Raise Awareness Across All Funders

An opportunity exists to appeal to certain large-scale funders for a more strategic focus on rural grantmaking, especially those private foundations, corporations and other formal funders with an obvious rural connection. Targeted information campaigns and networking perhaps under the guide of the Rural Funders Affinity Group could be effective.

A more broadly focused information sharing strategy aimed at all funders may also have merit.

Encourage Social Enterprise in Rural Non-profits

Rural non-profits are dependent on earned income and donations because government funding is concentrated in large urban institutions such as hospitals and schools. Tools and knowledge to stimulate more enterprise-based development may be more conducive to sustainability. *Roundtable* members recommended forming forums and networks in the future be inclusive of this developing arena.

Phase 3 – Next Steps

Champions of Change

It is clear from the perspective of the *Roundtable* that there is a need for action and focus to bring about change. The Foundation for Rural Living is committed to facilitating the interest in moving toward the *Roundtable* recommendations. Several *Roundtable* members pledged their personal and organizational support to the various activities. All participants have acknowledged the critical importance of a continuation of the *Roundtable* aims and objectives.

The development of a Rural Funders Affinity Group, establishment of Rural Funders Collaborative and 'challenge' fund and, technical assistance/capacity building programs will be a priority. The Thomas Sill Foundation, National Rural Funders Collaborative (US) and The Tamarack Institute for Community Engagement will play pivotal roles in these emerging initiatives.

"Philanthropists need to view rural as leading and innovating, transforming and changing and above all else as critical part of society. It is not the desire of most philanthropists to provide core funding or to partner with the government in financing operations and core business."

A re-occurring expression...

