



national committee for  
responsive philanthropy

# BEYOND CITY LIMITS: THE PHILANTHROPIC NEEDS OF RURAL AMERICA

May 2004

**National Committee for Responsive Philanthropy**

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The National Committee for Responsive Philanthropy is an independent nonprofit organization founded in 1976 by nonprofit leaders across the nation who recognized that traditional philanthropy was falling short of addressing critical public needs. NCRP's founders encouraged foundations to provide resources and opportunities to help equalize the uneven playing field that decades of economic inequality and pervasive discrimination had created. Today NCRP conducts research on and advocates for philanthropic policies and practices that are responsive to public needs.

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# Beyond City Limits: The Philanthropic Needs of Rural America

By Rick Cohen with John Barkhamer

## Introduction

There are only a handful of major foundations with strong institutional commitments to grantmaking in rural America, particularly grantmaking for rural community and economic development.

That is hardly a stunning news flash, experienced daily by rural nonprofits as they struggle to find the resources to deliver on their essential services and advocacy. Some studies have documented this lack of support, including the Southern Rural Development Initiative's research on giving in the mid-1990s<sup>1</sup> and the Appalachian Regional Commission's study of foundation funding in 1999<sup>2</sup>. A few funders appear to get it, emphasizing challenge grants for rural schools (the Annenberg Foundation in 2000) or a pledge to raise \$100 million in new foundation funding for rural America (the multiyear commitment of the National Rural Funders Collaborative).<sup>3</sup>

In philanthropic circles, most public discussions of rural foundation grantmaking emphasize technique, how to make scarce philanthropic dollars go further, or how much emphasis to put on direct grantmaking versus funding for capacity building and technical assistance. Frequently, rural organizations are advised to do more with less and to look for other community assets rather than focus on resource deficiencies and shortcomings.

This brief report goes against the grain to examine some resource deficiencies in rural America concerning the availability and delivery of philanthropic capital from private foundations and corporations to rural community-based organizations. The more than \$30 billion in annual foundation giving may account for only 10 percent of nonprofit revenues in any given year, but foundation moneys are—in theory—resources that nonprofits can use in flexible, creative ways.

Do the nonprofits of rural America have adequate access to the philanthropic capital markets controlled by American foundations to give them the wherewithal to address the complexities of challenges in non-metropolitan communi-

1. *Philanthropy in the Rural South: A State by State Description and Analysis of Assets and Grants* (Southern Rural Development Initiative, n.d.)
2. Greg Bischak, *Foundation Funding in the Appalachian Region in the 1990s: Patterns, Trends, and Prospects* (Appalachian Regional Commission, March 1999)
3. Cf. Neil F. Carlson, "Going to the Country: Funders Collaborative to Raise \$100 Million for Rural Communities," in *Responsive Philanthropy* (Summer 2001)

ties? Based on the limited data and public information sources available on philanthropic grantmaking, this report provides some context for answering that question—and poses challenges for philanthropy.

## Methodology

Private foundations report their grantmaking on IRS form 990PF. Public foundations, that is, foundations that annually raise funds for their grantmaking, are not obligated to provide details about their grantmaking and therefore the aggregate grantmaking data that are reported are inconsistent. Most foundations report some measure of information about their grantmaking to the Foundation Center, which classifies foundation grants by various keywords for searchability, though the FC databases generally count only grants above \$10,000.

Based on the FC database, this report examines and measures foundation grantmaking to rural organizations in the United States, emphasizing rural development, one of the two “rural” categories used in the Foundation Center database.<sup>4</sup> The tables below outline some dimensions of rural grantmaking by private foundations in rural America, particularly addressing:

- The number of foundations specifically listing grants directed to rural development
- The major foundation funders of rural community and economic development
- The major recipients of rural development grants
- Rural community development grants by state

In addition, NCRP collected information on the grantmaking of corporate grantmakers, emphasizing corporations with rural constituencies or rural backgrounds. The list of corporations includes those emphasizing farm products, timber products, extraction industries, and others that would typically be assumed to have a rural focus in their grantmaking.

Corporations, unlike private foundations, are frequently exempt from substantial amounts of disclosure of their grantmaking. If they make grants through corporate foundations, which file 990PF forms, the grants are disclosed. If they make their charity and philanthropy available through mechanisms other than formally established foundations, the corporations’ grantmaking may or may not be disclosed to the public. The Securities and Exchange Commission does not require disclosure of corporate grants in publicly traded corporations’ filings with the Commission, determining that the amounts are inconsequential to

4. The other category is rural studies, whose grant recipients could be urban or rural universities. “Rural development” generates a list of recipients either as rural-based nonprofits or regranters to rural nonprofits.

shareholders. Congress has to date chosen not to require across-the-board corporate philanthropic disclosure, resulting in as much as 50 percent or even more of corporate grantmaking remaining outside of the public repertoire.

The information contained here regarding corporate grantmaking relies on what the corporations themselves choose to reveal to their shareholders and the public—and to researchers. As a result, the information presented here on corporate grantmaking is far from representative of actual practice.

### Rural Development Grantmaking by Foundations

Keeping in mind that the term “rural development” can mean almost anything to funders, not to mention simply “rural”, a total of 184 foundations made grants in 2001 and 2002 that the Foundation Center categorized as rural development grants. The total rural development grantmaking in these years amounted to \$100,509,561. For comparison, total reported 2001 and 2002 grantmaking for categories potentially related to rural development were as follows:

Grant subject category <sup>5</sup>	2001 grant dollars	2002 grant dollars
Housing and shelter	\$186.6m (1.1%)	\$245.2m (1.5%)
Community improvement and development	\$617.5m (3.7%)	\$666.2m (4.2%)
Employment	\$147.9m (0.9%)	\$119.9m (0.8%)
Food, nutrition, and agriculture	\$139.2m (0.8%)	\$126.7m (0.8%)
Multipurpose human services	\$1,058.4 (6.3%)	\$995.2m (6.2%)
Civil rights and social action	\$185.0m (1.1%)	\$196.9m (1.2%)

Whatever the base of comparison, and whatever the length of time for counting grants, the proportion of grants that can be classified as rural development is a small portion of the more than \$30 billion that foundations distribute annually.

If there is a piece of good news in this analysis, it is that the \$100.5 million in rural development grants constitute more than one-third of all of the \$322,793,474 rural grants identifiable through a keyword search in the Foundation Center database. To the extent that U.S. philanthropy has paid attention to rural issues, rural development issues are central. But rural issues, as a concern of institutional philanthropy, lag. Of 65,000 or so active grantmaking foundations, there are only 184 engaged in rural development grantmaking and only 306 in total that register as rural grantmakers in terms of using the word “rural” in their grant descriptions according to the Foundation Center.

5. Josephina Atienza and Leslie Marino, *Foundation Giving Trends: Update on Funding Priorities* (Foundation Center, 2004), Table 5. Percentages are the proportion of total foundation giving for that calendar year.

Nonetheless, rural states have little in the way of philanthropic resources to draw on and consequently receive relatively small shares of the nation’s philanthropic largesse controlled by foundations, suggesting, as some observers point out, the existence of a “philanthropic divide” in the United States that is largely between urban/metropolitan philanthropic wealth and rural/non-metropolitan philanthropic shortfalls.

State (rank by total foundation assets 2001)	Total foundation assets	Foundation grant dollars received
50 North Dakota	\$148.8m	\$10.3m
49 Alaska	\$253.0m	\$12.5m
48 Montana	\$321.1m	\$25.0m
47 South Dakota	\$373.8m	\$16.8m
46 Vermont	\$372.2m	\$48.7m
45 West Virginia	\$705.9m	\$20.8m
44 Maine	\$764.4m	\$49.6m
43 Mississippi	\$840.5m	\$28.9m
42 Wyoming	\$874.8m	\$13.5m
41 New Hampshire	\$941.3m	\$32.8m
40 New Mexico	\$1,035.7m	\$53.4m

The list of lowest ranking states in foundation grant dollars received also includes other largely rural states without significant metropolitan community wealth: Nevada (#45 with \$20.8 million) and Idaho (#41 at \$42.9m). Similarly, a ranking of states by foundation giving per capita also demonstrates the lack of indigenous foundation grantmaking in largely rural states:

States ranked by foundation giving per capita (2001)	Foundation giving per capita
50 North Dakota	\$13.16
49 Alaska	\$15.88
48 West Virginia	\$17.20
47 Montana	\$17.73
46 Mississippi	\$19.31
45 Arizona	\$21.22
44 South Carolina	\$22.45
43 Kentucky	\$26.18
42 Alabama	\$28.82
41 New Mexico	\$28.85
40 Louisiana	\$32.64
39 Maine	\$33.56

These state philanthropic giving and philanthropic asset figures do not necessarily directly relate to rural development nor even to rural issues, underscoring the importance of focusing not on aggregate amounts of philanthropic giving in rural states or even aggregate amounts of giving ostensibly identified as “rural”, but honing in on philanthropic giving for rural development and ascertaining where the sources of philanthropic capital are and who controls the billions in philanthropic endowments that support \$100.5 million in rural development grantmaking.

The top 20 foundations in rural development grantmaking accounted for nearly \$79.4 million of the \$100.5 million counted by the Foundation Center. That is more than 4 out of 5 grant dollars for rural development accounted for by 20 foundations; rather than 20 percent of the population accounting for 80 percent of the expenditures, in the case of rural development grantmaking, it is barely more than 10 percent of the foundations accounting for 80 percent of distributions. In fact, the rural development grantmaking of two foundations, the W.K. Kellogg Foundation and the Ford Foundation, constituted 42 percent of all rural development dollars from foundations for 2001 and 2002. In one way, the rural development commitment of these two foundations is admirable. However, it does suggest that the mass of grantmaking foundations is basically absent from the rural development needs of nonprofits serving rural populations. Moreover, rural development accounted for more than 10 percent of total grantmaking in only three of the top 20 rural development foundations (the Hewlett Foundation, the C.S. Mott Foundation, and the Houston Endowment).

Top 20 Rural Development Funders	State	Total rural development grantmaking 2001-2002
W.K Kellogg Foundation	MI	\$31,213,802
Ford Foundation	NY	\$10,475,500
William and Flora Hewlett Foundation	CA	\$4,550,000
California Endowment	CA	\$4,391,125
Blandin Foundation	MN	\$3,924,650
F.B. Heron Foundation	NY	\$3,390,000
Charles Stewart Mott Foundation	MI	\$2,943,698
Walton Family Foundation	AR	\$2,677,000
Duke Endowment	NC	\$2,200,000
Richard King Mellon Foundation	NY	\$1,600,000
Bill and Melinda Gates Foundation	WA	\$1,545,458
Claude Worthington Benedum Foundation	PA	\$1,379,000
Otto Bremer Foundation	MN	\$1,336,200
Rockefeller Foundation	NY	\$1,274,470
Jessie Smith Noyes Foundation	NY	\$1,180,000
Robert Wood Johnson Foundation	NJ	\$1,110,850
Houston Endowment	TX	\$1,100,000
Mary Reynolds Babcock Foundation	NC	\$1,091,500
Fannie Mae Foundation	DC	\$1,021,800
William Randolph Hearst Foundation	NY	\$985,000

The skew of rural development grantmaking to a small number of foundations is evident in the following statistics:

- The average rural development grantmaking of the top 20 funders above is \$3,969,503.
- The median rural development grantmaking of those 20 is \$1,572,729.
- The average rural development grantmaking for all 184 foundations was only \$546,248.
- The median rural development grantmaking was only \$75,000.

Most of the foundations engaged in rural development grantmaking have few resources at their disposal, probably much of it focused on smaller geographic regions. It puts many rural nonprofits into a difficult quandary of trying to make their cases to national foundations located in metropolitan areas, simply because the local philanthropic institutions do not have significant capital to devote to this issue.

Of the 184 rural development grantmakers, a substantial number come from the growing health philanthropy sector, or particularly from health conversion foundations. The list of health care conversion foundations is noteworthy, including the California Endowment and California Wellness foundations, two of the nation's health care conversion behemoths, plus the Sierra Health Foundation (CA), the Blue Cross and Blue Shield of Minnesota Foundation (MN), and Alliance Healthcare Foundation (CA). In part, these foundations are coming to support community economic development through an emerging recognition that community health care requires a healthy community. But the lack of health care services and endemic lack of health insurance for low-income people in rural areas constitutes a significant motivation as well.

A recent calculation of health foundations suggests a large and growing subsector of some institutions (as of 2003), with combined assets of \$16.4 billion. Most are new—59 percent established between 1994 and 1999, and 11 percent between 1999 and 2003. More than two-thirds were established because of the conversion of nonprofit hospitals to for-profit status, another 18 percent due to conversion of nonprofit health insurance plans and 8 percent from health care systems. As unfortunate as some people might consider these conversions to be, the resulting charitable foundations represent a source of grant revenue for rural development nonprofits.

Also well represented in the list are community foundations based in metropolitan areas, but providing rural development grants outside of their metro areas, either because of donor designations or because of staff attention to regional issues. The community foundations in this list include the Minneapolis Foundation (MN), the Grand Rapids Community Foundation (MI), the New Hampshire Community Foundation, the New York Community Trust, the Arizona Community Foundation, the Foundation for the Carolinas (NC), the Hawaii Community Foundation, the Winston-Salem Foundation (NC), the Arkansas Community Foundation, and the Community Foundation for the National Capital Region (DC).

Community foundations are increasingly composites of donor-advised funds (DAFs), established by individual donors for the purpose of assisting the donor's favorite type of charity, cause, or issue. Consequently, even an urban foundation such as the New York Community Trust can easily be found delivering grant resources to non-metropolitan charities because of DAFs. Nearly every community foundation in the nation holds DAF assets, with a median of 35 DAFs accounting for \$4 million in assets per community foundation according to a recent national census of community foundations. The challenges for rural development nonprofits would be to connect with big city community foundations to make the case for rural development needs, or better, to help philanthropists capitalize small city, small town, and non-metropolitan community foundations as mechanisms for channeling the latent wealth (old wealth or new in-migrant wealth) of rural America into philanthropic endeavors.

Rural development is a specific philanthropic theme compared to the multiple focuses of most community foundations, addressing the variety of concerns of any municipality, county, or region the CF might address. An alternative to a multi-focused community foundation might be the creation of a community-based public foundation (CBPF) along the lines of the nearly 200 CBPFs nationally that are specifically raising money to address community change and social justice. What distinguish them from most community foundations, much less from the vast majority of private foundations, are the following characteristics:<sup>6</sup>

- CBPFs emphasize philanthropic giving directed at researching and addressing the root causes of social problems.
- They communicate and disseminate information to the public, with a particular emphasis on reaching those who are directly disadvantaged by social problems.
- They strengthen new or existing social movements that work for social, polit-

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6. For a detailed review of CBPFs, see Rick Cohen, *Community-Based Public Foundations: Small Beacons for Big Ideas* (National Committee for Responsive Philanthropy, 2004)

ical, and economic equity.

- CBPFs promote the inclusion of constituents in their grantmaking processes and governance structures.

Many CBPFs are active regranting institutions, receiving substantial portions of their funding from major foundations, but increasingly tapping local and regional wealth for their philanthropic endeavors. Some of the more notable CBPFs have strong rural development commitments, for example, Maine Initiatives, First Alaskans Institute, the Fund for Southern Communities, the Appalachian Community Fund, First Nations Development Institute, the Fund for Folk Culture, the Southwest Minnesota Foundation, the Fund for Idaho, and others. Little known, CBPFs represent yet another philanthropic vehicle for both attracting grant support for rural development from major funders and leveraging existing and new wealth in rural America.

The bulk of the major rural development grantmakers, no matter what their commitment, are not based in rural areas. The creation of philanthropic institutions accessible by rural nonprofits may be as important a strategy in leveraging increased rural development grantmaking as reaching out to and making a better case for rural development grants to the 65,000 foundations that have not discovered this critical issue. A tabulation of the number of foundations in some states makes the case clearly: In some states, without the development of indigenous philanthropic institutions—new private foundations, community foundations, and community-based public foundations—the prospects for increased rural development grantmaking are slim.

States ranked by smallest number of foundations (2003) <sup>7</sup>	Number of foundations
50 Alaska	68
49 North Dakota	86
48 South Dakota	105
47 Wyoming	160
46 Montana	167
45 Idaho	170
44 New Mexico	183
43 Vermont	205
42 Mississippi	206
41 West Virginia	212
40 Arkansas	231
39 Maine	243

7. Data from the Big Sky Institute for the Advancement of Nonprofits

The evidence for the importance of indigenous philanthropic resources is seen in the locations of rural grantmaking grant recipients, but it is only one explanation of the variations in rural development grantmaking:

Top rural development grant recipient states (2001 and 2002)	Rural grant dollars received
Mississippi	\$24,382,325
California	\$12,902,789
Minnesota	\$6,398,150
Virginia	\$5,797,750
North Carolina	\$5,728,800
District of Columbia	\$5,475,116
Arkansas	\$4,377,695
Montana	\$3,175,000
Washington	\$3,096,075
Kentucky	\$2,555,000
Texas	\$2,452,185
Maryland	\$2,284,098
Pennsylvania	\$2,184,622
New York	\$2,110,154

Some of the difference is clearly due to active local grantmakers, particularly in North Carolina, where the Mary Reynolds Babcock Foundation and the Z. Smith Reynolds Foundation are significant philanthropic players with a strong and long-lasting commitment to rural development. Similarly, Minnesota generates significant rural development foundation support because of the presence of the Otto Bremer Foundation, the Blandin Foundation, and the McKnight Foundation.

Some states show up high because of the presence of significant regranteeing institutions (or nonprofits that serve other capital market roles, particularly combining lending with grantmaking), particularly Virginia, in which the bulk of the rural development grantmaking went to the First Nations Development Institute, and Texas, with a large number of grants going to the Rural Development Finance Corporation.

Mississippi, however, shows up at the top of the list, not because of indigenous philanthropy, but because of two major nonprofits that have garnered a large slice of national rural development grantmaking, the Enterprise Corporation of the Delta and Southern Financial Partners. In the 2002-2003 rural development grants list, the following organizations show up as major recipients:<sup>8</sup>

8. It is possible that some of these grants were made for multiple years, but per Financial Accounting Standards Board (FASB) requirements, credited to the specific years in which the disbursements were made and therefore counted as 2001 and 2002 grants.

Top 20 rural development grant recipients	State	Total grant amount received 2001-2002
Enterprise Corporation of the Delta	MS	\$24,207,325
Southern Financial Partners	MS	\$4,007,695
First Nations Development Institute	VA	\$3,500,000
Rural Community Assistance Corporation	CA	\$3,347,500
Calvert Social Investment Foundation	MD	\$2,325,000
Tides Foundation	CA	\$2,000,000
Aspen Institute	DC	\$1,660,387
California Rural Legal Assistance (CRLA) Foundation	CA	\$1,544,538
Community Loan Fund of Southwestern Pennsylvania	PA	\$1,500,000
Southern Rural Development Initiative	NC	\$1,204,300
Center for Rural Strategies	KY	\$1,075,000
Solar Development Foundation	MD	\$1,055,000
Community Resource Group	AR	\$980,000
National Economic Development and Law Center	CA	\$950,000
Rural Development and Finance Corporation	TX	\$905,000
Greater Yellowstone Coalition	MT	\$900,000
Center for Rural Affairs	NE	\$864,225
Local Initiatives Support Corporation	NY	\$850,000
Mountain Association for Community Economic Development	KY	\$845,000
Rural Land Foundation of Lincoln	MA	\$800,000

Given the relatively minuscule budgets of so many rural nonprofit organizations, the large foundation grants received by these and other well-known organizations in the rural field are notable.

Some 12 of the top 20 rural development grant recipients are regranting organizations or otherwise significant players in rural development finance. Other major finance or regranting institutions include Shorebank Enterprise Group Pacific (WA), the Federation of Southern Cooperatives (GA); Grameen Foundation USA (DC), Self Help Enterprises; National Community Capital Association, and the National Rural Funders Collaborative.

Based on the mapping of organizations in Stand Up For Rural America's *Directory of Rural Community Developers* and including other groups appearing in the Foundation Center grant lists, there is clear evidence that rural CDCs constitute significant components of the delivery system for foundations' rural development grantmaking. From the Foundation Center records alone, we can identify many significant community housing and economic development groups as direct grant recipients:

State	Rural CDC Grant Recipients of Rural Development Grants 2001-2002
<b>Arizona</b>	PPEP Housing Development Corporation Indigenous Community Enterprises Tohono Oodham Community Action
<b>Arkansas</b>	Delta Land and Community Arkansas Land and Farm Development Corporation
<b>California</b>	California Coalition for Rural Housing Rural Community Assistance Corporation Karuk Community Development Corporation Self Help Enterprises California Coastal Rural Development Corporation
<b>Colorado</b>	Native American Community Development Corporation
<b>Florida</b>	Centro Campesino Farmworkers Center
<b>Kentucky</b>	Federation of Appalachian Housing Enterprises Kentucky Mountain Housing Development Corporation Mountain Association for Community Economic Development
<b>Louisiana</b>	Southern Mutual Help Association Northeast Louisiana Delta Community Development Corporation
<b>Maryland</b>	Maryland Rural Development Corporation
<b>Minnesota</b>	Minnesota Housing Partnership
<b>Mississippi</b>	Enterprise Corporation of the Delta Quitman County Development Organization
<b>Nevada</b>	Rural Nevada Development Corporation
<b>New Mexico</b>	Taos County Economic Development Corporation
<b>New York</b>	Rural Opportunities
<b>North Carolina</b>	North Carolina Rural Economic Development Center Mountain Housing Opportunities Southern Rural Development Initiative Rocky Mount/Edgecombe Community Development Corporation Cove Creek Preservation and Development
<b>Ohio</b>	Rural Action Appalachian Center for Economic Networks
<b>Oregon</b>	Rural Development Initiatives
<b>Pennsylvania</b>	North Cambria Community Development Corporation (NORCAM)
<b>South Dakota</b>	First Nationals Oweesta Corporation
<b>Tennessee</b>	Eastern Eight Community Development Corporation
<b>Texas</b>	Initiative Frontera
<b>Washington</b>	Affiliated Tribes of Northwest Indiana Economic Development Corporation
<b>West Virginia</b>	Mountain Partners in Community Development Barbour County Community Development Corporation West Virginia Economic Development Corporation

Undoubtedly, many more community developers receive grants that are listed as housing or shelter grants and not coded specifically as “rural development.” Moreover, others are recipients of grants from regranteeing institutions and therefore not listed by the Foundation Center. Nonetheless, the array of community development nonprofits receiving rural development grants from foundations

indicates an infrastructure of organizations that can and should be brought to the attention of the overall foundation sector as a primary and efficient instrument for channeling foundation resources to address rural poverty.

It is worth noting that these statistics on philanthropic resources in rural states, foundation grantmaking in rural states, and foundation grantmaking for rural development should not be construed as any indication of the generosity or lack of generosity of people in these areas. Foundations are distinctive institutional instruments of extreme wealth, essentially tax exempt public money controlled and allocated by private individuals for the public good. The lack of the availability of philanthropic capital in these areas does not mean that rural residents are not generous with their resources. Actually, the contrary may well be true. Information on the charitable generosity of residents in the states that suffer from the “philanthropic divide” suggests that, based on a “generosity index” formula combining states’ average adjusted gross income and average itemized charitable contribution, residents in these areas might be among the nation’s most generous:<sup>9</sup>

State	Adjusted Gross Income Rank	Charitable Generosity Index Rank
Mississippi	50	1
Arkansas	47	2
South Dakota	45	3
Oklahoma	43	4
Alabama	41	5
Tennessee	35	6
Louisiana	44	7
Utah	30	8
South Carolina	39	9
Idaho	42	10

The burden on nonprofits, particularly rural community economic developers, is severe in states where there are shortfalls in state government expenditures, which are exacerbated by federal cutbacks. In many of the states profiled above, foundations expect their grants to leverage government capital, but find government commitment to spend money on social welfare scarce. The lack of state government resources to draw on for private foundations is clearly evident in this chart of the bottom rung of states in terms of state government expenditures per capita:<sup>10</sup>

9. <http://www.cataloguefor-philanthropy.org/cfp/db/generosity.php?year=2003>

10. <http://ftp2.census.gov/govs/state/02statess.xls>

States by rank order, lowest per capita state government expenditures (2002) <sup>11</sup>	State government expenditures per capita
Florida	\$3,105.31
Texas	\$3,239.93
Arizona	\$3,333.67
Nevada	\$3,390.91
Tennessee	\$3,459.28
Georgia	\$3,517.44
Indiana	\$3,606.49
South Dakota	\$3,646.98
Missouri	\$3,675.62
Colorado	\$3,737.65

Foundations do not want nor need to shoulder the burden of making up for government shortfalls. Their willingness to support rural development as carried out by community-based developers depends to some extent on the availability of government capital their grants can leverage. The challenge for rural community developers is not simply to find their way into philanthropic boardrooms to present their cases for funding. They have to be advocates for a healthier climate of public investment in rural development so that foundations can see what their investments will yield.

### Corporate Grantmaking for Rural Development

Of the 184 funders identified in the Foundation Center database as rural development grantmakers, a substantial proportion is clearly identifiable as corporate foundations:

Corporate foundation	State	Rural development grantmaking for 2001-2002
Fannie Mae Foundation	DC	\$1,021,800
Energy Foundation	CA	\$348,200
Washington Mutual Foundation	FL	\$336,000
Wachovia Regional Foundation	PA	\$250,000
Citigroup Foundation	NY	\$215,000
Hitachi Foundation	DC	\$210,000
Bank of America Foundation	NC	\$160,000
Wal-Mart Foundation	AR	\$150,000
J.P. Morgan Chase Foundation	NY	\$145,000
Wells Fargo Foundation	MN	\$140,000
Wachovia Foundation	NC	\$125,000
Nationwide Foundation	OH	\$100,000
Weyerhaeuser Company Foundation	WA	\$100,000
Comerica Foundation	MI	\$75,000

11. For the sake of comparison, the national per capita expenditure level of state governments in 2002 was \$4,455.07.

**Banks have several motivations to be committed to grantmaking in rural areas, because rural developers provide lending and investment opportunities... and also contribute to the banks' Community Reinvestment Act (CRA) obligations.**

Corporate foundation	State	Rural development grantmaking for 2001-2002
American Express Foundation	NY	\$70,000
AT&T Foundation	NY	\$70,000
Time Warner Foundation	NY	\$61,729
International Paper Company Foundation	CT	\$55,000
Qwest Foundation	CO	\$50,000
US Bancorp Foundation	MN	\$50,000
Bank One Foundation	IL	\$47,000
Union Bank of California Foundation	CA	\$25,000
SBC Foundation	TX	\$18,000
Alabama Power Foundation	AL	\$10,000
Archer Daniels Midland Foundation	IL	\$10,000
Caterpillar Foundation	IL	\$10,000
Dr. Scholl Foundation	IL	\$10,000
Corning Incorporated Foundation	NY	\$10,000
Verizon Foundation	NY	\$10,000
Exxon Mobil Foundation	NY	\$10,000
Gannett Foundation	VA	\$10,000
St. Paul Companies Foundation	MN	\$10,000

Based on the Foundation Center classifications, these grant levels are undoubtedly underestimated, but clearly indicate the active involvement of many banks in rural development activities. Banks have several motivations to be committed to grantmaking in rural areas, because rural developers provide lending and investment opportunities that are both good business in and of themselves and also contribute to the banks' Community Reinvestment Act (CRA) obligations.

The number of non-financial corporations in the corporate grantmakers list is much smaller, in part because few are located in rural areas, even if their primary markets or their sources of materials and products come from rural America. The reality is that approximately half of all corporate grantmaking occurs in or near the cities or metropolitan areas of the corporate headquarters or major plants and facilities.

For rural America, this is exacerbated by the challenge of corporate acquisitions. Corporations that might have been strongly identified with rural communities have now been acquired by huge national or international corporations. The result is a tenuous connection at best with the rural communities of this nation. Nationally, some 300 corporations account for 90 percent of reported corporate grantmaking. Approximately one-third of corporate philanthropy is non-cash, in the form of goods and services, and that portion is growing. Rural development organizations are unlikely to be recipients of much in the way of non-cash cor-

porate philanthropy, so the focus here is on cash givers.

Although data is scarce because of many corporations' resistance to reporting, there is some information that can be gleaned about corporate cash donors regarding overall corporate grantmaking by companies with rural markets or with products derived from rural areas,<sup>12</sup> though there is no implication that anything but a tiny portion of these corporate grants reach rural communities, much less support rural development activities.

Corporation	Grant money (cash gifts) in 2002
Wal-Mart Stores	\$156.0m
Exxon Mobil	\$97.2m
Target	\$87.2m
Wells Fargo	\$82.3m
Citigroup	\$77.8m
Intel	\$73.4m
Bank of America	\$72.3m
Wachovia	\$46.5m
General Mills	\$42.4m
Washington Mutual	\$37.4m
Alcoa	\$34.8m
Fifth Third Bancorp	\$26.5m
Fleet Boston	\$25.0m
Corning	\$24.9m
Dow Chemical	\$22.3m
International Paper	\$20.0m
National City Bank	\$20.0m
Keycorp	\$17.0m
Freeport-McMoRan Copper and Gold	\$16.8m
Duke Energy	\$16.2m
Sara Lee	\$13.3m
Weyerhaeuser	\$12.7m
SunTrust Banks	\$12.0m
Halliburton	\$9.0m
Deere & Co.	\$8.4m
Fannie Mae	\$8.1m
Sunoco	\$3.7m
Provident Financial	\$3.0m
Marathon Oil	\$3.0m
Boise Cascade	\$1.5m

12. "The Big Money", *Business Week* (December 1, 2003); the corporations listed are from a list of 233 of the Fortune 500 that responded to a BW survey of their corporate philanthropic grantmaking and other philanthropic donations (goods, services, etc.).

This is hardly a list of all corporate cash grantmakers, much less a list of corporations whose grantmaking may be considered reliably and centrally rural. Some of these grantmakers, while generous, may be focused on international grantmaking, such as Freeport-McMoRan, which has a huge commitment to grantmaking in Indonesia. Nonetheless, because of the small number of private foundations in rural states, it is possible that corporate philanthropy constitutes a proportionally larger share of philanthropic grantmaking in some of these states than private institutional foundations.<sup>13</sup>

The reality is that rural America still gets the short end of the corporate philanthropic stick. There is substantial corporate philanthropic grantmaking in the U.S. amounting to some \$12 billion annually, which could easily be doubled or more if corporations were to reach a level of charitable giving of 2 percent of pretax earnings. However, a 2000 study of 124 Fortune 500 corporations found that corporate grantmaking for rural racial/ethnic organizations amounted to 1 percent of their total racial/ethnic grantmaking, none of the grants were larger than \$80,000, three fourths were for amounts of less than \$10,000, and only 43 of the 124 surveyed awarded any grants for racial/ethnic nonprofits in rural areas.<sup>14</sup> That corporate analysis demonstrated within one sphere (racial/ethnic groups) key aspects of the disparities between corporate grantmaking overall and rural grantmaking:

- Corporate grantmaking for rural groups constituted 0.7 percent of the grant dollars awarded by all of the 124 surveyed corporations for racial/ethnic giving.
- Rural organizations received only 153 of the 10,905 grants made, approximately 1.4 percent of grants.
- The average grant size for grants to rural groups on racial/ethnic issues was \$7,981 compared to an average grant size of \$16,463 for all racial/ethnic charities (and an average grant size of \$17,751 for the corporations' grants to all charities).
- 75.2 percent of the grants to rural racial/ethnic communities were below \$10,000 compared to 58.8 percent for grants for all racial/ethnic charities.
- In that analysis, the most generous corporation in terms of both grant dollars and number of grants made to rural racial/ethnic charities was the Bank of America and the most generous corporate sector was banking.

All told, it is hardly a positive picture of corporate grantmaking for rural nonprofits addressing racial/ethnic issues.

13. Susan Raymond, "Corporate Philanthropy: Where It Counts Most is Often at the Bottom", *OnPhilanthropy* (January 24, 2001)

14. *Grants: Corporate Grantmaking for Racial and Ethnic Communities* (National Committee for Responsive Philanthropy, 2000), p. 48.

For the analysis in this report, a simple survey was e-mailed to corporations or corporate subsidiaries with rural markets or that generate their products from rural areas. Few responses were received, so we supplemented that with information from other corporate philanthropic sources. The result is a picture of grantmaking that suggests that much remains to be done to leverage and mobilize potential corporate philanthropy for rural areas:

- ChevronTexaco's webpage counts \$48.5 million in total community contributions, including \$3.3 dedicated to "civic and community," but notes that it is no longer accepting new grant applications.
- ConAgra to its credit cites support for Habitat for Humanity affiliates in Jonesboro, Arkansas, Longmont Colorado, Canton Georgia, Marshall, Missouri, Newport, Tennessee, and Kennewick, Washington, though it would appear that Habitat is ConAgra's preferred mechanism for supporting rural development.
- Like ConAgra, Dow also highlights its support of Habitat, though noting that as an international firm, Dow supports Habitat affiliates around the world.
- The Weyerhaeuser Company Foundation has a strong rural emphasis, including a commitment to transitional and permanent housing for the homeless in and around its Seattle-Tacoma headquarters communities.
- General Mills is widely seen as one of the nation's premier corporate grantmakers, counting more than \$20.2 million in grants and other gifts in 2003. However, the emphasis of its grantmaking appears to be a strong commitment to the Twin Cities metropolitan area.
- Like many corporations in the last recession, Georgia Pacific's grantmaking shrunk in 2003 from \$3.9 million in 2001 to just under \$3.0 million in 2003, with an emphasis on environmental clean-up and community service activities.
- International Paper includes \$1.1 million in the value of employee involvement toward its total corporate philanthropic activity of \$5.0 million in 2003, with the bulk going to educational programs (\$2.3 million).
- Land O'Lakes Foundation makes its clear that 85 percent of its funds are dedicated to rural areas, with roughly one-fourth of its \$1.6 million in 2003 contributions coming in the form of donated products and the remainder, \$1.2 million, as cash grants. Although generously dedicating 2 percent of pretax income to charity, the Foundation will not be accepting new community grant applications in 2004, probably due to the economic slowdown.
- There are no rural developers easily identifiable in Monsanto's list of \$3.4 million in community grants from 2002, though the extensive Monsanto support of local United Ways probably resulted in some regrants for rural or non-metropolitan nonprofits addressing aspects of community development.
- The Sara Lee Foundation describes a strong commitment to community eco-

**While there are substantial corporate philanthropic resources potentially available to rural areas, little seems to be targeted to rural development—except, obviously, the corporate philanthropy of banks and related financial institutions.**

conomic development, including support for nonprofits engaged in homelessness and affordable housing, job training, and other related activities, though the program descriptions appear to reflect a continuing major commitment of the corporation to grantmaking in Chicago where the corporation was born.

- The first issue of the community initiatives newsletter describing the philanthropic activities of Smithfield Foods demonstrates its focus on environmental issues, including water quality programs in the Cape Fear River System, assistance to farmers to close out hog lagoons and build swine waste management systems, and funding for the North Carolina Coastal Land Trust for acquisition and preservation of ecologically sensitive areas.
- U.S. Sugar supports human services, local hospitals, and scholarships to children of U.S. Sugar employees.
- Unocal’s corporate foundation made “community investments” of \$6.2 million in 2002 and \$5.4 million in 2003, constituting 45 to 60 percent of the corporations’ total community supports, emphasizing investments in locations where the corporations has “substantial operations.” As a result, significant part of the philanthropy goes overseas, though the corporation appears aware and supportive of microenterprise and microlending programs, though focused overseas, and affordable housing and shelter, though highlighting its longstanding support of the Union Rescue Mission in Los Angeles which was founded by the co-founder of Union Oil of California.
- Weyerhaeuser appears to “get” rural development. In 2003, the corporation says its foundation made \$9.9 million in grants throughout North America and internationally, supporting activities such as the construction of 24 Habitat for Humanity homes across the continent and downtown revitalization projects in Idabel and Broken Bow, Oklahoma. Almost one-fourth of Weyerhaeuser’s grants went to projects in Alabama, Arkansas, Georgia, Mississippi, North Carolina, and Oklahoma, and more than 40 percent went to projects in California, Idaho, Oregon, and Washington.

While there are substantial corporate philanthropic resources potentially available to rural areas, little seems to be targeted to rural development—except, obviously, the corporate philanthropy of banks and related financial institutions.

The inherent problem in corporate philanthropy is sometimes corporations are providing philanthropic grants while engaging in corporate practices that might not necessarily help with rural community sustainability and development, as the following commentary about selected corporations demonstrates:<sup>15</sup>

15. Based on corporate profiles from the Socrates Corporate Social Ratings Monitor, a program of KLD Research & Analytics, Inc.

Corporate giving (selected nonbank corporations)	Notable/innovative giving example	Notable negative community impact issues <sup>16</sup>
<b>Alcoa</b> —donated 1.72 percent (\$30.9m) of earnings before taxes to charity plus \$760,000 in in-kind donations in FY2001	Launched a social venture/enterprise initiative in June 2003; also sponsors seminars in nonprofit management in its communities; almost half of Alcoa facilities have community advisory boards for charitable donations	Moving ahead with strip mine plans in Bastrop and Lee counties in Texas
<b>Amerada Hess</b> —counted \$6.7m in charitable contributions (including some in-kind) in FY2001		North Carolina residents suing that Amerada Hess has contaminated well water throughout the state and contributed to health and property value issues due to oil spills
<b>Archer Daniels Midland</b> —does not disclose charitable giving, but 990PF from foundation counted \$2.3m in donations through its foundation in FY2001		Subject to class action suit by residents near ADM soybean mill in Minnesota, alleging health problems due to ADM's use of toxic fumigant
<b>Ashland</b> —donated 1.24 percent of net earnings before assts to charity (\$4.4m) and averages \$4m annually in grants through its foundation	November 2001 donated \$1m to Lexington Kentucky's Blue Grass Community Foundation for regranting	
<b>Boise Cascade</b> —suspended all charitable giving in 1999, resumed charitable giving in 2002, but claims not to track its giving, though estimated at \$1.5m	Supports various conservation projects such as the Nature Conservancy	
<b>Burlington Resources</b> —donated 0.74 percent of NEBT to charity (\$4.7m)	Counted \$1.2m in grant commitments in 2003 to Habitat for Humanity	
<b>ChevronTexaco</b> —0.52 percent of net earnings before taxes (NEBT) to charity (\$48.5m) in FY2002, most apparently not through its foundation (in FY2001, the ChevronTexaco Foundation donated \$5.9m to charitable causes)	Significant support for education, particularly for programs focusing on minority students	Subject of multiple lawsuits on environmental issues

16. Absence of data in this column should not be construed to mean neither the corporation has had no recent or current negative community impact issues; information about negative community impacts should not be construed to cover all of the issues or concerns community activists might have raised about these corporations. The information is simply descriptive material provided by KLD Research & Analytics concerning aspects of the social responsibility practices and potential areas in need of attention and improvement by these corporations.

Corporate giving (selected nonbank corporations)	Notable/innovative giving example	Notable negative community impact issues
<b>ConAgra</b> —told KLD Research & Analytics that it doesn't track charitable contributions, though its foundations donated \$7.7m in FY2001 and the company aims to donate 1 percent of pretax revenues	Significant donations related to food and hunger, including support of America's Second Harvest	Challenged for vertical integration as multinational agribusiness, making it difficult for smaller producers to be competitive
<b>CSX Corporation</b> —does not disclose figures for corporate charitable giving	Scholarships for disadvantaged children	Numerous environmental hazards challenges
<b>Deere &amp; Company</b> —FY2002, company and foundation donated \$8.4m to charity	Giving included \$430,000 for community development; in May 1998, John Deere Des Moines Works created partnership with Des Moines Area Community College to train next generation of Deere manufacturing employees in order to keep high paying manufacturing jobs in Iowa communities	
<b>Dow Chemical Company</b> —FY2001 donated 1.36 percent of NEBT to charity (\$30m)	Donates cash and products to Habitat for Humanity affiliates; in 2001, announced plan to donate \$5m of Styrofoam insulation for 25,000 Habitat homes through 2005	Extensive environmental challenges
<b>DuPont Company</b> —0.8 percent of NEBT to charity (\$32m)	May 1999 pledged \$1 million over five years to prevent the spread of AIDS in San Francisco	Environmental and health litigation in rural areas including Pompton Lakes, NJ, Woods County, WV, and Hanford, WA
<b>Freeport-McMoRan Copper &amp; Gold</b> —FY2002, donated remarkable 6.2 percent of net earnings before taxes to charity, but \$19m of the \$21m was donated to non-US organizations (island of Papua, Indonesia, the major recipient)		
<b>General Mills</b> —donated 5 percent of net earnings before taxes to charity in FY2002, amounting to	Major commitments to Habitat for Humanity and other housing groups in Minneapolis; helped create	Concern expressed by community activists in Albuquerque, NM, about water rights granted to

Corporate giving (selected nonbank corporations)	Notable/innovative giving example	Notable negative community impact issues
\$42.5m, plus estimated in-kind contributions at \$22.6m	Siyeza, a frozen food company, through a partnership with a community organization and a minority owned food company to provide employment to minority inner city residents; substantial portion of foundation's grantmaking is in core operating support grantmaking	General Mills drawing on an aquifer in a desert ecosystem; however, General Mills has proposed a water conservation plan to address these issues
<b>Georgia Pacific Corporation</b> —Gave \$11.7m to community programs in 2000 and 2001	Schools initiatives, plus employee support for Habitat affiliates	Settled class action lawsuit about airborne releases from company's resins facility in Columbus OH
<b>International Paper</b> —FY2002 gave \$6.8m to charity	Through its Education and Community Resources program, supports innovative precollegiate education programs for low-income rural children	
<b>Kellogg Company</b> —Donated 1.4 percent of NEBT to charity (\$10m) in Fy2001 plus valued in-kind giving at \$30m (the Kellogg Foundation is independent of the company, though the Foundation owned 31.4 percent of the company's common stock as of March 2002 and receives \$125m in stock dividends)	Provides financial support for America's Promise; supports programs at historically black colleges and universities through the Tom Joyner Foundation	
<b>Monsanto</b> —Gave \$19.1m to charity in FY2001, \$16.7m of it through the Monsanto Fund	Named by Worth Magazine in 1999 as one of nation's most charitable Fortune 500 firms; September 2002, Monsanto donated agricultural database to University of Illinois; significant support to educational initiatives in St. Louis region	Faced class action litigation from African-American community downwind and downstream of DOE Oak Ridge Nuclear Reservation (due to Monsanto role as contractor); faced several other environmental suits; subsidiary paid \$43.7m to property owners near Anniston, AL to settle class action suit due to hazardous discharges

Corporate giving (selected nonbank corporations)	Notable/innovative giving example	Notable negative community impact issues
<b>PepsiCo</b> —In FY2001, gave 0.65 percent NEBT to charity (\$21m); in FY2000, PepsiCo’s foundation gave \$10.5m to charitable causes	April 2002 gave \$1.5m to SEEDCO for financial and technical assistance to owners of delis, bodegas, and newsstands in New York City; started strategic alliance with YMCA in 1999; committed to Take Stock in Children mentoring program in Florida; in 1997 and 1998 made grants to National Hispanic Scholarship Fund and the American Indian College Fund	
<b>Rohm and Haas Company</b> —FY2001 donated 0.9 percent of NEBT to charity (\$5.1m); announced 10% cut in charitable giving in 2003 due to overall corporate cuts	Major volunteer commitment to Junior Achievement	Subject of protests in Louisville, KY in 2000 due to hazardous emissions in Rubbertown section of the city; citizens in Jackson, MS sued in 2003 regarding illegal hazardous dumping
<b>Safeway</b> —Gave \$30.9m to charity in FY2001 plus \$50m in in-kind contributions		
<b>Sara Lee Corporation</b> —Donated 0.8 percent of net earnings before taxes to charity in FY2002 (\$13.3m), down from \$17m in cash gifts in FY2001, but in-kind giving rose from \$14m in 2001 to \$22m in 2002; combined, the corporation commits to 2 percent of pretax income for cash contributions and in-kind donations	Major charitable commitments to helping low-income families, addressing homelessness, fighting hunger, promoting women’s issues (recipients include Second Harvest National Food Bank, Food Research and Action Center, the National Alliance to End Homelessness, and others)	
<b>Unocal</b> —donated \$6.2m in FY2001, roughly 1percent of NEBT, which is corporate target; foundation made \$961,000 in contributions in FY2001	Major local commitments in the Houston and Fort Bend County areas of Texas for Child Advocates, Habitat for Humanity, others; In September 2001, announced \$444,800 to 11 nonprofits in Lafayette, LA area; supporting Habitat projects in Anchorage and Kenai,	Ordered in 2003 in San Luis Obispo County to pay punitive and compensatory damages to family for lead in pipeline; in 2001, one of five corporations ordered to clean up 700 sites due to environmental contamination

Corporate giving (selected nonbank corporations)	Notable/innovative giving example	Notable negative community impact issues
	Alaska; supports Taos Community Foundation in New Mexico	
<b>Weyerhaeuser Company</b> —In FY2002, the company and its foundation increased charitable giving to \$12.7m (1.35 percent NEBT) compared to \$10.8m (1.2 percent) in FY2001	Support includes open land acquisition and preservation in Arkansas, support for Habitat for Humanity in North Carolina; supported 12 school districts in 5 states through the Southern Schools Partnership	
<b>Winn-Dixie Stores</b> —In FY2000, made cash and in-kind donations of approximately \$10m	Support for National Urban League and the United Negro College Fund	

The overall picture of information available on corporate giving in rural areas is mixed at best. With the emphasis of corporate philanthropy on headquarters cities, rural philanthropy, much less rural development philanthropy, does not emerge as a high priority on most corporations' philanthropic priority lists.

With a difficult economy recently, corporate grantmaking has hardly been robust, with cash donations decreasing by a median level of 3.8 percent between 2001 and 2002, and more than two-thirds of corporations estimating frozen or reduced levels of corporate philanthropy in 2003.<sup>17</sup> Corporate philanthropy as a percentage of pretax income has plummeted over the years, down from 2.6 percent to an estimated 0.7 percent of consolidated pretax income in 2001.

Charitable giving by corporations rose by some 10 percent in 2002 to over \$12 billion, surprising some observers, but the total hides a tremendous shift from cash giving to as much as 33 percent of corporate philanthropy in the form of in-kind services and products. Moreover, some 65 percent of U.S. corporations record no charitable tax deductions at all.<sup>18</sup> Undoubtedly, corporations give locally, even in rural areas, but the highlighted grantmaking of corporations with rural identities, markets, and constituencies does not overwhelm observers with a strong rural development flavor.

17. Ian Wilhelm, "Corporate Giving Takes a Dip: Economic Slump Forces Businesses to Be More Selective", in *The Chronicle of Philanthropy* (July 24, 2003)

18. Data from the National Committee for Responsive Philanthropy on corporate giving in 1999 showed 1,212,250 tax returns filed by C Corporations, but only 424,430 (35%) reporting charitable contributions at a level of 1% of net income.

## Concluding observations

While it is easy to decry rural development grantmaking as insufficient, the more important conclusions concern what should be done. The information reported above on foundation grantmaking and corporate grantmaking for rural development suggest the following strategies and recommendations:

- There is clearly untapped foundation potential for rural development grantmaking. Collaborative efforts such as the Rural Funders Group represent one approach for accessing untapped foundation giving. More efforts and more strategies are warranted.
- Statistics on foundation giving for rural development indicate that nonprofit regranteeing institutions—community development intermediaries, community foundations, and others—can and do play important roles in funneling foundation money to rural development nonprofits. Promoting regranteeing options might be a useful tack for rural development nonprofits.
- Given the scarcity of capital in many rural areas, it may be important to be very serious and specific about achieving leverage from foundation grants, linking foundation grantmaking to other kinds of charitable and governmental funding to demonstrate the efficacy of rural development grantmaking.
- With the much talked about intergenerational transfer of wealth on the horizon, rural nonprofits and their foundation partners should be targeting some measure of resources to donor education. Increasingly, donors want more involvement in and control of their philanthropic giving, establishing donor-advised funds at community foundations and national investment funds. Reaching donors to direct their charity to rural development will only be achieved with aggressive donor outreach and education.
- Nonprofit development groups and their intermediary partners should consider establishing their own philanthropic instruments—such as community-based public foundations dedicated to rural development—in addition to trying to funnel charitable giving and bequests to community foundations and other existing regrantees.
- There are champions in rural philanthropy, such as the Kellogg Foundation, innovators such as the Northwest Areas Foundation, and models such as the Foundation for the Mid-South. While some such as Kellogg are on the front lines of promoting increased rural development grantmaking, more champions should be energized to lobby their philanthropic peers for new resource commitments.
- Foundation commitments also come from emulating best practices. As the list of corporate philanthropic models promoted on corporate websites and

commercial databases shows, corporate philanthropy touts few models of rural development grantmaking beyond commitments to the family of organizations under the Habitat for Humanity umbrella. More models are needed, perhaps to be developed through foundation best practices manuals such as the Ford Foundation's GrantCraft series (especially because Ford is a major rural development grantmaker).<sup>19</sup>

- While the banking sector and its secondary market partners (Fannie Mae and Freddie Mac) grasp the importance of rural development grantmaking, other corporations that buy materials in rural areas or manufacture products for rural markets have not made significant rural development commitments. Rural development grantmaking should rank higher in the philanthropic priorities of corporations with rural identities, constituencies, and histories.
- Nonprofit developers and their intermediary partners might be well advised to conduct sectoral studies on potential corporate grantmakers and develop targeted rural development fundraising strategies. Important in corporate fundraising, however is the development of strong "gift acceptance" policies,<sup>20</sup> so that the nonprofit recipients do not find themselves tied to corporate philanthropic strategies that place the nonprofits in uneasy political or ethical positions.

Neither private foundation philanthropy nor corporate philanthropy is immune from the advocacy of the nonprofit sector. The voices of rural development nonprofits together can and should bring the community economic development needs of nonprofits to the forefront of philanthropic discussions and the top rungs of foundation grantmaking priorities. Standing up for rural America requires stepping forward on rural philanthropy.

**Rural development grantmaking should rank higher in the philanthropic priorities of corporations with rural identities, constituencies, and histories.**

19. A Grantcraft example on rural philanthropy with an unfortunate title is, *Programming on a Blank Slate: A Case on Grant Making in Rural Poverty* (2002)

20. See Rick Cohen, "Fundraising Medicine: Creating Gift Acceptance Policies", in *Grassroots Fundraising Journal* (January/February 2002)

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**Beyond City Limits:  
The Philanthropic Needs of Rural America**

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