

The Role of Philanthropy in Rural Community Development

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BACKGROUND

Less than 7% of philanthropic funding supports rural areas, and only a small number of foundations claim rural development as their mission. Our foundation is one of them. We work in rural Oregon and Northern California, where the economy remains largely natural resource-based—timber, farming, ranching and fishing. In a few areas, natural amenities are fueling new economies based on renewable energy, tourism, retirement and internet-based work. The geography is vast and sparsely populated. Demographically, our territory is about 85% white, 13% Latinx and home to 11 federally recognized tribes. Fifty years ago, this region was known for its thriving small towns, boasting some of the highest rural wages in the nation. That is no longer the case.

INTRODUCTION

Rural regions are a dichotomy, with awe-inspiring assets and painful deficits. This chapter posits that rural philanthropy can have the greatest impact by moving beyond traditional grant-making to emphasizing two priorities:

1. **building local capacity by enhancing and leveraging existing assets, and**
2. **increasing the quantity and effectiveness of public and private investments in rural areas.**

Our rural residents have a deep love for their communities—their levels of volunteerism, civic engagement and social capital would impress any urban visitor. Microenterprises (businesses with fewer than 10 employees) dominate the economy. A growing Latinx population is bringing new workers, eager entrepreneurs and global connections. The physical beauty of the area is inspirational, and rural residents are committed stewards of natural resources.

At the same time, rural is its own inequity. Historic disparities in investment in rural transportation; communication; and economic, social and educational infrastructure manifest themselves today in poorer outcomes

at the child, family and community levels. With the exception of a few high-amenity areas, the inequities compared to those in urban and suburban regions are growing. In southwestern Oregon, for example, the timber industry, which provided family-wage jobs for almost half the population through the 1980s, now accounts for about 10% of jobs, and no economic driver has taken its place. Thirty years ago, the child poverty rate stood at 20%; that statistic now hovers closer to 30%. The disparity in college-going rates between rural and urban students has grown since 2005, primarily due to a decline in postsecondary enrollment by rural high school graduates.²

These trends have led to multigenerational poverty, along with poor physical and mental health, substance abuse, low labor force participation, and political apathy or extremism.

Best practices in rural philanthropy parallel best practices in any kind of philanthropy: We make investments that enhance assets and offset deficits. The key difference is that prioritizing partnerships, capacity-building and leveraging for long-term impact are not optional in the rural setting—they are mission-critical. This chapter explores how the philanthropic sector can address the issues raised throughout this volume by taking an inclusive and collaborative approach to rural development.

1. BUILD LOCAL CAPACITY

Meet communities where they are. Build civic capacity. Enhance organizational infrastructure.

Meet Communities Where They Are

Rural philanthropy is so much more than grant-making; it is community-building. The concept of “meeting communities where they are” is both literal and figurative. Rural funders must travel to communities and get to know the residents. Funders need to learn about local priorities, challenges and resources; take their cue from listening to local residents; and design grant-making to meet the communities’ needs. In pre-COVID times, our foundation’s fleet of five vehicles was in constant use and traveled more than 100,000 miles annually.

Rural philanthropy succeeds if it honors community culture and wisdom; foundations must build relationships and become genuine partners. If a



Our field staff members are connectors, capacity-builders and champions. They are hired from the region and are active in community events, such as this fair sponsored by Euvalcree, a Latinx-focused organization in eastern Oregon. Photo courtesy of Euvalcree.

foundation commits to building on the priorities of the rural community, the likelihood of any initiative's being sustained by the community increases, even after grant-funding ends. If, however, foundations enter with their own agendas, they might find a local partner willing to accept a grant to carry out the foundation's plan, but it is unlikely to last beyond the grant term.

Our foundation has an entire department devoted to community-building. Our staff members are connectors, capacity-builders and champions. They are hired from the communities and follow the motto to "be visible in the community and the community will be visible in you." We show up at celebrations, funerals, meetings and graduations. We enter with the belief that the answers already lie in the community. We set the table for focused conversations that draw out collective wisdom, develop a vision for the community's future and facilitate the creation of plans to move forward. To avoid taking the lead, we start by asking questions—usually over a meal, a coffee or a beer.

Build Civic Capacity: The “Four C” Framework

We organize our work according to our “Four C” framework, and we track growth on each of these fronts:

- **Connections.** We build relationships, convene people and set the table for collaboration. This approach is key for communities to build their own futures. Often, in rural areas, our first question is: “Who is *not* at this table?” It is very easy to tap the same community leaders repeatedly, most of whom are already overstretched. The future of rural communities will depend on engaging those who are harder to reach: youth, low-income families, new immigrants and people of color. This approach is not easy and requires a new type of bridge-building skills. For example, we have built collaborations between city council members and new Latinx immigrants, and between county leaders and mobile home park residents.
- **Capacity.** We aim to build and support local talent, knowledge and resources, so the community can shape its own future. Again, this approach requires going beyond the usual suspects and creating new public- and private-sector engagement. Ultimately, organizational infrastructure and capacity are key to implementing change, and most rural organizations are strained beyond their capacity.
- **Community-Led Action.** Our experience tells us that rural philanthropy requires supporting community-led action over the long haul—or when an emergency hits, such as a wildfire. Rural communities have a great deal of experience figuring out how to “get ‘er done.” They have long relied on their own financial and in-kind resources to carry out projects, such as building fire stations, fairgrounds and health clinics.
- **Culture.** Ultimately, the future of our rural communities will depend on preserving their traditional strengths, while adapting to new realities. One is the restructuring of the economy: Technological efficiencies and the knowledge economy are replacing high-paying agricultural and manufacturing jobs. Another is the demographic realities of rural areas where the population is aging, and new immigrants—often people of color—are the source of renewed vitality.



In Glide, Oregon, residents have been building community capacity for several years. During the devastating wildfires in 2020, the town organized quickly to support a response. Community members helped fight flames on their neighbors' properties. Photo courtesy of Glide Strong.

COMMUNITY-BUILDING LEADS TO QUICKER RESPONSES TO EMERGENCIES

We are working with almost 100 communities across our region. In 70 of them, our field-based community-building staff and foundation-supported local community builders provide on-the-ground supports for helping those communities. In a few, there are backbone organizations that adopt a comprehensive perspective, and we seek them out, provide resources and bring them into the network of rural development practitioners.

Assessments reveal a strong relationship between investments in community-building and improvements in community conditions. One foundation-sponsored study showed that communities that had been building civic capacity for several years were able to organize much quicker to meet local needs when they were hit with two emergencies in 2020: the COVID-19 pandemic and the most devastating wildfire season in Oregon's history.³ Another study showed that community-building investments of \$306,635 in three communities leveraged more than \$15 million in public-sector investments.⁴

Enhance Organizational Infrastructure

The most straightforward grant-making function of rural philanthropy is to compensate for the widespread underinvestment in the basic social and economic infrastructure. Low population density in rural communities means resources in every sector are spread thin. Very quickly, foundations working in rural areas will realize the need to build the capacity of organizations and communities to carry out work. Often, the problem is not weaker support systems—but the absence of any system at all. Many communities have no health care providers, college counselors, lending institutions or broadband services.

Rural residents, by necessity, wear many hats—they volunteer as coaches, court-appointed special advocates for foster children, rodeo staff and emergency responders. One of our local school superintendents recently repaired a leaking gym ceiling himself, and another used his personal funds to stock the emergency food closet. Similarly, nonprofit leaders are multitaskers because they have scant funding for administrative, IT and other infrastructure problems. While it is tempting for philanthropy to seek flashy, new investment opportunities, rural communities tend to prefer and need something more basic, and philanthropy is often the only place they can turn.

To respond, our foundation supports capacity-building for nonprofits. We also support intermediary organizations that, in turn, build capacity for local nonprofits around management, fundraising and governance. In addition, we offer technical assistance grants, whereby organizations can apply for up to \$5,000 to develop leadership expertise, create strategic plans or hire time-limited experts to help with infrastructure issues.

Foundations certainly bring important assets from the outside: funding, technical expertise and access to other resources. Communities have critical assets, too—local expertise and commitment to sustain community-building efforts. Blending the two can create enormous opportunities for rural regions.



A mom in Drain, Oregon, joins her son in an after-school play program. The foundation supports a wide range of child care models in rural communities. Photo courtesy of Michael Sullivan.

THE FORD FAMILY FOUNDATION IS TAKING A COMPREHENSIVE APPROACH TO BUILDING CHILD CARE SOLUTIONS

All communities in rural Oregon are officially designated as child care deserts: Only 18% of all rural children aged 5 and under have access to a child care slot. There is no silver-bullet solution. A wide range of child care models exists in rural areas, and we must support all of them—from family-based providers to preschools. Our foundation is addressing this issue from multiple entry points:

- funding **startup** costs for rural child care centers;
- increasing training of the child care **workforce**, especially around high-quality care;
- offering **business supports** for child care providers, such as technical assistance, access to capital and a shared services alliance to centralize business functions;
- supporting small **capital improvement** projects for providers to improve facilities; and
- conducting studies highlighting **policy and regulatory changes** that would benefit rural providers. For example, our research found that state subsidies for rural providers were as much as 76% lower than for urban providers, even though the cost of providing the service is similar.⁵

2. INCREASE PUBLIC AND PRIVATE INVESTMENTS IN RURAL AREAS

**Leverage the big dollars. Champion rural.
Recognize sociopolitical context.**

Leverage the Big Dollars; Make Sure Public Program Designs Meet Rural Needs

The long game for rural philanthropy is to help rural communities become more attractive for public- and private-sector funders. There is often a mismatch between what the granting agencies provide and the needs—sometimes the funds require local matches that rural communities cannot meet; sometimes there are assumptions about infrastructure that rural communities do not have (notably broadband and transportation); sometimes public-sector grants are too large to align with rural community needs.

More investments are better, but that is not the only challenge. Program regulations and designs need to account for rural contexts. Take the matter of distance: Professional development opportunities that are a subway ride in urban areas are a 200-mile drive from rural communities. Another example: Our foundation is funding an early child development model program in the rural community of Yoncalla, Oregon (population 1,300) to match a similar pilot in Portland (population 662,000), with the aim of providing rural-specific information about best practices. And finally, the tailored, holistic wraparound support services that we provide to our 1,000 scholarship recipients—the majority of whom are rural and first-generation college students who need extra support to navigate postsecondary life—are critical to their 92% college completion rate.

Champion Rural

As a rural funder, we believe one of our most powerful roles is that of rural champion. We aim to shift the narratives about rural communities, focus on the positive, and help our urban neighbors understand rural realities and opportunities. We raise up the stories of rural success in ways that help alter power dynamics and identify common cause.

COMMUNITY-DRIVEN PROCESS IDENTIFIES OPPORTUNITIES AND GAPS

Rural economic development must be a community-driven process whereby citizens initiate their own solutions to local issues. Foundations are in a position to partner with communities, enable access to impartial research and encourage broad resident engagement to achieve local goals.



In Oregon, more than 99% of all businesses are small businesses, as defined by the U.S. Small Business Administration. However, state systems gravitate to urban areas where there is a concentration of traded-sector companies.

Our foundation is supporting the development of a rural entrepreneurial ecosystem-building program called Growing Rural Oregon, or GRO. It will help communities map the key roles and services available to support rural businesses, as well as the gaps. We want to make sure that they have the tools and resources to create entrepreneurial ecosystems that grow the local economy. The data also will enable philanthropists, nonprofits and government agencies to identify investment and collaboration opportunities.

We support the development of tools that make high-quality data available to everyone, because we want leaders at every level to have access to the same trusted information. We advocate for systems that serve rural constituents as well as their urban counterparts.

Recognize Sociopolitical Context

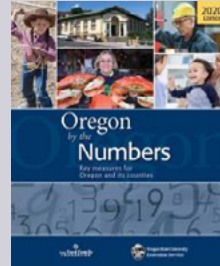
Finally, we must recognize the sociopolitical context in which we operate.

It is critical to understand the growing diversity of rural communities. Oregon has nine federally recognized tribes, and our Northern California footprint includes two additional tribes. Our region has a growing Latinx population. Current demographic trends show that the growth in the rural labor force will come through net immigration. Our future depends on attracting and providing opportunity for new arrivals—many of whom will be people of color—and helping our tribal partners improve their community outcomes.

In addition, rural-urban political tensions are at an all-time high. Our region tracks along red-blue, conservative-liberal lines that map closely to

OREGON BY THE NUMBERS REPORT PROVIDES ACCESS TO TRUSTED DATA, HIGHLIGHTS COMMON CAUSES

In 2018, we began producing an annual data report called Oregon by the Numbers. In a state where the rural population percentage continues to shrink, a primary goal is to help all of Oregon see all of Oregon. The report features profiles for each of Oregon's 36 counties, along with measure summaries ranking the counties for each indicator. The production team also carefully selected indicators, like mobile housing, that would shine a light on how life in rural and urban communities can be different. The report encourages readers to use the data as a vehicle for finding common cause with other communities.⁶



the geography of our rural and urban communities. It is our strong belief that we all succeed only when we embrace the shared fate between rural and urban communities. Our foundation has sponsored many bridge-building projects including:

- a rural-urban “ambassador” exchange program for college students,
- a rural-urban statewide leadership development program, and
- many other more informal groups that aim to promote discussion.

Our local, state and regional imperative is to bridge the rural-urban divide in our corner of the Pacific Northwest.

IN CLOSING

We work in a vast region where many residents tell us they feel left behind in the transition to a new economy, where policies often fail to address rural needs. However, we also operate in a region with pristine lakes, ancient forests and rugged coastlines, where longtime residents step up time and again, and where an influx of immigrants brings energy and new opportunities.

We aim to be more than a rural grant-maker. We aim to be a good neighbor working in partnership with our communities—increasing capacity,

promoting community-building and leveraging our work for greater investments by others.

We are here for the long haul.

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Endnotes

- ¹ The Ford Family Foundation is a private, nonprofit foundation with headquarters in Roseburg, Oregon. The foundation makes grants to public charities and agencies predominantly benefiting communities in rural Oregon and Siskiyou County, California. See The Ford Family Foundation (website).
- ² See The Ford Family Foundation and Education Northwest.
- ³ See Ford Institute for Community Building.
- ⁴ See The Ford Family Foundation, January 2021.
- ⁵ See The Ford Family Foundation, February 2021.
- ⁶ See The Ford Family Foundation and Oregon State University Extension Service.

