

## Implications for Us, RDP and the Field

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### Guidelines for Panelists & Proceedings

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#### Guidelines for Panelists

On Wednesday afternoon, we closed with a discussion which asked community foundation peers to consider the following questions. What we are looking for here – and trying to model – is

*REFLECTION*, that luxury we rarely offer ourselves, to process the phantasmagoria of information we just exposed ourselves to....

So, in response to the course of the Workshop, think about the questions below:

What are **two or three most important aha's or insights or intriguing patterns** that have surfaced for you over the course of this workshop related to any or all of the following:

- **How you can do better:** What your own foundation is doing or might do to better cover its rural territory.
- **How your peers can do better:** Issues or challenges related to covering rural territory that it seems you and your community foundation peers *simply must address but rarely do, or do so inadequately*
- **How the field can do better:** Strategic issues or products that the field (e.g., the RDP Learning Network, The Council, CFA, RAGs) really should address or develop related to better covering rural territory
- **What the Network might do next:** How the Learning Network might best carry on beyond this workshop to build better connections and products around Covering Rural Territory.

Also feel free to offer at the end what has been best about this workshop for you, and what advice you would offer CSG to make the next one better.

#### PARTICIPANTS:

MERIWETHER JONES  
Director, Community Strategies Group  
Aspen Institute  
Moderator

LESLIE LILLY  
President/CEO  
Foundation for Appalachian Ohio  
Panelist

BEN JOHNSON  
President/CEO  
Greater New Orleans Community Foundation  
Panelist

ANN HANSEN  
Board Member  
East Tennessee Foundation  
Panelist

PATRICIA VASBINDER  
Consultant  
Formerly, New Hampshire Community Foundation  
Panelist

## Proceedings

### Meriwether Jones -- Moderator

Too often, we come to these meetings and we get huge amounts of information and no real opportunities to try reflect on it and digest it all, so that's what we're providing right now. We have asked a few of the resource team members to prime the pump, so to speak, by beginning the session with their own answers to the questions listed above. But then when they're done, the idea is that anyone can stand up and share reflections they might have on any of four subjects.

There are four categories: what can I or my foundation do to better cover rural territory; secondly, what my peers can do better or, to put it another way, what are the issues or challenges related to covering rural territory that my own community foundation and other community foundations simply must address; and thirdly, what can the field do better and this particularly means organizations and groups that are trying to do things on behalf of the field, such as the Council on Foundations, Community Foundations of America and the like. What are the strategic issues, guidance and products that the field needs to better cover rural territories? Finally, how can the Rural Development Philanthropy Learning Network best carry on beyond this workshop to build better connections and products around covering rural territory?

### Ben Johnson – Greater New Orleans Foundation

- How you can do better?
- How your peers can do better?
- How the field can do better?
- What might the Network do next?

I'm big on threes. I have three. The connector of my three focuses on the alignment of the organization with the board, the staff, and community, and I heard us talking around those three a lot, those three issues, board, staff, community, and the blanket on that would be becoming more intentional as we go about doing our work.

So what I heard a lot of and I agree with was this asset-based approach to our work versus a needs approach. My image of that is we're playing to our strengths, what's the strength of our board, what's the strength of our staff as we make strategic choices to do our work. Having said that, I think it's important to be realistic. In our community, we know we are not going to be able to solve all the issues in New Orleans, so how do you become realistic about huge critical issues, and for me that comes back to determining the "appropriate role" for our community foundation.

The second point, to me, is that it is not about money. It's about community will, community focus, community vision, and I heard us talking around that a lot and I think that's smart.

I think the last piece on this asset-based approach, the work just done in Nebraska for me was just a huge "aha," that whole intergenerational transfer of wealth. I think that could be a huge feather, almost a banner, for community foundations to be a source of this information, and it's a lot of our work about creating these legacies. So that would be under number 1, all is asset-based.

The second thing for me, and we've talked around it, is board, board, and board. I think it's our most underutilized resource that we have. They are the door openers, they are the policy makers. I mean, through our boards, there's nothing we can't get done in our community or in our state.

In Detroit, for example, every board member there knows they have a responsibility to bring a new fund in every year. So our challenge in New Orleans is what is the board's role and our board is working on that. But I like the idea that if you're a board member of our foundation you do a deal a year for the good of the community and normally it's where you live. So for us it's given us a more regional representation of endowments under the organization.

The question our board struggled with is are we a grant-making organization or are we a service for donors and they have decided to move toward becoming a service for donors. And that works in New Orleans. Their goal is more long-term: to get more donors under the tent. Once, we have the resources, we believe over time, we will be able to influence them. We don't know which generation out it will be, but it's more of a long-term strategy.

The last issue for me, and we talked a little bit about it in our group at dinner last night, are we bold enough? I mean, when you take that Nebraska report and you see the billions of dollars that are going to be translated into potential charitable gifts are we being bold enough in terms of how we're presenting this message and the roles we're willing to do in a community?

There's a great book out, *Built to Last*, by James C. Collins and Jerry I. Porras, and they talk about bold, audacious goals. Of the 100 firms that they profiled every organization had set goals that most people said they could never do – but they did it.

So, I think this idea of boldness the key one. It's not about asset size. Small community foundations, large community foundations—all foundations have the capacity to take bold stances. It's really about leadership and vision.

And I'll stop there.

### **Leslie Lilly – Appalachian Ohio**

- How you can do better?
- How your peers can do better?
- How the field can do better?
- What might the Network do next?

Well, I had some "aha"s, too, and one of them is the more I learn the dumber I feel because there is so much richness in this room and complexity, too, in terms of how we're approaching our work. So the "aha"s for me began within the institution – and, how important it is to remember and understand what your core business is.

As I listened to folks, it seemed to me that there are so many capacity issues in rural communities so consequently, we are asked to be in a lot of businesses. So, we risk issues of mission drift and have a hard time keeping focused since we're also over-stretched. And since my foundation has just been in business for a couple of years, there are a gazillion things that we could be doing! I think the hard part is having the discipline to understand this is what we're here to do and holding on to that.

I also think one of our key challenges as community foundations is there are so many contradictions as I listened to how folks were going about serving rural communities and that these contradictions may be

inherent to working in a rural area. And the strategy and approach of community foundations doing this work tends to be to increase the catchment area by which we go after donor resources.

By increasing the catchment area, we're promising to keep the money in local communities and keeping the money in local communities means we spend a lot of our time and energy building capacity locally. The result can sometimes be the diminishment or loss of opportunity to have a larger regional role.

And if you diminish that regional role, you may miss taking a *systemic approach* to issues of economic decline in our communities. And if these issues are not addressed systemically, then we're still going to have the out-flight of capital and resources from our communities that got us into the conversation about why we needed a community foundation in the first place.

So having said that! I think the field is also at a critical point in time where the way community foundations have been developed in the past *is going to need to look different in rural communities in the future*. The commercial gift funds have awoken community foundations to competition and to a focus on putting all our eggs in the basket around donor-advised funds, marketing to professional advisors, and sticking to a singular message that says we're going to keep the work local. But that can be ultimately a trap. Especially when that is the *only* work being done and there is an absence of trying to focus on developing new products and tools that are more appropriate to the circumstance of rural communities today.

And I don't know what all those things look like because I'm still trying to figure that out, too, but I just know that for our institution donor-advised funds are not going to be a panacea. We have to bring professional advisors up to speed and we have to address the cultural practices of giving in our community. So we've just got to start at a different place.

So, to me, the "value-added" of being a *regional* institution is that it gives an opportunity and incentive for communities to work together that is otherwise absent if you only focus on doing something local. So I'm really in a search and I think the field needs to be mindful of developing new products and tools that are not driven by the large community foundations that in essence control a significant part of the permanent assets.

And I think Ben spoke this morning about 80 percent of the community foundations are an endowment of less than what? Under \$25 million. So I think the business model for community foundation in rural communities needs to be revisited and we need to think about different products and tools. We have deteriorating historic structures, we've got a large land base, we've got an aging population, and so the fit for what's going to be most appropriate in the future is not going to be driven by how it's been done in the past. The ability to innovate means really challenging conventional wisdom about how we've done this work and how community building is done in general.

### **Ann Hansen – East Tennessee Foundation**

- How you can do better?
- How your peers can do better?
- How the field can do better?
- What might the Network do next?

Let me say at the outset I'm thrilled to have the opportunity to come back and see good friends and old friends and I just thank Aspen for providing an opportunity to do this.

I was thrilled to hear Ben talk about boards. I also noted the fact that we haven't heard a whole lot about boards and the role of the board in serving rural communities. But I think the reality is that the board is the vehicle that sustains the work of the community foundation. The board is the community. The board is the representative of the community and the staff. The board is the holder of the vision and is the developer of the strategy. If you get board buy-in on your strategies then I think that your work will be not necessarily easy, but it will be easier.

I sometimes got the idea while I was listening over the last day and a half that the staff thinks that they need to do everything. Maybe, I'm at risk of overstating the issue. But if you don't have board members who are willing to work hard, who are willing to be engaged in the work and passionate about the work—well, then, go find yourself some other board members.

If you have the right membership on your board, they should be willing to give their time. They should be willing to give their money. They should open doors for you. These board members should enable the organization to be a better, healthier organization than if you just consider board members to be the necessary thing that enables you to do what your own personal passion is.

Pat and I were talking earlier. East Tennessee Foundation and the New Hampshire Charitable Foundation have been involved in Rural Development Philanthropy from the get-go, and I am absolutely astounded at how far we've all come. I mean, when we started, we had no idea about area funds, there were no ideas around affiliates, there were no ideas around supporting foundations, supporting organizations, or whatever else. And I marvel how in a space of less than a decade we've been very opportunistic in order to meet and respond and create new products to meet the needs of our communities. That's point number 1.

Point number 2, I would urge you to recognize that rural takes time. You're planting seeds. Terry Holley at the East Tennessee Foundation is a very patient woman. A grant we held for seven years was just issued late last week when the organization *was ready* to do it. It takes a lot of technical assistance. It takes a lot of time on the part of board members to talk to people when they start losing hope, get worn out, or whatever.

So be patient. Some of them pay off, some of them don't, but you plant seeds and you never know.

Lastly, let me talk a little bit about what I perceive to be the major issue at the East Tennessee Foundation. Unlike some of you guys, we don't have a lot of unrestricted money and I think that now what we are finding that we simply *must* raise unrestricted dollars. We've got a herd of donor-revised funds, but we've got no unrestricted money. We are saying that there is a need in the area that we serve to provide a very important function. Ben hates this word, but I happen to love it: "convening." And "convening" in my parlance means we are the facilitator for or the enabler for the conversations. We've got a herd of 501(c)(3)s, even out in the rural areas, but what we found is that those 501(c)(3)s don't know what everybody else is doing.

So one of the roles, and I believe if I could predict one of the major roles emerging for East Tennessee, is matching grantees with grantors and facilitating those conversations. I've done a lot of thinking and maybe because I'm not a professional in the field, I get super impressed with things that you guys take for granted. But endure me for two seconds, while I talk about a book I read a while ago called *Bowling Alone* by Robert Putnam.

We talked early on about community and who is our community and how do we engender and cultivate what's in all of us: a sense of place and a sense of community because we all want to belong. *Bowling*

*Alone* was a wonderful book and it talked about not only the demise of community in America, but it also gave some hints toward the end about what we've got to do to reconnect with the community.

I think that community foundations are situated to be one of the main vehicles to rebuild community in America. We have the conditions because one of the blessings in my eyes of the horror of 9/11 was the fact that it has catalyzed the country.

I don't know about you guys, I travel a lot and my perception is that New York City is overrun with fire trucks or they're fixing to be because every town I was in it seemed like the next six or eight weeks was having some goal to raise enough money to send a fire truck to New York. We have school children in Knoxville, Tennessee, that are giving up their snack money so they can contribute to the fire fund.

I go up to my client in eastern Washington State. They're doing the same thing. They're asking people to give up an hour's wage to contribute to the fire fund. We all want to do something to help each other.

The role of the foundation and the challenge of the foundation is to figure out how to articulate that same spirit and message for local people in the areas that we serve and then go forward and do it.

### **Patricia Vasbinder – Consultant**

Well, I'd like to build a little bit on what Leslie was talking about in terms of the need for some new tools for the field. So this is what I've been thinking about over the last several days, if not years: how does the community foundation cover a larger territory when you don't really have enough staff and/or board to do that?

Now, obviously if you have a big enough endowment, it will cough up enough operating money that you can hire the staff and you can serve the area and you can dig out more money and it goes like that. But most of us are at is that we recognize that we want to serve a larger area but we don't have the resources to do it.

So I was thinking: are there some vehicles available that we could more broadly disseminate or do we need some new vehicles? So I came up with four functions or vehicles or *things* that I think would be helpful if they were more broadly available to the field.

I know Ben said it's not about money. Well, I'm a former banker so I think a lot of it is about money and so what could we, as a field, all of us, do to help each other identify big chunks of money? Big chunks is what we're looking for, however you define "big chunk." Big chunks are helpful.

So I thought about a couple things. Some of these are systemic, some of them are not. I think that we need to know much more and learn more from each other about the whole idea that Montana implemented regarding a statewide philanthropic tax credit. In other words would it serve only the community foundations? No, but it would serve a lot of nonprofits. In other words, is there some way in your state (for those states which have taxes, which is 49 of them) to tweak that tax structure to help till the soil for philanthropy as Montana did for endowments? There are many, many variations, and my belief is there is within this room or within this field some ways for states to tweak that structure to abet your efforts. I don't think most of us have the resources, talent, or money to do this all on our own. It wouldn't work in New Hampshire because we don't have taxes, but it could work elsewhere.

Secondly, I think in the vast expanses of the western states, we need vehicles to help land-rich, cash-poor citizens make gifts of land and in some way, to manage those gifts, create them, turn them into cash. Now, again, this would be a financial vehicle. I don't know how it can be done. It's probably being

done in some areas, but I think that we need to identify what those vehicles are. There are some very, very smart heads about this, but I think we need to get it out there and for those who are serving areas with great need, great land and not a lot of cash, there has got to be a financial vehicle to transfer that and meet the donor's intent to not have it chopped up by developers.

Third, the transfer of wealth study which Nebraska has done offers such a great examples of bringing down to this cosmic idea of wealth, assets and endowments into: So what does it mean for County A in my state? I think the field needs to make available to every community foundation a way, a program, funding, from somebody so ever foundation will have the tools to help your directors or your staff know where that gold is.

Having just survived the three-year capital fund in another organization where I was chair of the board, I can tell you that it is enormously encouraging for volunteers to hear that there are assets to be tapped in rural communities. I mean, it just puts iron in your spine when somebody says: 'Listen, this much wealth is transferring in Merrimac County.' And, then you go and visit somebody in Merrimac county. It gives those of us who are weak of heart, some dose of courage. But, as I said, I don't think each of us can or should do this research themselves.

Fourthly, in terms of this idea of chunks of money, and I know planned giving is, of course, chunks of money but it's not always immediate. But I'll tell you another chunk of money that happens in all of our communities: sales of businesses. It can be as modest as a laundromat or a convenience store that is up for sale, but in every single community, there are business people who are selling their business, but might be interested in having some of the profits stay local. At another Aspen Institute I heard the story about a brother and sister sold a mom and pop store, modest people -- you know this kind of story -- and with the proceeds, established a \$2-million endowment.

We're not talking about IBM here. The sale of modest business is going on all the time, and people often at a certain age don't pick up on the fact that they could have a chunk of money. Are they going to give it all to us? No, they don't have to. But, again, I think we need a vehicle or radar or a discipline to flag and be alert for those sales of businesses before they happen. People don't wake up Friday morning and sell the business. There is a long lead time, years, months at least.

So there are three or four wishes and approaches we might take as a field to bring resources to our rural work.

## **QUESTION/ANSWERS/COMMENTS SESSION**

**COMMENT:** I came here primarily focused on what the relationship would be between the central foundation and the area funds, regardless of how we decide to describe them and one of my "aha"s and it's not a "you" or "your peers." There's a "we" in there. But there was a lot of language in talking about the central organization and the regional divisions that use the "we" and the "they" and I realize that that was expressive of some of my thinking. I made this comment to someone else that some of the language sounded like me when I'm at my worst as a parent and you know how you sound with your kids sometimes, and then afterward you think that was really not an effective way to communicate.

And so the "aha" that I got for myself out of this is that I need to really work on looking at the regional divisions and talking of the regional divisions as a part of "we" and get rid of this "we-they," and it's really given me a bunch of new ideas just to start thinking about that.

For instance, we were having a discussion about whether the regional divisions had to have the same grant-making priorities. Well, if you start thinking if it's a "we-they" that's one conversation, but if you're all a part of "we" then they should have been part of setting the grant-making priorities so it's part of their grant-making priorities that you set together. So that was my "aha."

- Q** Well, one of the things that I think we all intuitively know but we still don't talk about is in the end we have to finance relationships. This is all about interpersonal relationships and trust in terms of somebody actually giving us their money and trusting us to help them do the right thing.

I've been to a lot of these things over the years. I've got to say I'm really impressed with the quality of people here and I've learned a tremendous amount. How can we start talking about this cash flow question associated with financing our work? So that's my question.

- A** Well, one way to maybe approach that is to think nontraditionally about how we get some of the work done that creates the culture and environment for philanthropy and I've really been trying to think how many ways are there and how many stakeholders are there in this issue of philanthropy is important to the region.

We all have a vested interest in growing the pie and we have building blocks within the region that are stewards poised and capable of competently managing resources and investing them for the longer term.

Local officials, go to public officials to give them a heads-up about why they should care about it. Not coincidentally, those are the same folk who are channels into the community around potential donors, so I think there's an infrastructure out there that where it appropriately tapped and educated could become another channel for developing donors for us that goes beyond professional advisors.

Agricultural extension, same thing. They are having daily conversations in the community about issues of community service, estate planning, education, and training in the community, but philanthropy is a missing ingredient in the curriculum that they are providing, but yet they've got staff capacity, they've got trust, they've got relationships that I could never have, but they've been members of those communities for a long time.

So I think there's a way to think about how to do the broader capacity building, raise the bar on the message, the importance of it. The data that Nebraska has done on the intergenerational transfer of wealth stuff is one message that is so powerful. It really gets people's attention.

- COMMENT:** In response to your question, I had a real "aha" sitting at lunch ten minutes ago. We're a small community foundation, \$11 million, and there are three staff and we're in a rural area and we're looking to be a regional foundation. We're getting pressured. But we learned here that we could also consider having our backroom stuff be done by, for example, somewhere else. Like to perhaps move from a totally independent foundation into an incubator relationship with an older, more seasoned foundation, that is what I think we need to consider.

I mean, I'd like to get paid. Maybe we'd be able to have the capacity then if we could have the maturity, maybe. I think that might be the right word. And, frankly, I need to work up the courage to put that on the table when I get back, to really think about that incubator sort of relationship and gulp. I mean, I've been at it eight years but I think that was a really interesting suggestion in terms of the scenarios, and I think that we need to be very frank and more open about the sustainability issue in these discussions. And we have been here during this workshop.

**COMMENT:** I also have to disagree with Ben. I think it's way about the money. And you all have heard me say that, so I went ahead and made some calls last night. Actually I just got a voice mail telling me that I have a pretty good lead. I've got four leads on how to get the money because it won't happen in my environment without the money, so if it's not going to happen with big chunks of money then it's got to happen with regional money because I'm not there yet with my mission and vision.

I called four prospects last night and I've got one this morning that has, like, a \$10,000 match that I think I can do, in my one area. And that's really small but I think it's enough to be able to do the regional leadership piece.

I mean, there are clearly brilliant people in this room, amazing conference, just an amazing conference. And, the idea that it really has to be the board and someone to light their fire—that's what I'm taking away. I've got to go back and share this vision and tell my board that this was more than just a free conference to send me to. This is something that could really work and is necessary and maybe you have to give some elbow grease to get it going it done. Thanks to everyone here!

**MR. JOHNSON:** Of course it's about the money. It's how you present it. The great thing about the community foundation field, it's about the passion of the people in this room who want to do good in the community. That's the message. And by having that message, people with resources come to you, so my misspoken comment meant that it is about the money, but about relationships and passion that along with the money can create positive change in the community.

**RESPONSE:** You've got to understand, though, Ben, that some of us from the Bible Belt that were never allowed to talk about sex or money to get people to actually say it's about the money is actually a pretty bold and courageous step!

**COMMENT:** I don't know what Aspen's long-term plan is for carrying on this work but those of us who have been talking about getting a network for community foundations with affiliates together it seems like there's a lot of overlap and maybe we ought to figure out a way not to duplicate and I don't know what the answer is but I want to put that out there that let's not invent two wheels if one wheel carry the weight.

**COMMENT:** The most disappointing thing in my state is when I have to sit in my office and I have somebody come to me with an idea, a good idea, and they have a lot of energy and they've done what they can to pull resources together and I have very few or no places to send them. And you know we've been doing the work to try to mine what we have, but we know that it's a good ten, fifteen, or more years before a lot of that is going to come to fruition and coming from a philanthropic divide state, one of those ten on the bottom whose endowments and foundations are not growing very quickly and who do not have the benefits of private foundations to dump millions of dollars into affiliate development projects and I'm glad you all have that and I hope you make the absolute best use of that and from a state that has applied for funding from the Rural Funders Collaborative and was denied, to take to the second step a successful affiliate development program, given all of that and not really whining, you understand, because just like we die alone I'm going back to my state alone and have to deal with it with my colleagues there.

What I would like to suggest is this, that we create our own national rural funders affiliate development collaborative and we find national and regional foundations whether it's working with the Council on Foundations or Aspen, whomever, that we can sit down with, with the national advisory group, Rural Development Advisory Group, to hammer out a program that's going to put challenge grant money in the hands of statewide or regional, maybe even local, community foundations in

those areas that do not have access to large pots of private wealth foundations or whatever else to kick- start affiliate development in local communities.

I mean, I'm very disappointed in corporate America for pulling out of many of the funding situations in my state, and I do not know how to replace that money other than doing what we're doing. I don't want to have another corporation come in and have a giving program and then leave. It's too painful. It just doesn't work.

Who would direct that I'm not sure, but I think we need to put that out on the table. We need to gather money from places where you got it to share it with some places where we don't have it.

**COMMENT:** One of the things that I think maybe is a good follow-up on those comments and the other comments goes to what Pat said today in one of our sessions that we need to elevate the discussion. And I think whether we're looking regionally or nationally or even if we're looking at our own situation and we're looking at the community foundation as "we" and the affiliates as "they" I think many times if I go home and if I remember to elevate the discussion I think that that's really what I have learned here – and I think that applies to the entire field.