

2001 Rural Development Philanthropy Baseline Survey

~ Updated on June 18, 2002

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It's not too late! Participate in the RDP Baseline Survey!

RDP Baseline Survey – on the web at

www.zoomerang.com/survey.zqi?NEGHEFV7795YKQAM9P4SQQ5T

Introduction

The Rural Development Philanthropy Baseline Survey is the first survey of its kind to seek a “snapshot” of community foundations’ rural development philanthropy efforts throughout the United States. Disseminated to 685 community foundations¹ in July 2001, and again, in November, 2001 the RDP Baseline Survey was one an effort of the recently formed *Rural Development Philanthropy Learning Network*. As of February 15, 2002, CSG had received 240 surveys for a 35% response rate. Over the past month, we have entered survey data and have begun to analyze the response.

What follows is a preliminary analysis, relying mainly upon averages across the response pool. We continue to seek and to receive responses to the survey—both on-line and in paper form. To participate in the RDP Baseline Survey, please visit our website at www.aspenccsg.org/rdp. In coming months, and as additional surveys are received, more detailed analysis will be made available on the RDP website and in other forums.

¹ Special thanks to the Columbus Community Foundation for sharing their database of US community foundations.

Background

The Rural Development Philanthropy Learning Network is a diverse group of community foundations, philanthropic organizations and alliances engaged in peer-learning exchanges to help improve RDP practice and outcomes. Over an 18-month period, the RDP Learning Network will:

- Learn together about using the tools of community philanthropy to improve the livelihoods of rural families and vitality of rural communities.
- Engage in RDP strategies and apply what is learned to their local RDP practice.
- Share their RDP experiences and expertise with network members, CSG and the field of RDP.

Since 1993, The Aspen Institute's Community Strategies Group (CSG) has managed the Rural Development and Community Foundations Initiative (RDCFI), a national initiative aimed at helping community foundations learn from one another as they explore and implement strategies to serve rural communities. CSG is responsible for facilitating communication and sharing among network members in the least cumbersome, most practical manner possible. Face-to-face exchanges, interactive technology (telephone, e-mail, internet, and so forth...), and written materials will connect the best RDP practices to practitioners in the Network and beyond. As a condition of membership, all Learning Network Members actively share their RDP experience, expertise and challenges with other members and CSG in ways that serve to advance RDP practice and effectiveness.

Why an RDP Baseline Survey?

Since 1993, CSG has helped to develop and document strategies, peer learning opportunities and a shared understanding of the role community foundations might play in building stronger, more economically stable rural communities. Yet, field-wide information related to rural philanthropy (RDP) has remained limited in both scope and availability.

To add to philanthropic and community development field knowledge, we designed a survey that would reach every community foundation (600+) in the U.S. and help us to document and share community foundations' current rural coverage and priorities. This information appears to be of interest and value to the field, as **86%** of the RDP Baseline Survey respondents reported that they wished to learn the results of this survey.

Defining Terms

How did we define rural?

CSG sought a definition that would be flexible and allow us to gather relatively consistent data. Using the US Department of Agriculture Economic Research Service's (ERS) "rural continuum" as a means to assess degrees of "rurality" on a county level, we asked respondents to consider the counties or parishes in their service area according to three broad categories: ***MOST METRO, BORDERLINE METRO/RURAL*** and ***MOST RURAL***.

Based on population size, proximity to a metropolitan area, degree of urbanization and commuting patterns, ERS has placed every county (and parish) in the U.S. on this continuum. The rural continuum is summarized below with three general classifications:

MOST METRO			BORDERLINE METRO/RURAL			MOST RURAL			
Central counties in metro areas of 1M+ pop.	Fringe counties in metro areas of 1M+ pop.	Counties in metro areas 250,000 to 1M pop.	Counties in metro areas less than 250,000 pop.	Counties with pop. 20,000+ adjacent to metro area	Counties with pop. 20,000+ <i>not adjacent</i> to metro area	Counties with pop. 2,500 - 19,999 adjacent to metro area	Counties with pop. 2,500 - 19,999 <i>not adjacent</i> to metro area	Counties of less than 2,500 pop. adjacent to metro area	Counties of less than 2,500 pop. <i>not adjacent</i> to metro area

For your state's 1990 designations, visit www.ers.usda.gov/briefing/rurality/RuralUrbCon.

How did we define community economic development (CED)?

CSG considers "community economic development" to be the processes and strategies that nurture, balance and sustain three related activities – economic development, resource stewardship and civic capacity building. Within this definition:

- *Economic development* goes beyond the goal of creating "jobs, jobs, jobs" and instead includes improving the quality of existing jobs and developing region-appropriate business and entrepreneurship.
- *Resource stewardship* refers to activities and a mindset that discourages sacrifice of a community's tangible and intangible assets for short-term gain. Responsible stewardship of natural resources and the community's culture and way of life is crucial if development is to occur in a manner that is sustainable.
- *Civic capacity* is the ability of a community's citizens to work together over a sustained period to shape a collective future. Capacity-building efforts range from leadership development, to community organizing, to focused strategic agenda setting, to tracking and learning from success as well as failure, to both formal and informal activities that build connections within the community and between the community and outside resources.

Both individually and in tandem, each activity builds healthier communities and improves the quality of life and standard of living for current and future residents of all income levels.

Response Pool Vital Statistics

Total number of responses?

- 240 or 35.03% of foundations to whom we mailed the survey (685).
- Representing **46** states and **913** counties in the United States.
- Average Year 2000 poverty rate of these 897 counties: **14.27%**
(Year 2000 National Average: 11.3%)

Average organizational age of response pool?

- 24 years old
- **Range:** Aged 1 to 88 years.

Average assets of response pool?

- \$49660154
- **Range:** \$11,548 to \$1,600,206,255

Average number of funds managed by response pool?

- 146 funds
- **Range:** 1-1,254

Average staff size of response pool?

- 7
- **Range:** 0-59 (except Points of Light- 130)

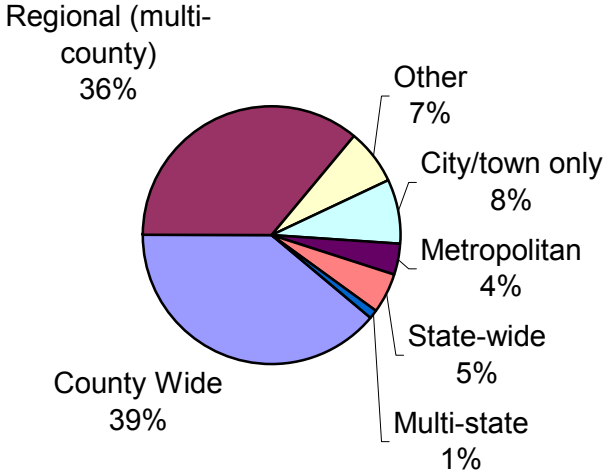
Total number of responses from current RDP Learning Network members?

- 51 of 71 or 71%

Service Areas

- Generally speaking, the response pool was slightly weighted toward community foundations with rural and expansive (multi-county, state or multi-state) service areas.
- Of the 913 Counties covered by the responding community foundations, 1990 ERS data designated 61% rural, 10% borderline and 29% metro.

- Respondents self-designation of each county found 50% rural, 20% borderline, 9% metro 21% were left undefined.
- Respondents described their community foundations as serving the following regions:



Preliminary Findings of Note

100% Rural

- 25% (54/214) reported a 100% *rural service area*
- 24% (53/221) reported 100% *rural board members*
- 12% (25/215) reported 100% of Year 2000 *donors* were rural
- 22% (46/211) reported 100% of Year 2000 *grants* were made to rural communities
- 25% (46/187) reported 100% of their *endowed funds* serve rural communities

Majority Rural

- 43% (92/214) reported majority of their *service area* is rural
- 30% (67/221) reported a majority of *board members* are rural
- 32% (68/215) reported majority of their Year 2000 *donors* were rural
- 32% (68/211) reported majority of Year 2000 *grants* were made to rural communities
- 32% (60/187) reported majority of *endowed funds* serve rural communities

Range of Responses From Majority or 100% Rural

- Several patterns emerged among respondents that reported either a majority or 100% of an RDP element as rural:
 - A majority or 100% of rural donors or rural board members translates to a higher level of other RDP elements.
 - A majority or 100% rural service area *does* translate to consistently high levels of other RDP activities; in fact, respondents with a “majority” rural service area dipped far below other “majority” elements when it came to other RDP elements.

Service Area vs. Governance & Donors

- The total response pool reported service areas that averaged about 40% rural, yet the percentage of rural board members and rural donors averaged 30% and 28% respectively—a 10 to 12% disparity.
- Service areas averaged about 39% borderline with a corresponding average of 42% board members and donors from “borderline” communities.
- The total response pool reported service areas that averaged 21% metro, but with 28% of board members and 30% of donors representing metro communities—an 7 to 9% disparity.

Learning Network vs. Non-network

- Learning Network Members reported greater rural development philanthropy across *all* the elements—but most particularly in areas of: **community economic development grantmaking** and **non-dollar program work**.
 - These results suggest that Learning Network members know a lot about “what works” in developing rural CED grantmaking programs, convening and building capacity in rural communities and establishing rural governance structures.
 - The Learning Network will tap into this knowledge and design ways of sharing what we know with other community foundations.
- Learning Network members reported levels of rural **donors** and **overall grantmaking** to be *greater* than non-network respondents.
 - These results indicate that there may be better strategies and innovative ways of identifying and working with rural donors and nonprofits among Learning Network Members.
 - The Learning Network will identify community foundations that are succeeding in identifying rural donors and developing strong rural grantmaking programs and share these lessons and strategies with the field.

Endowed Funds for Rural Communities

- The Learning Network Members reported that on average, their rural service area was far greater than the percentage of endowed funds serving rural communities. On the other hand, non-members reported that on average, the percentage of endowed funds serving rural communities to be about equal to their rural service area.
- In both cases, the percentage of rural board members and rural donors each averaged considerably beneath average rural service area.
 - Further inquiry might help determine whether these endowed funds operate as discretionary, advised, designated or scholarship funds. In other words, we might ask: how does endowed philanthropy *operate* in rural communities? How many of these endowed funds are designated to one particular organization? Do any of these endowed funds allow for local people to make decisions about these endowed assets?
 - By exploring the way endowed philanthropy *operates* in rural communities, the Learning Network may discover **how and when** the process of building and overseeing endowed assets actually helps to increase civic capacity and economic security in rural communities.

RDP Baseline Survey: Linking RDP to Rural Poverty and Rural Diversity

In a second phase of survey analysis, we took into account excellent suggestions from Network members about what *you* wanted to learn about rural development philanthropy in the U.S. We also correlated survey results with recent Year 2000 census data concerning poverty, population and minority statistics. Consequently, we have re-calculated the initial results with the larger pool of respondents *and* have studied the data in ways that can help us better understand the relationship between philanthropic activity and rurality, poverty and diversity. While the details and updated analysis from the Baseline Survey will be presented on the RDP website soon and in its entirety, we are offering below a preview of some interesting insights gleaned thus far.

It is hoped that by repeating the RDP Baseline Survey every several years, the field might track both incremental and long-term change in the development of philanthropic vehicles and resources for rural communities.

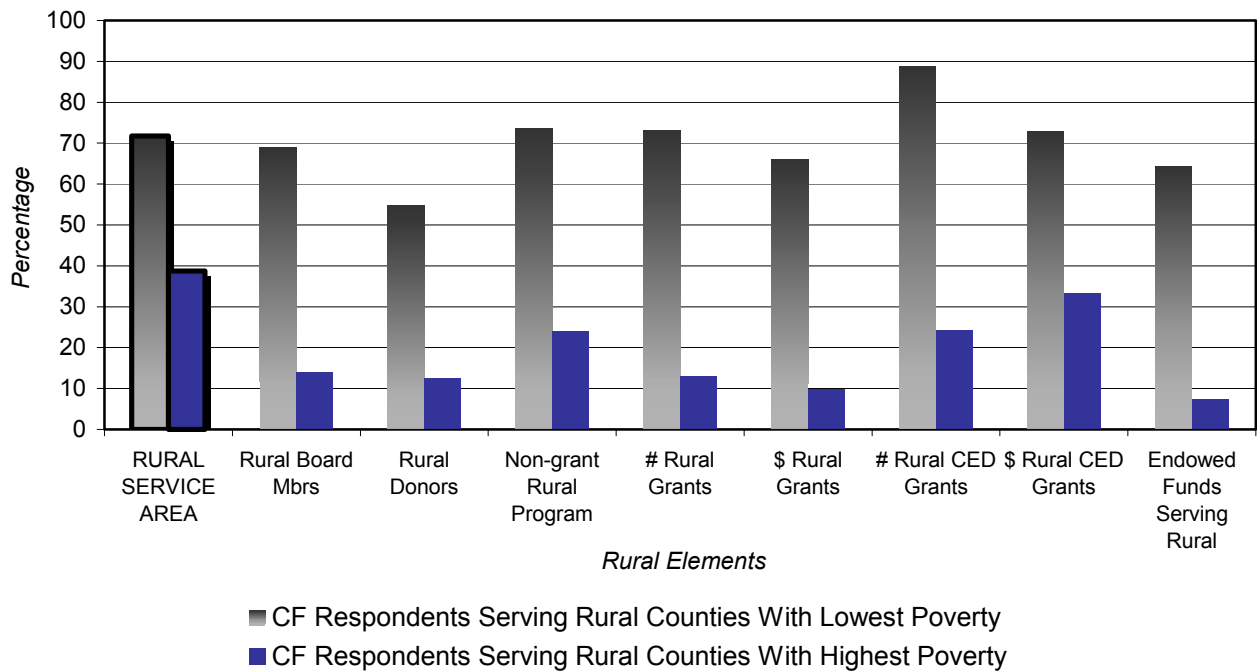
Note: we will be adding additional analysis over time, so you might want to check back here every now and then.

Rural Poverty & RDP

We first researched the rurality of every county that responding foundations identified as part of their service regions. Rurality was measured using census and USDA data measuring county-by-county rurality (see: www.ers.usda.gov/briefing/rurality/RuralUrbCon). Having identified the rural counties covered by respondents, we then researched county-by-county poverty levels, based upon 1997 census data. Using this data, we were able to isolate the ten community foundations (from the entire response pool) that serve counties with the highest rural poverty rates—a rate of between 25.5 to 38%. In the same way, we were able to isolate the ten responding community foundations serving rural counties with the lowest poverty rates.

It is important to note that respondents were asked to consider their service based on rurality alone—not based on rurality *and* poverty (or diversity). So, we cannot say for sure that within a *single* community foundation's service territory, service to the poorest rural counties lags behind service to wealthier rural counties. Nevertheless, when we more broadly compared the activities of the *group* of community foundations serving the lowest poverty counties to the *group* of community foundations serving counties with the highest poverty levels, a clear pattern is revealed:

**Comparison of RURAL Elements:
Respondents Serving Counties With Lowest Rural Poverty Levels
vs. Respondents Serving Counties with Highest Rural Poverty Levels**



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Community foundation respondents that serve counties with the highest rural poverty indicated that the levels of rural development philanthropy did not keep pace with the size of their rural service area nor with respondents serving counties with the lowest levels of rural poverty. While it is not at all surprising that the foundations serving rural counties with high poverty might not have many rural donors, board members or even endowed funds, it is significant that these foundations indicated that the levels of rural grantmaking and program are also very low. This could result from several causes. In deeply rural and poor regions, the nonprofit infrastructure may not exist to accept grants or to convene other non-grant program activities. Moreover, metro communities may be headquarters for regional nonprofits that serve surrounding rural areas, so while a grant might officially be awarded to a metro community, it benefits a rural community. Still, the startlingly lower percentages of rural activity among the respondents that serve high poverty counties suggests that the areas in greatest need may not be receiving the philanthropic attention of their metro and borderline rural/metro counterparts.

Conversely, the extremely high levels of rural development philanthropy by respondents that serve rural counties with the lowest poverty rates is also notable. Among these ten community foundations, the percentage of RDP elements averages over 70 percent across the board. These results indicate that the presence of RDP activities are not related to rurality alone, but rather correspond to levels of rural poverty and wealth. When rural poverty is low, RDP activity not only comes close to matching the percentage of rural service area, it sometimes exceeds it! In general (and again, not surprisingly), community foundations in this group displayed the highest levels of rural service among *the entire response pool*.

Rural Poverty: Community Economic Development vs. Rural Endowment Building

Among respondents serving rural counties with the highest levels of poverty, the activity element (among those listed above on the charts) that averaged the most attention was grant numbers and dollars committed to *community economic development* at 24 and 33% respectively. Considering the lack of attention rural communities have tended to receive when it comes to economic development of any kind and the need for effective community economic development as a response to persistent poverty, this may indicate a promising starting point for rural-focused community foundations serving poor regions.

What may not be surprising, but nevertheless deserves attention is the subsequent column indicating an extremely low level of endowed resources committed to rural, high poverty counties. Respondents serving the counties with the highest poverty reported levels of “donors” and “endowments” to be much lower for rural communities than borderline or metro communities—even when a foundation’s rural service area far exceeded its borderline and metro service areas.

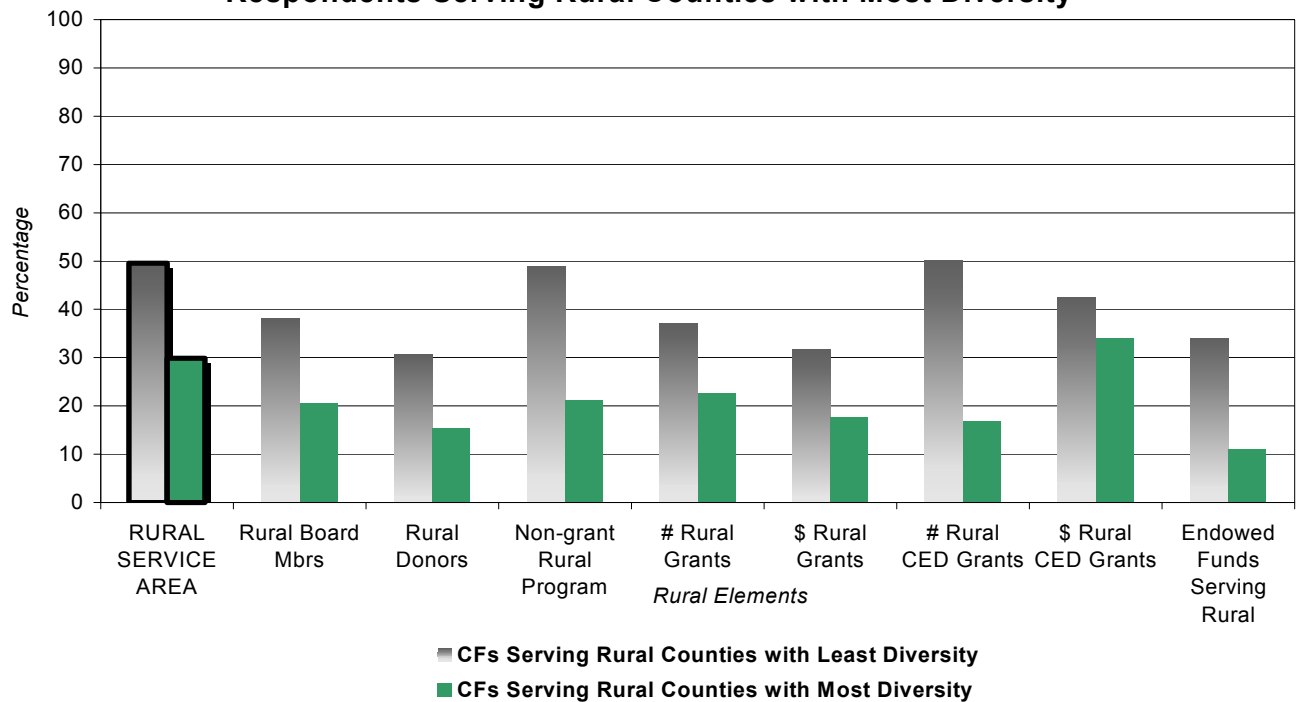
One challenge for community foundations — it would appear — is to translate the positive CED grantmaking occurring in rural areas into donor relationships and permanent, endowed resources from which these communities can draw now and in the future. That is, community foundations must connect rural donors (or any donor, for that matter) with the *potential and impact* of rural community economic development. Developing strong programs is one thing. But telling the stories of these grants to donors who may become passionate about building permanent resources for rural communities is another thing altogether.

These results suggested to the RDP team at Aspen CSG that we add a session on connecting donors to rural grantmaking and program to our July Peer Exchange Workshop – Building Rural Livelihood – on rural program and grantmaking for community and economic development. And so we did! In this session, called Making the Rural CED Case to Donors & Funders a panel of community foundation leaders will discuss the methods they have used to engage a range of donors and private foundations in rural community economic development programs and grantmaking.

Rural Diversity & RDP

It would appear that *rural* is not the key challenge to rural development philanthropy—*poverty* is. And, according to our baseline survey, *so is diversity*. To develop the chart below, we again tracked the counties that each responding foundation claimed as part of their service region. From that set of counties, we matched census and USDA data measuring rurality and, this time, non-white population (which we have called *diversity* for this discussion) to each county. Again, we isolated the group of respondents serving rural counties with the least diversity and the respondents serving rural counties with the most diversity. Having gathered these two sets of respondents, we then compared rural service levels.

**Comparison of Levels of RURAL Elements:
 Respondents Serving Rural Counties with Least Diversity vs.
 Respondents Serving Rural Counties with Most Diversity**



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The levels of rural development philanthropy generated by foundations serving rural counties with lesser diversity proved considerably higher than that of foundations serving communities with greater diversity. In fact, across the board, community foundations with *the most diverse rural populations* indicated that the only element that matched (and in fact, slightly exceeded) the percentage of its service region that is rural was *grant dollars awarded for community economic development (a 29.9% rural service area compared receiving 34% of rural CED grant dollars awarded)*.

Because both endowed funds and donors within the most diverse rural communities are so much lower than CED grant dollars awarded, one might guess that these dollars may likely have been generated by pass-through or special initiative funds, rather than from the communities themselves. In this analysis of extremes, it seems that the most diverse rural counties appear to be utilizing community foundations as a philanthropic vehicle to a lesser degree than their less diverse counterparts.