Community Foundations: Key Players in Rural Development

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Learning Objectives

What are community foundations (CFs) and what do they look like in rural America?

Review 3 primary roles of CFs

Discuss ways for USDA Rural Development professionals to become involved with their local CFs
Survey Question #1

How many of you are familiar with your local community foundation?

1. Yes, I’m a board/committee member or other volunteer.

2. Yes, an organization I volunteer with has received a grant.

3. Yes, I collaborate with the local foundation on a project.

4. Yes, I’m a donor and/or have a fund at a community foundation.

5. No, I’ve never had any interaction with community foundations.
What is a Community Foundation?

- Philanthropic savings account
- Vehicle for donors to leave a legacy
- A leadership organization
Growth of Rural Community Foundations

- 2009 Aspen Institute study
- 270 CFs responded (out of 744)
- 51% had geographic affiliates, with explosive growth recently
- Many new affiliates are in rural areas.
Intergenerational Transfer of Wealth

- Biggest intergenerational transfer of wealth in U.S. happening now.
- TOW in Montana (2010-20)=$12 Billion
- Asset Development vs. Fundraising
Survey Question #2

Are there community foundations active in the rural areas you serve?

1. Yes, there are local foundations talking about intergenerational transfer of wealth and creating permanent community assets.

2. Yes, there are local foundations making grants.

3. Yes, there are local foundations doing community leadership.

4. Yes, there are local foundations, but I don’t know what they do.

5. No, I don’t think there are active community foundations in my rural service areas.
The Three Roles of a CF

- Asset Development
- Grantmaking & Project Funding
- Leadership
#1 Asset Development
Success Stories

- **Sizable Bequests:** Beacon CF, Roberts CF, Valley County CF

- **Future Bequests/Major Gifts:** Blaine County CF, Greater Polson CF, Wibaux Endowment Foundation

- **Sizable Planned Gifts:** Flathead CF, Red Lodge Area CF, Seeley Lake CF, Whitefish CF
#2 Grant Making and Project Support
Examples of Leadership

- Nonprofit Capacity Building
- Fiscal Sponsorships
- Community visioning, planning sessions
- Project work with multiple partners
- Fundraising campaigns
Recommended Grantmaking Strategies

- Investigate community needs
- Competitive grantmaking
- Strategic Grantmaking
  - Grant initiatives
  - Long-term projects
  - NP Capacity building
Success Stories

Data-Driven grantmaking: Park County CF

Project Funding: Seeley Lake CF

Quality of Life projects: F.A.I.R. CF
#3 Leadership
Examples of Leadership

- Nonprofit Capacity Building
- Fiscal Sponsorships
- Community visioning, planning sessions
- Project work with multiple partners
- Fundraising campaigns
Success Stories

- Missoula CF/Seeley Lake CF-Norman McLean Trail
- Greater Polson CF
  
  “Envision Polson!”

- Red Lodge Area CF-Recreating the Red Lodge Area Economic Development Corporation
Discussion Questions

What ideas do you have about helping your local community foundation(s) with visioning, strategic grantmaking or leadership?

How can we tap your expertise, community knowledge to help community foundations better serve rural America?
Curriculum

- Training Objectives
- Delivery
- Implementation
Training Objectives
Year 1

- Introduction to Local Community Foundations
- Strategic Planning
- Facilitation
Training Objectives
Year 2

- Leadership and Governance
- Community Dialogue
- Asset Development
- Grant Making
Training Objectives
Year 3

- Marketing/Communications
- Community Impact
- Effective Collaborations
- Public Policy Systems Change
Implementation

Local Training
- MSU Extension Agents
- Community Foundation Boards

Transfer of Wealth
- Video
- Community Conversations
- Build Collaborations
- Create System Change

Strategic Plan
- Assessments
- Resource Development
- Grant Making
- Thriving Communities
Secretary Vilsack’s Leadership

- Pathways to Rural Prosperity
  - job creation
  - wealth creation, wealth retention and the transfer of wealth
  - attracting five percent of rural investments home from Wall Street to provide access to capital
  - addressing rural poverty and access to healthy foods
Council on Foundations
Memorandum of Understanding

- General MOU signed August 2011; Guidance Memo signed February 2012

- Key objectives:
  - Encourage convening and engagement
  - Leverage resources and identify funding gaps
  - Identify programs suited to collaboration
  - Joint research
  - Case studies
  - Stakeholder identification
  - Institutionalize practice
Highlights of Philanthropy Engagement

- Rural Jobs Accelerator
- Transfer of Wealth Opportunity
- Rural Philanthropy Research
- Rural Arts and Place Making
- Appalachian Small Towns
- Sustainable Communities Peer Exchange
Transfer of Wealth Strategies

- Promote greater philanthropic resources based in rural communities by promoting estate gifts to place-based rural community endowments.

- Rural Community Development Initiative funded three community foundations:
  - $123,000 to Telluride Foundation (Paradox region of Western Colorado);
  - $200,000 Montana Community Foundation (statewide);
  - $200,000 to Foundation of Appalachian Ohio (SE Ohio—Appalachian counties).

- Rural Business Opportunity Grant (expected) funded transfer of wealth study for Foundation of Northwest Missouri.
Rural Philanthropy Research

- Improve understanding of current nature of foundation investments in rural America.
- Acquire and analyze data sets from 2005-2010
- Economic Research Service conducting analysis and providing 50% of $ for data.
- Foundations support for remaining 50%: Annie E. Casey, Rasmuson (AK), Bush (MN)
- Work is ongoing, with results estimated in mid 2013
Appalachian Town Technical Assistance

- Partnership with Appalachian Regional Commission, EPA (they are funding, USDA is providing field engagement).

- Highly targeted technical assistance to promote main street economic revitalization in seven communities: Brownsville, PA; Connellsville, PA; Independence, VA; Salamanca, NY; Spruce Pine, NC; Uhrichsville, OH; Williamson, WV

- Funders Network for Appalachia participated in site selection and member foundations are being engaged in communities. No foundation funding, yet.
Potential Next Steps

- Institutionalize the Philanthropic Engagement Practice within RD and USDA with recommendations from the RD Philanthropy Task Force.

- Develop proposal to support robust national transfer of wealth strategy aimed at rural areas.

- Harness Philanthropy to support regional and place-based initiatives.
Institutionalize Philanthropic Engagement Practice within RD and USDA

- Continue relationship with Council on Foundations and assist new leadership at CoF develop rural philanthropic strategy
- Instill practice of foundation collaboration and information exchange within USDA state offices
- Instigate regional meetings between USDA and key foundations
- Develop proposal to staff enduring philanthropic engagement capacity (with career civil servants)
Develop Transfer of Wealth Strategy

- Identify ways USDA can continue to support rural foundation capacity and additional transfer of wealth studies.
- Work with stakeholders (e.g. RUPRI, Aspen Institute, Ctr for Rural Strategies) to develop national strategy
- Determine how best to engage national foundations so they can support a 10-year national rural strategy.
Harness Foundation support to complement rural regional and place-based initiatives

- Share regional jobs accelerator applicant content with foundations and work to engage funders on next funding round.
- Work with federal partners to interest foundations in supporting rural regional planning grantees (HUD)
- Explore potential of leveraging Community Facilities projects
- Encourage and assist rural applicants for ArtPlace.
- Encourage Appalachian Funders Network to partner with ARC/EPA/USDA on tech assistance project.
Examples of Collaboration:

Initiative Foundation (Little Falls, Minn.)

Mission: To unlock the power of central Minnesota people to build and sustain thriving communities.

USDA funding for rural small business growth and community sustainability:

- Intermediary Relending Program (IRP) grants
- Rural Business Enterprise Grant Program (RBEG) grants have provided technical assistance to the foundation
- Rural Business Opportunity Grant (RBOG)
- Rural Community Development Initiative (RCDI)
Another Minnesota Example

- **Northwest MN Foundation (NWMF)**
  - **Mission:** invests resources, creates opportunities, and promotes philanthropy to make the region a better place to live and work.
  - **USDA RD funding:**
    - Rural Micro-entrepreneur Assistance Program (RMAP)
    - IRP
    - RBEG
  - **Examples of projects:**
    - **Regional Initiatives** like Sustaining communities, Early Childhood, Ingenuity Frontier, and Emerging Leadership
    - **Component Funds** that provide targeted financial support from funds that NWMF manages, each to which donors may contribute
    - **Asset Building Grants** for improving networks and coalitions, community planning, caring connections, and natural resources
    - **Business Development** by making loans and providing technical assistance
    - **Leadership Development** training
Examples of Nebraska Collaboration

Auburn Memorial Library’s expansion was made possible by funds from USDA Rural Development’s Community Facility Loan and Grant Program, the Auburn Memorial Library Foundation, Union Pacific Foundation and the Peter Kiewit Foundation.

Auburn Public Library
Community Hospital, McCook

McCook has new hospital facilities because of Assistance through an ARRA USDA Rural Development Loan Guarantee and funding provided by the Community Memorial Hospital Foundation.
Ainsworth expanded its Public Library with funding from an ARRA USDA Rural Development Community Facility Grant and the Peter Kiewit Foundation. New technology was provided by the U.S. Department of Commerce, the Bill and Melinda Gates Foundation and the Nebraska Library Commission.
Village of Cody

Two USDA Rural Development Rural Business Enterprise Grants assisted in the creation of the straw bale incubator and the new Circle C Market. Cody-Kilgore student entrepreneurs will run the grocery, nearly 40 miles from the nearest grocery. The Sherwood Foundation is among contributors for the $310,000 project cost.
O’Neill’s new Community Center was built thanks to a USDA Rural Development Community Facility Loan. The O’Neill Community Foundation Fund accepted charitable donations for the facility, totaling $729,702.
Panhandle Rural Electric Membership Association

A USDA Rural Development Rural Economic Development Loan helped complete funding for the new Chadron State College Rangeland Agriculture Center and Pavilion. The loan was awarded through the Panhandle Rural Electric Membership Association. The Chadron State College Foundation contributed $2 million philanthropic dollars to complete Phase I of the project.
Your Suggestions, Please

- What experiences have you had working with philanthropic groups?
- How best do we engage private, community and corporate foundations—national or regional focus?
- How can we institutionalize a partnership between USDA and philanthropy?
- How can this effort best impact your communities and your work?

Thank You!