philanthropy & rural america

COUNCIL on FOUNDATIONS

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Helping Rural Areas Reinvent Philanthropy to Serve Their Own Needs

Since 2002, the Arthur M. Blank Family Foundation, based in Atlanta, has made grants totaling nearly $1.7 million to 55 nonprofit organizations in southwest Montana, to improve quality of life for residents of Park and Gallatin counties.

Our experience in Montana—one of the 10 states that make up the Philanthropic Divide—reveals the untapped potential for growing philanthropy in rural, underserved states. Our experience also persuades us that the best service outside foundations can provide is in helping these states adapt and reinvent philanthropy. We should not assume that underserved states can—or ought to—build philanthropy by mimicking the practices found in other places.

When Arthur Blank bought the Mountain Sky Guest Ranch in Paradise Valley, his instincts told him that he and his foundation staff were ill-equipped to make meaningful grants in rural Montana from their offices in Atlanta. Further, he recognized several important characteristics of his young ranch hands, the individuals who wrangle horses, clean cabins and prepare gourmet meals during the guest season. They were caring; they were smart; they had roots in the nearby communities and they wanted to make a difference.

He charged them—the wranglers, the housekeepers and the chefs—with the task of figuring out what the needs were in the community and what they could do with limited resources to have an impact. He gave them a free hand—and the support of a professional philanthropy staff in Atlanta. Together, the ranch staff and the foundation staff have been learning, experimenting and inventing a new breed of philanthropy. The participants are still charting the characteristics of Mountain Sky Guest Ranch Fund's (MSGR) relatively young giving program, but several parallel the experience of other rural philanthropists: Flexibility, collaboration and respect for local knowledge and nonprofit capacity are chief among them.

From the home office in Atlanta, our challenge has been to support the Montana process. Local demand drives everything, so the burden falls to us to have a deep understanding of what our colleagues need. Based on our understanding of the demand of the local community, we were able to provide MSGR Fund staff with access to philanthropic tools and approaches, with the express intent of adapting and reinventing them for their setting. The trick is avoiding any bright-line tests. It's wrong to assume underserved areas cannot benefit from assistance from traditional foundations. It's also wrong to assume these communities should copy what we've done in Atlanta, Phoenix or coastal South Carolina.

Rural Areas' Great, Untapped Potential and Strong Desire for Results

In seeking to build philanthropy in rural America, we are reminded of the caution that has emerged through decades of anti-poverty work: It is a mistake to assume that the people themselves are flawed in some way; that they need to be fixed or repaired. Foundations seeking to build philanthropy in rural America may find what we have discovered in working in southwest Montana: that there is great, untapped human capital on the ground.

It is likewise a mistake to assume that an underdeveloped nonprofit sector and a poor tradition of philanthropy translate into a deficiency of human talent. In our experience, one doesn't follow the other.

On the other hand, there are deficiencies associated with a weak nonprofit sector. In rural America, this often includes low levels of social capital. When the John S. and James L. Knight Foundation did its groundbreaking social indicators work in 1998 through 2001—tracking more than 100 administrative data and survey responses across 26 urban and rural communities where the foundation makes grants—it revealed that small-town and rural do not automatically translate to the high levels of social capital imagined in Frank Capra's idealized communities.

In Knight's work, levels of volunteerism for neighborhood and civic groups were low in Brown County, South Dakota—much lower than in places like Miami, Detroit, Charlotte and Boulder. It is easy enough to make the leap that folks in South Dakota are apathetic. The more likely explanation, in our experience, is an absence of strong neighborhood and civic groups organizing adults to volunteer and make a difference.

The remarkable strain of self-sufficiency that—for better or worse—is so much a part of rural life, particularly in the West, makes the social capital course extraordinarily difficult to navigate. In small and rural communities in South Dakota, North Dakota and Minnesota, according to the Knight data, adults showed less concern about community involvement than in other places. In short, the supply of participation in civic efforts is often low because opportunities are few. Opportunities are few because, in general, there has been weak demand for communitywide organizing.

When asked to choose the best method for improving the community—either volunteering their own time or getting others involved—more adults in these small, rural communities say the most effective approach is for them to put in their own time. (In some small rural communities in the South, on the other hand, where community organizing has a longer tradition, especially through churches, getting others involved is the preferred method.)

What we've learned at Mountain Sky is that conditions are suited for local leaders to coordinate and collaborate in new ways. There is a strong desire for results. The population is small enough for individuals to know one another easily. And leaders are coming at issues fresh, without a negative history of joint nonprofit projects. In these conditions, individuals respond to the invitation to collaborate in a way that is nearly impossible in the large, urban nonprofit environment. Not only is expertise valued, locals are in fact hungry for it, hungry to exchange experiences and to build relationships.

Contrast our experiences in Atlanta and Mountain Sky. Metro Atlanta is home to nearly five million residents. In this metro area, the Blank Family Foundation focuses one of its grant programs on improving youth fitness and reducing youth obesity. There is great complexity and variation within the nonprofit community. Our partners range from the Metro Atlanta YMCA, with an operating budget of about $100 million and an extraordinary reach across the region, to neighborhood associations that have never put together a budget until they apply for a small grant.

In an urban area, the need is so expansive and varied that foundations almost always have to segment the marketplace to identify a meaningful role in pursuing social change—and to have any hope at making an impact. New nonprofits are created all the time, and leadership turns over frequently. Everyone knows somebody else working on the same issue. But no one knows everyone. There is usually a long history of competition among nonprofits, whether competition for service-delivery contracts or purely by brand. And even if we were able to assemble a directory of everyone who cares about the issue, the size of the group would be too large to organize for a single conversation.

Rural Areas Require Different Approaches to Grantmaking

The previous snapshot of our work in Atlanta is recognizable to foundations working in urban areas where philanthropy is well established and where it attempts to work alongside government and business to improve quality of life. As a result, foundation leaders have adopted or invented various tools that help along the process of grantmaking in these situations. The basic components of philanthropy—needs assessments, grant applications, concept papers, RFPs, evaluation tools, theories of change, intermediaries, and so on—may seem universal. But in fact, most have been developed for use by traditional foundations working on national issues or in urban settings.

When the MSGR Fund staff decided to focus on improving youth outcomes in Park and Gallatin counties, it could easily wrap its arms around the entire universe of youth-serving organizations in the area. The MSGR Fund found the groups eager to explore options together and to consider collaborative opportunities. This is not to say the work was easy, but that the process of organizing local nonprofits around a compelling issue was different than it would have been in Atlanta. The MSGR Fund staff could put all the executive directors in a room—and did so, in an October 2005 workshop titled "Building a Web Instead of a Cocoon: Collaboration for Community Vitality," which drew 65 individuals representing 41 organizations for a two-day retreat. The overnight stay was critical to the success of the event, as it ensured sufficient time for authentic networking, as opposed to filling the time with didactic programs. The Fund succeeded in stimulating new grant proposals, based on new collaborative partnerships, specifically because it engaged local organizations in an authentic way and did not attempt to overlay a process that a national foundation had found successful in urban areas.

Tawnya Rupe, who wrangles horses and manages the Mountain Sky Ranch gift shop during the guest season, has led the Ranch Fund giving program since 2004. "The creativity was inspiring," she said, "and witnessing the energy in the room was indescribable as each group shared their ideas. One important note is that the majority of these youth groups had heard of one another but had never met. They openly admitted they were not referring the youth they served to other youth programs, although they should."

After the collaboration retreat, several youth-serving organizations started meeting monthly, on their own, to improve ongoing coordination and to pursue ideas that no one group could take on alone. From the retreat, these youth-serving organizations have worked on a referral system that tries to build on the successes of each program.

The idea is to provide some type of continuum of care, so that a young person who succeeds in one particular program is connected to new opportunities with nonprofits prepared to provide services at the appropriate level of need. Without this, Tawnya explains, "youth are exposed for a period of time and are then stranded without further opportunities."

Filling service-delivery gaps for the hardest youth cases has been one of the lasting impacts of the 2005 retreat. Participants were frustrated that in Livingston, the largest community in Park County, there was no program serving teen-agers who were involved in the courts system or were at the greatest risk of washing out of school. No single nonprofit organization could take on this population. A half-dozen organizations, including Big Brothers Big Sisters, worked out a collaborative effort that is reaching these kids now, giving them the skills and counseling they need to right their course.

Tawnya and the ranch team continue to innovate. Last year, the fund managers decided to add $50 to every grant check to pay the nonprofit's dues in the Montana Nonprofit Association. This seemingly small investment is helping to build local social capital as well as strengthening the statewide sector. For the 2008 grant cycle, the Ranch staff elected to invite proposals in two new areas of interest: efforts to plan, develop and maintain walking and hiking trails in Park and Gallatin counties; and programs that empower youth through the challenges of physical activity and outdoor adventure, including innovations that make use of the natural resources in Paradise Valley.

In the end, leaders hoping to grow philanthropy in underserved states should remember that rural communities have often reinvented innovations to fit their particular needs, as urban models failed to work universally.

Even after President Franklin Delano Roosevelt created the Rural Electrification Act (REA) in 1935, privately held utilities, which served cities and towns, did not respond to federal incentives to electrify rural areas, where nine of 10 farms were dark. In fact, most farms were not served until rural residents organized themselves, creating self-run electric cooperatives that survive today, serving 40 million

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