

Rural Development Philanthropy: Strategic Directions for Success

Minnesota Council on Foundations Conference 2010



Session Objectives

- Introduce **Rural Development Philanthropy (RDP)**
 - Definition
 - Values and Competencies
 - The RDP Collaborative
 - Explore the importance of **Participation** values and competencies to effective RDP
 - Tell three RDP Participation Stories
 - Share participation ideas and challenges in **small group exchanges**
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With us today....

- Nancy Straw
West Central Initiative
 - Wendy Roy
Grand Rapids Area Community Foundation
 - Cathy Hartle
Initiative Foundation
 - Mary Karen Lynn-Klimenko
Laura Jane Musser Fund and Private Philanthropy Services
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Growth in Philanthropy in Rural Places

- Much recent U.S. growth spurt has been in **rural** places.
 - Even more true when it comes to **geographic affiliates!**
 - **Why?**
 - Transfer of Wealth bigger issue in rural
 - Urban foundations expanding to work more with rural
 - Incentives from / Initiatives with major foundations
 - Government is getting into the act (e.g., Iowa)
 - Useful, practical, flexible community development institutions – **Rural leaders have seen them and want them...!**
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So What?

- Rural places have some important differing characteristics.
 - Fewer people per square mile
 - Typically, small number / range of organizations doing things
 - Many small jurisdictions with scarce resources
 - No governing body for a natural region
 - Everyone knows what each other is doing (or thinks they do)
- So.. effective rural development work can be a **very big fish** in the rural pond.



So WHAT?

We started noticing things.

If you use certain approaches to your work in rural places, it can be...

transformative



Even \$\$\$ Raising ...Is Transformative

“Endowment-building was never intended to be the centerpiece of our local initiatives...

...but it became the focus as people began to see it as an opportunity...

... to build community self-determination — stewardship of one’s own future.”

Sidney Armstrong

Former Executive Director

Montana Community Foundation

Speaking about MCF’s Beacon Community Fund Program

It's a Fact:

It's not just about The Money

- ❑ Can bring **leaders** – recognized and new – to the table to make decisions that affect the community and its people
 - ❑ Can build the **knowledge and skills** of those leaders to create a better future
 - ❑ Can **strengthen or create local organizations** that do the work of community building
 - ❑ Can honor and channel diverse **community giving traditions** into strategies with **more impact**
-



Can change the future of the place

Introducing Rural Development Philanthropy

A Distinguishing Story

A rural county in the Midwest loses its two major industries, thousands of jobs – and its hope for the future.

Typical Foundation Response

- Make grants to help people who have lost jobs – grants for food, shelter and job training
 - Encourage donors to give to emergency funds and to non-profits that help those who have lost jobs and income.
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RDP Response

All that, plus....

- Negotiate with departing companies to establish endowed funds for the community
- Partner with local Chamber and others to bring the community together
- Use discretionary and special fundraising to convene small and large groups all over the community to envision new business and community options
- Leverage national and regional funders in to fund the workforce development, entrepreneurship and other plans

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COF Conference September 2010

“The most important thing
you can learn is
how to empower
the voices in the community.”

Helen Jungwirth

Board Chair

Community Foundation of Greater South Wood County

Introducing Rural Development Philanthropy Collaborative

- Eight organizations that could “see” Rural Development Philanthropy happening got together a few years ago.

Organizing Question

How can we create a true practice of Rural Development Philanthropy – and a growing network of competent and effective RDP practitioners who help rural communities achieve and sustain significantly more positive and equitable change?

In a largely volunteer effort

Together We....

- Developed basic framework materials for RDP
 - ❖ Definition
 - ❖ Rationale
 - ❖ Framework / Values
 - ❖ Competencies
-

RDP Definition

- Rural Development Philanthropy (RDP) seeks rural community transformation. It...
 - Is a community-led approach that creates locally controlled assets and invests them to strengthen rural places.
 - Builds a community's ability to shape a better future and promote the well-being of all community members.
 - Unites the tools of community, economic and resource development, engaging all people to come together with their voices, ideas, strategies, talents and giving.
-

RDP Framework / Essential Three

- We produce results that matter.

- We forge and fortify community leadership, connections and control.

- We use, leverage and build **every** asset.

RDP Framework / Defining Characteristics

<p>We produce results that matter.</p>	<p>We forge and fortify community leadership, connections and control.</p>	<p>We use, leverage and build every asset.</p>
<ol style="list-style-type: none"> 1. We address the tough or critical issues facing communities. 2. We are persistent and patient – working over years if that’s what it takes. 3. We unite the tools of community development, economic development and philanthropy to produce substantial and sustainable results. 4. We are flexible, responsive and creative in identifying and addressing community ideas and opportunities. 5. We are measured by our community – based on community results, not on our financial assets or the interests of a chosen few. 	<ol style="list-style-type: none"> 6. We seek, respect and listen to voices within all cultures and classes in order to build a more just community. 7. We actively engage those who are most often left out of decision-making. 8. We work to ensure that power and decision-making are in the hands of all those affected by the decision. 9. We partner with those willing to work for change. 10. We build capacity in the community to do more and do better to control its own future. 	<ol style="list-style-type: none"> 11. We identify every asset – hidden and known, from inside and outside the community – that communities can use to make things better. 12. We encourage the giving of time, talent, creativity and dollars. 13. We champion and celebrate giving by everyone in the community, no matter the amount. 14. We build locally controlled unrestricted and permanent financial assets that provide flexibility to meet changing needs and opportunities. 15. We strengthen capabilities and develop assets that “stick to” the community and provide long-term value and resilience.

THE RDP TOP TEN

Ten areas of competency that are critical to effective RDP practice

Learn about our community and its people.

Understand how and why things work the way they do.

Develop and maintain relationships with a wide range of people and groups.

Communicate effectively with a wide array of audiences.

Develop, attract and manage flexible assets and resources.

Build a business model that supports the RDP mission.

Build capacity in the community's organizations and people.

Facilitate participatory dialogue that yields results.

Organize for action.

Track results, measure progress and adapt as necessary.

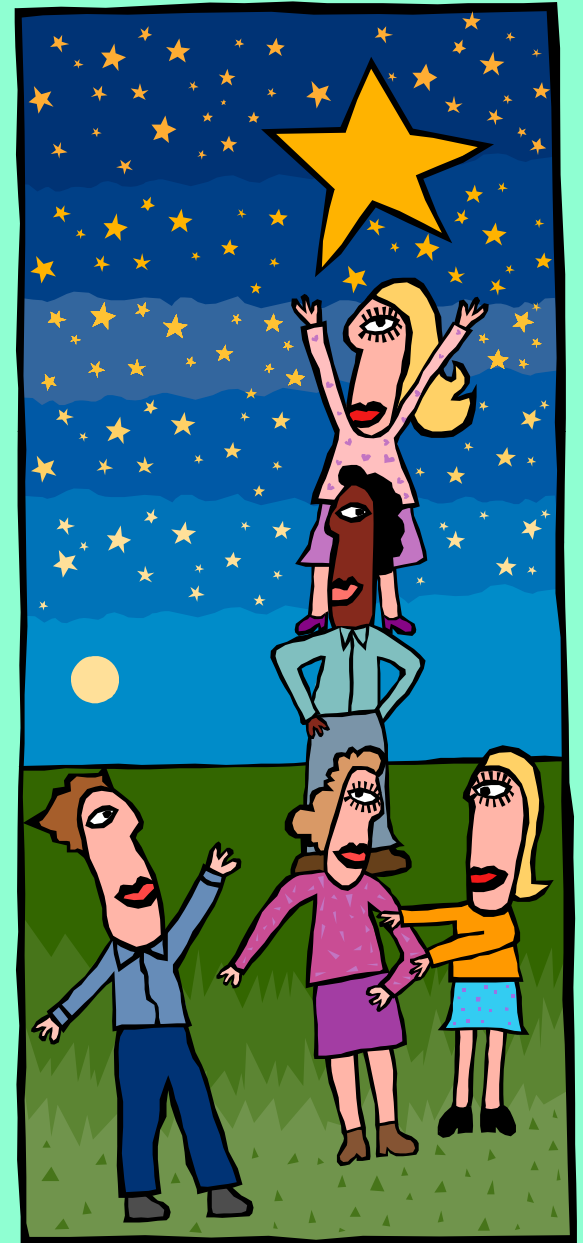
So...

Participation

is a key ingredient in the transformation mission of RDP.

Participation

is your true endowment.



In
Rural Development
Philanthropy,
Participation
is your true endowment.

Think about it.....

Which is the stronger measure...

- Total Assets or....



**These are
participation
measures**

- Number of donors?
- Number of new donors?
- Number of repeat donors?
- Number of donors who are giving more?
 - Diversity/Location of donors?
 - Number of donations?

Participation as a Design Principle

Participants

- More
- Different
- Under-represented

Participation

- More
- Different kinds
- Better
- Repeat
- Leadership role
- Networked

**You CAN
Measure your
Participation
Endowment**

NEXT UP

Three RDP Stories

- RDP and Creative Use of PRIs
 - RDP and Leveraging Assets
 - RDP and Using Local Knowledge
-

NEXT UP

Story 1

Wendy Roy

**Creative Use of PRIs to spur
Economic Development**

Grand Rapids Area Community Foundation

Assets:	\$12 million
Grants 2010:	\$1.5 million
Population:	42,000

Wendy Roy

Creative Use of PRIs to Spur
Rural Economic Development

-or-

Don't Delete Conference
Knowledge From Your Brain—
You Never Know When You're
Going to Need It!

Resources

Grand Rapids Area Community Foundation

wendy.roy@gracf.org

218-999-9100

www.grantcraft.org

www.primakers.net

NEXT UP

Story 2

Cathy Hartle

Leveraging Assets in a
Community in Transition

Initiative Foundation

- Founded in 1986, serves 14 counties in Central Minnesota, population 162,000+
- Region contains many of the state's **most economically distressed** counties/communities
- Our impact:
 - \$20 million in nonprofit grants
 - \$37 million in business loans
 - 10,387 quality jobs secured
 - 5,471 leaders trained
- **Assets: \$47 M** **Staff – 22 talented people!**

A Possible Usual Foundation Role

Leveraging Assets in a Community in Transition

- Phone calls with community leaders
 - Make grants to assist in planning
 - Encourage coordination
-

June 17, 2010 – Wadena MN



June 17, 2010 – Wadena MN



Fine Fifteen # 12-13: Encourage and Celebrate Giving

- Working with community leaders, we immediately set up a Wadena Relief Fund, including GiveMN page, with matching funds from Initiative Foundation and several other donors. Well over **\$80,000** raised to date.
- Significant local/regional giving, but also giving from across nation.
- Trees for Wadena fund set up shortly after - **\$21,000, or 2100 trees to date.**
- ~~Established special business loan fund.~~

Fine Fifteen # 14:

Locally controlled permanent financial assets

- Worked with local partners to establish various flexible component funds
- Provided matching funds GiveMN challenge.
- Community leaders are planning thoughtfully to determine how to best use these funds for Wadena's future (both short and long term needs).

Fine Fifteen # 15: Strengthen Capabilities and Develop Assets that “stick”

- Leadership role with community stakeholders; asset identification (#11) and engagement
 - Special compressed HCP (Healthy Communities Partnership) round developed and initiated.
 - Minnesota Design Team involvement
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What it takes...

- Involvement of nearly half of staff members on or off site: Kathy, Don, Dan in particular
- Flexibility of programming response
- Responsive grant-making ability
- Ability to convene wide group of community leaders in the midst of their dealing with disaster
- Respected, confidential relationship with mayor and other key leaders.

What's different/ transformative?

For our foundation:

- Working across multiple areas: lending, programming, donor services, communications
 - Sense of urgency – already busy people find time for this
-

What's different/ transformative?

For the participants:

- Significant opportunities to be involved in all phases of planning for recovery
- Broader leadership opportunities emerging
- Feel more supported; networked with resources. “we’ve got your back”

What's different/ transformative?

For the community:

- A sense of optimism and self-determination about the future of Wadena.
- Validation from outside neutral parties; a settling of emotions.
- Minimization of “nay-sayer” influence
- Identification and involvement of a wider spectrum of leaders, using individual gifts and talents.

NEXT UP

Story 3

Mary Karen Lynn-Klimenko

Identifying and Solving Challenges at the Local Level

The Laura Jane Musser Fund

- Laura Jane Musser grew up and lived much of her life in Little Falls, MN
- Her estate endowed the Musser Fund in 1989
- Current Assets \$18 million
- About \$200,000 per year in rural funding
- Foundation Focus
 - Rural Initiative
 - Environmental
 - Intercultural Harmony
 - Participatory and Rural
- Part – Time Staff
- Board-Directed Granting Process

Possible Usual Small Foundation Role

- Publish and Disseminate grantmaking guidelines
- Receive proposals
- Make grants to organizations in Rural Areas
- Receive final reports
- Start over

Limitations faced by a Small Foundation

- Limited staff time to get to know a community
- Broad geographic focus – too many communities to know any one community well
- Relatively small grantmaking budget
- Limited staff and Board experience with specific rural issues

Opportunities for Small Foundations in Rural Granting

- Small foundations can be extremely flexible and responsive – less tied to fixed “programs”, less need for formality
- Board driven process involves a great deal of passion, and desire to create impact
- Small rural grants can make relatively large impacts
- Rural projects tend to have fewer layers of bureaucracy – more local passion

LJMF Grantmaking using lessons from Rural Development Philanthropy

- Support the Community in their own process – as they define it
- Support Community priorities as they define them
- Ensure that the community stakeholders are at the table and are empowered participants
- Determine whether there is “skin in the game” at the Community level
- Be flexible on the “focus” of the grant
- Support planning as well as implementation

LJMF Rural Granting - Example One

Poudre Canyon Fire Protection Dis.

New Fire Station Construction

Need: Identified by the Community after the new fire truck didn't fit into the old fire station

Process: Chamber of Commerce annual meeting began the process, and led to a community-wide meeting to identify resources

Community "buy-in": Donated land, discounted materials, volunteer labor

LJMF Rural Granting - Example Two

Town of Dubois

Design Guidelines and Incentive Program

Need: Identified by local planning commission

Process: City planning involving tourist industry, natural resources industry, environmental activists, school district. Implementation: city-wide

Community “buy-in”: Donated funds, donated design, intense community participation at several levels

What is Different than “normal” grantmaking?

- More community members engaged in the process
- More community members benefit from the grant
- Grant impact tends to be more sustainable at the community level
- Grantees more engaged with the Foundation

Table Talk!

What's in your RDP Participation Endowment?

1. One thing your foundation has done to increase an RDP participation measure.
 2. One aspect of your “transformative” work in which you would gain most by increasing participation.
 3. Advise each other!
 4. Report one or two insights from your table.
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