

“Towards a More Democratic Vision of Rural Community Giving”

By James Richardson* and Athan Lindsay†

How ironic that America’s most benevolent sector, philanthropy (philo + anthropos: “love of humankind”), is too often viewed as its most guarded, nurtured by the belief that true philanthropy – or “charity” as it has come to be seen – is the privilege and even the responsibility of the very wealthy to care for those less fortunate. Not to disparage the great, good things that philanthropy so conceived has been able to accomplish. But there is another, more democratic understanding of philanthropy gaining favor as a popular institution to benefit communities, wealthy and poor alike. This more common and participatory understanding of philanthropy can be characterized as “community philanthropy,” with rural families and communities leading the way.

The National Rural Funders Collaborative was launched in the summer of 2001 as a philanthropic initiative of large national and regional funders,‡ initially motivated by the glaring imbalance between urban and rural philanthropic contributions and the intent of NRFC funders to learn how to make more effective rural investments. The intent of NRFC founders was to leverage \$100 million in a 10-year period to support work in rural regions and to identify lessons that could inform other regional and national grantmakers.

After awarding \$3,071,760 in single and multiple-year grants from 2001 through 2005,§, NRFC’s member foundations and participating grantees worked together to reevaluate its mission and strategies for community transformation and to assess how the initiative could have greater impact and build more momentum

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‡ Original NRFC funders included the Mary Reynolds Babcock Foundation, Calvert Social Investment Foundation, Annie E. Casey Foundation, Fannie Mae Foundation, Ford Foundation, F.B. Heron Foundation, William Randolph Hearst Foundation, William and Flora Hewlett Foundation and W.K. Kellogg Foundation. Since then Bank of America Foundation, Otto Bremer Foundation, California Endowment, Lumina Foundation for Education and Northwest Area Foundation have also joined NRFC’s membership.

§ In the first phase of its work, NRFC made grants ranging from \$50,000 to \$750,000 to 17 diverse initiatives in 15 states and regions, thereby leveraging an additional \$41 million in public and private sector funding. For more information on its first phase of funding, see **Transforming Rural America: Many Faces, Diverse Voices, Distant Places, Common Choices**. *Reflections from the first three years: 2002-2005 National Rural Funders Collaborative* at <http://www.nrfc.org/nrfc/documents/nrfc.3yearreport.final.pdf>.

for transforming rural communities and moving rural families out of poverty. With the help of outside research and evaluation of its own work,** NRFC members recognized the full significance of the increasing diversity of rural communities and the importance of understanding the intersection of race, class, culture and power for addressing poverty in rural regions. The conclusion of that research was that NRFC's theory of change indicators – wealth creation, family self-sufficiency and civic participation/leadership – did not go far enough. While wealth creation, family self-sufficiency and civic participation/leadership transformation are indicative of poverty alleviation, these outcomes cannot be achieved without an analysis of and response to issues of race, class, culture and power, because rural poverty is “colorized.”

Hence, NRFC's own final analysis of its work-to-date suggested several compelling conclusions:

- *Rural America is already being transformed.* Rural communities are being transformed by both dramatic demographic and economic changes that are adversely affecting people of color.
- *People of color who reside in rural America are disproportionately living in extreme poverty and persistently poor counties.* While combined communities of color only account for 17 percent of the total rural population, they are poor at two to three times the rate of their white counterparts. The “coloring of rural poverty” is demonstrated by glaring wage, health and educational disparities among people of color in rural regions.
- *The real causes of rural poverty are integrally linked to changes in the rural economy, particularly changes in the kinds of employment.* The lack of diversification, the growth of “big box retailers,” prisons, and high-risk, low-wage, non-union retail, meat-packing and poultry industry jobs are converging to create an economy that keeps people poor. Because rural areas tend to have higher rates of underemployment and fewer community resources, when rural workers do find work, they are more likely to be employed and still poor.

These findings suggest that the reinvention of rural economies – ones with living wages, career-ladder employment and jobs that respect the environment and the health and safety of employees – is fundamental to addressing extreme and persistent rural poverty and forging positive transformative change in rural America. NRFC understands that poverty is often a factor of race, class, culture and power dynamics that are linked and concentrated.

** See “*Zeroing In: Choices and Challenges for the National Rural Funders Collaborative*,” Applied Research Center: Oakland, CA, July 2005 at http://www.nrfc.org/redesign/Zeroing_In-Fin2.pdf.

Efforts aimed at poverty alleviation and wealth creation must first recognize that the work of building rural economies also entails confronting the structural barriers that foster racial disparities and discriminatory practices. Transforming extreme and persistently poor rural communities and regions into healthy and viable living environments will ultimately require the creation of a rural movement for social and economic equity – a convergence of grassroots efforts to envision, develop, implement and monitor a policy context grounded in the newly emerging realities of rural life.

With this revised sense of its mission, theory of change and way of working in hand, NRFC launched its new phase of work in 2006. Among new and revised set of underlying assumptions:

- Strong regional economies are essential to the success and well-being of local communities and families;
- Cultural and land-based economic development ventures and strategies offer significant opportunity to create healthy local and regional economies;
- Developing grassroots efforts to shape and develop the vision and change agenda is an essential aspect of growing local rural economies;
- The ability of rural community groups to identify and develop appropriate strategies to address race, class and power are key to the success of their efforts to transform their economies;
- New philanthropic models of “civic participation” and engagement must be developed to support these alternative, community asset-based rural economies.

This revised understanding of rural community transformation as a strategy for alleviating rural poverty has as its foundation stone the awareness that philanthropy as traditionally conceived may in reality be able to accomplish very little in this effort unless it first recognizes that this transformation must begin from within those communities themselves. This recognition sets the stage for understanding the importance of growing rural philanthropy as a broadly democratic and civic endeavor by means of which rural families – including a growing number of rural families of color – must design their own community-based strategies, models and institutions of support as a necessary preamble to asking philanthropy to join as a partner in supporting their efforts.

Philanthropy as an Opportunity for Civic Engagement

Consequently, the recognition that persistently poor regions too often have too little organized philanthropy or access to other forms of investment with which to sustain transformative work that builds alternative rural economies implies much more than a need for large national and regional philanthropies to step in and make more grants to rural regions. Additionally, and more importantly, it calls for the creation of new and alternative forms of philanthropy and other forms of community investment in which ordinary people and marginalized groups who live and work in rural communities can participate. In its most inclusive sense, philanthropy begins locally and is understood as civic participation in which all can help to shape their community's future.

This understanding of philanthropy as an opportunity for broad civic engagement in supporting community and its transformation has many new and emerging faces, but in actuality is very old and rooted in the many cultures and traditions found in rural areas in this country and others. Former Council on Foundations President and Ambassador to South Africa James A. Joseph published original research nearly two decades ago documenting the many indigenous giving traditions of cultures and communities of color as broad asset-based strategies for building and sustaining community.^{††} This broader understanding of philanthropy as community philanthropy must include those who live and work in rural communities as part of the solution and not simply as the recipients of benevolent gifts. If strategies to address root causes of problems and to move those on the margins of our communities toward the mainstream are to be effective, individuals and communities must be included in their own development. Philanthropy viewed as community philanthropy should be seen as something which joins traditional philanthropic institutions and communities together in collective or collaborative strategies for community change.

Community philanthropy invests in and celebrates human competencies and cultural traditions as assets, and uses these resources to foster risk-taking and creativity in tackling community problems. **Community philanthropy recognizes that solutions to community problems often come from unexpected places and from people excluded from community decision making. When we look for models of community philanthropy, a strong argument can be made that rural communities and communities of color are leading the way.**

Within African-American communities in the American South, there is an old and rich tradition of “giving” circles as a way for members of the community to pool their resources and invest in alternative futures for themselves and their neighbors. Giving circles build on the tradition of neighbor helping neighbor, collectively maximizing their ‘time, talent and treasures’ through civic

^{††} James A. Joseph. *The Charitable Impulse: Wealth and Social Conscience in Communities and Cultures Outside the U.S.* The Foundation Center. 1989.

engagement as well as financial contributions. Helping to foster and develop this tradition as a national, community-based movement has been Darryl Lester with Hindsight Consulting, which now supports an ongoing network and annual conference of giving circles known as the “Community Investment Network.”^{‡‡}

This democratized or broad understanding of philanthropy can also be seen as a long-standing tradition finding new incarnations in Native American communities. As just one example of the use of giving circles and community philanthropy within Native American communities, Carrie Day Aspinwall, formerly the membership and program coordinator for Native Americans in Philanthropy, helped to develop NAP’s Circle of Leadership. This program helps identify and teach young Native American leaders and expose them to the field of philanthropy, with hopes that they would take those skills back and implement philanthropic strategies in their own communities..^{§§}

These indigenous traditions for community philanthropy are not restricted to cultures and communities we think of as long-term residents within American society. In communities of Latino workers moving into rural America from Mexico and Central and South America, residents from common small towns of origin “across the border” are forming “hometown associations.” These associations send remittances back to family and friends to support the struggling family and community economies back home. At the same time, these hometown associations are increasingly becoming the vehicle by means of which immigrants settling into American communities and regions as semi-permanent, if not permanent, residents are setting aside and pooling resources to support the livelihood and culture of friends and family in this country as well.

Other models are arising within rural communities and regions, many, though not all, tied to communities and constituencies of color. And some of these are taking more formal institutional models such as the Nebraska Community Foundation’s HomeTown Competitiveness collaborative and the work of the Black Belt Foundation in Alabama to “Take What We Have To Make What We Need.” Indeed, many small rural “community foundations” as a legal model for raising philanthropic capital and increasing civic participation are not only being built upon these more informal, indigenous traditions such as giving circles and hometown associations. They are also working to support and sustain these more community-based models themselves as part of their work.

And so, the work of the National Rural Funders Collaborative has led its members to a recognition that just as the makeup of rural communities and families themselves are becoming increasingly diverse, so are its institutions – both formal and informal – that are promoting civic participation in the sense of broad

^{‡‡} See Community Investment Network: <http://www.thecommunityinvestment.org/>

^{§§} See http://www.nrfc.org/documents/Comm_Based_Philanthropy.pdf

civic participation and community-based giving. With this recognition comes a new understanding of the role that traditional philanthropy must play in supporting rural families and communities in their own efforts at community transformation – building wealth, increasing family self-sufficiency and increasing civic participation. Traditional philanthropy can no longer simply play the role of benefactor providing much-need resources for tackling seemingly intractable local problems. Rather philanthropy must play the more supportive and collegial role of partner in helping to build and grow new local philanthropies that can be the local engines to help stimulate and sustain alternative new economies and more just social structures by which rural America's communities can not only survive, but thrive as well.