

**ADVANCED PRACTICE INSTITUTE
HOW PHILANTHROPY CAN HELP RURAL COMMUNITIES
BUILD THEIR OWN ASSETS AND RESOURCES**

Funders who focus some or all of their activity on rural communities are deeply aware of the difficulties those communities face, including an insufficiency of public, private and philanthropic resources needed to thrive as inclusive, family-supporting places. These funders often play an important part in promoting increased investments from outside these areas. But some foundations are beginning to reach beyond this customary role to respond to an intriguing challenge and opportunity: helping to build the capacity of local communities themselves to grow their own resources as a precursor to attracting external support.

At all levels -- national, regional, state, and local -- philanthropy is adopting creative approaches to help communities retain and expand home-grown assets. For example:

- Statewide and regional community foundations are spearheading the development of new ways to create endowments for small rural towns and communities. The Montana Community Foundation, for instance, helped secure a special tax credit for contributions to the endowments of nonprofit organizations in the state. In Nebraska, the statewide community foundation is using a public information campaign and new giving vehicles to capture some portion of the anticipated potential intergenerational wealth transfer for long-term community endowments.
- Private and family foundations are helping to spread throughout the states and regions they serve innovative programs and approaches developed by local communities. Excellent examples are the leadership development programs supported by the Ford Family Foundation in Oregon and the Blandin Foundation in Minnesota.
- Foundations are encouraging citizen-driven efforts to develop solutions and frame public policies that address critical issues facing rural communities and regions. The New Hampshire Charitable Foundation, for instance, has helped convene citizen interests around state-level policy on public schools, transportation, health care, and other matters. Where good public policy exists, foundations also are helping to assure its success, as does the Annie E. Casey Foundation in its promotion of the Earned Income Tax Credit as a wealth-creation strategy for low-income working families.
- Foundations are using innovative non-grantmaking approaches, investing in triple bottom line approaches designed to move families and communities out of poverty, build on the human and social capital of an area, and conserve natural resources. Program related investments (PRIs) that support socially-motivated purposes while providing an acceptable rate of return are central to the work of the F.B. Heron Foundation and the Calvert Social Investment Foundation, for

instance. Similarly, the McCune Charitable Foundation in New Mexico and the Mary Reynolds Babcock Foundation make long-term investments in major revitalization and social enterprise projects.

Certainly, even the most successful self-help efforts will not be enough to eliminate the need for outside support. But they are an important way to increase available resources, with the added benefit that the local community is free to define its own priorities for the use of those resources. Money also tends to beget money. Locally-grown dollars can demonstrate that a community is a good place for investment and may serve as seed money that in time can attract more dollars.

At this Advanced Practice Institute, funders will explore how philanthropy might build on the successful and creative work that already is underway to advance this idea. The Institute also will provide a rare chance for funders investing in and concerned about rural communities to share other examples of their work, insights they have gained, questions on which their colleagues may have thoughts, and plans for future work.

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