

To Grow Rural, Know Rural

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T rue stories tell it best. This one happened in Humboldt County, a place far from Kenya and East Tennessee, but close to both — in the spirit of its people and the isolation of its rural communities.

Humboldt County is in the remote, northern reaches of coastal California. From San Francisco, you must drive north at least six hours to get there. It is a very rural place, fed by wild rivers, and steeped in the mystery of redwoods, the history of boom and bust economies and the cultures of the indigenous American Indians and free-spirited pioneers who settled the region.

Decades ago, the people in Humboldt County started a community foundation. The Humboldt Area Foundation (HAF) was successful according to the standard measures of growing assets. Hundreds of local people set up funds at HAF, for causes they cared about, many in honor of people they loved. Together, these funds grew into a respectable endowment — though not a large one by urban community foundation standards.

In the 1980s, the HAF board hired a new executive director, Peter Pennekamp, who positioned HAF to be what it now calls itself: “An independent staging ground for residents, individually and in concert, to build social, economic and environmental prosperity in California’s North Coast.” This, Pennekamp and the board felt, was a truer statement of HAF’s role in its rural region.

How was that Different?

In 1995, HAF and nine other community foundations in the United States were selected to participate in a multi-year initiative to increase public participation in the arts. The initiative’s national sponsor — the Lila Wallace Foundation — contracted with the Urban Institute to

evaluate the effort. At the outset, the Urban Institute sent an evaluation team from their Washington D.C. office to Humboldt County for two days. Their job: Engage with community members to determine the standards by which to evaluate the initiative.

To ensure that the two evaluators reached far into the county, Pennekamp asked Chris Peters of the Seventh Generation Fund to set up focus groups with local tribal members. HAF leaders believed that American Indian cultural practices were the best local exemplar of public participation in the arts, and planned to work with them in the new initiative. Peters invited tribal members to attend two focus groups, one with the Hupa on their Trinity River reservation, another with the Yurok on their Klamath River reservation.

Pennekamp was concerned about these interviews. He sensed that tribal members would voice great frustration with HAF because, over the years, the tribes had submitted some large grant proposals for infrastructure funding to the Foundation, and been rejected. This, after the government already had turned them down once. HAF simply did not have the capacity to fund the size or type of grants the tribes requested from the government. As he drove the

two evaluators — who were astounded by the wilderness and difficulty of the drive — over two mountain passes and down winding roads to the first session, Pennekamp told them what to expect. “HAF has not done very much for the Hupa,” he cautioned. “So it’s good that you are out here on the reservation doing interviews. It will give you that baseline.”

When they arrived, the tiny room was packed. Chris Peters had invited eight people, but those eight had talked to friends, and in the way that things go on the reservation, 16 showed up. Pennekamp sat in the back corner of the room, out of the way. The evaluators launched in, explaining that they wanted to gather baseline information to help them hold the Humboldt Area Foundation accountable for outcomes in the new Public Participation in the Arts initiative. They explained that this would make a difference to the Hupa. Right off, they acknowledged that HAF had not done much for the Hupa.

Before they could go further, a young woman interrupted: “Pardon me,” she said. “I just want you to know that I am going to Stanford, and am back for an internship, because of the Humboldt Area Foundation.”

The man beside her then spoke up: “I am the head of the tribe’s economic development unit. For the

first time in history, we are being included in county economic development efforts because HAF makes sure we are invited. It’s made a huge difference for us.”

Another young man attending D-Q University, a tribal college, was receiving scholarship assistance. Someone from the tribal museum talked about how, after getting grant and staff support from HAF, they were now participating with other cultural organizations in the community because HAF’s policies encouraged and valued inclusion, outreach and respect for all cultures. They had never been invited to participate in the past.

Decentralized and Deeply into the Community.

The evaluators later asked Pennekamp, “How did you manage to get so deeply into the community?” Pennekamp was dumbfounded. HAF’s approach to working with the community was so decentralized that he simply did not know all they had done.

After another half-hour’s drive over curvy mountain roads, they were in the Yurok Reservation tribal town of Weitchpec, an isolat-



ed outpost at the junction of the Trinity and Klamath Rivers, where most people have no electricity or telephones. In that focus group, one tall, young Indian man sat in the back of the room, arms crossed, looking down, never talking or looking up throughout the session.

After the meeting, the locals treated their guests to the customary salmon-out-of-the-river feast. Wild salmon, the traditional diet of the Yurok, is more than food to them. It symbolizes livelihood in all its forms.

After a while, the silent young Indian got up and sat next to Pennekamp and the Urban Institute evaluators. “Me and my brother are catching salmon,” he offered, and then paused for a long while as they continued eating. “We are trying to feed all the seniors with enough portions for the year. We have a smokehouse.” This was important because smoking the fish means you can prepare large amounts in advance to be consumed over months without refrigeration.

“But the weather is so hot. We catch a lot of fish, but by the time we clean them, the fish are rotting because we can’t ice down the fish. We need a commercial ice machine.”

The tribal office had agreed to permit the brothers use of the office’s electricity. But, they

needed \$5,000 to buy an ice machine and upgrade the electrical connection. If they could get it in two weeks, they could have the ice machine operating in three weeks. On the spot, Pennekamp agreed to find the money at the Foundation.

Urban Experts Later Asked: “Don’t You Require a Proposal?”

Pennekamp explained, “These brothers will never write one. This is not about a proposal. There are lots of seniors on the reservation without the means to feed themselves. You could spend hundreds of thousands in federal money to feed them, or spend \$5,000 to help the tribe accomplish the same thing.”

Three weeks later, the Yurok had their ice machine. Visiting again, Pennekamp found a group of six people singing songs, emptying their gill nets, cutting salmon and getting fish ready for delivery to seniors.

But, on the day of the focus group visits, the evaluators were quietly astounded. Urban areas, they knew, have a huge infrastructure. Rural places, they learned, do too — and it is just as powerful.



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But it is Different

There are many morals associated with this story. All of them relate to growing assets in rural places. These morals can help urban foundation mindsets stop trying to get rural community foundations and funds to replicate, on a smaller scale, the methods they have used in cities, concluding, when that doesn't quite work, that change can't happen in rural areas. These morals encourage would-be supporters to understand rural areas and to find appropriate ways to help rural community builders who already know how to grow local assets using their own strengths and cultures.

Moral 1

Most rural assets do not have dollar signs in front of them.

When the population is small, and you live deeply connected to place, you seek the capacity and wisdom to put every resource to its highest and best use. In the Humboldt story, the primary assets are people, creativity, collaboration, water, trees and fish. The endowment is only useful if they mobilize the primary assets to higher and better uses. This may be true in urban areas, but it is much more visible in rural places. And, rural donors will quickly hold a community foundation accountable. If the community's endowment does not make positive change happen, locals simply do not consider it much of an asset. Therefore, to grow rural endowment over time, especially with a smaller pool of donors, the endowment must show results that have significant value to the entire community. Community foundations in rural areas — as well as those who wish to help them grow — must pay most attention to the bottom line without the dollar signs.

Moral 2

Small can be huge in rural grantmaking.

What qualifies as a small grant in a metropolitan area can feed a reservation in a rural place. Small amounts can cause large things to happen. The ice machine in Humboldt is only one loaves-and-fishes example. Here's another. When a local hospital was slated to close, leaving its rural region without a medical center, the Southern Illinois Community Foundation (SICF) agreed to set up a tiny fund of small cash donations made by the hospital's kitchen workers. When SICF publicized the fund in news releases carried by the local newspaper, donations started to roll in from across the community. Soon, there was enough to fund a feasibility study about options to keep the hospital open. An open hospital would save local jobs, maintain local care and make the region more attractive to families and business. A health care group paid attention to this community — clearly, it had energy — and kept the hospital open. What is different in this story? Most standard community foundations would turn away the original kitchen-workers fund because they will not open a fund that fails to meet a certain size “threshold.” But, in rural southern Illinois, this young community foundation said “yes” to this small fund, made a small expenditure of dollars and achieved large

impact. Do not dismiss or discourage a small, rural community foundation from doing small things — it can produce huge value.

Moral 3

Rural culture trumps process.

Standard operating practice has its place, and that place may not be rural. When it comes to building endowment, too many people encourage rural community foundations to mimic the practices of their urban counterparts. For example, experts typically promote the traditional “donor pyramid” approach to rural endowment builders. In it, community foundations are supposed to first land a few “lead” large-gift donors, then a slightly larger group of medium-gift donors, moving on down to finally solicit, as occasions arise, a less significant but sizeable base of small-gift donors. Many rural community foundations find it much more productive to turn that triangle upside down, and start by building the base first. Why? In rural cultures, no one may be willing to give to a community foundation until everyone — or at least a large number of people — is willing to give something. Thus, successful rural communi-

ty foundations may start their endowments with what looks like promotional fundraising techniques — community-wide events, membership drives, bean suppers or letter campaigns — eschewed by their larger metropolitan colleagues. In rural communities, that is how things are done. Local culture demands that the rural foundation be the community's foundation before “Donor One” crosses the giving threshold.

And that is a good thing in rural areas. The wide base of that upside-down triangle is its own asset. Beyond the obvious fact that with fewer people, you are not likely to have many large-gift donors, building a community-wide base of donors builds the cultural expectation that in this rural place, “we all give to our foundation.” In rural, the act of giving — whatever the amount — is more important than the amount of the gift.

Another story might help. A few years back, CREATE Foundation in northeast Mississippi used a wealthy donor's final gift to offer a generous match to any of the 16 rural counties in its region to start an affiliated county endowment. To get the match, a county had to come up with \$200,000 from local donors. One county took up the challenge, and raised the entire match in a few weeks from a handful

of old-boys-network buddies. Another county organized a steering committee of 25 leaders who took six months to build its match from 150 donors — then celebrated with a community-wide kickoff rally attended by hundreds of happy people. In a rural place, where donors are scarce, which of those funds is more likely to be doing better 10 years from now? Everyone knows that donors who have given once are the most likely to give next time — a fact that was not lost on the buddies who attended their neighboring county's kickoff rally. They went home and got back to work.



Moral 4

In rural communities, culture oozes opportunity.

Local culture can be the asset that grows other assets. In the late 1980s, one tribal community of the Blackfeet Nation in northwest Montana was struggling, using typical community foundation methods unsuccessfully to raise a \$56,000 endowment match. Everyone who knew the dedicated leaders in this desperately poor community thought they were out of their minds for even trying — and said so. Then one wise advisor asked, “What asset do you have in your community that nobody sees?” The answer was “Our artists.” Within a year, the leaders hosted a Harvest Moon Ball, for which they charged a whopping \$75 a plate — unheard of in those parts — using an auction of Indian art as an attraction. They raised an unprecedented \$6,000 that first year, and their energy attracted more partners and sponsors from both inside and outside the community. The annual event now raises more than \$40,000 in one night. Even more important, the effort sparked other culture-building assets: the Magic in Their Hands Endowment for the Native youth and a Native language immersion school endowment, just to name two.

Moral 5

In rural communities, life is closer to the ground. Literally.

Robert Frost wrote the famous line: “The land was ours before we were the land’s” — describing the years that land may be in the hands of settlers before they sacrifice life and limb to establish a home or nation. If anything distinguishes rural people, cultures and mindsets from urban, it is the connection to place that comes from years of time and generations of people who establish a life and a living nurtured by the resources in that place. In rural areas, place is an asset in deep ways that are sometimes difficult for non-rural people to understand. This manifests itself in at least two ways.

First, good decisions about the place and its people are better made close to home. Think back to the Humboldt story, and the local scheme to feed all the elders with fish for \$5,000. The Humboldt Area Foundation leaders, by finding those dollars without an elaborate application process, acted on their knowledge that the closer decision-making control is to its impact in the field, the more powerful the outcomes for the people and places they affect. This outcome was about more than nourishing the hungry and poor, it was about using place-based resources — people’s know-how, the fish and the river — to do so.

Capitalizing on those assets rewards local ingenuity and initiative, and will likely lead to even greater ingenuity and initiative.

Second, land and other natural resources are often in jeopardy in today’s economy. And so, the threat of losing these key assets in rural places is a great motivator for growing assets — and sometimes for using natural assets to do so. Rural Nebraska provides a prime example. Land that has been farmed by families is being transferred from an aging generation to their children, many of whom have moved away as their hometowns declined and farming became a big business headquartered elsewhere. The Nebraska Community Foundation documented the dollar value of this transfer of wealth in each county of this very rural state, showing the tremendous loss of local assets that might hit in the next 20 years if the locals do not capture some of it for their community endowments. Much of the loss would come from transfer and sale of land to outsiders. Nearly 100 rural communities in Nebraska are now actively growing permanent community endowments in response to this threat. Even though they may lose local land ownership, they will capture a portion of that transfer through sale-related gifts to the community fund and create a new permanent asset that will keep growing and giving locally.

Moral 6

In rural places, the view is good, and the horizon wide.

Community foundations in urban places tend to focus their discretionary grantmaking on a few niche issue priorities, social services, education or arts and culture. They do this because their dense geographic turf is crowded with other foundations and nonprofits that compete to target key issues. Rural community foundations can (and often do) work at a scale that can see and operate across the issue horizon, finding community connections that are overlooked. Because of the fewer players in their areas, they see the whole community as greater than the sum of its many parts. This leads directly to Moral 7.

Moral 7

In rural areas, community foundations can be *the* go-to regional resource.

Indeed, in rural places, community foundations often have a unique quality. Even more than their metro counterparts, rural community foundations are often the *only* institution that spans the many jurisdictions in a natural economic and cultural region. In many rural regions, community foundations have become *the* key player to pull the region together. And, because they match charitable resources with community opportunities, they can handle all aspects of a program transaction, from convening to study the problem, to developing donor services, to establishing funding streams, to leveraging resource partners (outside foundations, government, business), to identifying and building the capacity of organizations to carry out the work and to offering fiscal agency to rural non-profits. In many cases, they even operate programs themselves. In urban areas, community foundations might be just one player among many, using only a limited toolbox, whereas, in rural areas, community foundations become, as HAF puts it, the staging ground for locals to build social, economic and environmental prosperity. Beyond a philanthropic asset, they are a needed organizational asset, able to make local decisions about the use of local resources for a multi-jurisdictional region when no one else can.



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Moral 8

In rural places, building endowment builds community.

Throughout these stories, the evidence rises. In rural places, the simple act of bringing people together to build endowment is a community building activity that generates effects well beyond the financial. Any level of success at endowment building is cause for a celebration that creates the energy and resources to stimulate the development of other assets. It creates a needed orientation toward a potentially stable future, away from a recent past that may have been filled with dependency. It improves community stability. It signals an increase in the community's effectiveness, and provides a platform for risk-taking and more.

As Sidney Armstrong, former executive director of the Montana Community Foundation, put it when she described what they learned from their work with remote rural communities:

“Endowment building was never intended to be the centerpiece of our local initiatives; what communities could accomplish with their grantmaking was our focus. But endowment building *became* the focus as people began to see it as an opportunity to build community self-determination — stewardship of one's own future.”

The final moral?

To *grow* rural, *know* rural.

REFERENCE

Janet Topolsky, “Community Endowments for Community Futures” in *Ideas in Development: Growing Assets, Expanding Opportunity*. (Washington DC: CFED, 1999).
Download at: www.aspencsg.org/rdp/_documents/endowment/community-endowments.pdf

