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Community Foundations Serving Rural Regions: A Study of Rural-Serving Community Foundations Located in Northern California

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Community Foundations Serving Rural Regions:
A Study of Rural-Serving Community Foundations Located
in Northern California

A THESIS SUBMITTED

by

Michele B. Finstad

In Partial Fulfillment of the Requirements

for the Degree of

Master of

Nonprofit Administration

The University of San Francisco

October 18, 1999

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Community Foundations Serving Rural Regions:
A Study of Rural-Serving Community Foundations Located
In Northern California

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Michele B. Finstad


This Thesis written under the guidelines of the Faculty Advisory Committee, and
Approved by all its members, has been accepted in partial fulfillment of the
Requirements for the degree of:


Master of Nonprofit Administration

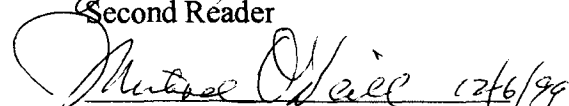
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Research Committee:


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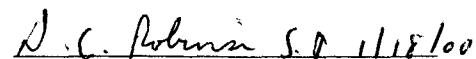

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ABSTRACT

This research project—a qualitative study with data collected primarily through interviews—was conducted to determine whether there are notable characteristics common to community foundations serving rural regions, and whether these characteristics differ from those of other community foundations in general. The framework developed for this research project was adapted from three empirical studies, each emphasizing specific characteristics related to organizational development and community foundations. The first study (Agard, 1992) examined the administrative, social, strategic, and technical systems of community foundations with regard to growth and change over time at different ages and asset sizes. The second study (Mayer, 1994) addressed the characteristics necessary for a community foundation to facilitate and build community capacity within its service area. The third study (Struckhoff, 1991) focused on the threshold endowment size (or “take-off point”) needed for a community foundation to attain sustainable growth capacity. Data gathered for the present study demonstrates that, as is generally true of most community foundations, the characteristics of community foundations serving rural regions changed as they grew older and larger. The study also found that among rural-serving community foundations, the asset level was more significant than organizational age as a factor associated with growth. Furthermore, it was evident from this research that there are distinguishing characteristics particular to community foundations serving rural regions. A significant finding was that the majority of executive directors regarded their community foundations as service organizations first and foundations second. These directors varied widely in their estimates of the endowment “take-off” point enabling a community foundation to achieve

sustained growth. These varied estimates seemed to be related to the current age and asset size of the directors' respective organization. Where local economies are agriculturally based, the community foundations' fund-raising mindset seems to differ from that of other community foundations in general. Not all community foundations serving rural regions studied have grown in similar patterns. Many rural-serving community foundations are assisting large service territories incorporating enormous geographical areas. The effects of technology are beginning to play a very large role in these community foundations. Still in question is a definitive answer to whether a community foundation serving a rural region can provide more services per endowment dollar than other community foundations in general.

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This thesis is dedicated to my husband, James L. Finstad, whose never-ending love and support gave me the strength and persistence I needed to make this project successful.

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CHAPTER ONE: INTRODUCTION

Background of the Problem

This study explores the characteristics of community foundations serving rural regions, drawing on analyses of community foundations in general by other researchers and data collected from foundations serving rural communities in northern California.

In the past 100 years, rural regions in the United States have changed dramatically. The farming communities of rural regions have dwindled and declined with the introduction of mechanization and farmland sales to large corporations. Today, just 25 percent of all Americans live in rural areas (Graham, 1998) and, according to Hammack, “Only about one percent of the United States population earns its living from agriculture” (Hammack, personal communication, April 22, 1999). The term rural is confusing to many. This confusion is addressed by the following quotation from David Hammack, a member of the history department at Case Western University, who has done extensive research in public and social policy.

Many of those who live in rural areas are functionally part of the urban economy, as in the case of those who work for resorts that serve visitors from metro areas. For a very long time, rural has been a concept that Americans manipulate for ideological and political purposes, rather than a clearly defined and useful term for analysis. Rural has always been a term that embraces a wide variety of circumstances. It is very difficult to specify any real difference between rural and urban except that urban communities involve a relatively greater density of settlement. Nearly all community foundations in rural areas serve fairly small numbers of people,

compared with the San Francisco Foundation, for example, and nearly all have small endowments. (Hammack, 1999)

Community foundations in the U. S. initially appeared with the creation of the Cleveland Foundation in 1914 by founder Frederick H. Goff, president of the Cleveland Trust Company (Magat, 1989). According to Eugene Struckhoff, who has done comprehensive research on smaller community foundations, “Their contributions to the growth and vitality of communities like Cleveland, Boston and New York are almost legend. But much less is known about the impact of their resources and leadership on smaller communities” (Struckhoff, 1991, p. v.). In 1997, 83 years after the founding of the Cleveland Foundation, a survey of United States community foundations by the Columbus Foundation of Ohio illustrated the explosive growth in this area of philanthropy by citing results from the unprecedented number of 547 community foundations. The survey revealed that in 1997 “gifts to community foundations exceeded \$2.4 billion, grants surpassed \$1.2 billion and assets vaulted to \$21.27 billion. Compared to 1996, gifts grew by more than \$217 million, grants from community foundations grew by more than \$255 million, and community foundations assets grew by more than \$4.1 billion” (Columbus Foundation, 1997). Today, according to Darlene Siska, “Community foundations are one of the fastest growing segments of organized philanthropy” in the United States (Siska, 1998b, paragraph 1). In 1989, community foundations made up less than 1% of all United States foundations, but were awarded 5.4 % of all grant dollars, received 10 % of all new gifts and held 4.4 % of all foundation assets (Mayer, 1994, p. 22).

Community foundations serve many different sizes and types of communities and vary in structural characteristics including but not limited to age, philosophy, ability, efficiency, endowment, and grantmaking (Agard, 1992). Many community foundations are created to serve a small geographic area, according to Somerville (1995). Community foundations with over \$5 million in assets are typically in areas with a population of more than 110,000; those with assets under \$5 million are typically in areas with fewer than 60,000 people (Agard, 1989). Some practitioners identify a common benchmark for the creation of a community foundation as a population of 150,000. In general, community foundations are broad-based, grant-giving nonprofit organizations providing financial support to other nonprofits, community programs, individuals, and, rarely, to private businesses with the intention of building a stronger communal base for the future of their region.

Community foundations have several distinguishing characteristics. They serve a particular location; they create perpetual endowments through the individual bequests of community members; and they serve a tripartite role within their service area, providing development, grantmaking, and convening. In addition, individuals or organizations making donations to community foundation endowments have the authority to request how their money will be used within the community. This ability of a donor to earmark money for a favorite charity or local program illustrates an important characteristic that distinguishes community foundations from organizations such as United Way (although this distinction may be changing as United Way agencies update their current fundraising strategy and adopt new policy to create permanent endowment). As Mayer notes, “Many community foundations note that donors actually give ‘through’ a foundation, not

‘to’ it. The distinction is more than semantic. A donor can recommend a specific beneficiary, indicate particular areas of interest, or leave the choice entirely to the discretion of the foundation” (p. 70). Not long ago, community foundations very seldom developed offspring organizations, but this may be changing as large community foundations choose to create satellites in outlying regions. According to the Council on Foundations (1998), “Community foundations . . . often forge partnerships with semiautonomous ‘affiliates.’ These entities can be incorporated or unincorporated charities that work in a specific geographic area, using the community foundation’s financial management and legal expertise, and other centralized services” (Online, Council on Foundations).

The critical role of community foundations as a source of nonprofit income in localities lacking strong family or corporate philanthropy cannot be exaggerated. Small community foundations, or community foundations serving rural regions, have a great importance in their local roles as neutral convenors. Every day, community foundations bring together disparate parties to look at community issues. The convening function leverages donor (and community foundation) dollars by encouraging groups to work together, and by providing them a neutral meeting ground. Lewis Feldstein (cited in Somerville, 1995) affirms this notion when he talks about the cooperative spirit that is facilitated by the community foundation.

In most cases, donors approach community foundations at least in part because of their neutrality. Community foundations can provide donors with expert advice on how to structure a charitable program. In addition, community foundations are a source of

objective evaluation, able to provide donors with candid insights into the management and operation of local nonprofit organizations.

Leonard (1989) writes that in order for community capital to grow, there is a need for synergy between donor, recipient, and community and that a mission balancing the needs of these constituencies will lead to steady growth and maximum flexibility of community foundations. Leonard also reports that most community foundations initially favor one or two of these constituencies and that this results in multiple interpretations of community foundation roles and disparate fund-raising strategies and rates of growth (p. 89). Community foundations have varied strategies for endowment building, and a range of services are provided to donors including pass-through funds, permanent advised funds, donor-advised funds (both permanent and pass-through), and charitable remainder trusts. Some community foundations accept difficult-to-manage gifts on behalf of other entities.

For most community foundations, and certainly the smaller ones, a major goal is the development of permanent endowment funds. Foundations usually ask current donors to provide these funds. Leonard (1989) reports that gifts of living donors appear to have overtaken bequests as the largest single source of community foundation income, according to a 1988 Council on Foundations survey she cites (p. 94). Donors making gifts to these funds may tailor their restrictions to meet their own charitable interests. Some of the funds are undesignated and the donor relies on the community foundation board (through the distribution committee, if it has one) to identify pressing community issues to fund. Other funds are restricted to scholarships, a particular geographic area (in

the case of a large community foundation that also serves a rural population), a specific program interest, or even a single nonprofit agency.

The first community foundation in California was the California Community Foundation. Established in 1915, the California Community Foundation was also the first community foundation to serve a rural region. Today, this community foundation serves the needs of a fast-moving urban Los Angeles County. The California Community Foundation, The San Francisco Foundation, The San Diego Community Foundation, The Peninsula Foundation and other large urban community foundations have made an important name for themselves through the creation of substantial endowments and the provision of grantmaking. But what about those community foundations that serve the rural population? It is important to ask the question: Does a community foundation serving a rural region differ from other community foundations, in general?

There is little research published about small community foundations, and empirical and statistical data are virtually nonexistent regarding community foundations serving rural regions. Available research studies generally center on those community foundations that are established in age, manage a powerful endowment, and serve a large area. However, the importance of the community foundation serving a rural region must not be evaluated by asset size alone. The concept of community capacity is also an important factor in light of the interdependent quality of the American economy. Mayer (1994) defines community capacity as “the combined influence of a community’s commitment, resources, and skills which can be deployed to build on community strengths and address community problems” (p. 3). For this reason, it is important to

study community foundations serving rural regions to ascertain if they differ from other community foundations, and if they do differ, how and why?

Statement of the Issue

The issue central to this thesis is to determine whether there are notable characteristics common to community foundations serving rural regions and if these characteristics differ from those of other community foundations in general. Community foundations serving rural regions will be studied. The organizational framework for this thesis will be taken from three empirical studies focusing on specific characteristics of community foundations (Agard, 1992; Mayer, 1994; Struckhoff, 1991). This framework will facilitate the evaluation and comparison of my research findings with the results of the other researchers.

The first part of the framework is a self-assessment checklist created by Dr. Kathryn Agard (1992). The checklist classifies community foundations according to the life cycle metaphor. The community foundation's age and asset size are used as the basis for categorization.

The second component, which concentrates on capacity building, draws from Mayer's 1994 report on a study of community foundations (conducted between the years of 1987 and 1992) that was financed by the Ford Foundation and entitled the Leadership Program for Community Foundations. To learn more about community foundations and their potential for community capacity building, the Leadership Program for Community Foundations had evaluated four categories. These evaluative categories included organizational development, with the subcategories of administration, board and staff;

asset development, with the subcategories of endowment growth, communications, and administrative support; community role, with the subcategories of leadership skills, contributions in progress, and institutional linkage; and programming and grantmaking, with the subcategories of grantmaking procedures, strategic grantmaking, and programming effectiveness.

The final component of the research framework addresses Eugene Struckhoff's (1991) theory that a \$5 million endowment represents the "take-off" point that enables any community foundation to sustain growth. This thesis examines his hypothesis with regard to community foundations serving rural regions.

Specification of Research Questions

Do community foundations serving rural regions differ from other community foundations in general? And if so, how and why? In this research, findings will be evaluated to discover common characteristics of rural community foundations related to their role, organizational development, asset development, programming and grantmaking effectiveness, and rate and path of growth and change over time. In addition, the data will be examined to determine whether asset size relates to quality of services, whether community wealth relates to size of the endowment, and whether an endowment of \$5 million appears to be the take-off point for substantial growth. Finally, with regard to a common pattern of community foundation growth, there will be an analysis of the analogies of these rural-serving community foundations with other community foundations in general to see if there are patterns of growth related to age and asset size.

Definitions of Major Concepts

For the purposes of this research project, the following definitions will be used.

Community Foundation: The approved definition provided by the Council on Foundations, a national industry membership association (cited in Mayer, 1994), is as follows:

A community foundation is a tax-exempt, not-for-profit, autonomous, publicly supported, philanthropic institution organized and operated primarily as a permanent collection of endowed funds for the long-term benefit of a defined geographic area.

Each community foundation:

- Is officially recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3)
- Meets the public support test under Section 170(b)(1)(A)(vi) as codified by the Treasury Regulations 1.170A-9(e)(10)
- Has a governing body broadly representative of the general public
- Operates primarily as a grantmaking institution and may also provide direct charitable services
- Focuses its primary grantmaking and charitable services within a defined geographic area no larger than three states

In layman's terms, a community foundation is a donor-serving institution, acting locally to generate some of the area's philanthropic capital, governed by local leadership to resolve current problems. According to Hammack, "By intent and definition, a community foundation has no single fixed, active purpose" (cited in Magat, 1989, p. 23).

Rural Region: According to the United States Census, a rural region is any region that is not considered a metropolitan area. Technically, the United States Census Bureau (1995) defines rural as:

Territory, population, and housing units not classified as urban constitute “rural.”

The “urban” and “rural” classifications cut across other hierarchies; for example, there is generally both “urban” and “rural” territory within both metropolitan and nonmetropolitan areas Since the 1960 census, there has been a trend in some states toward the extension of city boundaries to include territory that is essentially “rural” in character . . . the rural portion is included in “other rural.”

Community Foundation Serving a Rural Region: A community foundation located in a rural region; or a community foundation located in another geographical region that serves a rural population.

Take-off Point: The definition of take-off point is the level of endowment at which a foundation will experience continued healthy growth (Struckhoff, 1991).

Age and/or Maturity Level of a Community Foundation: Maturity level relates to the size of a foundation’s endowment and the foundation’s stage of growth in the life-cycle paradigm. A large endowment would suppose a more mature community foundation, although this may not be the case when a foundation in the early development stage is given a larger endowment. A chronologically and organizationally young community foundation may have an enormous endowment, and if so, will exhibit disjunctive characteristics.

Community Capacity: “Community capacity is the combined influence of a community’s commitment, resources, and skills which can be deployed to build on community strengths and address community problems (Mayer, 1994, pp. 3, 4).

Organizational Capacity: Organizational capacity is the potential of the organization to create and sustain quality in all its work.

Adaptive Capacity: Adaptive capacity is the potential of the organization to adapt to its internal and external environment.

Organizational Life-Cycle Paradigm: This paradigm, as used by Agard (1992), comes from the life sciences, and utilizes stages of birth, growth, maturity, revival, and decline.

Mechanistic Metaphor: This metaphor describes organizations as machines. “Principles emerging from this metaphor are used . . . to observe the structural components of community foundations, in particular, the administrative system” (Agard, 1992, p. 83). Agard lists the variables of this metaphor as (a) specialization of labor, (b) division of labor, (c) span of control, (d) hierarchical development and (e) job roles (p.185).

Importance of the Study

Community foundations are recognized as the fastest growing organizational segment of the nonprofit world today, and as the Council of Foundations notes, “Their level of grantmaking activity is disproportionate to their size” (cited in Mayer, 1994, p. 22). Yet, given their significance, research about community foundations serving rural regions is virtually nonexistent. This study will partially fill that void by evaluating community foundations serving rural regions in northern California to gain some insights into their structural and capacity-growing characteristics. This study will ask the

questions: Do community foundations serving rural regions differ from other community foundations in general? And, if so, how do they differ and why? As Agard (1992) has written, “A recent call for standardization and certification by larger metropolitan community foundation leaders, the phenomenal growth in the field demanding increased technical assistance, and the unique nature of community foundations require more knowledge about their growth patterns and characteristics” (p. 184). The results of this research may suggest that all future investigations of community foundations should stipulate whether a community foundation is rural-serving, urban-serving, or a combination of each. Finally, this research may establish that these rural-serving community foundations are important philanthropic institutions deserving of funding from larger urban private foundations.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

The literature review investigates four areas related to the topic of community foundations serving rural regions. First, a brief history summarizing the development of community foundations and associated research will be reviewed. Second, using published data by Agard (1992), the organizational behavior of community foundations at different ages and asset sizes will be addressed. Third, the concept of building community capacity will be explored utilizing Mayer's 1994 report on the Leadership Program for Community Foundations research studies. And finally, a substantial study of community foundations by Struckhoff (1991) will be analyzed, probing Struckhoff's theory that an endowment of \$5 million constitutes a "take-off" point for a community foundation.

The national framework for charitable giving changed in the late 1800s and early 1900s. Whereas community welfare had been largely dependent on services provided by the religious community during the nineteenth century, religious and secular (or nonreligious) charitable entities diverged around the turn of the century. Philanthropic history saw a changeover from control by a few wealthy donors to the appearance of professional managers, the creation of federated charities, and the arrival of the first community foundations.

Community foundations began to emerge with the creation of the Cleveland Foundation in 1914, founded by Frederick H. Goff, president of the Cleveland Trust Company. Goff was the first to see the need for endowments based strictly on geography and exercising flexible philanthropy. Leonard (1989) describes Goff's vision as an

“inventive plan to remove the ‘dead hand’ from doomed bequests” (p. 90). Goff had the idea of a permanent endowment that could respond to the changing needs of the community. Hammack (1989), analyzing the purpose of community foundations, agrees with this last notion when he writes that “Frederick H. Goff’s often-quoted rationale for the community foundation—that it is ‘an agency for making philanthropy more effective and for cutting off as much as is harmful of the dead past from the living present and unborn future’—has an eminently sensible ring” (p. 23). Noland (1989) states, “The cy pres doctrine [taken from cy pres comme possible—Norman French for “as near as possible”] supposedly solves this ‘dead hand’ problem by allowing community foundations to vary the purposes of funds where the original intent cannot be carried out because it is impossible” (p. 132).

Initially, the concept of community foundations involved collaboration between one or more local bank trust departments and a citizen committee, selected by and representing the most influential community leaders. While other endowments were created for specific organizations such as schools, hospitals, museums and orchestras, the uniqueness of a community foundation was that it had no defined purpose. According to Hammack (1989), “By intent and definition, a community foundation has no single, fixed, active purpose” (p. 23).

Over the years there have been times when the community foundation movement was more successful and accepted. A small body of literature illustrates that the 1920s, 1950s and 1960s were distinct periods of vitality for community foundations in the Midwest and the Northeast. Conversely, during the Great Depression and the period from the mid-1960s through the 1980s community foundations experienced slow growth

(Council on Foundations, 1998; Hammack, 1989; Leonard, 1989; Struckhoff, 1991).

These particular periods “offered the first evidence that community foundations needed a healthy economy to flourish” (Leonard, 1989, p. 90). The Tax Reform Act of 1969 and “the failure of the stock market to keep pace with inflation during these same years—and the deflating effect of inflation on the value of bonds . . . accounted for some of the asset stagnation” (Hammack, 1989, p. 39). From the late 1980s to the present, the number of community foundations has risen to 547 (Council on Foundations, 1998). Siska (1998a) writes, “According to estate planners, the primary reasons for the revitalization in foundation births since the 1980s are that there have been more incentives for creating them as regulations were relaxed and tax incentives have improved Lawyers, estate planners and other financial planners have over the years become more comfortable with foundations” (p. 44). Furthermore, the period since 1980 has also witnessed the creation of an infrastructure that supported and promoted the foundation world. Organizations such as regional associations of grantmakers (RAGS) and the Council on Foundations have worked to improve the regulatory environment for philanthropists, to educate and attract new philanthropists, and to develop ways to organize the philanthropic field (Siska, 1998a, p.44).

A review of literature and empirical findings illustrates the great need for additional information about the field of community foundations serving rural regions. Mayer (1994) suggests this notion when he writes:

If research on philanthropy and voluntarism in general is thin, it is threadbare with respect to community foundations. Of 130 Working Papers that have emerged from PONPO at Yale, only one deals with community foundations. In Daphne N.

Layton's Philanthropy and Volunteerism: An Annotated Bibliography (1987), only three of the 2,212 entries treat the subject. In a recent survey of scholars on future research needs in the sector conducted for the Independent Sector Research Committee, community foundations were listed as one of a half-dozen sparsely investigated areas (p. 5, 6).

Even today, one of the most experienced scholars in the world of philanthropy, Stanley Katz (1999) says:

We have come a long way in the development of the study of philanthropy, but we have a very long way to go. It seems to me that we have not even begun to solve some of the major problems in the field. Some of these are self-evident. I have in mind the institutional definition of the sector and the systematic collection of data describing these institutions and behaviors. You can only count what you can describe, and it is not easy to determine the boundaries of the sector and to unpack the complex of motivations and behaviors that constitute its essence. . . . We have dramatically improved our data resources in the United States, but I can assure you that much more will need to be done to map and understand the sector fully and accurately. (p. 79, 80)

In 1991 Struckhoff wrote, "Few foundations in the West serve populations of fewer than 50,000 people" (p. 69). Only seven years later Siska (1998a) stated in an article that ". . . foundations are also expanding rapidly into rural areas and small towns, areas once thought lacking the demographics to sustain high levels of philanthropic giving" (p. 3).

In 1992, Agard published a study of community foundations entitled Characteristics of Community Foundations at Different Ages and Asset Sizes. Agard created 48

indicators within the categories of age, size, environment, administrative system, social system, strategic system, and technical system to answer questions about the changing of organizational subsystems across time and asset range. Several organizational theories provided the constructs used in her approach, including: (a) a metaphor and theory describing organizations as machines with the following variables: specialization of labor, division of labor, span of control, hierarchical development, and job roles; (b) a theory that views organizations as social systems with variables including the roles and numbers of individuals involved, the relationships between these individuals, and the degree of organizational complexity; (c) systems theory as it relates to the choice of foundation strategy and service environment relative to the population size of a service area; (d) subsystem analysis, which concerns the technical aspects of community foundations such as assets, grantmaking, leadership, and fund management; and (e) life-cycle theory, which explores a model of growth focusing on change within organizations over time, addressing such variables as age, size, periods of evolution and revolution, and environment.

In her 1992 study of 89 randomly-sampled community foundations, Agard found that “of 48 indicators used to answer the questions about the changing of the organizational subsystems over time and asset size . . . a particularly illuminating finding is that asset size has a substantially stronger relationship to all other variables than does age” (p. 40). Agard’s data showed that although age and asset size are related, organizational change primarily derives from asset growth. A foundation that grows rapidly will experience change without respect to age. On the other hand, aging foundations that are not experiencing growth will not change as much. Agard cited a

1972 study by Griener, who noted that “Organizations that do not grow in size can retain many of the same management issues and practices over lengthy periods” (p. 40).

Certain characteristics of organizational behavior appear in community foundations at different stages of their organizational life cycle. Agard writes: “Community foundation characteristics change over time as they grow older and larger Community foundations experience growth cycles of stability and instability similar to but less abrupt than other organizations. Community foundation systems change over time and these changes appear to follow a pattern” (p. 186). Mintzberg’s thrust of work, illustrated by the following citation in Agard’s study, underscores the importance of the four subsystems of evaluation (administrative, social, strategic, and technical) that Agard later explored. Mintzberg wrote, “. . . effective organization depends on developing a cohesive set of relations between structural design, the age, size and technology of the firm, and the conditions of the industry in which it is operating” (cited in Agard, 1993, p. 83).

Acknowledging a possible flaw in her theoretical model, Agard has written, “One noted weakness of the life-cycle analogy is the possible omission of the fact that organizations can affect their own futures by acting on the external environment” (Agard, 1993, p. 85). This observation relates to the theory of community capacity and the role of community foundations. Mayer (1994) explains the meaning of community capacity as “that combined influence of a community’s commitment, resources, and skills which can be deployed to build community strengths and address community problems” (p. 3).

In Building Community Capacity: The Potential of Community Foundations, Steven Mayer (1994) summarizes a Rainbow Research, Inc. report entitled Leadership Program

for Community Foundations written to address the challenges of community foundation growth. The report focused on a five-year program funded by the Ford/McArthur Foundation Leadership Challenge, through which the Ford Foundation provided 27 small community foundations with \$100,000 per year in matching funds. The foundations could use up to \$50,000 of the matching funds to staff and support their initiatives and institutional growth, especially financial resource development. The remainder was allocated to grants or loans that would further the foundation's initiatives.

Findings from the Leadership Program for Community Foundations research were summarized in Mayer's (1994) book in order to: (a) introduce and advance the concept of community capacity; (b) show the role of community foundations as producers of community capacity; and (c) reveal the features of a program that successfully helped small community foundations develop their organizational capacity. The report was written to address the challenges of community foundation growth. Mayer states that the results of earlier research had influenced the authors of the Leadership Program for Community Foundations study to pay close attention to a number of qualities exhibited by community foundations including their missions, the variety of leadership roles they can play, their interactive relationships with different types of agents for healthy communities, and their suitability as vehicles for the charitable impulse (Mayer, p. xiv).

The Leadership Program for Community Foundations stipulated that each participating community foundation had the responsibility for devising a community initiative or program that would create maximum impact for their organization. The major working parts of the study included: (a) staffing; (b) fact-finding or background research; (c) a community advisory mechanism; (d) focused grant-making; (e)

community education and awareness efforts; and (f) emphasis on system change, problem prevention, and raised levels of practice (Mayer, p. 121).

Seven guidelines for success of community foundations were developed from the research findings, including: (a) focus on building capacity; (b) focus on developing commitment, resources, and skills; (c) provision of services to others; (d) learning the best methods; (e) seeking the collegial support of others; (f) seeking assistance; and (g) evaluating progress (Mayer, p. 207, 208). Additionally, recommendations were implied for institutions other than community foundations such as funders, program and policy designers, organizational executives, business and community leaders, and government agencies wishing to help community groups build their capacity.

Mayer states the major lessons gleaned from the experience of the Leadership Program for Community Foundations are: (a) an organization's capacity can be increased; (b) community groups can play constructive roles in the development of others' capacities; and (c) community foundations are especially well-suited to be efficient builders of community capacity (Mayer, p. 210). Mayer writes, "Through the Leadership Program for Community Foundations, participants have shown community foundations have the potential to play a pivotal role, leveraging commitment, resources, and skills many times over in the service of community building" (Mayer, p. 211).

Results of this five-year study on the challenges of community foundation growth reveal that, among the 27 small community foundations selected, four major areas for increased capacity proved significant. These were (a) organizational development; (b) financial resource development; (c) community leadership development; and

(d) grantmaking and program practice. Furthermore, data indicated that these areas could be reorganized into three ingredients of community capacity: (a) commitment; (b) resources; and (c) skills. The study concludes that it is important to realize that the ways in which these critical components develop may vary, but the need to develop these necessary ingredients of capacity is always present. Finally, Mayer (1994) summarizes that the community foundations studied in this project grew in their capacities because (a) they already had some capacity and intended to develop it more; and (b) they benefited from the growth-engendering features of the Leadership Program for Community Foundations such as matching grant funding and nonprofit organizational management supervision. These characteristics paint a picture that organizational growth of community foundations appears to be the result of asset growth followed by attention to infrastructure development, in a reiterative pattern of growth and stabilization. Agard (1992) states that this pattern parallels the Greiner model and Katz and Khan's insights regarding the tension in organizations between diversification and integration which accomplishes growth.

The research literature illustrates a number of barriers that inhibit the capacity building of community foundations. These barriers include (a) few financial resources; (b) even fewer discretionary financial resources; and (c) little experience with community leadership (Mayer, 1998). Hammack (1999) adds that small community foundations face several challenges to their legitimacy. First, they must devote disproportionate shares of their income to fundraising. Second, their small areas can support few nonprofit activities. Therefore, the community foundation staffs find themselves allocating grants among small numbers of nonprofits and are not forced to be very selective. Third,

community foundations in small communities compete with nonprofits for endowment funds, with the effect that the community foundations siphon off overhead and administrative costs from monies that might otherwise go directly to nonprofit agencies, thus delaying the movement of funds to the nonprofits as well. Finally, Hammack says that small community foundations are almost inevitably parochial and reinforce the social and geographical fragmentation that threatens to tear apart society (personal communication, April 22, 1999).

Analyzing new outside challenges that community foundations face, Magat (1989) states that history seems to have come full circle as he alludes to the wisdom of Peter Dobkin Hall. Hall (cited in Magat, 1989) seconds Hammack's thinking when he reminds us that civic leaders 75 years ago were ambivalent about larger forces impinging on their localities. While they shared in the progress of the national economy, these local leaders could not help resenting the extent to which growth was transforming their communities. Magat quotes Hall stating that, "Towns that were once relatively isolated and self-determined were becoming cities afflicted by the same problems of poverty, dependency, disease, and disorder characteristics of the great metropolises" (p. 8).

Leonard (1989) reflects her point of view, when writing that "A state or large territory can be difficult to organize. Small towns offer the advantages of a coherent leadership structure, easily identifiable donor prospects, and cheap, effective promotional avenues Where a community foundation actively cultivates its territory, competition is unlikely to flower" (p. 94).

Mayer (1994) sums it up nicely saying that the lessons learned from the Leadership Program for Community Foundations research suggest that groups with some capacity

can, if they act intentionally, find and benefit from growth opportunities around them (p. 206). In other words, the findings of the Leadership Program for Community Foundations study were that there is no one best way to run a community foundation. Agard reaches the same conclusion when she states, “The premise of these evaluation efforts is that each community foundation develops in response to local conditions. There could be as many paths to effectiveness as there are participating foundations” (Agard, 1992, p. 90).

Letts, Grossman, and Ryan (1998) theorize that “there’s a set of broader, deeper, vital organizational capacities that drive performance In other words, to understand how organizational performance can drive program outcomes, and how the nonprofit sector can support better performance, we must look at the new issue of organizational capacity” (Letts et al., 1998, p. 2). The authors state that depending on their varying goals and degree of sophistication, effective nonprofit organizations rely on three types of organizational capacity to build their capacity for performance: (a) program delivery capacity; (b) program expansion capacity; and (c) adaptive capacity. A cover story sidebar published in the Foundation News and Commentary (“ ‘Capacity’ and the Small Guys,” 1998) supports this view in the following statement:

Smaller nonprofits it has often been assumed, cannot—and need not—build organizational capacity to perform well. Therefore, goes this logic, the commitment and determination of their staffs and boards will have to suffice. Considering the vital role small nonprofits play in meeting social needs, this cavalier attitude is risky And since many of these organizations have no desire to grow beyond their

local community, they face the choice of either building capacity at a small scale or missing entirely an opportunity to create value.

Even with limited resources, small organizations can build organizational capacity Small organizations also need to develop some of the fundamental assets of high performance. That is, the adaptive capacity to support learning, responsiveness, innovativeness, and motivation Many small nonprofits study the performance of other organizations and assess the implications for themselves Small nonprofits typically remain closer to their clients and donors, and can respond accordingly.

Eugene C. Struckhoff has played an instrumental role in the creation of more than one hundred U. S. community foundations and has done extensive research within this realm. In 1991, Struckhoff wrote a report that summarized the findings of several studies on community foundations serving populations under 250,000. His report focused on asset growth, the rate of asset growth, and the percentage of assets held as permanent endowment. In a synopsis of his report, Struckhoff (1991) wrote that “it was commissioned to determine whether community foundations serving communities with populations smaller than 250,000 aspire to similar or different goals; how these foundations are operated; and what actions they might take to better realize their potential for asset growth and community service” (p. vii).

Struckhoff’s research included: the Tri-State Survey including the states of Indiana, Michigan and Ohio; the Southeastern Survey including the states of Alabama, Florida, Georgia, Kentucky, North Carolina, South Carolina and Virginia; and the Western Survey including the states of California, Colorado, New Mexico, Oregon, Texas, and

Washington. According to Struckhoff's study, multiple factors affect asset growth for community foundations. These are: (a) community characteristics, including community demographics; (b) characteristics of founders and board members, specifically focusing on persons of affluence and position and their capability of investing and managing proffered assets; (c) getting off to a healthy start, or how well the work was done when community foundations were started; (d) devising a comprehensive plan including a fund-raising strategy designed to make the organization self-sufficient within its first few years; and (e) realizing the importance of staffing the foundation (Struckhoff, 1991, pp. 6, 7, 8).

The findings of the Western Survey included in the overall study (cited in Struckhoff, 1991, p.131-132), which comprised 18 foundations in California, Colorado, New Mexico, Oregon, Texas, and Washington state, are substantial and reconfirm other research cited in this review of the literature. Among these findings were that: (a) foundations in smaller communities were relatively new organizations; (b) there was a significant relationship between a foundation's asset size and its staffing pattern; (c) solicitation of major donors was the most important factor in the growth of a foundation's assets; (d) community foundations that serve a population of fewer than 15,000 had no paid staff; (e) the majority of the foundations had no formal plans for asset development; (f) governing bodies of community foundations were predominantly self-selected; and (g) one-half of the community foundations served a population of fewer than 140,000.

Struckhoff (1991, p. 70) also states that data about community foundations in the smallest communities, with populations of fewer than 15,000, validated some conclusions reached in the Tri-State and Southwestern surveys concerning community foundations

that serve similar small populations. It usually takes decades for these foundations to attract permanent endowment of as much as \$1 million. (One small foundation had almost reached this level after more than 60 years.) In general, no significant effort is made to attract permanent endowment. Operating with little or modest endowment, these community foundations do more limited programming than community foundations serving larger populations. They function without paid staff, which limits their ability to seek funds and manage them; and that being the case, they are less likely to manage endowments for other agencies or to conduct active donor-advised fund programming. The primary use of the community foundation is as a tax-deductible channel for citizens to contribute to community projects and programs.

Furthermore, Struckhoff summarized five conclusions from his research about the asset growth of western community foundations serving populations larger than 100,000. A strong start-up increases the chances for growth to take-off, at which time the pace of growth accelerates. A strong start-up is achieved when one donor contributes in the mid-six or mid-seven figures or more. Most places that have achieved take-off have been helped, primarily at start-up, by one donor. Executive staffing from start-up further increases the odds for rapid growth. Finally, the move from administrative to part-time executive staff occurs at asset levels of more than \$1 million and most commonly increases to full-time executive staff when assets reach more than \$3 million (Struckhoff, 1991, p. 71). Struckhoff emphasizes that “the western states have benefited by starting their community foundations in an era when the experience of other regions could be carefully examined and analyzed to see how it might be improved upon” (p. 72). Struckhoff theorizes that “the growth patterns of various foundations in this study do

suggest that \$5 million is a kind of take-off point—the level at which growth acceleration and perpetual life are ensured, and full-time executive staffing becomes feasible” (p. 22).

Leonard (1989) adheres to a different point of view when she discusses the Mott On-Site Consulting Program with reference to Struckhoff’s take-off theory of \$5 million in assets. Leonard states that “take-off has been misrepresented in two fundamental ways: that assets will grow automatically (and rapidly) after it is reached, and that there is a magic number common to all communities” (p. 101). Leonard (1989) summarizes her critique by saying that the take-off might instead be regarded as the point at which a community foundation reaches economies of scale that give it greater utility than a private foundation. Donors with less than \$5 million or up to \$10 million can be persuaded to establish a fund within a community foundation, rather than a private foundation, because a community foundation can point to economies in administration, investment and grantmaking (p. 101). This is an important point to keep in mind while investigating community foundations serving rural regions.

Finally, with respect to Struckhoff’s take-off point, it is important to discuss the association between asset size and quality. While it has been documented (e.g. Agard, 1992; Council on Foundations, 1998; Mayer, 1994; Struckhoff, 1991) that there is a strong correlation between asset size and the growth of community foundations, Magat (1989) notes, “There is no necessary correlation between size (of assets or community) and quality” (p. 6). Magat also states that although money has accumulated massively in the accounts of America’s community foundations, it is not going to be the measure of community foundations’ influence on the quality of American life. “[T]he values which [community foundations] recognize, nurture, and promulgate can have impact which far

surpasses the effect of their material resources,” Magat says. “Community foundations stand at the threshold of a new vision—institutions which sustain and disseminate those social and civic virtues that make community life feasible and fulfilling” (p. 8).

CHAPTER THREE: METHODOLOGY

This study evaluated eight community foundations serving rural regions in northern California. Using existing data on community foundations and research gathered from the participating community foundations, this study endeavored to determine if there are notable characteristics common to community foundations serving rural regions and if these characteristics differ from those of other community foundations in general.

Subjects and Respondents

Northern California was the region of choice for the selection of subjects for this research. In this study, northern California means all territory north of Monterey, California. The primary respondents of this study were the executive directors of community foundations. The community foundations were selected according to the operational definition of a rural region, and only those community foundations that serve a rural population were potential candidates for inclusion of this study. The League of California Community Foundations was contacted to provide a list of the community foundations that fit the pertinent description.

Research Design

My research design was idiographic, including a general analysis and in-depth descriptive case studies on all community foundations that met the standard of serving rural populations in northern California. This study compared multiple characteristics of community foundations serving rural regions in northern California with characteristics of other community foundations in general. Profiles were compared to published reports

(Agard, 1992; Leonard, 1989; Magat, 1989; Mayer, 1994; Struckhoff, 1991). The data collected served as the basis for developing an understanding of the important attributes of these rural-serving foundations.

Instrumentation

Data about each community foundation were collected and entered into the Agard self-assessment instrument (Agard, 1992) according to appropriate categories. The model, which categorizes the characteristics of community foundations of different ages and sizes, is based on the life-cycle system. Using her investigative data, Agard created this self-assessment model for use by all community foundations. The model was used in this project to compare the researcher's findings with Agard's and to categorize each of the selected community foundations according to Agard's model. The most currently published annual report of each foundation was used to obtain the necessary data for this comparison. The reports provided the bulk of the data for completing the self-assessment forms. If any of the annual report data were incomplete or unclear, foundation directors were asked for clarifying information during interviews. A copy of the self-assessment instrument with written explanation is shown in Appendix D.

An interview guide containing open-ended questions was used for face-to-face interviews with executive directors. Each interview took approximately one to one and one-half hours. To the extent that open-ended questions in the interview guide were not fully answered by the executive directors, the researcher posed further questions related to the characteristics of community foundations serving rural regions. A copy of the interview guide is shown in Appendix E.

Finally, the researcher developed a profile of the selected community foundations over the past 25 years. This profile was compared to published research on community foundations (Agard, 1992; Magat, 1989; Mayer, 1994; Struckhoff, 1991) to answer the question: Do community foundations serving rural regions differ from other community foundations in general? And, if so, how and why?

Procedures

The League of California Community Foundations was asked to provide a list of the community foundations that serve rural regions. It was anticipated that about 10 community foundations would be in this category.

The researcher sent a letter of introduction to each community foundation executive director with an explanation of the research project. One week later, the researcher followed up on the correspondence by placing a call to the executive director. That telephone contact re-introduced the research project to the director, solicited his/her cooperation, and determined that the community foundation would participate in the research project. Each executive director was invited to give a personal interview and, at the same time, a request was made for the foundation's annual report and IRS Tax Form 990. This contact clarified the purpose of the study, which is to understand if there are characteristics that distinguish community foundations serving rural regions when compared to other community foundations in general.

Subsequent to the initial phone contact, a letter was mailed to each executive director, again describing the nature of the study and confirming the interview date. The letter also stated that the information collected during the project would be kept

confidential and that a copy of the research would be made available to those participating in the study. A consent form indicating the community foundation's voluntary participation in the study was enclosed with an interview guide. If the current executive director had held the position for one year or less, it was understood that an attempt would be made to contact the previous executive director. The researcher conducted all interviews within four weeks from the date of the initial contact letter.

Operational Definition of Relevant Variables

Rural region: Rural areas were operationalized by using census classifications.

Administrative system: The researcher used Agard's self-assessment model to appraise the administrative system of each community foundation. Thirteen dependent variables were measured. These were: (1) total number of staff; (2) number of staff working on special projects; (3) number of program specialists who are specialists; (4) number of program staff who are generalists; (5) number of financial support specialists; (6) number of general support personnel; (7) number of marketing/donor relations specialists; (8) number of communications specialists; (9) number of individuals in the office of the chief executive officer (CEO); (10) number of people supervised directly by the CEO (span of control); (11) number of hierarchical levels; (12) the administrative budget; and (13) the sophistication of personnel policies (Agard, 1992).

Social system: The researcher used Agard's self-assessment model to investigate the concept of organizational complexity. Eleven dependent variables were measured. These were: (1) number of board members; (2) number of board meetings per year; (3) number of grantmaking meetings; (4) number of organizations served; (5) number of affiliates;

(6) number of supporting organizations; (7) number of advisory committees; (8) number of people on advisory committees; (9) number of trustee banks; (10) the legal form of the foundations (corporate, trust, or mixed); and (11) number of pages in the annual report (Agard, 1992).

Strategic System: In Agard's self-assessment model, the strategic system is defined as the relationship of the community foundation to its environment and its choice of strategy for community capacity building. Two variables were measured: (1) the environment, determined by population size; and (2) strategic decisions, determined by the choice of mission as described by Leonard (1989). Leonard lists seven indicators under the heading of strategic decisions: (1) leadership; (2) grantmaking; (3) donor service; (4) leadership and donor service; (5) leadership and grantmaking; (6) donor service and grantmaking; and (7) leadership, donor service, and grantmaking (1989).

Technical system: The major tasks of a community foundation, called the technical system, comprise four categories: (1) asset management, including service to donors, with the indicators to be measured being (a) total assets, and (b) the number of new gifts; (2) grantmaking, with the indicators to be measured being (a) the number of grants per year, and (b) the dollar value of grants paid; (3) leadership, with the indicators to be measured being (a) the existence of special project funds, and (b) the number of special project staff; and (4) fund management, with the indicators to be measured being (a) the types of funds managed and (b) the number of funds.

Treatment of Data/Data Analysis

Both qualitative and quantitative techniques were used to report and interpret the data. Facts on the four community foundation systems (administrative, social, strategic, and technical) came from annual reports. The theory of community capacity building was investigated through interviews with the community foundation executive directors, using Mayer's categories of organizational development which are asset development, community role, and programming and grantmaking.

Data from the annual reports were put into the Agard instrument and organized by Agard's categories. (A sample instrument is included as Appendix D.) Data from this checklist were presented in written form and, where applicable, a table was created for ease of statistical comparison. These data described the characteristics of community foundations serving rural regions using Agard's model.

The interview instrument was composed of open-ended questions, keeping in mind that the interview should be flexible, iterative, and continuous (Lofland & Lofland, 1995). The face-to-face interviews were recorded and transcribed verbatim. Each interview was intended to increase the understanding of the data derived from Agard's checklist. Data from the interviews were presented in a qualitative format. The responses of the executive directors were compared to the published data for the structural categories of organizational development, financial resource development, community role, and programming and grantmaking (Mayer, 1994). The researcher categorized the interview responses to the following: (1) reason(s) for the creation of the community foundation; (2) role(s) of the community foundation; (3) recruitment strategies for

board/staff; (4) inhibitors hampering the implementation of program or program performance; (5) type(s) of support through grantmaking; (6) the ratio of services provided to endowment held; (7) the size of an endowment considered necessary before the rural community foundation reaches the take-off point; (8) the greatest period of growth for the community foundation; and (9) the executive director's perceptions of the differences between a rural-serving community foundation and other community foundations in general. These results for northern California rural-serving community foundations were compared with conclusions reached in studies of community foundations cited in the literature review.

Limitations of the Study

There was a geographical limitation in that northern California may not be representative of the whole United States, and the rural communities of northern California may be significantly different from rural areas in other states or even in southern California. Additionally, the researcher was interviewing only the executive director of each community foundation, thus narrowing the perceptions to one viewpoint and preventing the gathering of a community perspective. Concerning this limitation, the number of years the executive director held the position was also taken into consideration. However, the director is the person best qualified to discern factors that differentiate community foundations serving rural areas from those that do not.

CHAPTER FOUR: RESULTS/FINDINGS

Introduction

In this chapter research results are presented from a study of eight northern California community foundations serving rural regions. Findings were compared with existing data on community foundations in general to ascertain patterns of similarities and differences and to discover what characteristics distinguish rural-serving community foundations from others.

The most current published annual reports and Internal Revenue Service Tax Form 990s, if available, were used for phase one of the data collection following the Agard self-assessment checklist. (The checklist is presented as Appendix D.) The Agard checklist was created from the research findings of Agard's 1992 comparative review of 89 community foundations selected on a stratified random sample basis from the membership of the Council on Foundations. Agard's study used two common metaphors of organizational behavior systems theory—the mechanistic metaphor and the life systems metaphor—as concepts for identifying what to observe. Four subsystems comprise the basis of the Agard checklist (administrative system, social system, strategic system, and technical system). Pertinent and measurable indicators relevant to the appraisal of a community foundation and the change of its subsystems over time and asset size are assigned to each of these four subsystems.

Phase two employed an interview guide developed by the researcher that used open-ended questions for face-to-face interviews with the executive directors. The researcher utilized the interview guide to probe for data regarding factors that promote or inhibit

community capacity building for rural-serving community foundations. Similarities and differences were ascertained, and patterns were identified for the categories of organizational development, financial resource development, community role, and programming and grantmaking. The executive directors' perceptions of the distinguishing characteristics of rural-serving community foundations were included. Additionally, the researcher utilized the interview with each executive director to evoke the information necessary to complete the Agard checklist in cases when published reports were either unclear or not available. The Interview Guide is presented in Appendix E.

Research Findings

Description of Community Foundations

Ten community foundations were selected and contacted for this study, and eight were willing to participate. One community foundation declined due to a major deadline while another declined and offered no reason why. All of the community foundations partaking in this research were rural-serving foundations. Some community foundations were primarily rural, while others assisted a rural area as part of their service region. A brief description of the eight community foundations follows. In these descriptions, the community foundations are categorized according to total assets and are assigned one of the seven life-cycle stages in Agard's self-assessment checklist. Although the Agard categories range from Infancy/Early Childhood to Full Maturity, it is significant to note that the last two stages, Early Maturity and Full Maturity, are not applicable to the

community foundations in this study. These stages are included in the tables for overall interest and comparison, but do not show up in the data.

For ease of comparison, the researcher ranked the community foundations according to total assets from smallest to largest, labeling them Community Foundation A through H. Because the research focuses on rural regions, the researcher felt it was important to include the number of counties and the population figures to illustrate the diverse ranges of service areas covered.

Community Foundation A

This community foundation is in the Infancy/Early Childhood Stage with a \$250,000 endowment, is 10 years old, and serves a population of 300,000 within 3 counties.

Community Foundation B

This community foundation is in the Infancy/Early Childhood Stage with a \$1,885,667 endowment, was incorporated in 1991 and became operational in 1994. It serves a population of 150,000 within 1 county.

Community Foundation C

This community foundation is in the Infancy/Early Childhood Stage with a \$2.6 million endowment, is only 1.5 years old, and serves a year-round population of 37,000 within 3 counties.

Community Foundation D

This community foundation is in its Middle Childhood Stage with an endowment of \$7.5 million. The community foundation is 10 years old, and services a population of 52,000 within 3 counties.

Community Foundation E

This community foundation falls into the Late Childhood Stage with an endowment of \$12,439,871. It was founded in 1982, and serves a 250,000-plus population within 1 county.

Community Foundation F

This community foundation is in its Early Adolescence Stage with an endowment of \$47,051,252. The foundation is 17 years old and serves a population of 150,000 within 3 counties. It has 5 geographic affiliates.

Community Foundation G

This community foundation is in the Early Adolescence Stage with an endowment of \$48,766,300. It is 17 years old and serves a population of 160,000 within 1 county.

Community Foundation H

This community foundation is in the Late Adolescence Stage and has a \$58 million endowment, was established in 1945 and became a community foundation in 1984. A population of 280,000 is served within 1 county.

Agard Self-Assessment Checklist

Data for the completion of the Agard self-assessment checklist for each of the eight community foundations came from their most recently published annual reports, Internal Revenue Service Form 990, and, if necessary, from face-to-face interviews with the

community foundation executive directors. Four systems were compared including the strategic system, the technical system, the social system, and the administrative system.

Administrative System

According to Agard, the classic management school of thought describes the functions of the administrative system. The attributes (or variables) of this system are: specialization of labor, division of labor, span of control, hierarchical development, and job definition. Agard states that specialization of labor refers to employees doing different tasks, and that division of labor refers to how work is divided—even the same work. She adds that the span of control concerns the number of people being supervised by one person. (In this study, that person is the executive director). The hierarchical development concerns the number of levels of supervisory relationships in an organization. The number of people or number of levels shown in each Agard checklist indicator measure these variables. The indicators exhibited under the heading Administrative System include: volunteer or paid staff, special project staff, program officer specialists, program officer generalists, financial support staff, general officer support, marketing/donor relations specialist, number of people in the office of the executive director, personnel policies, levels of hierarchy and administrative budget. These indicators provide measurable criteria for viewing changes over time in the administrative system. In this study, they were used to see if the patterns of change were the same for the eight rural-serving community foundations.

Data tables were created to facilitate ease of comparison. For each table, the seven life cycle stages and accompanying data, and the range and average for each variable, are derived from Agard. These data are found in the sections labeled developmental stage,

budget level, range and average. Statistical information gathered for each variable was listed by foundation.

Table 4.1

Administrative System: Number of Volunteer or Paid Staff

Development Stage	Infancy & Early childhood	Middle childhood	Late Childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0-6	1-7	2-8	0-31	4-23	6-31	12-45
Average	2	3	4	7	11	19	36
Respondent foundations							
A	3						
B	2						
C	1.37 FTE						
D		4					
E			7				
F				13			
G				12			
H						8	

Notes.

Budget level amounts are in millions of dollars.

FTE stands for full time equivalent.

Staff members may be volunteer or paid.

^a Assets rather than budget level.

Volunteer or paid staff. The number of volunteer or paid staff ranged according to the age of and total assets held by each community foundation. The findings ranged from 1.37 FTE to 13. Foundation F falls significantly above the average of 7 staff members with 13 at this point in its development. This research suggested that community foundations serving rural regions, just as community foundations in general, add staff as their asset base grows. When paid staff was added, the foundations seemed to move more quickly toward their pertinent missions of endowment building, grantmaking, and

rendering services, underscoring the importance of a strong infrastructure in facilitating organizational goals.

Table 4.2

Administrative System: Number of Special Project Staff

Development Stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full Maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0	0 - 3	0 - 3	0 - 4	0 - 3	0 - 9	2 - 15
Average	0	< 1	< 1	1	1	2	7
Respondent foundations							
A	0						
B	0						
C	0						
D		0					
E			3				
F				0			
G				1			
H						0	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Special project staff. Special project staff is an indicator of the specialization of labor variable, referring to employees engaging in narrow functions rather than general management. Only two community foundations were shown to employ special project staff. A significant finding was that, when asked about this indicator, a majority of the executive directors stated that their community foundation was not organized in such a way as to utilize special program staff. One executive director emphasized, “Other

people would say ‘yes’ but it’s not where we’re at. There are things that other people consider special projects that we do as core services.” This statement illustrates the concept of a community foundation as a service organization that is also a foundation. This philosophy was held by a majority of the community foundation directors and supports the theory that community foundations are especially well suited to be efficient builders of community capacity.

Table 4.3

Administrative System: Number of Program Officer Specialists

Development Stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
	Staff members						
Range	0	0 - 4	0	0 - 15	0 - 1	0 - 5	0 - 7
Average	0	<1	0	1	<1	<1	3
	Respondent foundations						
A	0						
B	0						
C	0						
D		1					
E			0				
F				0			
G				1			
H						1	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Program officer specialists. Another indicator of the specialization of labor was the number of program officer specialists employed by a community foundation. A significant finding for this indicator was that compared to Agard's data, foundations D, G, and H seemed to be further along in their life cycle development, thus permitting greater specialization within the administrative framework.

Table 4.4

Administrative System: Number of Program Officer Generalists

Development stage	Infancy & Early Childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
	Staff members						
Range	0 - 1	0 - 2	0 - 2	0 - 3	0 - 7	1 - 12	1 - 8
Average	< 1	1	1	1	2	4	5
	Respondent foundations						
A	0						
B	0						
C	0						
D		0					
E			0				
F				2			
G				1			
H						1	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Program officer generalists. Foundations F, G, and H had 1 or 2 program officer generalists on staff. Once again, it is important to emphasize that these community foundations were further along in their organizational development, resulting in larger administrative budgets which allowed for greater administrative specialization. These

data on rural-serving community foundations agree with Agard's and Struckhoff's research.

Table 4.5

Administrative System: Number of Financial Support Staff

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0 - 2	0 - 1	0 - 1	0 - 4	0 - 3	1 - 9	3 - 6
Average	< 1	< 1	< 1	1	2	4	5
Respondent foundations							
A	0						
B	0						
C	0						
D		0					
E			0				
F				2			
G				1			
H					1		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Financial support staff. Only 3 community foundations had financial support staff. Foundations F, G, and H are the wealthiest foundations and hold substantial endowments. Relative to organizational growth, this finding agrees with Agard's findings that suggest that asset size is of greater relevance than age in years and that an organization with

greater total assets facilitates opportunities for administrative specialization by their ability to pay for additional staff.

Table 4.6

Administrative System: Number of General Officer Support (Support Staff)

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early Maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0 - 1	0 - 3	0 - 2	0 - 6	1 - 8	1 - 13	1 - 21
Average	< 1	1	1	2	3	6	9
Respondent foundations							
A	0						
B	0						
C	0						
D		0					
E			1				
F				4			
G				1			
H					1		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

General officer support (support staff). Those foundations which had any staff devoted to the role of general officer support were likely to have only one staff position, as illustrated by the data in Table 4.6. Foundation F (Early Adolescence Stage) reported four support staff, indicating above-average standing for this category. A reason for the larger number of this specialized staff might be the result of Foundation F's expressed mission as a service organization first and a community foundation second. With a \$48

million endowment, Foundation F is growing successfully and serves an extensive geographical area while also supervising 5 “affiliate” funds.

Table 4.7

Administrative System: Number of Marketing/Donor Relations Specialists

Development stage	Infancy & Early childhood	Middle childhood	Late Childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0 - 1	0 - 1	0 - 2	0 - 2	0 - 2	1 - 5	1 - 7
Average	< 1	< 1	< 1	< 1	1	1	3
Respondent foundations							
A	0						
B	0						
C	0						
D		0					
E			1				
F				1			
G				1			
H						0	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Marketing/donor relations specialists. Only three community foundations had marketing/donor relations specialists. Although Agard’s Late Adolescence Stage range of marketing/donor relation specialist staff is 0 –2, with an average of one staff person, community foundation H’s executive director stated that his system was not organized

this way and stated that he had been in charge of a majority of the marketing and donor relations carried out by the organization.

Table 4.8

Administrative System: Number of Communication Staff Specialists

Development stage	Infancy & Early childhood	Middle childhood	Late Childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0	0	0	0	0 - 1	0 - 2	0 - 3
Average	0	0	0	0	< 1	1	2
Respondent foundations							
A	0						
B	0						
C	0						
D		0					
E			1				
F				.25 FTE			
G				1			
H						0	

Notes.

Budget level amounts are in millions of dollars.

FTE stands for full time equivalent.

^a Assets rather than budget level.

Communication staff specialists. Only 3 community foundations had staff in this category. Foundation E has 1 communication staff specialist, placing it above the average of 0. Foundation F contracts out a .25 FTE, while Foundation G employs one staff person. Although only 3 foundations have a paid staff member for this indicator, a majority of the foundation executive directors interviewed stated that it was a

fundamental and immediate goal to raise awareness in their communities about the importance of the community foundation.

Table 4.9

Administrative System: Number of People in the Office of the Executive Director

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0 - 2	1 - 2	1 - 2	0 - 2	1 - 2	1 - 2	1 - 6
Average	1	1	1	1	2	1	4
Respondent foundations							
A	3						
B	0						
C	0						
D		4					
E			1				
F				13			
G				12			
H					8		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Office staff of the executive director. The number of people in the office of the executive directors varied from 1 to 13 according to the age and asset size of each community foundation. Community foundation F in the Early Adolescence Stage had a remarkable 13 people; Foundation G followed with 12; and Foundation H, in the Late Adolescence Stage, showed 8. This large discrepancy between the small number of

executive office staff in the Agard data and the data collected for this research is a significant finding for this study.

Table 4.10

Administrative System: Number of People Supervised by the Executive Director

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early Adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Staff members							
Range	0 - 4	1 - 6	1 - 6	0 - 12	2 - 16	4 - 13	7 - 10
Average	1	3	3	4	7	6	9
Respondent foundations							
A	2						
B	1						
C	1						
D		3					
E			6				
F				5			
G				11			
H					5		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

People supervised by executive director. Each executive director supervised at least one staff person. The number of staff that the executive directors supervised varied from 1 to 11.

Existence and sophistication of personnel policies. Data for this indicator were not found in the annual reports. Agard included this indicator because it added to the

understanding of the organization's environment, strategy, and complexity. During the face-to-face interview, each executive director was asked if the community foundation had formal personnel policies. The question of the formality of personnel policies is a question of interpretive degree, and therefore is somewhat less precise and not validated. Although no personnel policies were examined for this study, the interviewees affirmed that each community foundation had developed some sort of written personnel policies from the draft stage to a formal staff handbook.

Table 4.11

Administrative System: Levels of Hierarchy

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Hierarchy levels							
Range	0 - 4	1 - 5	2 - 3	0 - 5	2 - 4	1 - 9	3 - 4
Average	2	2	2	2	3	4	4
Respondent foundations							
A	0						
B	0						
C	0						
D		2					
E			0				
F				0			
G				4			
H					2		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Levels of hierarchy. Only Foundation's D and H reported 2 or more levels of hierarchy. The averages among foundations in the first four life stages were 2, but the average for the Late Adolescence Stage was 3. Foundation G, with 4 levels of hierarchy, exceeds the norm for its life stage, as modeled by Agard.

Table 4.12

Administrative System: Administrative Budget

Development Stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Budget amounts							
Range	14 - 216	60 - 294	79 - 675	124 - 2900	188 - 2300	310 - 3000	1000 - 4000
Average	84	168	250	395	715	1000	3000
Respondent foundations							
A	100						
B	90						
C	130						
D		193					
E			-- ^b				
F				322			
G				900			
H						530	

Notes.

Budget level amounts are in thousands of dollars.

^a Assets rather than budget level.

^b Foundation E did not provide administrative budget figures at the time of interview

Administrative budgets. Foundation A is a small, rural, "affiliate" community foundation that is beginning its effort to raise permanent endowment. Although in existence for ten years, Foundation A was recently the recipient of a grant that facilitated

the opportunity to hire its first full-time staff. Foundation B serves a rural population and relies on its supporting foundation for total administrative funding. While the current administrative budget appears low, the executive director of Foundation B said that a newly received Packard Foundation grant would allow for the hire of one full-time development staff. Foundation C is the youngest of foundations in this study and an anomaly. At less than 2 years of age, Foundation C already has a \$2.6 million endowment. With a \$130,000 administrative budget, the executive director and one part-time staff have been hired. Due to the rapid asset growth of this foundation, Foundation C's director stated that she would like to see the administrative budget increased and additional staff hired. An anomaly, Foundation D is rural, ten years old, and has a \$7.5 million endowment. The director of Foundation D said that there has never been any board concern about the administrative budget because their foundation was created and maintained by a significant family bequest. The executive director of Foundation F was pleased to emphasize that his administrative budget was less than 1% of the total assets held by the organization. Foundation G had the largest administrative budget and employed the most specialized staff, but with the largest endowment reported in this study, Foundation H's administrative budget was almost one-half the size of the administrative budget reported by Foundation G.

Social System

The social system looks at the social side of the organization. Attributes (or variables) selected to represent the system category were the individuals/roles and numbers (what function the individuals performed in the community foundation and how

many individuals there were to perform the function), interpersonal and interactive relationships, and complexity. Agard's chart (see Appendix D) illustrates 11 indicators that are measured by the total number of people, including board members, advisory committee members, and staff; the total number of organizations involved; organizational structures, geographic funds, supporting foundations, advisory committees, and trustee banks; the complexity of legal forms; and the number of meetings of the board of trustees. These indicators provide measurable criteria for viewing changes in a foundation's social system over time, and a means for comparing community foundations to their peers. Tables were created for clarity of comparison. The seven life cycles and corresponding data are taken from Agard's model, as are the variables, their ranges and averages.

Table 4.13

Social System: Number of Board Members

Development Stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late Adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Board members							
Range	7 - 40	7 - 37	7 - 24	5 - 36	6 - 23	7 - 30	11 - 13
Average	21	23	16	14	11	17	12
Respondent foundations							
A	6						
B	24						
C	13						
D		7					
E			17				
F				8			
G				12			
H					20		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Board members. Foundation B reported 24 board members. This figure includes the number of community foundation board members and the number its supporting foundation board members. Many of the executive directors reported that the number of board members has remained stable since the inception of the first board of directors while one director stated that their foundation was actively pursuing new board recruits from outlying areas to strengthen regional representation. Board member recruitment strategies varied according to individual community foundations. Some boards were self-perpetuating while other were not. Several of the established foundations had created standing committees with the exclusive purpose of board recruitment. All the

foundations' executive directors stated that board members were proposed and recruited to fill a specific need on the board, to represent a particular geographic area within the foundation's service area, or to create a cultural diversity within its membership.

Number of geographic affiliates. Affiliate funds are usually subsidiary funds that serve another geographic area as if they were stand-alone community foundations. The executive director of Foundation F claimed five geographic affiliates. Agard's Early Adolescence Stage range of geographic affiliates is 0 – 3 with an average of < 1. Community foundation F serves a large rural region, and its affiliate funds encompass five counties. Because of its present asset size (approximately \$50,000,000) and the presence of a proactive board and administration, Foundation F is willing and able to **manage** affiliate funds for upcoming community foundations located in outlying rural counties that are working toward their own independence. None of the other community foundations had geographic affiliates.

Supporting foundations. Community foundations F, G, and H reported one supporting foundation each. Supporting foundations are created as a separate entity to raise funds for their community foundation.

Table 4.14

Social System: Number of Advisory Committees

Development Stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Advisory committees							
Range	0 - 8	0 - 52	0 - 13	0 - 14	0 - 24	0 - 35	5 - 11
Average	1	6	2	3	5	8	3
Respondent foundations							
A	0						
B	7						
C	1						
D		24					
E			6+				
F				10-125			
G				4			
H						1	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Advisory committees. The number of advisory committees varied from 1 to 10 plus. Foundation B's executive director reported 7, which is significantly above the average of 1 for foundations of it size. The executive director of Foundation F reported that this figure could be 10 at a minimum and as many as 125 due to the fact that this community foundation was actively involved in scholarship programs. Therefore, if each scholarship fund were included, the number of advisory committees would increase significantly. The reported increase in number of advisory committees would be a result of the fact that the creator of the scholarship fund or an appointee oversees each individual scholarship in an advisory capacity.

Table 4.15

Social System: Number of Advisory Committees Members

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
<i>Committee members</i>							
Range	0 - 85	0 - 236	0 - 94	0 - 170	0 - 178	0 - 202	0 - 63
Average	9	37	12	32	45	68	14
<i>Respondent foundations</i>							
A	0						
B	23						
C	3						
D		4					
E			75				
F				35+			
G				68			
H						30	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Advisory committee members. In most instances, the number of advisory committee members correlated to the number of advisory committees.

Legal structure. All of the community foundations studied were 501(c)(3) corporations under the IRS Code.

Table 4.16

Social System: Number of Board Meetings per Year

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early Maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Meetings per year							
Range	2 - 12	2 - 12	4 - 12	0-31	4-23	6-31	12-45
Average	6	6	6	7	11	19	36
Respondent foundations							
A	12						
B	12						
C	11						
D		12					
E			6 or 7				
F				12			
G				10			
H					12		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Board meetings per year. A significant finding was that all of the community foundations in this study held an above-average number of board meetings annually, and most held nearly twice the average number of meetings. These figures suggest that the community foundations studied place a high value on active participation of governing board members. It should also be noted that many of the grantmaking sessions were held at the same time as board meetings. This may have contributed to the high number of meetings reported.

Table 4.17

Social System: Number of Grantmaking Meetings per Year

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
	Meetings per year						
Range	1 - 6	1 - 5	2 - 6	2 - 10	3 - 12	3 - 12	4 - 6
Average	3	3	4	5	6	6	5
	Respondent foundations						
A	12						
B	5						
C	9						
D		12					
E			12 to 15				
F				12+			
G				14			
H						11	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Grantmaking meetings per year. The foundations surveyed in this study on the whole have significantly more grantmaking meetings per year than the norms presented in Agard's data for the foundations of comparable size.

Table 4.18

Social System: Number of Pages in the Annual Report

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Number of pages							
Range	0 - 53	3 - 49	2 - 36	6 - 72	0 - 73	25 - 104	24 - 114
Average	19	30	24	32	41	56	61
Respondent foundations							
A	-- ^a						
B	-- ^b						
C	Brochure						
D		27					
E			26				
F				40			
G				34			
H					20		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

^b Foundation A's annual report was in the "rough draft" stage.

^c Foundation B's annual report was not available.

Pages in annual reports. According to Agard, the number of pages in an annual report indicates the complexity of a community foundation. On the whole, this research confirmed that notion because new foundations offered less sophisticated brochures while the older and wealthier foundations offered more detailed annual reports. Each executive director emphasized the importance of a published annual report, and, as one director put it, "This is our splash piece."

Strategic System

Agard said that the strategic system category addresses the systems theory metaphor of organizations adjusting to their environments. Agard chose to use the community foundations' mission statement strategy as an indicator of this dynamic interaction with the social environment. Additionally, Agard chose population size of the service area as a gross indicator of environmental complexity. All but two of the community foundations directors said that community leadership, service to donors, and making grants were the primary missions of their community foundations at this point in time. Only Foundation C retained donor service exclusively as its mission, while Foundation A described its mission as providing service to donors and making grants. The executive director of Foundation D claimed an additional mission that was not otherwise specified, "Providing services to the outlying communities by our Nonprofit Service Center." This information demonstrates that these community foundations are reacting to their environments by surveying needs within the community and trying to provide support for unmet needs.

Table 4.19

Strategic System: Population of the Service Area

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Populations							
Range	14 - 110	150 - 7000	100 - 2.0	200 - 3.7	240 - 3.7	350 - 6.0	1.2 - 13.2
Average	350	1000	1000	1100	1300	2000	6000
Respondent foundations							
A	300						
B	150						
C	37						
D		52					
E			250+				
F				150			
G				160			
H					280		

Notes.

Budget level amounts are in millions of dollars.

One unit of measure = 1000 for Population Range and Average and Respondent foundation data

^a Assets rather than budget level.

Populations of the service areas. The data shows that the populations ranged from 37,000 to 300,000. Some foundations serviced one county while others serviced two, three, or more. Foundation D extends its services to five counties with its Nonprofit Service Center. In addition to serving three principal counties, Foundation F has five foundation affiliates. The executive director of Foundation C pointed out that the population figure of 37,000 for her area was misleading. Its service area includes a resort region and many second-home owners, and the population fluctuates according to recreational seasons.

Technical System

The technical aspects of the community foundations in Agard's system include total assets, number of grants made, dollars paid each year, number of grantmaking categories, frequency of grantmaking each year, dollar value of gifts received annually, age in years, and number of funds managed.

Table 4.20

Technical System: Total Assets

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Assets							
Range	448 - 5000	5200 - 8500	10000-19600	22600-40050	60000-93000	101000-248000	520000-842000
Average	2000	6900	14300	32700	69000	147000	621000
Respondent foundations							
A	250						
B	1800						
C	2600						
D		7500					
E			12500				
F				47000			
G				49000			
H					57000		

Notes.

Budget level amounts are in millions of dollars.

One unit of measure = 1000 for Range, Average, and Respondent foundation data.

Respondent foundation data are rounded off the nearest figure.

^a Assets rather than budget level.

Total assets. Four foundations had higher assets for their age than Agard's developmental stage data would lead one to expect. It is significant to this study to know

that these four foundations, C, D, F, and G were created with large initial bequests from a community leader. This finding suggests that community foundations that are well endowed from their birth grow more quickly and consistently as a result of the significant initial donor investment, and agrees with Agard, Mayer, and Struckhoff. It is worthy to note that the total assets for all the community foundations included in this study totaled the substantial sum of \$173,989,898.

Table 4.21

Technical System: Number of Grants Made

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Grants made							
Range	0 - 184	24 - 302	13 - 985	32 - 1517	100 - 1177	58 - 2600	460 - 2749
Average	55	121	183	310	462	942	1,159
Respondent foundations							
A	15						
B	10						
C	16						
D		210					
E			162				
F				400+			
G				-- ^b			
H						569	

Notes.

Budget level amounts are in millions of dollars.

One unit of measure = 1 for number of grants made

^a Assets rather than budget level.

^b Foundation G had no figures to report at the time of the interview

Number of grants made. The number of grants awarded annually varied from 10 to 569. Grant activity was greater in the large foundations and lesser in the smaller

human services, health, culture, community service, angel fund, and wildlife, humane care, & environment. Foundation G had the most grantmaking categories (11) including basic human needs, capacity building, arts and humanities, education, environment, health and human services, and two funds created by local philanthropists. Foundation H had eight grantmaking categories including community services, education, environment/animal welfare, health, historic preservation, social services, arts and culture, and technical assistance/miscellaneous.

Table 4.24

Technical System: Frequency of Grantmaking Each Year

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
	Frequency per year						
Range	1 - 6	1 - 5	2 - 6	2 - 10	3 - 12	3 - 12	4 - 6
Average	3	3	4	5	6	6	5
	Respondent foundations						
A	4						
B	2						
C	2						
D		12					
E			3				
F				4			
G				4			
H					4		

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Table 4.23

Technical System: Number of Grantmaking Categories

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full Maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Categories							
Range	0 - 8	0 - 7	0 - 8	0 - 11	4 - 9	5 - 9	5 - 6
Average	4	5	5	6	7	7	6
Respondent foundations							
A	0						
B	8						
C	0						
D		6					
E			7				
F				7			
G				11			
H					8		

Notes.

Budget level amounts are in millions of dollars.

Foundation A and C are still too young in their development to list grantmaking categories.

^a Assets rather than budget level.

Number of grantmaking categories. Community foundation B had eight grantmaking categories including health and human services, education, cultural arts, environment, historical preservation, community development, recreation, and “Something else you believe in . . .” Foundation D had six grantmaking categories including arts, education, human services, community development, schools, and youth services. Foundation E had seven grantmaking categories including arts and humanities, community development, education, environment, health, historic preservation, and human services. Foundation F also had seven grantmaking categories including youth,

foundations according to the size of endowment. This finding concurs with Agard's data. The total number of grants made by the eight community foundations, at over 1,382 showed significant activity.

Table 4.22

Technical System: Total Dollars Paid Each Year

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full Maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Dollars paid							
Range	0 - 730	326-1000	708-3500	596-21000	25000-29000	38000-175000	5000-66000
Average	177	832	1300	3400	8500	9800	3600
Respondent foundations							
A	180						
B	63						
C	37						
D		509					
E			807				
F				2700			
G				9200			
H						4200	

Notes.

Budget level amounts are in millions of dollars.

One unit of measure = 1000 for Range, Average and Respondent foundation data

All data are rounded off to the nearest whole number

^a Assets rather than budget level.

The total dollars paid out each year by the community foundations. The amount of dollars paid annually by each community foundation under its grantmaking categories varied from \$37,500 to \$4,252,813. Community foundation A paid \$180,000 with the inclusion of "pass through" funds. The total dollars paid out was \$11,021,437.

Grantmaking frequency each year. The frequency of grants made varied by community foundation from monthly to four times annually. Foundation D grants monthly. Foundations B and C grant twice a year, and Foundation E grants three times annually. The other four community foundations (A, F, G, and H) fund on a quarterly basis. It should be noted that all of the community foundation executive directors emphasized that emergency funding was available anytime over and above the normal grantmaking frequency.

Table 4.25

Technical System: Dollar Value of Gifts Received Annually

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Dollar values							
Range	14 -1700	245 - 4500	25 -3400	621-3000	1400 - 1300	421- 2800	9000-36000
Average	400	1700	1300	6800	6400	15000	19000
Respondent foundations							
A	200						
B	742						
C	2600						
D		233					
E			2900				
F				12000			
G				4900			
H					7800		

Notes.

Budget level amounts are in millions of dollars.

Gifts received annually are in thousands of dollars and rounded off the neared whole number.

^a Assets rather than budget level.

Dollar value of gifts received annually. The gift amounts varied from \$200,000 to \$7.8 million. A significant finding was that Foundation C received gifts of \$2.6 million in a little more than a one-year operational existence. This bequest forced the organization to catch up with other foundations of equal endowment size by hiring the first salaried executive director in its history. This finding seems to be congruent with Agard in relation to her theory that asset size is a stronger indicator than age in years for organizational growth. With current total assets of \$7.5 million, the executive director of Foundation D stated in the interview that, at this point in the foundation's developmental stage, less emphasis is given to aggressive fund-raising while greater emphasis is placed on outreach and grantmaking by "finding a need and filling it."

Table 4.26

Technical System: Age in Years

Development Stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Ages in years							
Range	3 - 68	5 - 61	11 - 64	8 - 72	4 - 76	14 - 76	18 - 77
Average	16	20	37	41	49	56	56
Respondent foundations							
A	10						
B	16						
C	1.5						
D		10					
E			18				
F				17			
G				17			
H					49		

Notes.

Budget level amounts are in millions of dollars.

Foundation age stated in years.

^a Assets rather than budget level.

Age in years. The age of the eight community foundations participating in this study ranged from 1.5 years to 17 years old. According to Agard's chart, Foundation E is 20 years younger than the average age for community foundations of its asset size. Foundations F and G, both at 17 years old, were in the Early Adolescence Stage and well below the average age in years for community foundations of their asset size. Originally established in 1945 as a type of historical preservation organization, and later founded in

1984 as the present community foundation, Foundation H belongs to the Late Adolescent Stage and is the eldest of foundations studied.

Table 4.27

Technical System: Number of Funds Managed

Development stage	Infancy & Early childhood	Middle childhood	Late childhood	Early adolescence	Late adolescence	Early maturity	Full maturity
Budget level ^a	0 - 4.9	5 - 9.9	10 - 19.9	20 - 49.9	50 - 99.9	100 - 499	500 +
Numbers of funds							
Range	5 - 110	22 - 200	28 - 161	15 - 442	14 - 529	50 - 540	180 - 976
Average	33	95	79	136	267	284	539
Respondent foundations							
A	12						
B	4						
C	15						
D		40					
E			220				
F				320+			
G				130			
H						140	

Notes.

Budget level amounts are in millions of dollars.

^a Assets rather than budget level.

Number of funds managed. The number of funds managed varied according to the age and asset size of each community foundation. Foundation E belonging to the Late Childhood Stage, was an anomaly with 220 managed funds as the range of grants managed for this stage is 28 – 161 and the average number of grants managed is 79. With more than 320 managed funds, Foundation F falls well above Agard’s research average of 136.

The reported data supports Agard's research in most respects. The organizational systems of these community foundations serving rural regions differ primarily as functions of age and asset size.

Interview Findings

Face-to-face interviews with the executive directors of eight community foundations that serve rural regions in northern California were recorded, transcribed verbatim, and coded for trends. Open-ended questions related to community capacity building were asked of each of the respondents. The categories of organizational development, financial resource development, community role, and programming and grantmaking were used as the bases for the interview instrument. The executive directors were asked for their perceptions about which characteristics distinguish of rural-serving community foundations from other community foundations in general.

Organizational Development and Community Capacity Building

Reasons for the Creation of Community Foundations

The interview data illustrate that the community foundations studied were created to increase the quality of life in their service areas now and in the future through the creation of endowments, grantmaking, and providing community leadership, donor service and nonprofit management support, or combinations of these.

Three of the community foundations were created when a benefactor left a substantial sum of money to the community with the specific intent of creating a community foundation. A significant finding was that one of the three benefactors was not a full-time resident of the area chosen for a new community foundation. The donor's

interest in protecting the rural environment was this patron's incentive to invest funds.

As a result, a community foundation was born in a resort area.

One community foundation was established with a two-year operating grant from the San Francisco Foundation. It was that specific grant that gave this community foundation the confidence to hire someone as its first executive director in 1981. Another community foundation emerged with the help of local leaders serving on the board of the local Chamber of Commerce. Another executive director said that his community foundation was created as the result of a disaster relief effort.

A group of three leaders raised money and distributed it, finding that they didn't have a built-in distribution network. They met with an estate-planning attorney who knew about creating foundations. They went forward and created a pretty standard model. Founding donors were the sort of notable, wealthier people from older family, most[ly] older families, some newcomers. Some came around the first wave of the university.

Financial Resource Development

The most significant commonly shared response from executive directors in this study was that their foundations had to adjust their development strategy to agricultural economies of their foundation service areas. Many executive directors emphasized the importance of developing tailored approaches to raising funds and developing donors in a rural region. The directors stated that they had to change their endowment building policies when they worked with prospective donors within rural communities. The directors found that the inherent wealth of land holdings very often supplanted the potential of stock portfolios. Subsequently, issues and concerns about agricultural

properties, including land values, development, and conservation easements, were very high priorities in the eyes of these directors. Understanding the concept of land was crucial to their success. One director said, “While I understand [that] a farmer may not be financially liquid, he is very wealthy in his land.”

Roles of the Community Foundation

Asked to describe their roles as executive directors, respondents said they were called to: serve as leader, resource, and catalyst to enrich the quality of life. Among the functions they must perform are: developing a permanent endowment; encouraging philanthropy at all levels; providing comprehensive donor services; and responding to changing community needs and opportunities. One community foundation executive director mentioned as a role, “barrier removal.” He explained that in a very large rural service region with many small towns, “there are cultures that don’t work together. Small rural towns carry strong local loyalties.” He emphasized, “It’s not the people. It is the structural issue behind it.” Systems such as the police departments, fire departments, local public school districts, and city councils have a loyal following in the small towns, resulting in a need for the community foundation to partner with and encourage these rural towns to work together (barrier removal) for the benefit of everyone—not just residents in their own communities.

With the goal of serving a catalytic role, another community foundation has established one of the country’s first Planned Giving Centers to help donors earmark funds for nonprofit organizations in the area. Gifts may be designated for any local nonprofit, and no fees are charged for the center’s service.

Recruitment Strategies for Board/Staff

Recruitment strategies varied according to each community foundation. Directors of established community foundations emphasized that the number of board members would remain constant at their particular stage of development. In contrast, the executive director of a young rural foundation commented on its strategy to enlarge the board of directors:

We just started on a really intensive effort to recruit board members and the process we've gone through so far is to identify particular areas where we need people with expertise. And the second criteria is to get out of the [city name] area, which has been the traditional focal point. All our board members have been from within that area. One of the processes that we are beginning to utilize currently is to form advisory groups in [county name] County and [county name] County to assist in identifying potential board members—To educate some of the key players, key leaders, and so forth, in those communities on what a community foundation can do for them in their communities.

Another executive director talked about board recruitment and the importance of balanced county representation:

There is internal recruitment. They [the board] look at countywide representation. Make sure that we have everybody, all segments of the county. There are only four cities in the county. The majority of residents [are] in non-municipalities. South County is an agricultural area. It has lots of old families. There is old family money. It is a place where agriculture was a prime motivator, the prime resource. It has changed radically in 10 years [due to] the influx of immigrants. It's just a place

of the most disparity between the ‘haves’ and ‘have nots.’ North County is considered to have more liberal political views due to the university and downtown, which is the county seat. And then you have the north coast, which is very uninhabited, although there’s a lot of migrant workers up there. And then there is [city name] which is an affluent area. So it’s an odd mix of things. So when you put together a board you want to make sure that you’re not perceived from the south as being too kind to the north and vice-versa.

When addressing the idea of recruiting a diverse board, one community foundation executive director said:

The community isn’t diverse in many ways. If you are looking for race or ethnicity, we’re not very diverse. It’s representational in other ways. By that, I mean in terms of effect. Again, in terms of geographic pockets of population. It’s representative in terms of political persuasion or whatever, which matters in a little community. It’s representative of the community. And, we take heat, you know, everybody doesn’t like somebody on our board because of their positions and politics. We work hard at being representative to the community and pay the price for that!

One community foundation uses a Board Leadership Committee to find the appropriate board candidates within their community. It meets twice annually and emphasizes minority representation, geographic representation, and recruitment of individuals with special board skills.

Staff recruitment was performed no differently in these rural-serving community foundations than it is done in other types of foundations. Newspaper ads, temporary agencies, and word of mouth were the standard procedures used. One executive director

mentioned that recruiting senior staff or professionals was challenging because the community foundation could not match the salaries of other organizations. Another executive director stated that his foundation had not hired any professional staff at this point in time.

Factors Inhibiting Program Implementation or Performance

The most common inhibitors cited were lack of funding, lack of community awareness about the existence of the community foundation, lack of comprehension concerning the functions performed by a community foundation, and, for some foundations, the large scope of the service area. A unique response came from one community foundation executive director who said that his community foundation had not experienced any program implementation inhibitors. “We’ve done anything we wanted to do,” he said. “We found the funding to do it. We found resources to do it. If there’s something to do, we’re trying to do it.” Another executive director cited the general lack of understanding by his board about the value of program evaluation, and stressed that although evaluations are important to outcomes, they are costly.

Types of Support Through Grantmaking

The eight community foundations reported the following types of grantmaking categories, including: health and human services; education; cultural arts; environment; historical preservation; community development; and recreation.

Ratio of Services Provided to Endowment Held

The question posed was: Can a community foundation serving a rural region provide more services per endowment dollar than an urban community foundation? One executive director stated:

I think they [community foundations] can be more attentive to individual agencies' needs in a rural area than you can in an urban area. I think because of the density, because of the lack of density. We have 23 board members looking for needs. And we have all these nonprofits getting together and telling us what the needs are. I think we can see the needs earlier and respond to them better than you can when you are in a more dense area. And to build on that I think the money is better spent. I think the earlier you can get involved, the better in terms of less human costs and less financial costs to the community.

Another executive director commented:

I don't know. I have no idea. Typically, in your urban setting you have more people; you have more organizations. You can benefit from that. Chances are there's a few more sources of money. And also in urban settings, they're usually tied to, I think by definition, to a city so there are other resources to be brought to bear. Whereas, a rural area is usually in an incorporated county structure, and dollars have to be cut finer. On the other hand, I think people in rural communities tend to want to work together better. There tends to be more sense of community in rural areas than in cities. I think the thing about rural though, there is a tendency that you view rural as being less sophisticated and, therefore, less up on better ways to use money. I think [name of an executive director of another rural community foundation] may argue against that. And, when you talk to him, you'll see that there's a practicality in rural community that may not be sophisticated per se, but rather more effective, more meaningful. And because of that, more of a tendency to sustain.

Concerning this question, another executive answered:

I think I would answer yes we can. But I don't think it has anything to do with cleverness. I think it has to do with lower operating costs in rural areas. And the fact that many people and organizations in rural areas have not been exposed to many of the ideas, programs, solicitations, and so forth, that urban dwellers are exposed to. It is much more spread out.

Still another community foundation executive director said that she thought that it was more costly to provide services to a rural region but extremely important and worth it to do so by stating,

Our volunteers sometimes struggle with programs that will serve just a few people. A few children. A client. Something that would cost a whole lot per person . . . I think in the rural areas we can play an important role because those areas are sometimes isolated from services . . . where they're not in the city limits of town. They are in the county. And they don't have that nucleus that really serves them. So it's probably more costly in those areas. But, it's very important. There [are] sometimes activities that cost the foundation more but they are true to your mission and important to your mission.

The Size of an Endowment Necessary to Reach the Take-Off Point

Most executive directors were familiar with the Struckhoff figure of \$5 million as the take-off point for a community foundation, but the eight executive directors disagreed about the size of an endowment needed to reach the take-off point. While one said, "I think there's still magic attached to that \$5 million," another said that the existence of their community foundation's supporting foundation "throws the whole question off."

Two community foundation directors thought that the take-off point should be lower. However, the majority stated that the figure was outdated and that a larger endowment was necessary. Many of the directors thought that an inflationary factor should be applied. The endowment size suggested by executive directors correlated with the current age and asset size of their organization. The director of one newly created community foundation suggested \$2 million as a potential take-off point, but another director of a more mature foundation suggested \$20 million, adding that “Gene’s [Struckhoff] numbers seem like ancient history.”

The Greatest Period of Growth for the Community Foundation

A majority of the directors disclosed that the greatest period of growth for their foundations had been within the last year. However, one said that the greatest growth would be coming in the next year due to a grant received from the Packard Foundation that would allow for the hiring of additional staff. Another director said that 1995 and 1997 were the biggest years due to the receipt of a large grant and a future lead trust. Regarding growth, this director went on to state, “It’s often the case where you do a big jump . . . and then you plateau . . . [This] is where you might have consistent growth and then you have no great big one. We went from \$6 million to \$22 million overnight as a result of one gift.” This example seems to be compatible with organizational growth literature that suggests that the process of growth occurs by alternating periods of stability and instability, known as the stages of evolution and revolution.

Executive Directors Perceptions of Differences Between Rural-Serving Community Foundations and Other Foundations in General.

Five executive directors supervised typically rural community foundations, while three directors lead community foundations with a portion of their service area as rural. They responded with clear and equally striking perceptions of differences between rural foundations and other foundations in general.

A significant observation was that rural community foundations needed breadth of representation from outlying service areas to learn the needs of those communities. Therefore, outreach to communities is a high priority for these directors. These community foundations struggled with expansive geographic areas where needs seem to exceed resources. One director put it succinctly when he said, “We’re serving a multitude of communities that are spread out, that [the community nonprofits in these communities] are all very small in staff, and that each of those communities is extremely independent. And I think that is putting it mildly!” Another expressed similar thoughts concerning the challenges of large service areas: “Territories within that greater territory where people have an allegiance to a particular locale—and suspicions of other locales, and who’s doing what first. So, I think it presents challenges to staff . . . They have to cover more territory.”

Travel within service areas was another shared concern. In some instances, travel time to meetings could be as long as two or three hours. Furthermore, there was a perception that provincial attitudes hold sway in these population areas. One director said, “Playing the local cards” was important to the success of local rural foundations. Another director felt that being located in a rural area presented a greater opportunity for

foundation leadership, and afforded a greater degree of connection with donors. This community foundation director felt that with this greater degree of communication there were more opportunities for the foundation to show that it was accountable to its community and donors. An informal but professional approach to business meetings with prospective donors (primarily farmers) was reportedly common in these rural areas where agriculture is the major economic activity. A significant difference in the mindset of many of the rural development staff resulted from the fact that generally the wealth is generally held in land and not in stock portfolios. Strategies for giving differed because of this difference in asset base.

CHAPTER 5: SUMMARY AND CONCLUSION

Review of the Problem

The concept of community foundations is both very established and currently evolving, according to existent literature on the subject. Although community foundations have a history of more than 70 years, very little empirical research has been conducted about these organizations. However, the recent accelerated growth in number and size of these organizations is contributing to a field that is evolving very quickly. The number of community foundations in the United States has doubled in the past 10 years due in part to the ability of the foundations to use donations wisely within their communities. Assets of all 545 such foundations exceed \$21 billion according to the Council on Foundations (online, 1999). Currently, the League of California Community Foundations has 20 members and 4 affiliate members. After reviewing the League's 1999 Community Foundation Profiles data, the researcher discovered that only four of the community foundations participating in this study were included, and that there were no listings for the affiliate members. Furthermore, according to the league's executive director, statistics were not available for the number of members that were rural or rural-serving community foundations.

Data are almost nonexistent with regard to community foundations serving rural regions. Nascent community foundations in rural areas are often not included in the more reliable databases until they have officially received nonprofit designation in their state. Such foundations can be difficult to identify because they are often managed as affiliate funds of larger area foundations. More and more rural community foundations are

currently appearing in northern California, but they trail urban population areas that have taken the lead in creating these sophisticated vehicles for localized philanthropy.

Discussion of the Findings

The purpose of this research was to try to discover if there are distinctive characteristics associated with community foundations serving rural regions when compared to characteristics of community foundations in general. Foundation growth and community capacity were explored using the indicators of the Agard self-assessment checklist and responses from face-to-face interviews with executive directors of eight rural-serving community foundations in northern California. The resultant data were compared to previous published findings and analyzed for trends, analogies, and differences. The following factors are cited as the most significant findings in this study regarding community foundations serving rural regions.

First, a significant finding was made while reviewing data in the administrative system category. A majority of the executive directors stated that their community foundations were not organized to utilize special program staff. There was an overall feeling at these community foundations that what were thought of as special projects at other organizations were regarded as core services for them. It was repeatedly impressed upon the researcher that these community foundations were considered service organizations first, and foundations second. In other words, while building endowment was always recognized as a necessary ongoing purpose, it was the number-one priority of these particular community foundations to find and fill the unmet needs of their communities. In other words, what the executive directors were stating was that the term

“service” really referred to giving grants to their community. This goal was the number one priority of the community foundation. It is easy to speculate that these community foundations were the ones with the largest endowments to begin with, but the data prove otherwise. While some did have very large endowments and were thus less concerned with endowment building at this point in time, other community foundations holding this point of view held smaller endowments.

Another noteworthy finding concerned the take-off point for rural-serving community foundations. Eugene Struckhoff’s important research on a cross-section of community foundations throughout the United States cited the figure of \$5 million as the common take-off point for these types of organizations. While three community foundation executive directors believed the \$5 million figure to be valid, the researcher received a variety of responses from other executive directors for the take-off point at values between \$2 million and \$20 million. There appears to be a high correlation between a community foundation’s age and endowment size and the responses from executive directors. Answers naming larger take-off points (such as the highest at \$20 million) came from executive directors of community foundations in the more mature stages of Agard’s organizational chart. Contrarily, a reply from the executive director of a community foundation in the Infancy/Early Childhood stage estimated a smaller take-off figure of \$2 million. Furthermore, the researcher found that while most of the respondents were familiar with Struckhoff’s \$5 million figure, the definition of the term “take-off” point was, at the same time, confusing to them. The researcher speculated that this could also be a reason for such a scattered set of responses.

Third, where the local economies are agriculturally based, the mindset of the community foundation seems to differ from other community foundations with regard to development strategies. Many executive directors stressed the importance of cultivating unique approaches to fund-raising and developing donors in rural areas. Wealth in land was a primary consideration. Consequently, rural development strategies are different from the strategies used in community foundations serving metropolitan areas. Long-range planning was imperative to the mastery of endowment building in these rural foundations and, therefore, more prevalent. “Patience” and “charitable remainder trusts” were two terms that the researcher heard frequently from the respondents.

The fourth distinctive finding centered on the idiosyncratic nature of the small rural community foundations with regard to Agard’s checklist of developmental stages. Not all community foundations studied grew in similar patterns. For instance, a substantial donor bequest of \$1 million made possible the overnight creation of one of the rural community foundations. Shortly thereafter, another immediate impact was felt by the same organization when a follow-up matching grant of \$1 million encouraged a sizable change in the foundation’s organizational behavior. A second community foundation was found to be unusual because, throughout its formative years, it received funding from a community leader. The volunteer board did not have to worry about fund-raising. One or two annual grant sessions were held around coffee tables in kitchens of private citizens. Decisions were made, the group would approach the community leader, and he would write the checks. After two years of this arrangement, a \$3.4 million gift in 1993 from the estate of the man’s sister boosted this formerly grass-roots community foundation to a new level. Within two more years, another gift in the amount of \$1.3

million arrived. Eventually, all the family's funds were set up as a supporting organization in the family's name.

Community foundations C and D were found to be anomalies in the study. The executive directors of these two community foundations did not experience the same struggles that other community foundations faced when building endowment. This illustrated that a bequest can change the dynamic of a community foundation in the blink of an eye. The more endowment money available, the more services should be available to community. According to Agard's stages, a larger endowment automatically places a community foundation in a later life-cycle stage. The internal organizations of community foundations C and D needed to play catch-up quickly. Although these community foundations are 501(c)(3) organizations, their development is reminiscent of the old trust form of community foundation structure that did not require active asset development from living donors (the board of directors).

Many of the rural community foundations in this study assisted large service areas. As one of the executive directors commented, "The term community foundation is somewhat of an oxymoron with regard to the multiple areas that we serve!" A common thread for rural community foundations of substantial endowment size appeared to be the supervision of geographic or affiliate funds. The researcher found that, by formal agreement, nascent community foundations in outlying areas fell under the established foundations' nonprofit umbrella, thereby requesting and receiving assistance for their organizational development until it was time for them to become separate independent entities. One executive director enthusiastically said, "You can have your very own

community foundation. All you really have to worry about is raising money and spending it. You don't have to worry about the administrative end of it."

The effects of technology are beginning to play a very important role in these rural-serving community foundations. Not surprisingly, every organization is connected to the Internet, but the researcher was impressed by the fact that all these foundations have their own website address and web page. The websites make it easy for community members and others to visit and learn about how they can work with the community foundation. One executive director shared ideas about near-future uses of technology that may prove helpful in the supervision of multijurisdictional systems. These ideas include the use of conference calls for scheduled meetings, alleviating the need for two-hour or three-hour commutes from outlying rural areas to the foundation office, and thus saving time and expense.

Finally, with regard to community capacity, it is important to note that the eight executive directors were undecided about whether a community foundation serving a rural region could provide more services for their endowment dollar than other community foundations. Out of all the interview questions asked, the researcher found this to be the most difficult for the directors to answer. Many replied "I don't know" or "I don't know how to answer that." While they wanted to believe that their community foundations were doing an efficient job of providing services, they felt that there were no empirical baseline figures on which to found their answers.

The findings from this study were more or less congruent with Agard's and other authors' research. This research data on rural-serving community foundations generally agrees with Agard's findings about community foundations in that they represent a very

modern organizational structure typified by a small professional staff, a flattened hierarchy, the subcontracting of functions to other organizations, a clear sense of mission, and a collegial environment of specialists.

Except for two anomalous cases, age and asset size of the rural-serving foundations were significantly correlated in this study. This finding is in accord with organizational literature. Consistent with Agard's indicators for growth and change, the asset size of the community foundations studied consistently appeared to be more important than their age. This is compatible with Agard's research.

Conclusions

The characteristics of community foundations serving rural regions change as they grow older and larger, just as other community foundations in general. These characteristics develop in a fairly predictable way. The most vivid changes are found within the administrative system where staffing develops predictably from general to specialized. The structural elements of the social system also change over time and as asset size increases, but with much less complexity. This may be because only a small number of staff are involved even when the assets are large.

Data gathered for the strategic system, measured by Agard's indicators of population size (as a rough measure of environmental complexity) and mission orientation, were congruent with past research. Rural community foundations, while covering a large geographical area, are generally small and serve a small population when compared to metropolitan community foundations. Most of the community foundations studied declared a commitment to all three primary mission positions: grantmaking,

leadership, and service to donors. The researcher agrees with Agard and feels that it is important to speculate that, while sincere commitment to all three mission positions, notwithstanding asset size, suggests common agreement in the field regarding the nature of community foundations, philosophical commitment to all three mission positions may not be actually implemented. Consequently, there may be agreement among the community foundations regarding what they aspire to achieve, but a difference in results. This research supports the conclusion that not only do community foundations aspire to achieve the same goals, but they also structure themselves in similar ways to attempt to accomplish these goals.

The technical system indicators of Agard's self-assessment checklist apply to the four areas of grantmaking, leadership, fund management, and donor service. Research literature written about organizational behavior suggests that organizational mission, strategies, and structures are custom-designed to the environment. One function of rural-serving community foundations that stood out in this study was the method used for fundraising. Development staff changed their mindsets to accommodate agriculturally-based economies, recognizing that rural wealth is vested in land, not in stock portfolios.

Past data suggest that the larger and older a community foundation, the greater value of gifts it receives each year. Past research has illustrated that the big get bigger and they get bigger faster. More data are needed in this area. This study found that small rural community foundations in California are receiving tremendous support from larger foundations and are growing quickly as a result. Grants to rural community foundations from the Packard Foundation, the Irvine Foundation, and the California Endowment, to

name a few, are being put to work to create successful outcomes filling the local unmet needs of rural localities.

Recommendations for Action and Further Research

In the field of community foundations serving rural regions, there is a large void in the available scholarly research. Using existing research on community foundations in general, the researcher brought to light some major characteristics distinguishing community foundations serving rural regions from other community foundations in general. The research results showing the special characteristics of rural-serving community foundations should be taken as beginning points for further research and continued discussion. The following suggestions are listed as possible areas for further study and action.

Recommended Action

The rapid growth factor connected with the recent appearance of new community foundations must be emphasized. As this study was coming to an end, three new rural community foundations had recently been created in northern California with the very strong possibility of two more soon to follow. Further case study reports are recommended to continue to capture the richness and variety of these types of community foundations.

The rapid growth of community foundations also raises the need for a formal reporting system to incorporate newly-created data registering the existence of these newly-created community foundations. As mentioned earlier in this chapter, unless a community foundation has received its nonprofit designation, or is already a member of

an organization furnishing a database, awareness of these newly-formed organizations is restricted to word of mouth by those in the foundation field.

Recommendations for Future Research

Deeper exploration is needed into the relationships between rural-serving community foundations and the communities they serve. When directors were asked if their foundations could provide more services to rural areas per endowment dollar, they had a difficult time responding. Additional research is needed in the areas of assets per capita, grantmaking per capita, grantmaking related to the number of nonprofits in the community, and grantmaking related to the dollars needed by local nonprofits.

There is an important need for supplementary statistical data about California community foundations, in general, in order to provide a baseline of information for further comparison of rural-serving community foundations. The researcher found it impossible to locate the following statistics and encourages further research by others to document: (1) What percentage of California foundations are publicly held? (2) What percentage of California foundations are private? (3) What percentage of grantmakers in California are community foundations? (4) For what percentage of giving in California are community foundations responsible? (5) What is the percentage of foundation assets held by California community foundations?

There is room for development of more research regarding the relationship between community demographics or psychographics and the asset development of rural community foundations. Which demographic characteristics or psychographic elements have the greatest importance with regard to community capacity building for rural-serving community foundations?

Finally, there seems to be a need for greater standardization and certification within the field of community foundation organizational behavior. Vital research in this area would aid in bringing to light the fundamental reasons for or against creating common standards within the field.

Results from these case studies support the theory that there are organizational characteristics particularly identified with community foundations serving rural regions. Rural community foundations each develop in response to their local conditions demonstrating that there is no one best way to run a community foundation. Playing the important roles of endowment builder, grant maker, technical assistant, convenor, and service organization, these community foundations are especially well-suited to be efficient builders of community capacity in rural areas.

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LIST OF APPENDICES

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APPENDIX A

**IRBPHS FOR PROTECTION OF HUMAN SUBJECTS
INITIAL SHORT-FORM APPLICATION**

Principal Investigator

Name & Degree: Michele B. Finstad, MNA Degree

Dept: CPS

Mailing Address: 3074 Caminito Avenue
Yuba City, CA 95991

Phone: 530.671.7071

Email: mfinstad@SYIX.com

Advisor: Mary Anna Colwell

Submission Date July 18, 1999

Project Title:

Community Foundations Serving Rural Regions: A Study of Rural-Serving Community Foundations Located in Northern California

INSTRUCTIONS:

Please submit six (6) identical, collated sets of the following:

THIS COMPLETED SHORT FORM

ALL CONSENT FORMS / INFORMATION SHEETS

ALL ATTACHMENTS (i.e.: questionnaires, interview guides, support letters)

Please note: See the USF Guidelines for Research Involving Human Subjects for detailed information and directions on all of the above. It takes approximately 3 weeks to complete the review process of an Initial Short-Form Application.

1. STUDY AIM, BACKGROUND, AND DESIGN

The aim of this research project is to determine, through interviews with the Executive Directors of rural-serving community foundations located in northern California, whether there are notable characteristics common to community foundations serving rural regions and if these characteristics differ from other community foundations in general.

The national framework for charitable giving changed in the late 1800's and early 1900's. Whereas, the welfare of the community was largely dependent on services provided by the religious community in the nineteenth century, religious and secular purposes appeared separately around the turn of the century. Philanthropic history saw a changeover from control by a few wealthy donors to the appearance of professional managers, the creation of federated charities, and the arrival of the first community foundation. The earliest emergence of community

foundations began with the creation of the Cleveland Foundation in 1914. Noteworthy was the fact that its founder, Frederick H. Goff, president of the Cleveland Trust Company, was the first to see the need for an endowment based strictly on geography. Goff had the idea of a permanent endowment that could respond to the changing needs of the community. Initially, the concept of community foundations involved collaboration between one or more local bank trust departments and a citizen committee, selected by and representing the most influential community leaders. While other endowments were created for schools, hospitals, or the arts, the uniqueness of a community foundation was that it had no defined purpose. Community foundations are challenged to adjust to local cultures and climates. Research has shown that there is no one best way to run a community foundation, and that there could be as many paths to effectiveness as there are community foundations.

My research design will be idiographic including a general analysis and in-depth descriptive case studies on all community foundations that meet the standard of serving rural populations in northern California. This study will compare multiple characteristics of community foundations serving rural regions in northern California with characteristics of other community foundations in general.

Second, an interview guide containing open-ended questions will be used for face-to-face interviews with the Executive Directors. Each interview will take approximately one to one and one-half hours. To the extent that the open-ended questions reflected in the interview guide are not answered by the Executive Directors, the researcher will ask further questions related to the characteristics of community foundations serving rural regions. A copy of the interview guide is shown as Appendix B.

Finally, the researcher will develop a profile of the selected community foundations over the past twenty-five years. This profile will be compared to published research on community foundations (K.A. Agard, 1992; R. Magat, 1989; S. E. Mayer, 1994; E. C. Struckhoff, 1991) to answer the question: Do community foundations serving rural regions differ from other community foundations in general? And, if so, how and why?

2. SUBJECT POPULATION: INCLUSION/EXCLUSION CRITERIA, USE OF SPECIAL SUBJECT GROUPS, AND METHODS OF ACCESS

Northern California will be the region of choice for the selection of subjects for this research. The primary respondents of this study will be the Executive Directors of community foundations. The community foundations will be selected according to the operational definition of a rural region, and only those community foundations that serve a rural population will be potential candidates for inclusion of this study. The researcher will ask the League of California Community Foundations to provide a list of the community foundations that fit the pertinent description.

Currently, there are approximately ten community foundations that fit the category. I will send a letter introducing myself and the research project to each community foundation Executive Director selected for possible inclusion in this study. Within a week, I will follow up to my letter by placing a call to each of the Executive Directors. This telephone contact will re-introduce the research project and solicit his/her cooperation to participate in the study.

Subsequent to the initial phone contact, a letter will be mailed to each community foundation Executive Director, again describing the nature of the project and offering a range of dates in which to conduct the interview. The letter will also state that the information collected during the project will be kept confidential and that a copy of the research will be made available to those participating in the study. A consent form indicating the community foundation Executive Director's voluntary participation in the study will be enclosed. I plan to conduct all interview within four to six weeks from the date of the initial contact letter.

3. PROCEDURES TO BE DONE FOR PURPOSES OF THE STUDY

Data about each community foundation will be collected and entered into the Agard self-assessment instrument (Agard, 1992) according to appropriate category. The model, which categorizes the characteristics of community foundations at different ages and sizes, is based on two major theoretical metaphors: the mechanistic and the life systems. Using her investigative data, Dr. Agard created this self-assessment model for the use by all community foundations. The model will be used in this project to compare the researcher's findings with Dr. Agard's and to categorize each of the selected community foundations according to her model. The researcher will use the most currently published annual report of each foundation to obtain the necessary data for this phase. The reports will provide the bulk of the data for completing the self-assessment forms. The Executive Director of each foundation will be asked during the interview for further information if any of the annual report data is incomplete or unclear. A copy of the self-assessment instrument with written explanation is shown as Appendix A.

An interview guide has been created for use with the Executive Director of each community foundation. The guide asks sixteen questions related to the structural categories of organizational development, financial resource development, community role, and programming and grantmaking. Each interview should take no more than one and one-half hour's time. A copy of the Interview Guide is attached as Appendix B.

Each interview will open with introductory information as suggested by Lofland and Lofland in their book, *Analyzing Social Settings*. I will emphasize that the research collected from the interview is confidential and voluntary (i.e. a respondent can decline from participating in the interview fully or can refrain from answering any question which may make them feel uncomfortable). A full list of the points to be communicated to each respondent is shown in the Interview Guide attachment.

4. RISKS: POTENTIAL RISKS, INCLUDING POSSIBLE LOSS OF CONFIDENTIALITY, AND DISCOMFORTS TO SUBJECTS. METHODS OF MINIMIZING THESE RISKS

There are several potential risks and discomforts to subjects/respondents that may surface as a result of participation in this study.

Each of the three constituencies may feel a loss of privacy or confidentiality by disclosing information to the researcher as the researcher plans to tape record each interview. This can be mitigated through verbal assurances by the researcher that all reference to the organization's or person's name will be omitted in the completed thesis to protect their identification and privacy. This assurance will also be stipulated in the consent form. The researcher will also plan to destroy all tapes once the interviews are transcribed. All data will be stored in a personal filing

cabinet in a confidential place in the researcher's home. Only the researcher will have access to the data.

Community Foundation Executive Directors may feel inconvenienced by having to give up more than an hour of time in their already busy schedules to participate in the study. Again, this can be mitigated before the fact by stating the potential benefits to come out of the study, not only to the individual organization, but to the community as a whole, from their participation in this research project.

5. BENEFITS: POTENTIAL DIRECT BENEFITS TO SUBJECTS AND GENERAL BENEFITS TO SUBJECT GROUP, MEDICAL SCIENCE AND/OR SOCIETY

All the parties involved in the workings of community foundations, and especially rural-serving community foundations, stand to benefit from this research project. The data collected may help community foundations and their funders understand the unique characteristics associated with rural-serving community foundations by exploring and comparing relevant variables within the following systems: Administrative, Social (or the concept of organizational complexity), Strategic (or the relationship of the community foundation to its environment and its choice of strategy for community capacity building), and Technical (the major tasks of the community foundation). Additionally, the theory of community capacity building will be investigated through personal interviews with Executive Directors giving greater insight into the community foundations' organizational development, asset development, community role, and programming and grantmaking.

6. CONSENT PROCESS AND DOCUMENTATION

A written consent form will be obtained from each community foundation Executive Director involved in this study. The form will give this researcher consent to interview the Executive Director.

A copy of the proposed consent form is attached.

7. NUMBER OF SUBJECTS TO BE ENROLLED:

Nonprofit Agencies: Ten community foundations will meet the requirements for inclusion in this study. A minimum of five community foundations will be selected. Within each community foundation, the Executive Director will be interviewed.

8. WILL THIS STUDY BE FUNDED? No

9. PRINCIPAL INVESTIGATOR'S SIGNATURE _____

FACULTY ADVISOR'S SIGNATURE: _____

Mary Anna Colwell

APPENDIX B

Introductory Letter to Community Foundation Executive Directors

[Date]

[Name of Executive Director]
[Name of Community Foundation]
[Street Address]
[City, State, Zip Code]

[Salutation]:

Please allow me to introduce myself. I am a second-year student studying nonprofit administration at the University of San Francisco and am currently working on my Masters thesis. My thesis project involves studying community foundations with an emphasis on program factors that might distinguish community foundations serving rural regions from other community foundations in general. I have the privilege of having Janet Bankovich of Northern California Grantmakers serve as my second reader.

- My research design is idiographic including a general analysis and in-depth descriptive case studies of community foundations that meet the standard of serving rural populations in northern California.
- Both qualitative and quantitative techniques will be used to report and interpret the data.
- The study will compare multiple characteristics of community foundations serving rural regions in northern California with other community foundations in general.
 - Administrative
 - Social
 - Strategic
 - Technical
 - The theory of community capacity building
 - Organizational development
 - Asset development
 - Community role
 - Programming and grantmaking
 - The size of an endowment necessary for a CF to reach its take-off point
- Profiles will be compared to published reports. The data collected will serve as the basis for developing an understanding of the important attributes of these rural-serving foundations. According to my literature search, research in this area is almost nonexistent.

I plan to interview 10 Executive Directors of northern California community foundations. The interview should take approximately 1 to 1 ½ hours of your time. Any reference to you or the organization's name will remain confidential to protect your and the organizational identification and privacy. A copy of my completed research will be made available to each community foundation that participates.

I hope that you will participate in my research. I shall contact you next week to speak further to you about my project and hopefully schedule an appointment for a personal interview.

Cordially,

Michele B. Finstad,
Master of Nonprofit Administration Candidate, University of San Francisco
3074 Caminito Avenue
Yuba City, CA 95991 530.671.7071 mfinstad@SYIX.com

APPENDIX C

Agency Consent for Research Participation

A. Introduction. The principal investigator in this study is Michele B. Finstad, graduate student at The University of San Francisco, pursuing a master's degree in Nonprofit Administration. She is collecting data to ascertain whether community foundations serving rural regions differ from community foundations in general, and, if so, how and why? The data will be used for research purposes only. This community foundation has been selected to participate in this study because it meets the criteria of a community foundation serving a rural region.

B. Procedures. If the community foundation agrees to participate in this study, the following will occur: The researcher will contact the Executive Director of the community foundation. The researcher will describe the nature of the research project and will provide an overview of the types of questions to be asked during the interview. A mutual time will be arranged for the researcher to meet with the interviewee at the interviewee's place of employment. The interview should not last more than one and one-half hour's time.

C. Risks and/or Discomforts. The respondent will be free to decline to answer any question(s) he or she does not wish to answer or to stop participating at any time. All references to the community foundation's or respondent's name will be omitted in the completed thesis to protect their identification and privacy. The researcher plans to tape record the interviews, which may be of concern to the respondent. Once transcribed, the audiotapes will be destroyed. All data will be stored in a personal filing cabinet in a confidential place in the researcher's home. Only the researcher will have access to the data.

D. Benefits. All the constituencies that participate in this study will benefit from this research. Each community foundation will receive a copy of the results of this study. The data collected may help community foundations understand the characteristics unique to community foundations serving rural regions and how to work with these to benefit their communities.

E. Costs. I understand that there are no costs to the agency or any staff member as a result of acceptance to participate in this study.

F. Reimbursements. I understand that neither the agency nor any staff member will be reimbursed for participation in the survey.

G. Questions. If I have any questions about this research project, I may contact Michele B. Finstad at 530.671.7071. If further questions arise about this study, I may contact the IRBPHS at the University of San Francisco, which is concerned with the protection of volunteers in research projects. I may reach the IRBPHS office by calling 415.422.6091 and leaving a voice message, by e-mailing IRBPHS@usfca.edu, or by writing to the IRBPHS, Department of Psychology, University of San Francisco, 2130 Fulton St., San Francisco, CA, 94117-1080.

H. Participation in Research is Voluntary. I am free to decline to participate in this study.

My signature below indicates that I agree to participate in this study.

Name

Date

Title

APPENDIX D

Agard Self-Assessment Checklist

The following is a self assessment checklist. Place a check () in the column next to the box best describing your current status. This provides a picture of your relationship to peer organizations.

SYSTEM	Infancy & Early Childhood (\$0-4.9ml)	Middle Childhood (\$5-9.9ml)	Late Childhood (\$10-19.9ml)	Early Adolescence (\$20-49.9ml)	Late Adolescence (\$50-99.9ml)	Early Maturity (\$100-499ml)	Full Maturity (\$500 -ml)
Administrative System							
Volunteer or Paid Staff	Range 0-6 Average 2	Range 1-7 Average 3	Range 2-8 Average 4	Range 0-31 Average 7	Range 4-23 Average 11	Range 6-31 Average 19	Range 12-45 Average 36
Special Project Staff	Range 0 Average 0	Range 0-3 Average <1	Range 0-3 Average <1	Range 0-4 Average 1	Range 0-3 Average 1	Range 0-9 Average 2	Range 2-15 Average 7
Program Officer Specialists	Range 0 Average 0	Range 0-4 Average <1	Range 0 Average 0	Range 0-15 Average 1	Range 0-1 Average <1	Range 0-5 Average <1	Range 0-7 Average 3
Program Officer Generalist	Range 0-1 Average <1	Range 0-2 Average 1	Range 0-2 Average 1	Range 0-3 Average 1	Range 0-7 Average 2	Range 1-12 Average 4	Range 1-8 Average 5
Financial Support Staff	Range 0-2 Average <1	Range 0-1 Average <1	Range 0-1 Average <1	Range 0-4 Average 1	Range 0-3 Average 2	Range 1-9 Average 4	Range 3-6 Average 5
General Officer Support	Range 0-1 Average <1	Range 0-3 Average 1	Range 0-2 Average 1	Range 0-6 Average 2	Range 1-8 Average 3	Range 1-13 Average 6	Range 1-21 Average 9
Marketing Donor Relations Specialist	Range 0-1 Average <1	Range 0-1 Average <1	Range 0-2 Average <1	Range 0-2 Average <1	Range 0-2 Average 1	Range 1-5 Average 1	Range 1-7 Average 3
Communication Staff Specialist	Range 0 Average 0	Range 0 Average 0	Range 0 Average 0	Range 0 Average 0	Range 0-1 Average <1	Range 0-2 Average 1	Range 0-3 Average 2
Number of People in the Office of the President, CEO	Range 0-2 Average 1	Range 1-2 Average 1	Range 1-2 Average 1	Range 0-2 Average 1	Range 1-2 Average 2	Range 1-2 Average 1	Range 1-6 Average 4
Number of People Supervised by the President	Range 0-4 Average 1	Range 1-6 Average 3	Range 1-6 Average 3	Range 0-12 Average 4	Range 2-16 Average 7	Range 4-13 Average 6	Range 7-10 Average 9
Personnel Policies	No personnel policies or very simple agreement	Letter of agreement or individual contracts with staff	Brief and basic personnel policies	Brief and basic personnel policies	Formal written and somewhat detailed policies	Formal written and somewhat detailed policies	Formal staff handbook
Levels of Hierarchy	Range 0-4 Average 2	Range 1-5 Average 2	Range 2-3 Average 2	Range 0-5 Average 2	Range 2-4 Average 3	Range 1-9 Average 4	Range 3-4 Average 4
Administrative Budget	Range \$1.374-216k Average \$84,000	Range \$60k-294k Average \$167,580	Range \$79k-675k Average \$250,000	Range \$124k-2.9m Average \$395,000	Range \$188k-2.3m Average \$715,000	Range \$310k-3.0m Average \$1,000,000	Range \$1m-4m Average \$3,000,000

Agard Self-Assessment Checklist

SYSTEM	Infancy & Early Childhood (\$0-4.9ml)	Middle Childhood (\$5-9.9ml)	Late Childhood (\$10-19.9ml)	Early Adolescence (\$20-49.9ml)	Late Adolescence (\$50-99.9ml)	Early Maturity (\$100-499ml)	Full Maturity (\$500+ml)
<i>Social System</i>							
Number of Board Members	Range 7-40 Average 21	Range 7-37 Average 23	Range 7-24 Average 16	Range 5-36 Average 14	Range 6-23 Average 11	Range 7-30 Average 17	Range 11-13 Average 12
Number of Organizations	Range 0-2 Average 1	Range 1-3 Average 1	Range 0-2 Average 1	Range 1-7 Average 2	Range 1-5 Average 2	Range 1-17 Average 6	Range 2-6 Average 4
Number of Geographic Affiliates	Range 0-5 Average <1	Range 0-4 Average <1	Range 0-8 Average <1	Range 0-3 Average <1	Range 0-10 Average 2	Range 0-13 Average 2	Range 1-3 Average 2
Supporting Foundations 509c3	Range 0-1 Average <1	Range 0-1 Average <1	Range 0-1 Average <1	Range 0-3 Average <1	Range 0-6 Average 1	Range 1-10 Average 3	Range 1-7 Average 3
Number of Advisory Committees	Range 0-8 Average 1	Range 0-52 Average 6	Range 0-13 Average 2	Range 0-14 Average 3	Range 0-24 Average 5	Range 0-35 Average 8	Range 5-11 Average 3
Number of Advisory Committee Members	Range 0-85 Average 9	Range 0-236 Average 37	Range 0-94 Average 12	Range 0-170 Average 32	Range 0-178 Average 45	Range 0-202 Average 68	Range 0-63 Average 14
Legal Form	Corporate	Corporate	Corporate	Corporate Trust or Mixed	Corporate Trust or Mixed	Corporate Trust or Mixed	Mixed
Number of Trustee Banks	Range 1-8 Average 3	Range 2-14 Average 5	Range 2-11 Average 5	Range 1-10 Average 5	Range 1-12 Average 6	Range 1-20 Average 5	Range 5-17 Average 9
Number of Board Meetings per Year	Range 2-12 Average 6	Range 2-12 Average 6	Range 4-12 Average 6	Range 4-11 Average 6	Range 4-12 Average 7	Range 4-11 Average 6	Range 4-7 Average 5
Number of Grantmaking Meetings per Year	Range 1-6 Average 3	Range 1-5 Average 3	Range 2-6 Average 4	Range 2-10 Average 5	Range 3-12 Average 6	Range 3-12 Average 6	Range 4-6 Average 5
Pages in Annual Report	Range 0-53 Average 19	Range 3-49 Average 30	Range 2-36 Average 24	Range 6-72 Average 32	Range 0-73 Average 41	Range 25-104 Average 56	Range 24-114 Average 61

Agard Self-Assessment Checklist

SYSTEM	Infancy & Early Childhood (\$0-4.9ml)	Middle Childhood (\$5-9.9ml)	Late Childhood (\$10-19.9ml)	Early Adolescence (\$20-49.9ml)	Late Adolescence (\$50-99.9ml)	Early Maturity (\$100-499ml)	Full Maturity (\$500-ml)
Strategic System							
Mission, Leadership and Donor Service	Mission, Leadership and Donor Service	Mission, Leadership and Donor Service	Mission, Leadership and Donor Service	Mission, Leadership and Donor Service	Mission, Leadership and Donor Service	Mission, Leadership and Donor Service	Mission, Leadership and Donor Service
Population of Service Area	Range 14,000-1.1ml Average 350,000	Range 150,000-7.0ml Average 1 million	Range 100,000-2.0ml Average 1 million	Range 200,000-3.7ml Average 1.1 million	Range 240,000-3.7ml Average 1.3 million	Range 350,000-6.0ml Average 2 million	Range 1.2 - 13.2 ml Average 6 million
Technical System							
Total Assets	Range \$448k - 5ml Average \$2 million	Range \$5.2 - 8.5 ml Average \$6.9 million	Range \$10 - 19.6 ml Average \$14.3 million	Range \$22.6 - 45 ml Average \$32.7 million	Range \$60 - 93 ml Average \$69 million	Range \$101 - 248 ml Average \$147 million	Range \$520 - 842 ml Average \$621 million
Number of Grants Made	Range 0-184 Average 55	Range 24-302 Average 121	Range 13-985 Average 183	Range 32-1,517 Average 310	Range 100-1,177 Average 462	Range 58-2,600 Average 942	Range 460-2,749 Average 1,159
Dollars Paid Each Year	Range \$0-730,000 Average \$176,863	Range \$326,000-1 ml Average \$832,153	Range \$708,000-3.5 ml Average \$1.3 million	Range \$596,000-21 ml Average \$3.4 million	Range \$2.5 - 29 ml Average \$8.5 million	Range \$3.8 - 17.5 ml Average \$9.8 million	Range \$5.0 - 66 ml Average \$30.6 million
Number of Grantmaking Categories	Range 0-8 Average 4	Range 0-7 Average 5	Range 0-8 Average 5	Range 0-11 Average 6	Range 4-9 Average 7	Range 5-9 Average 7	Range 5-6 Average 6
Frequency of Grantmaking Each Year	Range 1-6 Average 3	Range 1-5 Average 3	Range 2-6 Average 4	Range 2-10 Average 5	Range 3-12 Average 6	Range 3-12 Average 6	Range 4-6 Average 5
Dollar Value of Gifts Received Annually	Range \$14,000-1.7ml Average \$400,000	Range \$245,000-4.5ml Average \$1.7 million	Range \$25,000-3.4ml Average \$1.3 million	Range \$621,000-30ml Average \$6.8 million	Range \$1.4-13ml Average \$6.4 million	Range \$421,000-28ml Average \$15 million	Range \$9.0-36 ml Average \$19 million
Age in Years	Range 3-68 Average 16	Range 5-61 Average 20	Range 11-64 Average 37	Range 8-72 Average 41	Range 4-76 Average 49	Range 14-76 Average 56	Range 18-77 Average 56
Number of Funds Managed	Range 5-110 Average 33	Range 22-200 Average 95	Range 28-161 Average 79	Range 15-442 Average 136	Range 14-529 Average 267	Range 50-540 Average 284	Range 180-976 Average 539

Note: Checklists for individual foundations are available per request by writing to Michele B. Finstad, MNA, 3074 Caminito Avenue, Yuba City, California 95991.

Source: Agard, K.A. (1992) Characteristics of community foundations at different ages and sizes. (Doctoral dissertation, Western Michigan University, 1992/1993). Dissertation Abstracts International, A 54/03, 1112.

APPENDIX E

Interview Guide

For: The Executive Director of the community foundation.

Type: Face-to Face interview

1. What were the reasons behind the creation of this community foundation? [*Probe for: leadership, grantmaking, donor service, or a combination of the three, other*] How were people mobilized to invest energy into the community foundation? How was the location chosen?

2. What is the role of this community foundation? [*Probe for: neutral convenor, catalytic role, an advocate for diversity on boards and staffs, other*]

3. How are Board members recruited? [*Probe for: diversity, other*]

4. How is staff recruited? [*Probe for: diversity, other*]

5. Can you name the most important inhibitors to program implementation (starting new programs)? [*Probe for: few financial resources, few full-time staff, fewer discretionary permanent funds, little experience with community leadership, limited capacity for strategic grantmaking, other*]

6. What are the most important inhibitors to program performance (assessing results-outcomes)? [*Probe for: few financial resources, few full-time staff, fewer discretionary permanent funds, little experience with community leadership, limited capacity for strategic grantmaking, other*]

7. What types of grants does this community foundation support? [*Probe for human services, education, public social benefit, health, arts/culture/humanities, religion, other*] Is the community foundation responsive to all segments of the community, including the disadvantaged and disenfranchised?

8. Can a community foundation serving a rural region provide more services per endowment dollar than an urban community foundation?

9. How large an endowment do you consider necessary before a rural community foundation reaches the “take-off” point of continued growth? Is it likely that a rural community foundation needs a \$5 million endowment to reach this point?

10. In what ways do you think a rural community foundation differs from other community foundations, in general?
11. Financial resource development has been said to incorporate the areas of endowment growth, communications, and administrative support. Would you comment on each of these areas relative to this community foundation's growth?
- A. Endowment growth [*Probe for: improved skills in the direct asking of discretionary funds for a match, cultivating prospects for estate planning, other*]
- B. Communications [*Probe for: increased visibility in all the right places, creation of materials that communicated CF roles, other*]
- C. Administrative support [*Probe for: revenues raised to support operations, creation of sustained growth by increasing resources, investment portfolios managed with more professionalism, other*]
12. Would you comment on this community foundation's limits and difficulties in these same three areas?
- A. Endowment growth [*Probe for: lack of time energy to act on long-term growth strategies, other*];

B. Communications [*Probe for: time consuming to get out story, 1/2-time person needed for this job, getting salary support for the 1/2 -time person, other*];

C. Administrative support [*Probe for: too many opportunities for foundation growth and support, a limited administrative budget, funding long-term growth is impossible without outside help, other*].

13. Organizational development encompasses board, staff and administration. Would you comment on each of these areas relative to this community foundation's growth?

A. Board [*Probe for: functioning increasingly as policymakers, ambassadors for the CF, providers of access to resources, providers of diverse community perspectives, other*]

B. Staff [*Probe for: growth in number and specialization, enhanced skills, greater accordance with mission statement, turnover in executive position, other*]

C. Administration [*Probe for: increased operation by board staff policy, increased board staff cooperation, increasingly mission-driven or driven by principles of service, sophistication without bureaucracy, inflexibility, timidity, other*]

14. Would you comment on this community foundation's limits and difficulties in these three areas?

A. Board [*Probe for: EDs wish boards would do more, limited terms prevent strong relationship of board w/ED, other*]

B. Staff [*Probe for: stress/overworked staff, human resource management abilities of ED are tested, turnover in executive position, other*]

C. Administration [*Probe for: success in diversity, other*]

15. When has the greatest period of growth taken place in this community foundation?

16. Is there anything I haven't asked that I should ask you?