



Philanthropy
southwest

RURAL PHILANTHROPY IN THE SOUTHWEST

Colton C. Strawser, Ph.D.

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Funders



Project Team

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Participants

Abilene Community Foundation (TX)
Anschutz Family Foundation (CO)
Avedis Foundation (OK)
Carl B. & Florence E. King Foundation
(AR, TX)
JF Maddox Foundation (NM)

The Samuel Roberts Noble Foundation (OK)
Telluride Foundation (CO)
Texas Rural Funders (TX)
Texoma Health Foundation (OK & TX)
T.L.L Temple Foundation (TX)
Winthrop Rockefeller Foundation (AR)

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Notes

- Philanthropy Southwest serves Arizona, Arkansas, Colorado, Nevada, New Mexico, Oklahoma, and Texas; therefore, statistics states
- Some quotes have been edited for clarity

Colton Strawser Consulting

Colton Strawser Consulting is a consulting firm that specializes in working with nonprofit organizations, foundations, and other mission-driven organizations that seek to make a positive change in the world. Colton Strawser Consulting helps clients develop the data, funding, and leadership skills necessary to create change.

Philanthropy Southwest

Founded in 1949, Philanthropy Southwest ('PSW') is the most enduring association of grantmakers in the United States. PSW is the premier philanthropy serving organization in the Southwestern United States, with hundreds of member organizations across the region. The mission of PSW is to foster meaningful philanthropy and trusted relationships that impact the southwest region's people, communities, and most pressing issues.

Rural communities, while often small, have a large impact on the livelihood of all Americans. As resource centers for water, food, energy, and recreation, rural areas provide many of the resources for communities in urban, suburban, and rural settings to thrive. In fact, 97% of the United States is technically geographically defined as rural,¹ with much of the Southwest being considered rural, by measures of both geography and population density. Approximately 1 in 5 Americans live in rural communities,² representing 59.5 million individuals.

Philanthropy Southwest, with funding support from the Robert Wood Johnson Foundation and administrative coordination from the United Philanthropy Forum, hired Dr. Colton Strawser with Colton Strawser Consulting and the Community Leadership, Engagement, and Research (CLEAR) Institute to do an exploratory study of rural philanthropy in the southwestern United States.³

The purpose of this study was to capture the current practice of a small group of foundations, understand innovative approaches to rural grantmaking, and seek wisdom on how funders can shift their grantmaking to support rural communities through different approaches via grantmaking, community leadership initiatives, and community capacity building.



Main Street in Telluride, Colorado - Photo Credit to Woody Hibbard

Context

The rural way of life is set at a different pace from urban or suburban settings, yet the realities of racial inequality, persistent poverty, and economic mobility are present in both. The reality is that urban and rural problems are often very similar, yet the scale of occurrence is vastly different.



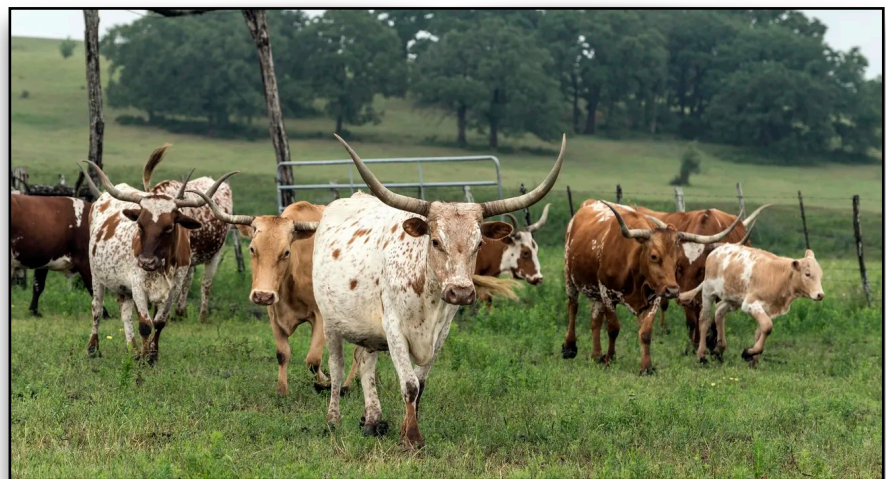
Caspian poses from Camp Able of Buffalo Gap - Photo Provided by Community Foundation of Abilene

Social issues such as accessing affordable healthcare, obtaining a high-quality education, or securing affordable housing are problems in most communities. The COVID-19 pandemic illuminated the unique needs of rural communities by highlighting the various disparities that rural communities faced when it came to having the infrastructure necessary to work remotely, attend classes online, or stay connected with the unfolding news of a global health and economic crisis.

Furthermore, the distribution of nonprofits mirrors that of the US population; therefore, rural communities have less access to nonprofits and services that support them.⁴ Poverty is also more persistent in rural communities (15.4%), compared to urban communities (11.9%).⁵

Methodology

Interviews were conducted with foundations that were either located in, or had a strong emphasis on, rural communities. Interviews were conducted in April and May of 2022 and lasted approximately 60 minutes.



Longhorn cattle in rural Texas - Photo by Carol Highsmith Provided by the Library of Congress

Key Findings

It's All About Relationships

To be an effective grantmaker in a rural community, there needs to be trust between the funder and the community. In addition, relationships are important when it comes to taking on new initiatives, increasing communication, and helping support the community's ideas.

Grantmaking Works Differently

Responsive grantmaking is not always the most effective solution given that many rural nonprofits may not have the knowledge or capacity to write complicated grant proposals. In some cases, funders are finding it more strategic to engage community-based organizations in discussions and planning to allocate funding rather than requiring grant proposals to receive funding.

Gifts Beyond the Grant

A key challenge for many rural nonprofits is a lack of infrastructure - especially those that are run by volunteers or very few paid staff members. To support capacity building through leadership development, funding consulting, and/or funding items other grantmakers generally avoid, can ensure that organizations have access to the capital, tools, and knowledge needed to address community challenges.

Government Funding Is a Challenge

The American Rescue Plan Act (ARPA) and other government funds have been allocated to support rural communities; however, many rural nonprofits lack the capability to apply for these funding opportunities, given the specialized nature of applying.

Relationships

A core principle of fundraising is relationships. Relationships with donors build trust, and trust is needed for someone to give to nonprofits. Trusted relationships with nonprofits are also critical for funders wanting to support rural communities. Interviewed foundations indicated that the trust-building process of funding in rural communities could take time – especially if the funder is an “outsider” (located outside of the community). To support current or future projects within a rural community, grantmakers need to establish local relationships and consider more of a participatory process⁶ versus a responsive grantmaking process.

Rural communities are often tight-knit with a limited number of individuals, organizations, and businesses. Simply put, everyone knows everybody. Local politics can be a barrier to working with a rural community and within a rural community. Grantmaking in rural communities can often be effective when foundations meet organizations where they are and are clear about why the foundation is looking to support a community. Interviewees indicated that communities are often leery of outside investment, and grantmakers must make it clear whether or not there is an agenda the foundation is trying to achieve with the community’s help.

“I know that having conversations with local people is important. I also realize if you’re a funder in Denver, it may be that you don’t have staff on the ground to do that, but funding grants and making that personal connection with various rural organizations allows them to become your local sounding board. And you really should make a point to have those personal relationships by going to rural organizations and sitting down and having coffee with them in their conference room. It’s those little steps that go a long way in rural communities.”

April Montgomery, Telluride Foundation



Photo Provided by Telluride Foundation

“We just want to be part of the good work that you’re doing. And we certainly rely upon our rural nonprofit partners to tell us what’s going to work in their communities, We know we can’t just say, ‘Well, this works in Denver, so you should do it’. That doesn’t work at all—nor does it come across well.



Photo Provided by Anschutz Family Foundation

There’s certainly a political divide between, Denver, which is our state capital, and the other areas of the state. So, building that trust is key. And I think, the way to do that is to be present out in rural areas of the state, get to know individuals, and understand their work – so that we can support their work.” Abel Wurmnest, Anschutz Family Foundation



Grant check presentation to the Museum of the West Texas Frontier by the Community Foundation of Abilene

“Us being on the outside, not knowing what those politics are, or the dynamics between people or leaders in the city, sometimes is a barrier for grantmaking that we don’t fully understand.” Katie Alford, Community Foundation of Abilene

Taking the Non-Traditional Approach to Grantmaking

Many funders review hundreds of applications a year, and it sometimes comes down to who writes the better proposal vs. who has the better idea. However, there are no laws or rules within grantmaking that indicates foundations must solicit proposals, so many rural funders have gotten creative with how they seek proposals and distribute funding. In some cases, it involves a verbal discussion with the potential grantee, the foundation staff writing a few notes, and figuring out how to fund the project; however, a stringent and complicated process may make some worthy organizations choose not to apply.

“I think one of the challenges is the grant writing skills or background of community members. A lack of infrastructure, in some cases, and a lack of grant writing skills can affect their abilities to do things. So, I think sometimes that grant writing is a challenge that may keep them from applying.”
Katie Alford, Community Foundation of Abilene

The traditional (transactional) approach to funding is often where a funder will issue an RFP or application cycle, a nonprofit will apply for the grant, the foundation will review it, and then determine whether to fund the grant. This approach is very institutional, and nonprofits in rural communities may not be aware of these funding processes or have the capacity or skills necessary to apply. Technical assistance can be extremely beneficial when a funder notices a project worth funding, but the nonprofit may lack the grant writing skills necessary to make the case.

“We have a formal grant application and requirements that we need to have, but when it comes to rural organizations, we’ll work with them. I’ve actually helped an organization fill out a grant application, just so we can get the basic elements of what we need, as well as helped them through our review & site visit process to get all the things we need for our due diligence.”
Abel Wurmnest, Anschutz Family Foundation

Gifts Beyond the Grant

Many interviewees indicated that grantmaking is just one of the many resources that funders can provide to support rural regions. Whether it is funding leadership development, supporting capacity building, or providing infrastructure support, a small investment in small communities can have a large return.

“Building capacity is important because so many people serve multiple organizations. For example, they may be a leader of one organization and on the board of another. There’s some ripple effect for other organizations.”
Kelty Garbee, Texas Rural Funders

Leadership Development

Interviewees indicated the need to invest in leadership development, both so that communities can come together to advocate for themselves and for nonprofits to be strengthened through increased leadership capacity. Funders such as J.F. Maddox Foundation and the Avedis Foundation have found success with leadership programming, - with Maddox funding a community-wide program and Avedis focusing on nonprofit leaders.

“We just don’t want to be a grantor; we also want to help strengthen nonprofits. To achieve this, the Avedis Leadership Institute and the Avedis Leadership Round Table was initiated. Executive Directors meet monthly, and we provide professional development, and a collegial place for leaders to gather with peers. In addition, we pay for their membership to the Oklahoma Center for Nonprofits, which gives them a reduced rate on training and other resources. We place a high value on strengthening nonprofit leadership, because strong leaders result in strong nonprofits, which ultimately has a positive impact on the services provided to the most vulnerable in the communities we serve. As a result of these initiatives, we are seeing strengthened relationships amongst the nonprofits and increased collaboration. It’s developing into an environment of collaboration and shared vision.” Tracy Meeuwsen, Avedis Foundation



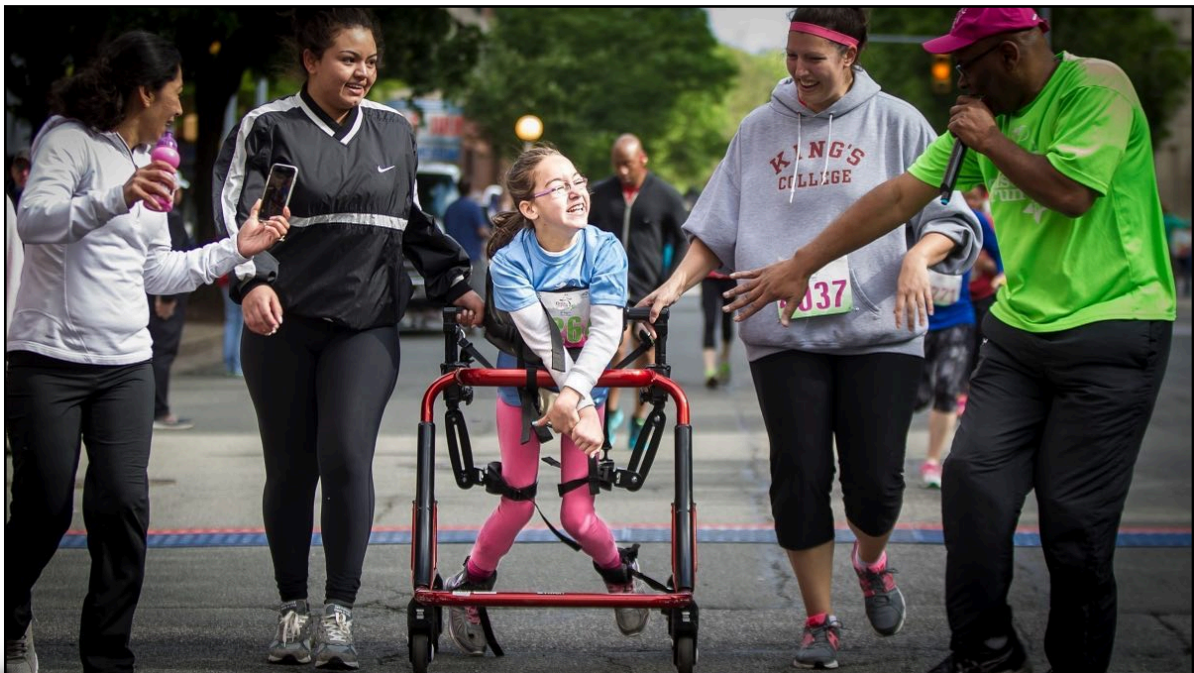
Avedis Leadership Institute 2021 Grant Recipients

“We try to be intentional about getting a representation of our community, and that means demographics are one of the driving factors. For example, we’re 60-70% Hispanic here. So, if we’re not getting Hispanic leaders, then we’re doing something wrong. Within [Maddox Leadership Institute] training, it’s a lot of self-reflection, self-assessment, and understanding how to interact with people who maybe aren’t like you, who learn in different ways, and who communicate in different ways. There are also some intentional community engagement aspects where we bring in different nonprofit leaders [and] they spend a full day learning about nonprofits, understanding what it means to be on a board or to become an executive director.” David Reed, J.F. Maddox Foundation

Infrastructure Development

In some cases, nonprofits need support scaling to address community issues; however, limited staff and leadership can also connect to limited infrastructure. Afterschool programs may be held in the school gym, food pantries may be in church basements, and many organizations are run solely on volunteers or a single staff member.

“We fund a community grant writer. Many nonprofits have limited time to focus on resource development. To alleviate this gap, the Community Grant Writer works with local nonprofits to locate funding opportunities and write grants for them. In 2021, the grant writer brought in an additional \$4.2 million dollars in grant funding to our community.” Tracy Meeuwen, Avedis Foundation



Girls on the Run of Southern Oklahoma - Photo Provided by the Texoma Health Foundation

“We’re sending in [a consultant] to one of our organizations because the executive director really needs support. We don’t want to lose her there – and so how can we give her the tools to be successful? She received a mini grant to be able to support this work, and I mean, it’s not a lot, like \$5,000 to come in and just focus in and zero in on her and her position. It’s not an audit, it’s not us trying to find what she’s not doing. It’s about how we bring her up to the next level.” Michelle Lemming, Texoma Health Foundation

Government Funding

Many interviewees indicated the challenge of government funding when it comes to rural communities. In some cases, the funding does not match the size of the program (i.e., too much funding for one community to handle), nonprofits do not have the capacity to manage a grant, and in other cases nonprofits do not have the skills or experience necessary to even apply.

“If you give [rural nonprofits] a federal grant RFP...and say, this would be perfect for you, it’s designed for rural communities. Well, you know, they don’t have time in the day to even read that RFP. There was recently an article stating how so much federal funding that’s targeting rural communities doesn’t get there because there’s no capacity to understand and write these grants. So, where the Telluride Foundation has been helpful is working with rural nonprofits to help write the grant or serving as the grant applicant or fiscal agent. In fact, we just wrapped up an \$800,000 grant from the federal government to support economic development in rural communities; we served as the co-applicant and provided matching funds of another \$800,000. So, that was a \$1.6 million infusion into three rural communities impacted by the closure of a coal mine and a power plant” April Montgomery, Telluride Foundation

Another challenge within rural communities is that there are not always regional organizations that can accept funding and distribute it to partners in rural communities. Regional economic development or community



development corporations are not always the norm, which results in many agencies leaving money on the table. In many cases, a \$300,000 federal grant to support homelessness is not feasible for a community with a population of 40,000; however, a regional approach could prove helpful to communities.

Rural Oklahoma - Photo Provided by Alice Welch Provided by the US Department of Agriculture

“One of the issues we see there, in particular, is [rural communities] don’t have any intermediaries. The agencies themselves are small, and they just don’t have the administrative capacity to really handle larger grants. For example, without an intermediary who could take a large federal grant and the responsibility for reporting, rural areas that are already at a disadvantage in securing government funding are made worse in that local agencies could probably provide the services.”

Michelle Monse, Carl B. And Florence E. King Foundation

Furthermore, it appears that the government continues to not adequately support rural communities in their pursuit of funding. While funding has been allocated to rural communities, the bar is still quite high for communities to pursue funding. Little to no barriers to applying have been eliminated by government entities when it comes to funding allocated to rural communities, so it is not a surprise that many communities are simply not “grant ready” when it comes to receiving federal funding.

“My main concern right now is broadband, and I am very concerned for communities that I’ve heard, via listening sessions, who said, ‘We just need to know when the money’s going to be available and what we need to go back and tell our community to get the money’. But, the reason I’m so concerned for them is because I know if they’re not already engaged in planning and convening stakeholders and developing all of the steps that need to be clearly laid out, when those federal dollars come they won’t be able to apply. And so, in that instance, you treat it as triage mode or just-in-time, and quickly hire grant writers and help those communities write those grants --because you know they absolutely need to be successful.” Kelty Garbee,
Texas Rural Funders



Broadband Expansion Initiative - Photo Provided by the Telluride Foundation

Positives

Interviewees shared that rural communities are great places for investment for a variety of reasons: rural communities are resourceful, they support one another, and they are working hard to make sure that community members are taken care of. However, the primary reason for funding rural communities is that rural communities have issues.

“Number one, know that there’s a great history in most rural communities, and you’ll find rural communities are often the core of a state’s economy – particularly some of the older states in the nation. Second, it might be cliché, but rural communities matter. And they matter because there are people, there are state citizens, that live there. So, it’s our job to fund them.”
David Lewis, Rockefeller

A Little Can Go a Long Way

Rural communities are often very conservative with their spending, resulting in some organizations being able to turn straw into gold when it comes to small philanthropic investments.

“Some of the pros are that a little goes a long way. A \$10,000 grant to the food pantry is going to have a huge impact on that nonprofit. One example is a grant King made to a [Food Pantry] that was \$15,000. Not only did the pantry buy food, but they also bought new chairs for the waiting room and painted the walls. They spiffed the place up, and for that community, it made a huge difference in that agency’s ability to serve. The money that we do give them, they tend to be very careful with it.” Michelle Monse, King

Challenges

Many of the challenges with funding in rural communities can be viewed as opportunities if foundations want to support the strategic growth of organizations; however, as previously mentioned some of the challenges are the size, capacity, and reach of small nonprofits. Furthermore, the ability for an organization to scale in a rural community is challenging – especially when some social issues need comprehensive approaches, yet there are only a handful of community members that benefit from the service.

In addition, while many communities have social issues that are often more prevalent than those found within urban areas, they often lack access to the financial, human, or knowledge capital necessary to address local issues given that many rural communities are philanthropic deserts.

“When you think about it, where are the philanthropic deserts, where are there counties that aren’t covered by one of the regional foundations like us, and then who is there for me to fund or partner with? I just think it’s another interesting way to look at the state.” – Wynn Rosser, TLL Temple

In some cases, the challenge that some rural funders see is that some foundations consider proposals in terms of the number of people impacted per dollar or some other return on investment from their grants. Whether it is to serve 1,000 individuals or an entire region, when it comes to rural communities, some of the challenges of getting outside investment is that some funders want to play a numbers game with their philanthropic dollars.

“The numbers game is the hardest thing to get around. When you’re dealing with a town of 750 people and the food bank serves a hundred people, that’s a lot for our community! You know, it doesn’t seem like a big deal if you just look at the number of people served, so you have to show it with percentages.” April Montgomery, Telluride

Recommendations

The purpose of this report was to create a primer for what is currently happening within some foundations and provide context for other funders that may be interested in increasing philanthropic support to rural communities. The discussions with the individuals at these foundations helped to establish a few recommendations for foundations either currently funding or considering funding within rural communities.

Consider Planning Grants

A theme throughout the interviews was that sometimes communities need to come together to work on a plan to address issues prior to seeking funding. Foundations can provide seed funding for planning grants - to help organizations create plans or build capacity to plan - for new programs, services, or community solutions. These funds can support external funding consultants, hire local leaders to conduct listening sessions, or cover other costs associated with dreaming big and creating a plan to make something happen.

Support Capacity Building and Leadership Development

According to the interviewees, rural nonprofits are extremely resourceful; however, in many situations, the leadership of rural nonprofits is often volunteers or an individual from a different career path. For organizations to become stronger, they need grants to support capacity-building projects, build knowledge within their leadership, and have dollars to support operating costs to have professional staff support.

An important infrastructure-building tactic may be to help more communities become ready to accept state and federal funding, ultimately extending the impact of philanthropic investments. In some cases, philanthropy is paying for items in rural communities that could instead be covered by other funding sources if organizations are able to capture those funds.

Consider Regional Approaches

Many foundations are often locked into serving specific geographies (often city, county, or state) due to the intent of the original founders; however, funding regional initiatives and collaboratives can help funders remain true to their mission of supporting their specified communities while collaborating with others. Regional approaches can help address issues by pooling resources, leveraging networks, and collaborating with each other.

Spend More Time in Rural Communities

The overarching theme of this report was the importance of communication and building relationships. For funders to be effective rural grantmakers, they must spend time getting to know the local communities or consider using an intermediary like a community foundation or United Way to help distribute funds to a specific geographic region. Funders that indicate they are serving an entire state should examine their current grantmaking portfolio to ensure it is supporting rural communities and determine which communities they may need to build relationships with in the future.

Fund Additional Research

This study captures the perspectives and learnings of 11 funders working in rural communities; however, there is still much the field does not know about rural nonprofits and philanthropy – especially how rural nonprofits operate, who leads them, and what can be done to support these community organizations to become stronger to serve the needs of their local community. If funders are not aware of the nonprofits within rural communities, it is hard to fund rural communities. Conducting additional research on the needs of rural nonprofits can help to inform how grantmakers can adequately support rural communities.



If you are a member of Philanthropy Southwest, consider joining the Rural Funders Peer Network for foundations staff and trustees who have a professional or personal interest in or fund in rural communities.

[1] US Census Bureau, 2020

[2] Dobis, E., Krumel, T., Cromartie, J., Conley, K., Sanders, A., & Ortiz, R. (2021). Rural America at a Glance. United States Department of Agriculture.

[3] Arizona, Arkansas, Colorado, Nevada, New Mexico, Oklahoma, and Texas

[4] Urban Institute. (2021). Nonprofit Trends and Impacts 2021: National Findings on Donation Trends from 2015 through 2020, Diversity and Representation, and First-Year Impacts of the COVID-19 Pandemic. pg. 11.

[5] United States Department of Agriculture Economic Research Service (2019).

[6] [1] Gibson, C. (2017). Participatory grantmaking: Has its time come?. *Ford Foundation*.

Gibson, C. (2018). Deciding together: Shifting power and resources through participatory grantmaking. *Grantcraft, Foundation Center*



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