



Five Takeaways From IP’s New Report on Giving for Rural Communities

Martha Ramirez | October 16, 2023



LENA PLATONOVA/SHUTTERSTOCK

By and large, philanthropic funders in the U.S. tend to concentrate their support on urban parts of the country. To a certain degree, this makes sense: an overwhelming percentage of the nation’s population resides in these areas — about 80%, per the latest [Census report](#). But this population concentration has led interest in rural America to fall by the wayside. This is especially true when it comes to rural philanthropy.

As we’ve explored throughout our coverage of rural giving, the amount of philanthropic support rural areas receive is small compared to what’s being channeled to urban (and suburban) areas. But that doesn’t mean that rural philanthropy is nonexistent or that the challenges rural people face don’t merit attention.

In addition to our daily coverage, Inside Philanthropy has put together a number of reports about funding around major topics and issues in our [State of American Philanthropy](#) series. Our most recent [State of American Philanthropy report](#) provides an overview of rural philanthropy. It’s an eye-opening read. There are organizations and funders that have been doing this work for years,

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but since rural philanthropy doesn't draw quite as much attention as other funding areas, many aren't aware of the work already being done.

"In part, the report lifts up those efforts and raises awareness about them. But on the other hand, there's a need for more investment and more effective philanthropic investment in rural communities," said United Philanthropy Forum President and CEO Dave Biemesderfer, who was a contributing editor for the report.

We partnered with several organizations as this brief came together. They include PhilanthropywoRx, a consulting service organization that advocates for the work of underrepresented communities and funders; United Philanthropy Forum, whose membership includes about 100 regional and national philanthropy-serving organizations that represent more than 7,000 funders across the U.S.; and MDC, which provides support for Southern leaders, institutions and communities to advance equity and economic mobility.

This report is not meant to be a comprehensive look at rural grantmaking, but rather a primer that can start conversations and lay out some of the challenges and opportunities around in rural funding, and, perhaps, spark interest among funders who may not have considered this work before. It provides important information about history, issues and leaders in rural communities.

To that end, here are five key takeaways from our brief, [which you can read here](#).

There's no clear definition of "rural"

One of the more frequent barriers funders face when it comes to rural America is the confusion around what "rural" actually means. For many people, the image that comes to mind is of sprawling farmlands dotted with tractors, or of small towns with populations in the thousands or hundreds. In reality, the answer is a lot more complicated.

Even within the U.S. government, definitions of rural vary. According to the U.S. Census Bureau and the Office of Management and Budget, rural is the default definition of all places that are not urban. (But then, what's "urban?") Other definitions include places with fewer than 50,000 inhabitants; any city, town or unincorporated area with 10,000 or fewer inhabitants; and areas with fewer than 5,000 inhabitants, among others. In addition, federal and state grantmaking and development programs also operate by their own definitions of what rural is.

"This kind of definitional uncertainty is really polarizing and prevents a lot of things from coming together because oftentimes, a community or an effort is eligible or ineligible, and then the standards change," said Allen Smart of PhilanthropywoRx, our report's primary author. "I think, unfortunately, this uncertainty or this moving target about what is rural ends up creating a general sense of confusion that often hinders people from getting off the starting blocks."

The idea that rural America is overwhelmingly white and politically conservative is a false one

Confusion about what "rural" means also extends to the demographic makeup of rural communities. As our report points out, the conversation about what rural is and is not "has been complicated over the past three decades by political rhetoric that sets urban and rural communities in opposition... increasingly with suburban communities tethered to the interests of 'urban elites.'"

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One prevailing image of rural Americans is that of a conservative and "angry white population that is often in competition and conflict with urban dwellers." This perception only deepened with the election of President Donald Trump in 2016, who won a significant portion of rural votes.

The association of "rural" with conservative political values has made some funders hesitant about engaging with rural communities. While it's true that some rural residents fit this description, the reality is that there is an enormous amount of diversity within rural U.S. communities across political, cultural and racial lines.

"Rural communities are very different. They're very diverse. They don't fit a single sort of stereotype. There's a lot of diversity and variety of rural communities and what the needs are in those communities," Biemesderfer said.

Rural communities offer big opportunities for funders interested in equity

One of the things our report highlights is the array of opportunities available for funders in rural communities. This is especially true for funders who work with an equity lens and seek to support marginalized communities and advance racial justice.

The most recent [Census report](#) found that almost a quarter of the rural population is nonwhite, up from 20% in 2010, and almost one-third of children who live in rural communities are not white. Almost two-thirds of rural counties have populations consisting of at least 10% people of color. For one-third, more than a quarter of the population identifies that way. About 10% of rural counties have populations that are mostly made up of people of color. Rural populations of color are especially prevalent in the Southwest and Southeast.

From the report: "Rural people's social justice and advocacy needs, and inequities experienced by rural Americans...have often been overlooked by the funder community."

Race and ethnicity aren't the only factors to consider here. Estimates also suggest that there are about 3 million LGBTQ people who live in rural communities. On the economic side, a recent study found that 80 of the 100 most historically disadvantaged counties in the nation are rural, with 22 of them including tribal lands. And according to a report from the American Journal of Preventive Medicine, rural residents are 9% more likely to report having a disability and 24% being more likely to report having three or more disabilities.

As the report notes, whether funders consider themselves place- or issue-based, "the state of rural America and its people should be reflected in philanthropic decision-making concerning itself with racial and economic justice."

More data about rural America is needed

Just as the lack of a clear definition of "rural" poses a problem for funders — both potential ones and those already providing support — so, too, does a lack of data. The report digs into three reasons why.

First, a lack of rural giving data prevents funders from knowing which other funders may already be making grants in that particular region, as well as what they're funding or how they're doing it. "So you're kind of left to just start asking around what other funders are active in the next county or next region of the state," Smart said. "And that's certainly inefficient and I think discouraging for many."

Second, more data would paint a clearer picture of where money is most needed. As Smart lays out, there are some rural areas that do receive a significant amount of philanthropic funding, while others receive little to no support whatsoever.

Third, better data would give nonprofits, grant seekers and local government a better sense of which funders are working in their regions — as well as who is not working in their regions. “Often, funders are working in these regions in rural America. No one knows. Other funders don’t know. Other nonprofits don’t know. Local government doesn’t know. The only people who know are the direct grantees, for example, and their clients,” Smart said.

Not only would more data help funders partner with each other, it might also let nonprofits more easily reach out to funders, and, perhaps even more importantly, it would facilitate public-private partnerships, which the report points out are especially necessary for rural America.

“Because of the dominance of governmental organizations in many rural settings, funders often find that a local or regional government or government-affiliated organizations... can be an anchor partner in lieu of a well-resourced, experienced nonprofit,” the report pointed out.

Long-term and flexible commitment is needed in rural places

Another important takeaway from the report is that rural communities require long-term and flexible commitments.

"This speaks to the speed of change that one can expect in places with fewer human and capital resources that face multiple challenges concurrently," the report notes. "While these long-term commitments are contrary to much of funder practice, whereby grants are often allocated in one- or two-year chunks, longer-term commitments are a necessary underpinning of maximally effective rural philanthropic strategies."

Funders need to be flexible and adapt their approaches and skills to work with rural leaders who operate with different nonprofit structures as well as cultural and economic histories. Different regions have different needs, and a one-size-fits-all approach will not work.

Smart added that some funders have argued that there's no one to support in rural places, when in actuality, what they mean is that there are few organizations that fit the profile of their typical grantees. In other words, many rural nonprofits operate with small staffs and budgets, with some having no full-time staff at all.

A lack of flexibility, Smart said, "eliminates [funders'] ability to really be effective."

[Our report](#) provides a great deal more information than that spotlighted in this article. It offers a look at the types of funders already practicing rural funding (e.g., community and family foundations), examples of some of these funders, how larger funders can offer support to rural communities, and an overview of some of the biggest issues rural Americans face today.

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