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MAJOR FOUNDATIONS URGE GREATER INVESTMENT IN RURAL AMERICA

Foundation Leaders Call on Fellow Funders to Help Strengthen Rural Communities

Dallas, TX—May 8, 2006—A group of eleven foundations comprising the National Rural Funders Collaborative (NRFC) reaffirmed today their commitment to strengthen and support rural America, especially areas of persistent poverty, and called on other private, family, corporate and community foundations to join them in working to revitalize rural communities.

The foundations' statement coincided with a challenge by Senator Max Baucus (D-MT), ranking minority member on the Senate Finance Committee, for private foundations to "double" their grantmaking and investments to rural communities. Senator Baucus made his comments in an address at a national meeting of the Council on Foundations on Monday, May 8, in Pittsburgh.

"We are delighted by the leadership that Senator Baucus has taken in issuing this challenge to Council on Foundations members and his commitment to work with his colleagues on Capitol Hill to increase the public sector's commitment to rural issues as well," said Jim Richardson, executive director for NRFC. "The Senator's call to action underscores and supports our own resolve as a collaboration of funders working together to increase public and private investment in rural America, and challenges all of us to recognize that rural places matter and merit greater attention and resources."

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Several large national foundations and members of NRFC echoed the call for greater investment and attention to rural America. "There are serious concerns in rural America that deserve all of our attention. These issues are important in their own right and because they affect neighboring suburbs and cities," said Susan V. Berresford, president of the Ford Foundation. "We need to support rural community foundations, universities and religious institutions working hard to reduce poverty and improve quality of life. We can meet this need by building bridges to new funding partners committed to strengthening rural philanthropy and to making local control of resources possible. "

Rural communities and regions are home to nearly 20 percent of the U.S. population—55 million Americans—and 80 percent of the nation's land. Poverty is disproportionate in rural areas compared to urban areas—16 percent of the rural population is poor, while 12 percent of those living in urban areas are poor. In rural America, over seven million Americans are poor. Furthermore, while communities of color only account for 17 percent of the total rural population, they are poor at two to three times the rate of their white counterparts. African-American and Latino poverty rates are 34.5 percent and 25.4 percent respectively, and the poverty rate for Native Americans is 34 percent.

"In the American South," remarked Gayle Williams, executive director of the Mary Reynolds Babcock Foundation, "the Babcock Foundation continues to see rural areas, especially communities of color, fall behind metropolitan areas in their ability to compete and thrive in an increasingly global economy. When rural communities and communities of color are clear about what they want to accomplish and how to get there, they often lack access to capital and technical resources that will enable them to translate hoped-for outcomes into action. Our challenge is not to rescue these communities, but to assist them to unlock and leverage their own assets and to link to regional, national and even international economies."

NRFC was founded in 2001 to increase visibility of the success that many rural communities are experiencing in overcoming poverty through asset and wealth-building strategies and to attract new sources of funding for these efforts. NRFC's initial commitment was to attract over \$100 million in additional public and private funding over ten years. After four years of working together, NRFC funders have collaboratively granted \$3.34 million to rural communities and regions, and have attracted an additional \$45 million in direct public and private funding.

As impressive as these numbers may seem, Richardson added, funding for rural communities represents only a small percentage of overall giving in the U.S. An analysis of overall grantmaking by the top 1,000 private foundations indicates that the percentage made to rural areas is between five and seven per cent. The analysis is available on NRFC's website at: www.nrfc.org.

“Rural communities are often the first to be affected by changes in the global economy,” noted Karl Stauber, president of Northwest Area Foundation. “As the world becomes flatter, rural communities are at greater risk. Philanthropy can help rural areas, both impoverished and declining, to find new paths to prosperity -- without which, this year's rural poverty will become next year's urban poverty. We are literally all in this together. Just as there are great advantages to keeping rural rivers healthy before they flow to urban areas, so do we all benefit from stronger rural communities. That's why Northwest Area Foundation invests approximately 75 percent of its resources in rural areas.”

Rick Foster, vice president for Food Systems and Rural Development at W. K. Kellogg Foundation, notes that “The call to invest in rural America should not be seen as nostalgic or apologetic. Rural communities are the seedbed of entrepreneurship and innovation in our society. By investing in the future of rural America, we are investing in the future of a more vibrant, more resilient and more sustainable America – one in which all communities are building on their own internal assets – human, social and environmental, as well as economic. Investing in rural America is, after all, investing in all of America.”

“There is a growing recognition in the philanthropic community of the critical issues surrounding poverty in rural communities,” added Richardson. “Our hope is that the renewed attention given to the need for increasing investment in rural communities will inspire all of us to do more. We look forward to having other funders join us as we work together to respond to this timely challenge.”

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The National Rural Funders Collaborative (NRFC) believes that rural poverty is persistent due to decades and generations of environmental and economic disinvestment, cultural and social isolation, and barriers of race and class. NRFC addresses rural poverty through support for community transformation strategies including: creating community wealth, transforming leadership through civic participation, and increasing self-sufficient families. NRFC works to overcome disparities of rural poverty and race by supporting asset-based economies in which everyone can participate, benefit and lead. To learn more, visit: www.nrfc.org or contact Jim Richardson at jr@nrfc.org.