



ISSUE PAPER

Rural Philanthropy Growth Act

Position: Rural areas face critical challenges as inter-generational wealth transfers threaten to siphon much needed resources away from the community. The Council seeks investment of existing federal resources through the creation of a program within the US Department of Agriculture or other appropriate Federal Agencies to provide challenge grants and capacity building grants to build rural endowments to benefit economically distressed rural counties.

For more information, contact the Council's Government Relations Department at: (703) 879-0600 or govt@cof.org

Background: The continuing out-migration of young people from rural communities is the single greatest threat to their economic viability. Today, however, information technology is making it increasingly possible to live and work wherever we want to. This new-found freedom has the potential to make rural America more economically relevant than it has been in some time. And it makes “place,” and the quality-of-life in that place, paramount.

Proposal: The “Rural Philanthropy Growth Act” is an outline for legislation that would encourage community leadership and community philanthropy to revitalize and sustain rural communities throughout America. The proposal would use existing USDA funding to provide challenge grants to qualifying community foundations to build community-based unrestricted endowment funds to benefit one or more economically distressed counties and would provide capacity building grants to qualifying community foundations.

Rationale: Rural development philanthropy creates an opportunity to break the cycle of dependency many rural communities are currently caught in. Effective community development is sustainable only through community-led processes. In many parts of the U.S. community foundations are leading this transformation. The massive intergenerational transfer of wealth taking place in nearly every rural community creates a unique opportunity to build community-based endowments. These permanent funds can generate new, locally-controlled capital for investing in and restructuring local economies and, ultimately, lead to better economic outcomes for every citizen.

Legislative Activity: No legislation has been introduced on this subject. Congress is scheduled to write a new Farm Bill this year, we will engage with the appropriate lawmakers and their staffs to determine the best options to advance the growth of philanthropy in rural America.

How You Can Support Philanthropy: Council staff is currently working to identify supporters of a Rural Philanthropy Growth Act. If you are interested in promoting the growth of rural philanthropy, please contact Council staff to add your name to a list of interested co-sponsors so that we can follow up with you once a bill has been introduced.