



*The Changing
Landscape of
Rural
Philanthropy*



It is seemingly in human nature to want to make a better world for ourselves and those around us.

The word “philanthropy” comes from the Greek *philanthropia* – a love of humanity. The word has evolved over time, but it generally means a kindness directed toward strangers. Since ancient times and across many cultures, philanthropic practices have been a part of early social and belief structures.

Ancient Greeks considered philanthropic pursuits to be a fundamental part of democracy, while Judaic, Christian, and Islamic scriptures all call upon believers to care for those in need, and Native Americans believed that giving promoted balance and harmony in nature.

According to the National Philanthropic Trust, “Today, we define philanthropy as the practice of organized and systematic giving to improve the quality of human life through the promotion of welfare and social change.”

“Philanthropy includes the giving of time, talent, treasure, and testimony – it’s not just giving money,” says Amanda Moniz, the David M. Rubenstein Curator of Philanthropy at the National Museum of American History at the Smithsonian Institute.

Modern giving has a historic past

Altruism and philanthropy in the colonial United States began as early as the first European settlers arrived.

In the 1630s, John Winthrop, first governor of the Massachusetts Bay Colony, preached a sermon while traveling to the colonies, urging his fellow Puritans to become “a model of Christian charity.”

He envisioned a community that was based on brotherly affection and helping one another. Early colonial settlers were also helped by Native Americans – learning how and where to hunt, fish, and grow crops. Winthrop envisioned charity much like the rest of Europe – flowing down from the high and powerful to the low and needy.

“The origins of American philanthropy come through Imperial efforts to expand North America. Part of the efforts of

European Americans to expand was through missionary work, to sincerely enculturate Native Americans and others to European religions, as well as local philanthropy and giving to local communities,” says Moniz.

The first endowment in the United States was established in the mid-17th century, as John Harvard bequeathed his library and half of his estate to form a university in Cambridge, leading to Harvard University becoming the first institute of higher education in the growing United States. He left a legacy leading to other private philanthropists creating generous endowments in the United States, including Yale and Cornell Universities.

Benjamin Franklin questioned the top-to-bottom flow of charity, however. At the age of 21 in 1727, he founded the *Junto* or Leather Apron Club, a group of young men who debated morals, politics, and natural philosophy, exchanged knowledge of business affairs and aimed to provide mutual improvement. This peer network challenged the idea that aid could only come from above. This led Franklin to found a subscription-based library, then a volunteer fire company, and a new Philadelphia hospital.

Franklin was aware that small donations would not be enough to sustain his ideas and sought ways to link everyday contributors to the traditional top-down charities. The Museum of American History states, “Franklin quickly discerned that the best fundraising ultimately rested on finding the right balance of emotion-producing rhetoric and hard-nosed benefits for the donor.”

In some ways, America still hasn’t changed, with high-powered individuals, charities and the government itself distributing money and resources as they see the need for it. But Franklin introduced a more democratic, creative way to address needs, with community-funded efforts like libraries to small donations building up national organizations.



FranklinHoseCompanyfirehatfrom1800sPhiladelphia recognizes Benjamin Franklin for organizing the first volunteer fire company.

Photo Courtesy of National Museum of American History

From War to War, America’s philanthropy grows

Moniz traces the history of philanthropy in the United States through the same general eras most Americans already think of – from war to war. “Wars have always catalyzed developments in philanthropy – American and overseas. It leads people to rethink their sense of moral responsibility,” she says. “During the Revolutionary era, there’s a turning point when Americans in conjunctions with European associates embrace a universal approach to philanthropy.”

The Boston Tea Party in 1773 led to the British government passing the Intolerable Acts, which closed the Boston Harbor and threatened to cripple Boston and most of the Massachusetts colony. However, other towns and states quickly rallied to send food, money, and supplies to support Boston – a true act of Winthrop’s “ideal community.”

Despite, or perhaps because of, social tension and racial prejudice, the decade leading up to the Civil War was a period of widespread humanitarianism, with communities enlarging their institutions for the handicapped, expanding orphanages and programs for youth and ‘wayward children,’ and organizing relief campaigns for epidemics, disasters, and economic disparity.

Organized community service became a leading way for women and children to participate in charitable ways other than giving money. Some women were able to take leading roles in prewar civic enterprises, which led to more women taking strong, active civic service during the war itself.

Clara Barton’s devotion to serving as a nurse during the Civil War, led to her opening the Office of Missing Soldiers – reconnecting more than 20,000 soldiers to their families. She volunteered to provide civilian relief during the Franco-Prussian War (1870-71), which led to the founding of the American Red Cross in 1881. After 140 years, the American Red Cross remains one of the world’s leading philanthropy-driven organizations.

The Gilded Age of the late 1800s led to major shifts in philanthropy. In 1889, Andrew Carnegie’s book “The Gospel of Wealth” described the responsibility of philanthropy by the nouveau riche or the self-made rich with “new money.” He believed that instead of passing wealth to the next generation or leaving it in wills, the rich should “[return] their surplus wealth to the mass of their fellows in the forms best calculated to do them lasting good.” This included parks and recreation to help the body and mind, works of art to give pleasure and improve the public taste, and public institutions to improve the general

condition of the people.

Carnegie’s contemporaries included Mary Elizabeth Garrett (founder of the Bryn Mawr School for Girls and funder of the Johns Hopkins University medical program), John D. Rockefeller, Alfred Nobel, Mary McLeod Bethune, and Ida B. Wells. This new “professional class of philanthropists” were able to use their fortunes to enact change at the community level. These Gilded Age fortunes were able to help philanthropists give on a national scale, creating foundations and public institutions.

“In the 20th century, philanthropy shifted to an international framework,” Moniz says. “World War I led to mass humanitarianism for Americans and people overseas in a wartime context.”

World War II led to massive campaigns within the United States. The National Philanthropic Trust says “several organizations, including the YMCA, the Salvation Army, and the National Jewish Welfare Board, band together to create the United Service Organization for National Defense, or USO. The American Red Cross, too, launches an unprecedented campaign, raising millions of dollars, recruiting over 100,000 nurses, and initiating the first-ever war-related national blood donation program.”

It continues, “Civil and human rights movements came to the forefront following the Second World War, and community-organized philanthropy organizations increasingly supported minority causes.”

The Cold War led President Truman to call upon Americans to engage in humanitarian acts to promote “the improvement and growth of underdeveloped areas” to combat communism. Foundations like the Rockefeller and Ford Foundations helped spread the ideas of economic development and democratic capitalism to Latin America and Southeast Asia, increasing the ideas of American cultural imperialism.

In the 1960s, the American Civil Rights Movement received much-needed support from grassroots philanthropy. Prominent African American businesses donated money, supplies, and facilities, and large foundations funded important programs. This doesn’t include the thousands of volunteer hours given by activists to help advance civil rights.

Following the September 11th terrorist attacks, record-breaking charitable activity in the United States donates \$2.8 billion to aid the victims and their families. The National Philanthropic Trust says “the massive outpouring of support changes the nature of American philanthropy, preparing charitable organizations including the Red Cross and the United Way to effectively handle a major influx of donations in the wake of a disaster. The total amount donated is large and impactful because it comes from millions of Americans who make contributions of all sizes and who are prepared to respond in kind throughout the 21st century.”

“One thing that really strikes me is a recent return to networked local activity for national or international causes. We’ve seen that fundraising for the racial justice movement or Ukrainian national refugees,” Moniz says. She cites bakers creating a local network, working within their communities, but participating in a broader network to address major national or international problems. “In terms of the everyday philanthropy story, it’s an important trend.”



Dated 1918, this poster was designed by W. B. King and made for the American Red Cross, as a way of encouraging donations to the campaign.

Image Courtesy of Cooper Hewitt, Smithsonian Design Museum



Community and private foundations change giving landscapes

The first modern giving Foundation was established in 1867 by American banker George Peabody. This fund was dedicated to the promotion of public education in the American South. He combined this major gift with his funding for libraries, museums, and low-income housing.

Carnegie's "Gospel of Wealth" two decades later drove more American millionaires to create living trusts and foundations to distribute their wealth for the public good. The John D. Rockefeller Foundation was established in 1913, and is still setting the standards for American philanthropy, by making investments that yield high returns to distribute to worthy causes.

The first community foundation was established by Frederic Goff in Cleveland, Ohio in 1914. The Cleveland Foundation aimed to create a permanent endowment to benefit the citizens of greater Cleveland, and more than a century later it awards nearly \$80 million a year. Today, more than 700 community foundations operate throughout the United States.

A community foundation is a public charity that generally focuses on supporting a geographical area, primarily by facilitating and pooling donations used to address community needs and support local nonprofits. Community foundations give through designated funds used to support specific charities in the region, field of interest funds for issues like education or the arts, scholarship funds that support the education of students who meet certain criteria, and unrestricted funds that are used for unexpected needs within a community like the opioid crisis or natural disaster relief. Most foundations give through a grantmaking process.

"Foundations have picked up some of the giving, doing a better job of recognizing who lives in their rural spaces," says Allen Smart, Founder of PhilanthropywoRx, an organization that aims to fill a space in the philanthropic landscape on how foundation practice and community aspiration can better align and energize.

In the 1930s, the first donor-advised fund was created at the New York Community Trust. In this sort of trust at a community foundation, donors can play an active role in the distribution of their donations, directing whether their money would support education, the arts, or other charities. By the 1960s, the Trust oversaw 230 funds with nearly \$100 million in assets.

"Rural spaces need to think about endowment opportunities. It is so important to create a lasting impact for the future in rural America," says Paul Daugherty, President and CEO of Philanthropy West Virginia. "If you set up a donor-advised fund, and give \$200 a month out of your paycheck, then in five years, your fund is established – that's philanthropy. If you give money to your church in your will – that's philanthropy."

"The evolution of rural philanthropy has been getting more community foundations and United Ways in place so that there are more places for individuals to go to give directly back to their communities," Daugherty adds.

"For funders, whether it's a statewide community foundation or a family foundation that created its wealth in rural places, or healthcare conversion foundations... they need to embrace

the idea that they need different approaches to be effective in rural places," Smart says. "It's about creating relationships, being present in communities beyond grantmaking and not just depending on that grantmaking to determine who's out there... a better connection between state agencies and foundations about who's living and working in rural America."

Rural America gives and receives

"Philanthropy in rural communities comes from people in every walk of life – they're not just billionaires, they are people who are retired coal miners, entrepreneurs, young leaders," Daugherty says. "There's the organized, but there's also direct giving of philanthropy which is the generosity of individuals from every income level."

Smart adds, "Even in the poorest rural places, there's tremendous wealth being given to philanthropy. It's just being given to universities, health care, the Red Cross... it's not being given to the local advocacy nonprofits."

One of the challenges that Moniz, Daugherty, and Smart all cite is that rural America is not a homogeneous community. People with a wide variety of diverse backgrounds have always lived in rural America, though it is frequently treated as one like-minded community.

Some of the diversity in rural America comes from immigrant workers. "In rural communities, farmworkers may be coming from abroad, but sending money back to the communities where they're from," she says. "There's a transnational connection between rural communities."

This connection from one rural community to another in a different country is not new and has always been a part of American philanthropy.

"Rural philanthropy pops up on the national radar every five to seven years. They don't see rural spaces as incredible investment opportunities," Daugherty says.

"I think the more that funder starts thinking of rural communities as places rather than issues, the more they're going to have long-term commitments to engage with people across a broad sector of economic strata and people of color," Smart says. "These single-issue funders who are more about the issue than the place are realizing it is short-sighted in some ways."

In March, President Biden's administration announced a plan for rural America that includes money designated for rural water, healthcare, rural broadband, childcare costs, and more.

"Rural broadband may be the first issue that people can recognize is important to everyone," Smart adds. He believes that every aspect of life is connected to rural broadband, from education to healthcare. "It's important for the people who live there, their kids, the businesses that need to be sustained, to attract people who may want to move there – or other types of investment... Philanthropy is starting to recognize that, and that is going to sustain."

"This incredible influx of federal dollars is dwarfing any of the foundation dollars," says Smart. "In some states, that's a pretty equitable process, or it's being disbursed proportionately." But

Smart also believes that rural America should not solely rely on the federal money that is going to start flowing into their communities. Instead, they should think more about growing their community Foundations.

Daugherty notes the ongoing "Great Transfer of Wealth" as one way to keep assets in rural America. "Thanks to the frugal and saving nature of older generations, a historic amount of wealth is being passed to younger generations," he says. This wealth includes money, real estate, business holdings, stocks, bonds, and tangible property. "Rural America is seeing this transfer. It started in the late '90s or early 2000s but has intensified in the last five to ten years. In rural communities particularly, this wealth is generations old, and it's falling to the kids, grandkids, and even great-grandkids who are no longer living in that rural community."

Daugherty notes that in his state of West Virginia, there were vast amounts of wealth produced that then left the state in this transfer, moving to bigger, out-of-state foundations and banks. He hopes to encourage these families to bring their money back into the rural communities where they were raised, to ensure the longevity of the next fifty, hundred, or thousand years. He also hopes to encourage individuals to contribute more to community foundations that support rural America.

"As the Boomers age into being the oldest generation, this transfer of wealth is going on," Daugherty says. Being able to modernize a system that younger generation donors can be positioned for short-term giving and realizing the bigger needs is essential."

Technology changes how people give

"More recently, there's been a shift to a more personal, more individual approach to giving. Whether major philanthropists pursuing their own priorities and interests, or very personal giving circles at a more everyday philanthropist level," Moniz says. "The mechanisms of giving for people have changed a lot over the past decade, with people giving online, using digital tools to give."

Every day on Facebook, Twitter, and other social media sites, a myriad of fundraisers can be found. From GoFundMe accounts raising money for families in need because of accidents or medical bills, to United Way or Habitat for Humanity fundraisers, to the Metaverse (Facebook and Instagram) ability to create a fundraiser for almost any nonprofit for a birthday, the opportunities to give are endless.

The Millennial Generation and Generation Z are especially prone to give directly by connecting PayPal or Venmo accounts to quickly give \$10, \$20, or \$50 to causes they feel are worthy. According to a 2021 FoxBusiness article, charitable giving on Facebook and Instagram surpassed \$5 billion from more than 85 million users in just a few years since launching "Fundraisers" in 2016. They credit small donations, most less than \$25, for the success, and over \$1 billion annually coming from birthday fundraisers.

One of the major successes of using social media in fundraising for social causes came from the ALS (amyotrophic lateral sclerosis or Lou Gehrig's disease) "Ice Bucket Challenge." This viral trend started in July 2014 when pro golfer Chris Kennedy challenged his wife's cousin, Jeanette Senerchia, whose husband was suffering from ALS at the time. Jeanette accepted the challenge the next day with a video on Facebook, which caused a spread of the challenge throughout their hometown of Pelham, New York.

Within three weeks, the ALS Association reported an increase of about \$50,000 over the same period in the previous year.

A few weeks later, Bill Gates and Mark Zuckerberg accept the challenge, nominating Elon Musk, Ryan Seacrest, and other "big names." Just one month after the start of the challenge, the ALS Association had received more than \$13.3 million since the first video. For three weeks, daily donations topped \$1 million, and within seven weeks, the challenge began dying down. Overall, more than \$220 million was donated to ALS charities worldwide during this viral challenge.

Since then, multiple other organizations (including the Grange Foundation) have attempted to recreate the success of this

challenge, to varying degrees of success, though nothing has topped the initial challenge.

Daugherty hopes we can find ways to adapt this outpouring of charitable online giving.

The pandemic adjusts our ideas

"The pandemic presented the challenge of knowing people would be hurting and in need of resources," Daugherty said. "It fast-tracked critically needed changes. It encouraged more community foundations and United Ways to go online with giving to assist nonprofits in that space. Secondly, also in rural America, the collaborative element is much more connected."

From March 2020 through early 2021, more than \$2 billion was donated to charitable causes through Facebook's giving platforms.

The financial harm to American nonprofits and charities because of the pandemic could cause nearly 40% to close by 2023, according to research done by Candid and the Center for Disaster Philanthropy. This worst-case scenario analyzed roughly 300,000 nonprofits across the United States, showing that their financial needs were in excess of the donations coming in from individuals and foundations.

Arts and cultural nonprofits are among the most vulnerable because their revenue relies on ticket sales, and expenses cannot be significantly reduced easily. This is especially true in rural communities.

"This pandemic has highlighted the critical role that community foundations play, because they are place-based, able to work with donors, can talk about local needs, and they are interested in giving money into communities," Daugherty says.

Throughout the pandemic, many foundations found ways to modernize their grantmaking process, eliminating barriers to applying for funds. "They made their applications shorter, their turnaround time quicker, the documentation less... and that provided more opportunities to rural access to these foundations that may seem impenetrable, even at a local level," Smart





A stack of nonprofit pledge letters wait to be opened, encouraging contributions from individual donors.

Photo by Philip J Vonada

says. “The average rural nonprofit doesn’t always feel particularly comfortable even with the Foundation in their community.”

He hopes that these community Foundations sustain this kind of access, allowing more local, rural nonprofits the ability to access funds and be connected to their local foundations.

During the pandemic, foundations, private, and individual donors stepped up, giving to Covid response funds in rural communities. Local private and community foundations also provided matching gifts, as did large and mid-sized corporations.

However, Daughtery notes that in 2017, the bulk of giving in West Virginia came from individuals in middle- and low-income brackets. The Giving USA Report for 2017 showed that over \$500 million in private donations were claimed as deductions on income tax reports in West Virginia, with over 2/3 of that from low- and middle-income individuals. “This could just be because there aren’t as many high-income individuals living in that area, though,” he says.

And while reports for the pandemic years are not yet available, he believes this trend of donations has continued.

At the same time, Smart notes that the pandemic also caused demographic shifts in rural America because of “Covid evacuees.” “There are a tremendous number of people of high wealth moving into these communities,” he says.

One of the challenges for local nonprofits and local Foundations is how to engage these people who may have been very big givers in the cities or suburbs they moved from. Smart questions how to get them to engage with community-based philanthropy in these new rural regions they’re living in. “People

are very conscious – maybe this is a moment in time to capture these dollars.”

“We’ve got a broader, deeper knowledge of who is interested in giving now, as well as our potential of what we can accomplish together,” Daughtery says.

Incentivizing Giving

According to the Association of Fundraising Professionals (AFP), Americans “have given more than \$400 billion annually for the past 10 years.”

New rules in the income tax laws have changed the way people itemize and deduct donations on their taxes – the March 2020 CARES Act permitted eligible individuals who do not itemize deductions to deduct \$300 of qualified charitable contributions, which was extended in 2021 and the cap increased to \$600. The Universal Giving Pandemic Response and Recovery Act aims to expand the current (temporary) universal charitable deduction (UCD). Introduced in March 2021 by a bipartisan, bicameral group of lawmakers, the bill wants to increase the UCD to one-third of the standard deduction, or roughly \$4000 for individuals and \$8000 for joint filers and would allow gifts to donor-advised funds to count as well.

The AFP reports that there was a 28% increase of \$300 gifts on December 31, 2020, or the maximum amount a donor could take using the UCD. “Plus, small-level gifts of \$250 or less increased by more than 15% throughout the year [2020] compared to 2019. While we [AFP] know there are many factors that contribute to increased donations, one contributing factor is likely the availability of the charitable deduction to nonitemizers.”

Incentivizing donations through charitable deductions is a “good tax policy – it encourages individuals to give away more of their income, devoting it to their community’s needs rather than their own,” says AFP.

“Philanthropy is cyclical – it sells generosity by selling innovation,” Amanda Moniz says. “It is compelling to say something is new. It’s hard to raise money or mobilize people to take action, even though people are very generous. It takes work to get people to give again and again, or to give time again and again.”

The rise of community giving days, the ease of text-to-give and online donations at the click of a button, and pledge letters that seem to arrive daily are all evidence of the the way philanthropy changes - but doesn’t.

For Daughtery, he hopes that philanthropy becomes more accessible as a practice for people who are middle- and lower-class, but he also hopes to make people with a higher income aware of what’s going on – particularly in rural America.

Rural America is positioned to become a key player in the future of philanthropy, but it’s going to be up to individuals to set up the success. Contacting local community foundations to learn what the needs in your community are and how to create something with a lasting impact is a great place to start.

Congress Can Do More to Improve America’s Rural Healthcare

By **Burton Eller**

Executive Director, Grange Advocacy

It should come as no shock that one side effect of America’s continued urbanization is a diminishing lack of access to healthcare in rural areas, especially in referral-based, specialist medical services like radiology. COVID-19 has only exacerbated the ongoing situation wherein fewer radiologists are serving more Medicare patients than ever. This means longer wait times and, often, decreasing quality of care for those who need it most.

Fortunately, there is bipartisan support for the Medicare Access to Radiology Care Act (MARCA), a critical piece of legislation would help solve this acute healthcare crisis in rural communities if only it was freed from the political gridlock in Washington many smaller, stand-alone bills often face.

As it stands, 33 states recognize radiologist assistants (RAs) as medical professionals who can perform all patient management, medical imaging examinations, and image-guided procedures under direct supervision of a radiologist. Radiology practices, however, cannot submit Medicare reimbursement claims for these critical imaging services that are ideally performed by RAs because Medicare does not recognize RAs as authorized providers for these services. These include discussing procedures with patients, various hands-on aspects of the patient procedures themselves, and a host of other aspects of patient care.

MARCA would change this outdated distinction and allow Medicare to reimburse the radiologists that hire RAs for select radiology procedures and time-consuming, patient-centric non-imaging care that can be done at 85% of the cost if a radiologist had done the same.

By better utilizing the highly trained and knowledgeable RA’s in our rural areas, each radiology practice can operate at maximum efficiency while also preventing radiologist burnout from overwork. Many non-critical access hospitals have a team of fewer than five radiologists, so the addition of an RA would not

only ensure a more evenly distributed workload across practices but would also increase appointment availability for minor procedures and consultations, improving patient access on the ground floor by eliminating backlogs.

Many radiology departments of rural hospitals are only able to schedule regular and minor procedures for 1-2 hours per day, meaning many patients must wait for the next available time slot. In rural America where one might have to drive hours to the closest practice, these delays amount to an undue burden. With an RA on staff working at their full scope of practice and supervised by a radiologist who can bill Medicare for these services, these facilities could double or even triple the amount of time they can dedicate to those same procedures, greatly improving access to care.

This division of labor between radiologists and RAs would not only allow departments and practices to see more patients but also improve the quality of care. Other than a radiologist, RA’s receive more specialized training than any other health care provider, ensuring rural practices can maintain the rigorous safety standards radiologists and RA’s are trained to meet.

It is therefore no surprise that surveyed patients are overwhelmingly more satisfied when an RA is involved. These highly skilled technologists can spend more time with patients and their families to educate them on procedures, side effects, and follow-ups. America’s rural communities are the backbone of our country, and people therein represent why our nation is as strong as it is.

To ensure this remains true in the future, Washington needs to address the pressing healthcare issues that rural communities face across the nation. Passing this legislation is therefore an easy decision that would increase access, improve patient care, and reduce Medicare costs. Congress must act now to pass MARCA.

