Sustainable Rural Development
Funding: Lessons from the Field

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RUPRI Center for Rural Entrepreneurship
David R. Dangler, National Alliance for Rural Policy Network

Jessica Hiemenz
National Consumer Law Center

August 14, 2012
Working together to promote a vibrant rural America.

Experience Works · First Nations Development Institute · Housing Assistance Council · Indian Country Conservancy · National Association of Community Health Centers · National Association of Development Organizations Research Foundation · National Consumer Law Center · National Trust for Historic Preservation · National Rural Health Association · National Youth Leadership Network · NeighborWorks America · Save the Children · United Farm Workers Foundation
Presenter – David R. Dangler

- A member of the National Alliance for Rural Policy network. The National Alliance was founded in 2008 with funding from the W. K. Kellogg Foundation and acts as a resource network, not only for its members but for other rural policy networks and individuals interested in all aspects of rural policy.

- In addition to being a member of the National Alliance, David is the national director of the NeighborWorks Rural Initiative for NeighborWorks America. Today the Rural Initiative supports 91 community-based organizations active in rural communities in 45 states plus Puerto Rico. In 2011 the 91 rural NeighborWorks organizations made direct investments in excess of $1.6 billion to support affordable housing, job creation and broad-based community economic development.
Presenter – Don Macke

- Director with the Center for Rural Entrepreneurship. The Center works throughout the US and Canada supporting research, outreach, professional development and policy work related to rural entrepreneurship.

- The Center is part of the Rural Policy Research Institute (RUPRI). RURPI is a leading national rural research and policy think tank focusing in multiple areas including telecommunications, health care, poverty, governance, informatics and economic development.

- Don has over 35 years of experience in the field of rural CED.

- A central part of Don’s work focuses on community development philanthropy and America’s transfer of wealth (TOW) opportunity. The Center’s TOW team has completed over 40 studies, covering over 1,200 counties and communities across the nation.
Sustainable Rural Development Funding: Lessons from the Field

Don Macke

Center for Rural Entrepreneurship

NARP Rural Investment Webinar Series

August 14, 2012
Special Thanks

David – Jessica – Emily
NARP
National Consumer Law Center
Ahmet & Kyle

The Center for Rural Entrepreneurship works throughout North America and currently has projects in 32 states and Canadian providences. Over the past decade the Center has undertaken development work in nearly half of the geography within the continental United States.
Today’s Presentation

Context for Sustainable Funding
Framework for Sustainable Funding
Three Illustrations from the Field
Key Building Blocks for Making this Happen

Questions & Discussion
Center Resources

www.energizingentrepreneurs.org

Four Electronic Email Pushes:

Entrepreneurship News
Entrepreneurial Communities
Youth Engagement & People Attraction
Community Development Philanthropy

Other Customized Assistance

The Center works with development interests throughout North America providing opportunity assessments, strategy development and execution support. Our mission is to help grow entrepreneurial communities that in turn generate prosperity for all their residents.
Context for Sustainable Funding

Facing Today’s Realities!
Great Recession

The most significant economic event in our lifetime!

A new economic and social world will emerge from this recession.
Great Reset is Underway
Today’s Realities

• Collective Action is Under Attack
• The Role of Government is in Question
• Government Funding is Eroding
• Government Funding is Unpredictable
• Corporate & Foundation Funding?
• Growing Need for Rural Development!
New Funding Solutions Needed

• Regional Approaches
• New Roles for Community Foundations
• Bottom Up Strategy
• External Leveraging Strategy
• Keeping Government in the Game
• Finding New Sources of Funding
North Dakota’s Bakken

ND is now #1 in the U.S. in Oil Production

$1 Trillion of Oil will be Extracted

Largest Energy Boom in Recent American History

Communities are Overwhelmed

*Roads – Sanitation – Environment – Housing*

If just one-tenth of 1% of this value were set aside to help this region support this development and ensure post-boom prosperity a $10 billion endowment could be created capable of generating $500 million each year eternally.
Framework for Sustainable Funding

Real Funding Makes a Difference!
Impact & Sustainability

*Sustainability is a primary key to success and supportive stakeholder are the key to ensuring sustainability.*

Great Strategy

Strong Execution

Sustainability

Realize Impact!
Strategy Keys

Genuine Opportunities
Smart Strategy
Right Team
Strong Execution
Sustained Effort
Attracting Capital into Rural America

Capital – Certainty & Uncertainty

- Community Capital?
- Community Strategic Vision & Agenda?
- Viable & Dependable Institutions?
- Skill at Attracting Outside Capital?

The art of leveraging!
Appalachian Ohio

Foundation for Appalachian Ohio

Motivator – Convener – Facilitator – Incubator

AO Business Council & APEG

New Institutional Capacity for Development

Local & Regional Legacy Funds

Robust – Predictable – Locally Controlled

Regional Prosperity Fund

$10 million - $100 million - $1 billion
Project 17 & SE Kansas

Chronic Need for Development
Emerging Regional Effort
Considerable Uncertainty
Seed Funding - Institutional Support
Under Capitalized

Make it to sustainability?
Building Blocks for Making this Happen

Generational Vision
10 Year Capital Plan
Three Development Phases

Phase 1 – Getting Up and Going
Phase 2 – Implementation
Phase 3 – Scale Up & Impact

Move stakeholders and your community from seeing funding needs to INVESTMENT into your strategy with real potential for returns.
Phase 1 – Start Up

1 – Raising the Initial Grub-Stake
2 – Leveraging Grant Funding
3 – Redirecting Existing Resources
4 – New Stakeholders & Funders

Phase 1 should ensure that you can get through years 1 through 3.
Phase 2 - Implementation

1 – Stakeholders & Underwriters
2 – Funding from Local Governments
3 – Energizing the Chamber, etc.
4 – Maximizing Outside Funding
5 – Local Option Taxes

Phase 2 fundraising overlaps with Phase 1 and should provide 3 to 7 years of support.
Phase 3 – Scale Up & Impact

Budget Lines
Dedicated Local Option Tax Support
Capitalization Campaigns
More External Grants
Underwriters to Legacy Donors

Donors can also be Angel Investors.
## 10-Year Funding Visual

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<th>Multi-Year Development Grant</th>
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Development Endowments

Universities Do It
Hospitals Do It
Even Libraries Do It

Economic development is foundational to a community’s future. Growing donors and building endowments are doable and can provide long-term funding.
American Wealth

Figure 1 - U.S. Household Current Net Worth, 1945-1990

Source: Board of Governors of the Federal Reserve System, Statistical Releases, Flow of Funds - Z.1 and Center for Rural Entrepreneurship December 2010
New TOW Scenarios

Boston College: 1998-2052
High = $136 trillion
Medium = $73 trillion
Low = $41 trillion

RUPRI Center: 2010-2060
High = $91 trillion
Low = $75 trillion
Constant = $63 trillion
Zero = $43 trillion

Our revised and most likely scenario of future TOW for the U.S. is estimated at $75 trillion between 2010 and 2060. (Inflation adjusted 2010 dollars)
The Center’s 5-Point Process

#1. Community Engagement

#2. Understanding the TOW Opportunity

#3. Priorities: Case Statement Development

#4. Donor Identification and Development

#5. Strategic Grant Making
Illustrations that Motivate!

Minnesota’s Initiative Foundations
Humboldt Area Foundation
Iron Range Trust Fund
Tupelo’s IMPACT Foundation
Nebraska Community Foundation
North Sea Oil & Norway’s Way
Conclusion

[Map of Lower 48 states shale plays]

Source: Energy Information Administration based on data from various published studies.
Updated: May 9, 2011
We Need to Dream Again

Reality

Inability to Dream/Vision

The Dreaming Exercise
A Possible Resource

Transfer of Wealth in Rural America
Understanding the Potential
Realizing the Opportunity
Creating Wealth for the Future

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