
Rural Philanthropy in Canada: 21st Century Strategies Bloom in Canada's Hinterland

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Author: John Lorinc

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When a group of Prince Edward County residents decided to establish a community foundation for the pastoral rural island region in eastern Ontario in 2008, they began not with an endowment, as is typically the case, but only a concept and, well, crossed fingers. The region has a few towns and an urban hub, Picton, but it is mainly agricultural, although many wealthier Torontonians have been buying property in “the County” in recent years.

Brian Beiles, The County Foundation's president, recalls that the founders had talked up the idea to affluent and long-established local farming families. Yet the organization struggled along with a very small asset base for about five years, until the release of its first [Vital Signs](#) assessment in 2013. That report card, Beiles recalls, caused “a furor” because it laid bare some of the County's simmering social issues: inadequate local transportation, lack of a high school, and, to the shock of many, food insecurity. A follow-up [report card released in 2018](#) also identified the worrisome loss of affordable housing as many of the County's long-term rental units had been transformed into Airbnbs catering to tourists flocking to the County's wineries, gastropubs, and bike trails.

The reports were a wake up call for both established County residents and newcomers from the Toronto area. “Vital Signs opened their eyes to a part of Prince Edward County that they weren’t familiar with,” says Cindy Lindsay, director of learning for Community Foundations of Canada.

[The County Foundation](#) now has \$4 million in assets, much of which it has raised in the past three years, notes Beiles, who leads its board. It has been able to assemble backing for two affordable housing ventures, a transportation pilot project, and other community investments. Observes Lindsay, “They have moved the needle.”

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In many ways, “rural philanthropy” is nothing more than a short-hand phrase for describing core social norms and conventions that have long characterized small and sometimes isolated communities across Canada, Prince Edward County among them. Service clubs, church groups, and individuals have, for generations, found ways to get together to help one another, especially neighbours who have fallen on hard times. As Beiles says, his neighbours don’t think twice about passing the hat for someone with a sick child in need of costly treatment elsewhere or chipping in to fix up a local meeting hall. The area, he says, “is an extremely generous community in terms of giving or supporting causes at the grassroots level.”

It’s an oft-told story, and one confirmed by statistics. A 2013 Memorial University study on giving in Atlantic Canada, for example, found that the proportion of the region’s residents who donate to charity is higher than the national average (88% compared to 84%). While the average annual donation level may have been smaller in dollar terms than the national figure (\$375 compared to \$446 in 2010), Atlantic Canadians were more likely to volunteer in their communities and spend more time each year engaged in these activities.

Though such habits are deeply ingrained, there is mounting evidence that the philanthropic landscape in rural Canada is shifting, in both positive and worrisome ways. In some places, population loss, declining membership in traditional service organizations, and changes in the way people give have eroded charitable activity, often precisely at the moment when need is rising due to government funding cuts and the aging of rural and remote communities. Stereotypes about

rural Canada – that small communities are old, white, and dying – haven't helped matters, says Lindsay. "There are challenges and we recognize that. But there's some really important and meaningful work going on in rural Canada."

Many rural places may have few or even no operating charities, and there is evidence to suggest that relatively few philanthropic dollars reach such locales. For example, a [2008 study](#) conducted for the Canada Revenue Agency (CRA) found that rural residents in Ontario represented 13% of the population, but only 4% of the province's charitable funds flowed to these areas. "There is a good level of non-profit activity in the rural sector but it is being played out almost exclusively in very small organizations," observed the authors, adding that most charities rely entirely on volunteers.

These dynamics, however, vary significantly depending on geography. Some rural communities located on the fringes of large metropolitan commuter sheds have seen an influx of new residents, wealth, and philanthropic activity, as is the case with Picton. Meanwhile, more remote communities, especially in the north, face different pressures all their own.

Geographer Ryan Gibson, the Libro professor of regional economic development at the University of Guelph, points out that a quarter of all of Canada's community foundations are located in small communities in Manitoba, the legacy of a Brandon, Man., accountant's vision of capacity building that dates back to the late 1980s and 1990s, when he provided seed funds for numerous community foundations serving the province's southern farming regions.

Similarly, Nova Scotia's community foundation began giving small but targeted grants in isolated communities in the 1990s, focusing on youth leadership and rural innovation initiatives. "The main thing we've taken away from that experience is that small grants in the right hands can make a lot of difference," says the Digby Neck-based writer and musician Arthur Bull, who is the chair of the Rural Communities Foundation of Nova Scotia.

Meanwhile, in other areas, such as northern BC, such organizations are thin on the ground, despite the availability in recent years of matching start-up grants from a provincially-funded agency. "A lot of these community foundations have issues with lack of capacity," says Joel McKay, CEO of the Northern Development Initiative Trust, which is based in Prince George. "In a community

of 500 people, there are only so many who have the experience running this kind of thing.”

What's more, some rural residents, like urban Canadians, have become interested in new ways of giving in recent years, which means well-established flows of philanthropic dollars may have shifted. Ashleigh Weeden, a University of Guelph doctoral candidate who studies rural innovation, recalls a local initiative she participated in while living in Tobermory, Ont. Inspired by the [Awesome Foundation](#), Weeden and nine friends each chipped in \$100 and hosted a “pitch night.” The winner – a group proposing a feral cat rescue service – took home \$1,000. “It was lots of fun,” says Weeden, noting that Lions or Optimist clubs should explore such strategies, especially for engaging young people.

The telling detail about this anecdote is that the dollars that flowed into the feral cat project, which were raised after a global online philanthropy platform inspired local residents, remained within the community from whence they came. Indeed, in the world of rural philanthropy, Weeden and others say, a sense of place is critical because donations remain embedded in a community instead of flowing out to other initiatives, however worthy. “It’s not necessarily the money but the way it’s used and the connections between the people involved,” she adds. “Place really matters.”

This insight has informed a very recent extension of the community foundation philanthropy model in Alberta. Medicine Hat’s community foundation was originally established in 1992 and gradually expanded its granting scope to include much of southeastern Alberta. In fact, the foundation eventually renamed itself to become the Community Foundation of South Eastern Alberta (CFSEA).

Despite the expansion of focus and the rebrand, the foundation’s relationship with the hinterland was “very lopsided,” observes Chris Christie, its executive director. The foundation was funding plenty of rural projects, but it never received much in the way of donations to its endowment fund, which currently has \$13 million in assets under management.

When Christie joined the group two years ago, she decided to get to the bottom of this gap, the existence of which hinted at how rural residents viewed an organization that seemed to be more rooted in the larger urban world of

Medicine Hat. Some preliminary research confirmed the source of the problem. “People want to give where they live,” says Christie.

To surmount the divide, CFSEA embarked on a plan to decentralize its operations, in effect exporting the community foundation model into the hinterlands. Christie and her team established three rural funds for regions with plenty of farming and ranching families, including many looking at the challenges of intergenerational transfers of wealth.

Christie made cold calls to community leaders, asking for volunteers to sit on the advisory boards of these nascent funds. “Once each rural fund raises \$10,000,” she explains, “the [CFSEA] board is going to match each with an additional \$10,000. The board is also allocating \$10,000 to each rural fund to grant out.”

Much of the early spadework went into educating rural residents about community foundations and collaborating with local advisory bodies to identify needs. The feedback, Christie notes, was unsurprising: many small communities lacked amenities like childcare and transportation, as well as maintenance funds for recreational and cultural facilities. “In a lot of these places, the community halls need to be brought up to code and made accessible,” she says. “These are the focal points of the community.”

The CFSEA, via its three rural funds, has also begun the work of local capacity building – hiring part-time administrators in each of the three regions to manage grant applications and recruit people to participate on their boards and advisory bodies.

In some ways, the CFSEA’s ambitious program resembles similar campaigns run by community foundation advocates in the rural regions of Nova Scotia, southern Manitoba, and BC’s interior. Some have been successful, and others less so. Christie, however, is optimistic, especially about CFSEA’s hybrid model, which involves decentralizing the fundraising and grant-making processes to the three rural groups while providing back-end administrative support out of Medicine Hat. “We’re just out of the starting gate,” she says. “Opening the rural funds has opened up a dimension of donors that we weren’t considering.”

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In many rural communities, structural barriers have long defined or limited the way philanthropy works. Low population densities and demographics have exacted a toll on traditional voluntarism. In areas that lie within the commuter sheds of large urban regions, some rural residents with long commutes into the city may not be able to offer their time to local fundraising and charitable causes, as was once the case with previous cohorts. “Distance is a constant fact,” observes Bull. “When you’re doing rural philanthropy, you always have to think about it.”

But what may be subtly breaking down these impediments is a growing recognition, in some regions, that targeted philanthropic activity represents not only a social good, but is one of a suite of tools for local economic development. Bull points out that parts of rural Nova Scotia are heavily dependent on the lobster fishery, a \$1 billion sector that consists largely of small owner-operated firms. Its well-being, he points out, is tethered tightly to environmental stewardship and human resource development in a region that has lost many young people to larger urban areas. “There’s a lot of leveraging happening,” he says.

Some of this is simply about finding new ways of ensuring that capital doesn’t seep out of rural areas. Weeden points out that in the age of seamless online banking, people who move away from a small community that has been home for a long time can easily continue to patronize the local credit union, and that connection ensures their deposits remain available for local business loans. Such decisions, she observes, “capitalize on an individual’s identification with place.”

In other cases, investments in local social infrastructure have both economic and philanthropic goals. Beiles points out that skyrocketing real estate prices and the loss of affordable housing to Airbnb has made it more difficult for young families to locate to Prince Edward County, even when there are jobs drawing them to the region. The County Foundation’s investment in social housing was as much about attracting new residents as about providing affordable housing to those in need.

There is also evidence that community foundations are becoming more directly engaged in local economic development initiatives, something they tended to

avoid in the past because such ventures aren't seen as charitable activities in the legal sense.

Lindsay believes these foundations have an opportunity to creatively make investments geared to the changing nature of rural areas, for example helping to finance community bonds or the co-working spaces that have begun to crop up in many smaller communities, functioning like platforms for start-ups and local businesses. In a small community east of Peterborough, Ont., meanwhile, the Campbellford/Seymour Community Foundation decided to use loans and community bonds to restore a local theatre – an investment that not only enhances the area's cultural life but also attracts out-of-town theatregoers.

The real challenge, Lindsay points out, is legal: community foundations are obliged to disburse grants only to qualified donees. In some rural communities, these organizations can be few and far between, although CRA rules include municipalities and school boards in the list of eligible recipients. "There's a level of frustration that their granting can't be more than that," says Lindsay. But in some places, formal partnerships with municipal agencies have allowed community foundation funds to invest in emerging opportunities with social enterprises and other economic development initiatives.

Some rural charities increasingly bundle the economic development imperative with environmental goals. Zachary Melanson, communications director at Community Forests International (CFI), a non-profit in Sackville, New Brunswick, says there are synergies between climate change mitigation, local economic development, and shifts in rural landownership patterns. The organization uses funds raised from [carbon offset grants and other sources](#) to acquire woodlots from long-time owners. Melanson notes that because New Brunswick allows clearcutting, when such lands end up in the hands of giant forestry companies, they're typically completely harvested. (CFI is also active in Africa.)

Instead, CFI acquires property (the organization now owns about 1000 acres) and employs sustainable harvesting practices. By selling its timber to local mills or European buyers, CFI has created both jobs and economic activity, thereby assigning real market values to so-called ecological services, like forests. While the group encountered significant pushback early on, Melanson notes they've been able to advance the case for better forest stewardship by empowering local residents to choose what happens to their land once they decide to sell. "As soon as you start harvesting wood in a more sustainable way, the whole footprint changes," he says, adding that there's a

lot more privately-owned forest in the province that could be shifted to this model.

CFI is just one example of the increased viability of social enterprises and other types of collaborative economic development. Co-operatives, functioning as wholesalers, supermarkets, hardware stores, and even oil and gas distributors, have long been a staple of many rural and northern communities, including many operated by Indigenous managers. Federated Co-operatives Limited (FCL) alone has 180 operating across Manitoba, Saskatchewan, Alberta, and BC, with 1500 retail locations employing 24,000 people. (FCL is a \$10 billion-a-year business that runs an oil refinery and turned a \$1.1 billion profit in 2018.)

But in 2014, FCL hired University of Saskatchewan researchers to conduct an extensive feasibility study examining how to expand the co-op sector. The result, says Dan Matthews, manager of new business and communications for Saskatoon-based Co-operatives First, was a five-year, \$5 million project to develop a suite of business development and governance services for rural and Indigenous communities looking to establish co-ops. The group provides resources for business plan development and governance and delivers workshops on securing government approvals.

“What I think of as the ‘philanthropy’ in our case (a very unique and admirable version in my opinion) is that co-ops have invested in rural and Indigenous communities across western Canada by providing funding to an economic and business development organization focused entirely on these communities,” Matthews says. “These co-ops’ missions are not philanthropic. Their mission is to make money for their members. What’s philanthropic in my view is how they help each other and support each other.”

In Atlantic Canada, a somewhat similar program, binding economic development and philanthropy, is now taking root in some First Nations communities. The Ulnooweg Indigenous Communities Foundation, which is an offshoot of an Indigenous business development and financing group founded in 1986, has been helping band councils secure qualified donee status so their members can raise funds and operate social enterprises. The strategy, says Ulnooweg’s legal counsel Richard Bridge, has sparked curiosity in other rural regions. “We’re getting queries from across the country from others interested in this [approach].”

While most of the band councils in the region are now gearing up for this process, only some have completed it. One example Bridge cites is the Abegweit First Nation Conservation Society in northeastern Prince Edward Island. In the past, community members had been intimately involved with a volunteer-driven effort to preserve the depleting local salmon stock. But, over the past three years, thanks to a project with Ulnooweg that has seen funding begin to flow into the organization, the Society has established a new hatchery, a watershed management plan, and an educational outreach program for local children.

By establishing its charitable status, Bridge says, the Society can access funding from beyond the First Nation and link to wider philanthropic work, especially individuals and organizations interested in conservation. “It’s a model that could be emulated,” he adds.

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Such stories offer compelling anecdotal evidence indicating the innovation taking place in the world of rural philanthropy across Canada – a space that has frequently been overlooked or even caricatured, not just in the media but also in mainstream philanthropic circles.

They also highlight the significant role that rural community foundations can play in investing in, and shaping the wellbeing of, Canada’s rural and remote regions. Such activity, in turn, can attract new donors, both from within these areas and from further afield. The prospect of a more diversified base of funding for these organizations, in fact, may be one means of bridging Canada’s urban/rural divide.

“The conversation about urban/rural has been one-directional,” observes Gibson, the Guelph-based geographer, while rhyming off the stereotypes about dying communities and failed economic development schemes. The ground-level reality, as he and others attest, is that many local groups and individuals in remote and rural regions are actively experimenting with fresh approaches. Perhaps what best illustrates this are the emerging classically grassroots strategies for forging connections between traditional philanthropy and commercial or quasi-commercial activity.

As Gibson says, it is “an opportunity to change the dialogue.”