The connection between rural poverty and structural inequities is not accidental or incidental but structural and causal. Achieving equity in strategies to build wealth and move people out of poverty in rural areas will therefore require an explicit focus on race, class, and power and on “triple bottom line” economies that are intentional about eliminating or at least closing the gap on those inequities. This article describes the transformation of the National Rural Funders Collaborative (NRFC), a ten-year rural funding initiative to reduce rural poverty, from an initiative focused on increasing wealth, family self-sufficiency, and civic participation as necessary strategies for overcoming poverty to an initiative that understands the insufficiency of these strategies alone, without also addressing race, class, and power as structural and historical conditions that must be mitigated, if not eventually eliminated.

Key-words: structural racism, philanthropy, power, rural transformation

Attempts to reduce or eliminate “persistent poverty” are beset at the very start by a definitional challenge. If poverty is persistent, is there any real hope of changing its seemingly intractable patterns? Although there is a moral intention in the often-cited admonition that the “poor will always be with us,” as an element of social theory and policy such an understanding may prevent effective collective action to address the root causes of poverty. As Bradshaw (this volume) observed, policies on poverty are deeply, if not always explicitly, informed by theories of what causes poverty and what is needed to respond to it. Bradshaw noted that the most prevalent “blame the victim” theories ranging from critiques of individual life choices to the “culture of poverty” ignore structural and spatial causes, and therefore call for individual, not structural, policy responses. Simply put, if policymakers and the public fail to address the historical factors that systematically disadvantaged certain populations, and the structural and spatial factors that continue to do so, poverty will remain persistent despite all well-intentioned efforts to the contrary.1

One structural theory of poverty, and, correspondingly, of social inequity, advanced by a number of recent scholars (Bell, 1992; Bobo et al., 1997; Pincus, 1996) offers evidence that persistent poverty is the direct, if not sole, result of structural racism. The Aspen
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Institute Roundtable on Community Change (2004) applies a structural racism lens in the context of community building and community development:

The term structural racism refers to a system in which public policies, institutional practices, cultural representations, and other norms work in various, often reinforcing ways to perpetuate racial group inequity. It identifies dimensions of our history and culture that have allowed privileges associated with “whiteness” and disadvantages associated with “color” to endure and adapt over time (Aspen Institute Roundtable on Community Change, 2004, p. 15).

Some scholars (Duncan, 1999; Snipp, 1986, Fitchen 1981) apply this perspective to problems of rural poverty, taking up the challenge identified by Bradshaw (this volume) and others (Lobao, 1996, 2004; Smith, 1991) of understanding the spatial unevenness of development or social inequity.

In the realm of philanthropy, an important recent effort to take up the challenge of applying a structural racism framework to address rural poverty is the National Rural Funders Collaborative (NRFC). NRFC was created in 2001 as a ten-year learning and grant making initiative devoted to expanding resources for families and communities in regions of extreme poverty. This article profiles how NRFC changed over time to adopt a more focused and explicit analysis and approach to addressing race, class, and power. In particular, the NRFC approach shifted from one that focused primarily on individual and family-scale solutions and viewed “barriers of race and class” as one factor among others to one that frames race, class, and power as the central challenge and seeks to support asset-based solutions and movement-building on a regional scale. NRFC now understands that reducing rural poverty requires, on the one hand, developing, increasing and sustaining asset-based rural economies that support wealth-creation, family self-sufficiency and civic participation and, on the other, demanding that those strategies have a social justice focus to eliminate or at least close the gap on disparities of race, class, and power.

This story of the NRFC’s transformation is told from the vantage point of those involved in a learning organization seeking to apply a reflective and self-critical lens to the practices of those whose work it funds and to its own funding and impact strategies.²

**Starting Out: Identify Promising Practices and Leverage Investments**

NRFC funder partners were initially motivated by the glaring imbalance between urban and rural philanthropic contributions and the interest of NRFC funders to learn how to make rural investments that are more effective.³ Recent analysis of grant making by the top 1,000 U.S. foundations shows that although rural America accounts for 50 million people or 17 percent of the nation’s population and 28 percent of those who live in poverty, grants to rural America accounted for only 6.8 percent of overall annual giving by foundations (Murphy, 2006). NRFC funders intended to leverage $100 million dollars in a ten-year period to support work in rural regions and to identify lessons that could inform other regional and national grant makers. NRFC’s original mandate included the following precepts.

1. Devise a grant making scheme by which funders can identify and fund “on-the-ground” strategies, which promise to achieve success in reversing trends that cause, reinforce, and result in extreme and persistent poverty.
2. Create a learning laboratory in which funders, practitioners, and policymakers together could increase impact and leverage in rural areas of poverty.
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From the outset, NRFC undertook to devise an organic approach to understanding persistent poverty and effective poverty-reduction strategies. It did not approach the work either with the typical programmatic blinders that funders may take to the work or with a definitive hypothesis about best practices, policies, or investment strategies for reducing persistent poverty long-term.

At this early point in its development, NRFC’s preliminary theory of change was relatively simple: “Rural poverty results from and persists because of decades and generations of environmental and economic disinvestment; cultural and social isolation; and barriers of race and class.” Given these root causes, NRFC reasoned, the on-the-ground strategies that would prove to be effective in reversing these trends would be ones that are comprehensive and intentional in addressing these causes an approach that NRFC subsequently referred to as “rural community transformation” intentionally focused on achieving sustainable, measurable progress in three broad outcome areas:

- building community wealth;
- increasing family self-sufficiency; and
- creating greater civic participation and more inclusive leadership structures.

The first full year of NRFC’s work (July 2001-June 2002) was devoted to sorting through the nearly 300 responses to its original request for qualifications (as a first step in soliciting full proposals for funding) and the eventual funding for nine of twenty finalists who were asked to submit full proposals. Following that initial nationwide scan of letters of responses to the Request for Qualifications (RFQ) and subsequent proposals, NRFC spent the next three years understanding and strengthening this diverse portfolio of work, and developing a theory of change and learning framework from it. And at the end of this first phase of work, NRFC granted more than $3.3 million in direct investments and leveraged more than $41 million in additional public and private funding. This funding was made to 17 collaborative efforts working in 15 states each with its own strategy that more or less corresponds to NRFC’s initial theory of change.

Community Capitals as Building Blocks for Asset-Based Community Development

One of the most important tenets for NRFC’s support for asset-based community development, especially as articulated by Cornelia Flora and colleagues, is the delineation of various “community capitals” as the building blocks for rural community transformation (2004, 2006). Borrowing from Flora and other asset-based community development theorists (Snow, 1996; Kretzmann, 1996), NRFC’s work to support strategic regional initiatives is based on a theory of change that says increasing the capacity of excluded people to access and control of those assets, the desired outcomes, will be achieved by building upon local assets. NRFC identifies these six community capitals natural, cultural, human, social, political, and financial or built as those assets, which together increase the well-being and empowerment of rural communities. By enhancing the capacity of rural communities and regions to acknowledge and leverage their distinctive local and regional capitals or assets, rural communities and regions become strategically ready to take advantage of new opportunities and thereby achieve greater self-determination. Increasing assets, or capitals, then, is a useful way to think about desired outcomes. In this model, capitals are both means and ends, or as Flora and Emery (2006) describe, the capitals reinforce each other in a “spiraling up” community development process.

The community capitals framework, while useful to orient community development in a positive or asset-based perspective, does not provide assistance in assessing the structural
elements or inhibitors that cut against a community’s capacity. Nor does the framework lend itself to analysis of how those entities controlling stocks of community capital or assets may work against each other’s interests (conflicting elites), or against the interest of the community as a whole (colonization and exploitation). These critical questions call for a broader social theory to understand and act upon persistent rural poverty.

**The Importance of Context: Strategic Readiness**

The place of community capitals in effecting rural community transformation is part of the ongoing work of self-assessment that rural regions and communities must make in thinking about long-term transformation and outcome achievement. These community capitals or assets fit within the six categories above, regardless of specific geographic, historic, or cultural context. However, the relative strength of these capitals and the ability and willingness of rural areas and communities to mobilize these assets and to undertake the task of rural community transformation is very much context-dependent. This context-dependency explains, at least in part, why any given strategy for reversing trends of persistent poverty in rural areas cannot simply be replicated from one place to another or simply transplanted from urban to rural areas. Rural community change or transformation is by its nature context dependent i.e., inextricably connected to the geography, culture(s), socio-economic environment, political context, and history of the rural region itself. This inextricable contextual or “place-based” character must be addressed to effect successful rural transformation.

Context is not merely code for distinctive community or regional problems. There is also the challenge of adequately accounting for the cultural richness, diversity, and innovation or entrepreneurial approach that rural community transformation inevitably entails. In this sense, models or examples of rural community transformation are not only inextricably informed by their multi-capital or multi-asset context, they are also profoundly different in their approach, partnerships or collaborations, and theories of strategies for change from urban-based models insofar as their relationship to the many facets of place make all the difference.

The best examples of rural community transformation are distinctively creative and unique in their approach, use of resources, theories of change, and array of collaborative partners. In part, these examples of innovation and collaboration result from the relative scarcity (or lower density) of human, technical, and financial resources with which to respond to rural, compared to urban, challenges. But it is also the result of an apparently determined spirit within many rural communities to do whatever is necessary (with whatever resources) to make things happen, simply because it is home and because those working together see themselves as neighbors inextricably joined together in a sense of community and bound together by a defining sense of place. At the same time, caution must be exercised against romanticization of rural virtues to the point of ignoring issues of inequity and divisions along fault lines of race and class within rural places (Creed, 2006).

**Mid-Term Challenges and Lessons**

Despite the dedicated and innovative work of NRFC grantees in the first five years, it became readily apparent in NRFC’s recent process of reflection on this first phase of its work that current efforts at rural community transformation were failing to achieve hoped-for levels of sustainability and impact for long-term positive outcomes on a scale that is meaningful and measurable. NRFC funders were concerned to know why.

Early lessons from NRFC’s first round of three-year strategic grants provide valuable insights that both confirm and challenge various initial assumptions for NRFC’s grant
making and capacity-building work. Several specific lessons emerged that confirmed, qualified, and/or called into question original operating assumptions about collaborative, comprehensive approaches to persistent poverty and other specific aspects of NRFC’s theory of change. The following section will briefly identify and examine several of these key challenges and lessons.

1. Limited capacity and strategic readiness among collaborative grantees

Central to the initial NRFC strategy was investment in mature collaboratives with the capacity to advance a regional agenda and achieve regional results. In reality, NRFC found and funded mature, high-capacity organizations participating in regional collaborative strategies, but it found that the collaborations themselves were in most cases nascent and tenuous at best. Significant capacity development, time, and resources were needed to plan, manage, coordinate, and sustain much of this emerging collaborative work. Although capacity levels and requirements varied among grantees, much of NRFC grantee partners’ early work focused not simply (and perhaps not primarily) on building greater proficiency in advancing their collaborative theory of change and achieving desired outcomes, but also (and sometimes largely) on developing collaborative skills for working together clearly defining roles and responsibilities, building trust, reaching consensus. NRFC recognized that it would need to provide or support additional technical assistance related to strategic planning, facilitation for collaboration, and methodologies for defining and tracking outcomes.

2. Challenges of achieving regional impact

NRFC originally envisioned its collaborative grantees working at a “regional” scale. However, it did not actually define what this was to look like in practice, at least partially because it wanted to leave strategy up to individual grantees. Without a clear vision of regional action, there was little ability to assess grantees’ capacity to carry out such an agenda. Not surprisingly, NRFC’s intention was not met by its first set of grantees. NRFC’s evaluation at the end of its first phase of grantmaking concluded that though all the groups funded are working regionally, most are not working at regional scale or do not have the ability to measure their work beyond the community impact level. Although it is true that some of the early funded groups began the difficult task of defining what scale means within a rural context, most have not formulated the regional impact that they want to see or secured the baseline data to measure regional impact of their work over time. NRFC determined that an expectation of regional level impact might have been unrealistic or too ambitious within the limited three-year time-frame of its original strategic grantees.

3. Policy must be addressed as a structural factor in causing and addressing rural poverty

NRFC also intended that its grantee partners develop and pursue collaborative policy agenda relevant to its regional and national objectives for reducing rural poverty. Effective efforts to overcome rural poverty must address the political, as well as economic and social, factors that contribute to or hinder the eventual success of these efforts. As in the case of regional impact, policy agenda were envisioned but not clearly articulated by NRFC and its grantees. As a result, grantees and NRFC leadership struggled to identify an appropriate role for NRFC in supporting a “bottom up” approach to policy development. In its final evaluation of its initial set of grantees, NRFC determined that the collaboratives were at various levels of development in terms of their understanding of policy processes and formation. Overall, the grantees lacked the type of networks that can achieve broad policy changes and can advance and sustain change on a large scale. Significant additional time and resources were needed to assess and determine developmental stages of policy
work, regional issues, regional allies, and identify policy subcommittee members. NRFC recognized that further building collaborative capacities, legislative emphases, and resources would be needed.

4. Lack of common measurements of success

NRFC originally decided that it would not impose a single evaluation framework on its grantees but instead would work to build a participatory evaluative framework built upon evaluation efforts of each and aiming at a more comprehensive yet “bottom up” approach to evaluation. In reality, NRFC found that evaluation capacity of partners varied, but most sites wanted and needed enhanced skills in measuring, tracking, and documentation of program outcomes, as well as in utilizing evaluation data for program and organizational improvement. Most groups have not previously operated from a knowledge-based evaluation framework. As a result, NRFC staff had to expend unanticipated time in developing a common evaluative framework, in collecting additional data, and in refining the process to communicate collaborative success and impact. As a result of this experience, NRFC recognized that a consistent evaluation structure and language is needed to allow the groups to communicate their success and impact clearly, appropriately, and strategically. Coupled with this learning, NRFC realized that even to begin to measure common, overarching outcomes (across all grantees and over time), a common language and terminology for its desired outcomes would be necessary.

5. Partial success of national funding to leverage regional investment

NRFC envisioned that its investments in regional collaboratives would attract new regional investments to support and sustain these efforts. In reality, the ability for grantees to achieve intended milestones in attracting and retaining philanthropic partners was heavily impacted by the regional historical context, race, and diversity, and by the lack of regional philanthropic partners committed to supporting issues of rural community transformation. The ability of regional collaboratives to communicate their impact and importance to the region was a key variable in attracting and retaining regional philanthropic partners. Significant relationship building, brokering, time, and resources were needed to coax regional partners to attend learning events focused on philanthropy and resource development strategies. Even so, in many cases area funders were slow and reluctant to invest alongside of national funders in issues of rural community change, but they were content to let national funders provide most, if not all, of the support. As NRFC contemplated the next phase of its work, it recognizes that a significant amount of time, and perhaps different approaches, must be dedicated to relationship building and brokering in order to challenge regional philanthropic institutions effectively to embrace poverty reduction efforts and provide ongoing, sustainable support. In the end, more than $41 million was leveraged by NRFC grants but largely from federal sources. Developing and attracting public and private sources of funding at the regional level still remains a major challenge.

6. Lack of intentionality in addressing issues of race/ class/ power

The NRFC theory of change intended that collaborative strategies would be formulated to reverse persistent poverty resultant from economic and environmental disinvestments, and social isolation, as well as race and class barriers. While some partners framed their work in terms of social justice, most grantee partners generally did not explicitly articulate their work in terms of poverty reduction strategies or outcomes. In some instances, work was specifically not about poverty reduction per se but about other goals such as “rural community preservation” that only partially coincided with the NRFC’s central goal.
Furthermore, the ability to be intentional in addressing longstanding obstacles and structural dynamics of race, class, and power was often thwarted tacitly by historical patterns making explicit discussion of these issues “socially inappropriate,” if not taboo, and by the lack of an explicit analytical framework for assessing the ways in which race, class, and power have set up and continue to produce inequitable economic, political, and social outcomes. At the end of this initial funding phase, NRFC came to understand that collaborative efforts for rural change require a common understanding and focus on issues of poverty and social justice.

A Critical Conversation about Race, Class, and Power

Informed by this critical self-evaluation and self-reflection on its first five years of grant making, NRFC set out to reformulate its funding and operational strategies through a year-long strategic planning process. The focus of the strategic planning process was to place NRFC’s work within the context of the field and clarify the initiative’s role, potential impact, and areas of new opportunities.

As part of this redirection process, NRFC reflected on the lessons learned from its own evolution to date. One crucial factor in its internal changes came from the grantees themselves, many of whom grew up within and represent constituencies and communities of color in rural America. As is sometimes said in politics, the outcome is determined by who shows up. By showing up in all their cultural diversity, inclusive of both multiple legacies of oppression as well as the multifarious wisdom and celebrations deriving from diverse cultural histories, NRFC grantees helped transform this ten-year initiative midway through from an exploratory effort at collecting and giving credence to diverse strategies for rural success in addressing persistent poverty to a strategically focused effort to address causal and contributing factors and to address structural inequities in the process. This transformation in both its mission and approach was clearly heard and seen in the ways NRFC meetings and gatherings reflected a wide range of cultural idioms and in the inclusive steering committee process through which grantees and grant makers contributed their perspectives in an open discussion.

Such a democratic process was encouraged both by NRFC staff leadership and by the unique gathering of foundation program officers, many of whom were people of color with long histories of supporting social justice projects and movements. Together, NRFC grantees, grant makers, and staff developed an understanding that issues of race and class must be central to NRFC’s work going forward.

Despite this broad agreement that race and class must be explicitly addressed, there was a wide range of views on how these issues ought to be manifest in the new, emerging NRFC strategy. Some members of the Steering Committee felt that addressing race and class ought to remain an important value, but too sharp of a focus might fracture sensitive alliances. Others felt the NRFC could not meet its mission to reduce rural poverty if it did not make race and class central elements of NRFC’s work going forward.

To help develop a common framework to interpret the intersection of race, class, culture, and power in rural regions and to apply these insights to its own future directions, NRFC commissioned research from the Applied Research Center (ARC) in Oakland, California. ARC generally concluded that NRFC’s theory of change indicators, wealth creation, family self-sufficiency, and civic participation and/or leadership did not go far enough. Although wealth creation, family self-sufficiency, and civic participation and leadership transformation are indicative of poverty alleviation, ARC surmised, these outcomes cannot be achieved without an analysis of and response to issues of race, class, culture, and power because rural poverty is “colorized.”
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In its final report (Delgado, 2005), ARC argued, “Because poverty and race are both linked and concentrated, it is impossible to address poverty alleviation or wealth creation without addressing racial disparities and discriminatory practices” (Delgado, 2005, p. 15). This argument is based on a range of findings.

- Current patterns of rural poverty are largely the result of historical patterns, some generational, some measured in centuries. Consider: the genocidal conquest of North America resulted in the displacement of Native Americans from all but 2 percent of their original territories. Since 1910, African Americans have lost 60 percent of the agricultural land they once held. Of the almost 16,000 farmers who received funds from the USDA in the 1980s to purchase land, only 209 were African American.
- Over seven million Americans living in rural areas are poor. Among this number, people of color are a disproportionate segment. Combined, communities of color account for only 17 percent of the total rural population, but they are low-income at two to three times the rate of their European American counterparts. African American and Latino poverty rates are 34.5 percent and 25.4 percent respectively, and the rate for Native Americans is 34 percent.
- Poverty is concentrated by both race and place. Seven of every ten rural African Americans in poverty live in six Southern states: Mississippi, Georgia, North Carolina, Louisiana, Alabama, and South Carolina. Nearly three quarters of all poor rural Latinos live in five Southwestern states: Texas, New Mexico, California, Arizona, and Colorado. Over half of all poor rural Native Americans lives in five Western states: Arizona, New Mexico, Oklahoma, South Dakota, and Montana.

In addition, the ARC report (2005) documented that disparities and injustice in all sectors, e.g., employment, housing, physical infrastructure, credit access, technology, education, land use, are glaring in poor rural areas where people of color tend to be concentrated.

These historical trends are compounded by another, more recent trend: changes in the rural economies that are converging to make poverty more intractable for rural people of color. Rural America is experiencing a seismic economic and demographic shift. Decline of the manufacturing sector, consolidation of agriculture, growth of large-scale “big box” retail stores, and the growth surge of the meat-packing and poultry industry in rural areas have all converged to create economies built on the backs of high-risk, low-wage, non-union jobs (Falk, Schulman, & Tickamyer, 2003). With annual turnover rates of more than 50 percent, African Americans and Latinos are finding themselves over-represented in low-end retail and meat-processing employment.

These findings suggest that the reinvention of rural economies ones with living wages, career ladder employment, and jobs that respect the environment, the health, and safety of employees is fundamental to address extreme and persistent rural poverty and to forge positive transformative change in rural America. NRFC therefore understands that poverty is often a factor of race, class, culture, and power dynamics that are linked and concentrated.

Efforts aimed at poverty-alleviation and wealth creation must first recognize that the work of building rural economies also entails confronting the structural barriers that foster racial disparities and discriminatory practices. Transforming extreme and persistently poor rural communities and regions into healthy and viable living environments will ultimately require the creation of a rural movement for social and economic equity a convergence of grassroots efforts to envision, develop, implement, and monitor a policy context grounded in the newly emerging realities of rural life.
Figure 1. NRFC's Theory of Change.

- Persistent rural poverty is social and political, not simply economic.
- Alternative rural economies built on community assets.
- Diversity of race, culture, and place are key assets.
- Structural barriers of race, class, and power exist as impediments.
- Rural transformation is ultimately an empowerment strategy for creating wealth, civic participation, and increasing self-sufficiency.
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Reflection/Analysis

- Reflecting on community experiences of race, class, and power.
- Analyzing the meaning and truth about that experience.
- Designing/Implementing actions to overcome disparities reconcile the past, and move forward.

Supporting Alternative Rural Economies (Actions)

- Linking asset-based strategies into integrated regional approaches and to larger regional engines.
- Linking strategies to alternative philanthropy and investments.
- Linking strategies to networks and movements for policy change.
- Linking to area or regional infrastructure/institutional capital, i.e. health, education, workforce development, financial institutions.
- Aligning traditional philanthropy to effectively support alternative rural economies.

Rural Transformation (Outcomes)

- Community wealth creation
- Family self-sufficiency
- Increased civic participation / inclusive leadership

Movement

Race
Class
Power
The graphic illustration on the previous two pages represents NRFC’s theory of change. The three circular foci to the left of this illustration depict the direct intervention of NRFC and other funders in sponsoring demonstration projects in three regions of the United States. The funders focus on building alternative asset-based economies, which in turn are strengthened and advanced through alternative philanthropy and policy networks. The process of intervention (the theory of change) is illustrated as moving from left to right across the two pages, signifying that these alternative asset-based economies move to scale to support Rural Community Transformation—evidenced by achieving three outcomes: (1) creating community wealth, (2) increasing civic participation and/or inclusive leadership. Together, community wealth creation, increased civic participation, and inclusive leadership cultivate (3) greater family self-sufficiency.

The wedge that moves alternative asset-based economies forward consists of an ongoing process in which participants recognize a core set of beliefs and values as essential to rural community transformation, using those beliefs and values critically to reflect on the structural barriers of race, class, and power that must be addressed to diminish persistent poverty and, finally, actively to advance alternative asset-based economies. The dotted lines above and below the figure represent NRFC’s work to develop a dialogue to document this work to connect it within and across regions of poverty, fostering a national movement for change, i.e., rural community transformation.

Consistent with this theory of change, NRFC begins its new phase of work over the next five years focusing on specific examples or “demonstrations” of alternative, asset-based economies that are working within NRFC’s three regions of focus (the Rural South, the Northern Great Plains, California and the Southwest) to overcome persistent poverty and achieve economic equity and social justice. Although at the writing of this article, NRFC has not yet made final selections of demonstrations it will fund in three regions of focus, enough is decided to provide a preview of the specific areas in which it will work and the constituencies and issues that will be in focus as the next phase of work begins.

New Directions for NRFC

NRFC’s new direction and revised theory of change entertain the notion of “alternative rural economies” as critical for reversing the trends of persistent poverty both insofar as these economic alternatives build on the cultures and traditions that increasingly comprise an ever diverse rural landscape and, at the same time, work to overcome historic and continuing barriers of race, class, and power. NRFC’s interest in supporting and moving to scale alternative rural economies lies in the fact that many replacement economies for rural communities today and many models for restructuring existing economies continue to foster historic patterns of race, class, and power that reinforce and perpetuate persistent patterns of poverty.

Alternative rural economies, then, can mean either (1) positive, community-based alternatives to prisons, hog and poultry farms, big box retailers and the like which fail to pay living wages and benefits and are harmful to the environment or (2) alternatives within an established economy or economic sector that seek to create a more just and equitable participation in the economy by low-income persons/communities and persons/communities of color. In either case, these economic alternatives are community-asset-based, i.e., they draw on the basic and emergent assets or capitals that rural communities and regions hold as their most valuable currency and building blocks for the future, and are working to achieve triple bottom-line impact. Triple bottom-line impact, then, entails (1) economic benefit or opportunity and equitable participation by persons and communities of color and/or low-wealth; (2) advancement of human, social, and cultural capital within the region; and (3) inclusion of good stewardship practices with respect to the land and environment. As Flora states, “The term ‘triple bottom line’ originated among investors...
seeking a way to put their money in enterprises that were socially just, economically profitable and environmentally sound.” (Flora, 2004)

Those who aim to alleviate poverty and create wealth must first recognize that the work of building rural economies entails confronting the structural barriers that foster racial disparities and discriminatory practices. Transforming persistently poor rural communities and regions into healthy and viable living environments will ultimately require the creation of a rural movement for social and economic equity a convergence of grassroots efforts to envision, develop, and monitor a policy grounded in rural life. NRFC’s revised theory of change, then, can be restated in the following way.

Rural communities and regions of persistent poverty have experienced decades of economic disinvestment, social isolation, disenfranchisement, and longstanding patterns of racism and classism. Many, if not most, of these areas, are ones in which persons of color historically experienced, and continue to experience, poverty disproportionately at ratios of two or three to one compared to their white counterparts. Thus, Native Americans, African Americans, Latinos, and others have been denied the same rights and privileges as the dominant class that stripped from them and used for enormous economic gain their historic and legitimate assets, especially land and natural resources. [NRFC, 2006].

Reversing historic trends of persistent poverty, then, requires effective strategies of wealth creation and civic participation in overcoming and reducing persistent poverty only if the strategies are tempered with a racial and class lens. Using such a lens recognizes these historic injustices can be avoided only if current and future economic alternatives and opportunities do not perpetuate social and racial injustice, but rather create greater opportunities for persons and/or communities of color and low-wealth, i.e., have achieving economic equity (and not simply economic growth) as their ultimate objective.

1. The Mid-South Delta

NRFC will invest in strengthening the regional identity and competitiveness of the Mid-South Delta focused in four Louisiana “river” parishes. A strategy for rebuilding regional markets within the Delta, along with the micro-regional strategy creating a new asset-based identity and competitive advantage for the Louisiana communities along the Mississippi, together promises to create an alternative economic, social, and environmental future for this a region that has long suffered from disinvestment and racial prejudice, and can serve as a model for other similar regions of persistent poverty.

2. The Great Northern Plains Indian Reservations in Montana and Wyoming

In the Northern Great Plains of Montana and Wyoming, NRFC will invest in a strategy to create alternative rural economies for Native American communities. This strategy will emphasize community-based decision-making and capacity-building and will facilitate action plans to lay the foundation for sustainable economic growth. Through a process of assisting tribal entities to recognize, acquire, utilize, and protect the assets that will allow them to prosper economically while capitalizing on their strong cultural roots and ties to the land, these projects will address economic sovereignty and land tenure issues. Strategies for land- and culture-based businesses, increased financial literacy, greater homeownership, and other measures will engender new self-determined local economies.
3. The West Farm Worker Communities in California’s Central Valley and Central Coast.

Economic conditions and opportunities among Latino farm workers will constitute NRFC’s third regional focus for investing in alternative rural economies to overcome patterns of structural racism. In the Salinas Valley, NRFC will work to support strategies for wealth creation, financial literacy, and homeownership to provide farm workers a greater stake and sense of investment in the mainstream agricultural-based economy. At the same time, NRFC funded projects will help to create new opportunities for predominantly Latino farm workers to own and develop small farms and agricultural-related businesses of their own.


There is a range of possible action that could be taken to deal with poverty in rural areas.

- “Lift all boats” with economic development, community development, financial services, and employment services intended for all households in the region of focus.
- Eliminate disparities of race, class, and power in creating wealth by identifying the deeper root causes of the racial wealth gap in rural America and developing a political and economic strategy to reverse the impact of years of policy and practice that created the disparity.
- Close racial gaps by targeting constituencies and communities that disproportionately participate in poverty for special investments, by targeting policies and practices known to produce outcomes that will advantage historically disadvantaged constituencies and communities and by empowering them to participate more fully in community decision-making and leadership structures.

Many of the most common programs that secure government and philanthropic support are those designed to lift all boats. They often include one or more strategies that are not specific to any particular racial group or disparities of race: e.g., EITC and tax preparation services, IDA programs, home-ownership promotion, credit repair, job training, micro-enterprise, and micro-credit lending. The experience of the NRFC convinced us that although these strategies are laudable and are working in various places and ways to help create wealth for low-income individuals and families, they are insufficient single-handedly to address persistent rural poverty. This is because “lift all boat” strategies typically focus only on the symptoms of poverty on an individual scale; they ignore the structural barriers that make some boats less buoyant and more leak-prone, and miss entirely those without boats. As a result, the NRFC set a higher expectation to go beyond such individual and symptom-only remedies to address the root causes of poverty in rural areas.

NRFC is convinced that to achieve lasting regional and national impact in addressing persistent poverty—race, class, and power must be at the center of any meaningful and effective poverty-reduction strategy. At the same time, there is recognition that the prospect of eliminating such disparities through direct action on their root causes (e.g., structural racism and classism) is a long-term endeavor that, if achievable at all, will take a generation or perhaps several. Clearly, the bar is too high for any one funding initiative to reach within the span of a few years. No doubt, the strategies that NRFC now intends to fund in its next phase of work are long-term and comprehensive, intended to reverse historic patterns of racism and persistent poverty. Even so, it is unlikely that these measures will be able to demonstrate within the next five years absolute success in reversing generational issues. At best, NRFC can hope to identify shorter-term victories regionally to add support to a growing national movement within rural America for transforming rural communities.
Strategies to “narrow the gaps” racially in terms of reversing historic and persistent obstacles to creating wealth, increasing civic participation, and supporting greater family self-sufficiency among persons and families of color fall short of overcoming structural elements and persistent disparities of race, class, and power. All the same, a middle scale strategy to hasten social and economic equity may offer a nexus between institutional capacity and social significance. A strategy to narrow the gaps would concentrate investments in communities that clearly manifest many of the root causes of rural poverty, would provide support for local and regional leadership to build powerful alliances for structural change, and would prioritize alternative economic development models that reposition and transform rural areas from the margins to centers of innovation and vitality. In selecting particular regions and strategies for investment, NRFC funders believe that within these longer-term strategies for eliminating racial and economic inequities can be found shorter-term strategies that have the potential of providing measurable evidence of progress toward these longer-term systemic goals.

“Narrowing the gaps” in these and other regions where poverty persists and overlaps with concentrations of people and communities of color requires, therefore, finding points of intervention that will accelerate these economic strategies while focusing on racial equity within them. In the Mid-South Delta, strategies to narrow the gaps and achieve equity may consist in using “crop circle” market currency and philanthropy to accelerate and increase the participation of historically disenfranchised vendors in public markets while at the same time devoting additional resources for increasing the number of minority vendors who are participating. Likewise, creating a regional center for educational excellence while developing new strategies for asset-based workforce opportunities in the historically disinvested Louisiana parishes along the Mississippi River will fuel the supply and demand side of the market simultaneously among African-American residents.

In Indian Country, “narrowing the gaps” will mean working to expand financial literacy throughout reservation communities while at the same time exploiting and accelerating land- and culture-based economic opportunities. And among Latino farm workers in the West, it will mean devising strategies for better pay, benefits and participation in the wage economy while simultaneously creating more “ownership” opportunities for those ready to take a more entrepreneurial approach.

**CONSIDERATIONS AND CONCLUSIONS**

Many questions remain to be explored as the NRFC launches its final five-year period. On one level these questions relate to the NRFC itself, but they also suggest questions that rural philanthropy and rural community development as a whole might benefit from considering.

- How can explicit and critical attention to structural dimensions of race, class, and power be operationalized within a funding body?
- What actions and resources are needed to sustain critical conversations about race, class, and power? How can the NRFC accomplish this with both its grantees and funded regions and within the NRFC as an organization?
- How can the intermediate and long-term impacts of taking a structural approach to rural poverty be measured and documented?
- More broadly, what will the legacy be of a strategy to “narrow the gaps” in addressing the vexing problem of persistent rural poverty?

Yet, even with so many unanswered questions to address as NRFC begins down this new path, in the form of NRFC’s new theory of change it has now put a stake in the ground with several core tenets it seeks to measure and confirm in the next five years.
Historic, generational poverty, especially in areas of rural America where families and communities of color are concentrated, persists at least in part because of structural, not individual, factors.

Structural racism finds its expression in unequal access to education and leadership opportunities, and in new “replacement” rural economies that tend to be low-paying, unsafe, lacking in benefits, and filled disproportionately by immigrants and persons of color.

These historic and structural trends can only be overcome through advancement and acceleration of economic strategies that are intentional in addressing longstanding inequities of race and class.

“Alternative rural economies” that seek to address community and regional economic development and a more equitable approach to opportunities for wealth creation and civic participation must be built upon the many political, cultural, social, and natural assets, as well as the economic assets, of those same communities and regions.

Because in so many, if not all cases, those regions that are most persistently poor are also historically and increasingly racially and culturally diverse, it is the very diversity and leadership rising within these regions themselves that may comprise their greatest assets in creating alternative rural economies that are just and sustainable.

NOTES

1 Throughout this article, we use the term “race” to refer not to groups with distinct biological or genetic characteristics, but to a socio-political phenomenon through which people are marked and treated as “different” and often inferior or superior, based on constructed racial categories. See Gould S. J. (1996.). We use the term “poor” and “poverty” to refer to the complex historical and systemic conditions that deprive people not just of “income” but of long-term wealth and asset development opportunities. See Sherraden, M. W. (1991).

2 Richardson is the NRFC’s Executive Director and London is a former steering committee member representing one of the grantees.

3 Private funders who are or who have been contributing members of the NRFC include the Mary Reynolds Babcock Foundation (Winston-Salem, NC); Otto Bremer Foundation (St. Paul, MN); The California Endowment (Woodland Hills, CA); Annie E. Casey Foundation (Baltimore, MD); Calvert Social Investment Foundation (Bethesda, MD); Fannie Mae Foundation (Washington, D.C.); Ford Foundation (New York, NY); William Randolph Hearst Foundation (New York, NY, and San Francisco, CA); F. B. Heron Foundation (New York, NY); William and Flora Hewlett Foundation (Palo Alto, CA); W. K. Kellogg Foundation (Battle Creek, MI); Lumina Foundation for Education (Indianapolis, IN) and Northwest Area Foundation (St. Paul, MN). Strategic partners from the public sector working with NRFC include: Appalachian Regional Commission; United States Department of Agriculture and United States Department of Health and Human Services.

4 Quoted material about NRFC’s theory of change is taken from its internal planning and evaluation documents.

5 At the end of its first phase of funding in 2005, NRFC had invested $3.3 million in direct grants and helped to leverage over $40 million in additional public and private grants and loans. The major grantees of this first phase included the Appalachia Ohio Regional Investment Collaborative, Alaska Rural Community Health Economic Strategies, Central Valley Partnership for Citizenship and Civic Participation, New Mexico Rural Livelihood Collaborative, South Carolina Community Economic Development Public Policy Collaborative, Rural Community College Initiative, and the Southern Good Faith Fund. A brief description of the various collaborative initiatives funded by NRFC in its first phase can be found in NRFC’s Three Year Report: 2002-2005 available under Resources>Knowledge Base>NRFC Documents and Reports at www.nrfc.org.

6 Crop circles within the context of emerging public farmers’ markets in the Mid-South refer to a philanthropic strategy by which market vendors utilize an intra-market wooden token currency, not simply to expand the buying power of consumers in the market, but also to use transaction fees from converting plastic, i.e., credit cards, to wood to build a philanthropic pool that market vendors can use to provide a safety net and developmental fund for their participation and livelihood.
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