

# The Philanthropy Index

for Small Towns and Rural Areas  
of the South



How to Measure  
Your Community's Potential  
to Build a Charitable Fund

Workbook

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Please note: To order additional copies of this *Workbook*, please call Alan McGregor, Southern Philanthropy Consortium, (828) 285-9230, [amcgregor@srdi.org](mailto:amcgregor@srdi.org).

# Introduction

**C**ongratulations! You have started an exciting and rewarding process — the building of philanthropic resources for your community. If successful, you will establish a mechanism that will help the citizens of your community to gather and pool charitable assets. The result will be a fund that can generate grants to improve the quality of life for everyone.

With this *Workbook* you also should have received a *Philanthropy Potential Data Report* from the Southern Philanthropy Consortium that catalogs 12 social and economic indicators for your community and ranks them in comparison with 733 counties and parishes in the South.

The indicators are grouped according to three categories: Baseline Data, Trend Data and Target Data.

- **Baseline Data** offer evidence of charitable activity that currently exists in your community.
- **Trend Data** concentrate upon shifts in population, economic sectors and earning power.
- **Target Data** focus upon the kinds of individuals in your community who are most likely to support the building of a community fund.

This *Workbook* describes each of the indicators and explains why they were selected. It also provides another set of qualitative “Local Knowledge Questions” to answer and score. The results, which draw upon your knowledge of your community, will take you beyond the “hard” numbers that we have given you and help you to explore other factors that may contribute to your success.

This document will be most helpful if you follow these steps:

## **Become familiar with the data.**

Take the time to study and discuss the *Data Report* as well as the brief descriptions in this *Workbook* as you consider why each indicator is important and what the numbers mean. Regularly ask yourselves whether the numbers seem “right” or whether they are a surprise.

## **Enter your score from the Data Report.**

The scoring sheet is on page 21 of this *Workbook*. The highest possible score is 100.

## **Convene at least one special meeting to score the “Local Knowledge Questions”.**

Because the “Local Knowledge Questions” are seeking qualitative information, the answers will be most accurate if you develop them on the basis of group discussion.

Consider using a facilitator. An independent advisor who is familiar with the Index can lead your discussion and help you to reach consensus.

The highest possible score for this section is also 100. Add your “Local Knowledge Questions” score to the score from the *Data Report* to calculate your community’s Philanthropy Index.

**Next Steps.** Once you know your score, it will be time to share your findings and begin to structure the group that will begin creating your fund. The *Guidebook* and the appendices in this *Workbook* offer some suggestions about next steps.

# Part One: Understanding Data

## Key Indicators

### Baseline Data

- Grantmaking foundations
- Nonprofit organizations
- Charitable giving
- Social capital

### Trend Data

- Population change
- Emerging/dominant economic sectors
- Labor force stability
- Retirement and investment income

### Target Data

- Business proprietors
- Farm proprietors
- Affluent and middle-class families
- High income households

## Baseline Data

Baseline data provide a snapshot of the current philanthropic activity at work in your community. It will give you an idea of the starting point (or baseline) from which you will begin to build your community's charitable fund.

### 1. Grantmaking Foundations

The presence of grantmaking foundations in your community means 1) that there already is a tradition of creating charitable funds and 2) that they may be sources of start-up funds for your proposed community fund. Foundation assets may vary somewhat from year to year, depending upon the performance of their investment portfolios, but many of them have been established in perpetuity.

### 2. Nonprofit Organizations

Nonprofit organizations are essential partners of grantmaking foundations. It is to and through them that foundations disburse most of their charitable gifts and grants. The government also provides significant funding for health, education and human service institutions, as well as other nonprofit organizations. However, our country has a long tradition of people voluntarily supporting these agencies as a way of helping their neighbors. The government further encourages this behavior by providing tax incentives for contributions to nonprofits.

*continued on page 3*

## Different Kinds of Grantmaking Foundations

**Private Foundations.** Most private foundations are created initially by single donors (or families) who want to establish enduring charitable institutions with permanent asset bases. By law, the trustees of every private foundation (who often are family members) must give away 5 percent of the value of its assets each year to not-for-profit institutions. Some large and highly visible foundations support international, national and regional organizations and programs, but most foundations tend to give in the geographical areas where they are based.

**Community Foundations.** Community foundations are, in effect, pools of charitable funds established by many different donors. These funds may be a) unrestricted, b) designated to support fields-of-interest (like youth, the aging, health or the environment), c) donor-advised or d) restricted for the support of a particular institution. A representative board of directors oversees the raising, investment and disbursement of these funds.

**Corporate Philanthropy.** Companies establish their own foundations or corporate giving programs to support institutions and causes in the communities where their employees live and work. Many of them also will match their employees' contributions to educational and other nonprofit institutions. It is not unusual for a corporation to have a foundation, a giving program and an employee matching gift program.

**Health Care Conversion Foundations.** In recent years, the sales of local hospitals or health care systems has led to the creation of more than 100 new grantmaking foundations. Organized as either private foundations or grantmaking public charities, they are major assets for the communities in their usually local or statewide service area.

**Operating Foundations.** Operating foundations, as their name suggests, typically use their funds to offer their own programs or services or to conduct research. Their grantmaking, if they do any, is usually very limited.

The existence of nonprofit organizations often is strong evidence of community generosity because many of their expenses have to be raised from local individuals and businesses. Individuals who contribute to, serve on the boards of or otherwise volunteer for these organizations are likely to understand the value of establishing a charitable fund — if only because it could become a source of support for the institutions that matter to them.

### 3. Charitable Giving

The amount of charitable giving from your community itemized on tax forms is one of the strongest indicators of philanthropic potential. Obviously, it offers a measure of how deeply citizens are digging into their pockets for charitable causes. The data you have received shows how charitable giving varies among different zip codes within your county or parish.

### 4. Social Capital

This relatively new term describes the patterns of behavior, organization and communication that promote a healthy and caring quality of life among citizens. Examples of social capital at work include the formation of nonprofit organizations, the organization of Little Leagues or Girl Scout troops, the mobilization for blood drives and building campaigns, and people helping each other after natural disasters.

Another way to explain social capital is to note that it causes people to talk about themselves as “we” and “us” rather than “I” and “them.” You can’t hold social capital in your hand like a \$500 check. Instead, it might be said to be the total of the hands you shake as you move through your community. Your leadership efforts to establish a community fund are a great example of social capital.

To come up with your rating in this area, we drew upon data about all religious congregations and their membership, civically-active congregations, voluntary organizations, historic preservation efforts, the numbers of informal social gathering places (like barber shops and diners) and small manufacturing firms (which often provide unique opportunities for the sharing of personal interests and concerns). We also factored in the percentages of native-born residents and people who have lived in the community for a long time.

## Trend Data

Trend Data can help you understand what kinds of changes are happening in your community that will have an impact on your efforts to build a charitable fund going forward. Some trends are obvious, and some less apparent. In either case, recognizing trends and incorporating them into your planning is essential for setting realistic goals for developing your charitable fund.

### 5. Population Change

During the mid-1970s, researchers at the U. S. Department of Agriculture determined that population growth (or lack thereof) — especially in rural counties and parishes — is a good gauge of economic conditions. The availability of 2000 census data makes it possible to gain a fairly accurate picture of current social and economic patterns as compared to the figures from 1990.

Clearly, for example, out-migration from your area could reflect negative changes, and strong in-migration might lend itself to positive interpretation. However, we also have chosen to look beneath the raw numbers of these basic trends. One particular factor we studied is the shifts of generations. (See the map of “Adult Concentration” in your *Data Report*.) Older citizens are more likely to be contributors to charitable activities — a phenomenon we also look at more closely in the material under Indicator #8, which includes a look at retirees.

### 6. Emerging and Dominant Economic Sectors

You probably already have a good idea about most of the economic activity in your community. However, we thought it was especially important to measure the changes that have been going on during the past decade that could have a positive impact upon the growth of philanthropy. In particular, we looked at these traditional economic engines in rural communities:

- Agriculture (including farms, forestry and fishing)
- Resource extraction (e.g., coal mining, oil and gas drilling)
- Manufacturing (both durable and non-durable)
- Businesses (from sole proprietors to corporate offices)

If your community has measurable activity in the nation’s new surge toward an information-based economy, we also studied:

- Finance, insurance and real estate (including professionals who advise families and businesses about the disposition of their money and property for estate purposes)
- Other high-value service businesses (e.g., health, legal, educational, technology or business services)

## 7. Labor Force Stability

One of the most straightforward measures of economic stability — and therefore of the potential to build philanthropic resources for a community — is the stability of the labor force. A stable workforce (measured on the basis of the numbers of people employed) ensures the continuity of income among both blue-collar and middle-class families and can offset other negative factors.

## 8. Retirement and Investment Income

The aging of our entire population and the growing concentration of older people in retirement communities are significant shifts in our society. To identify the numbers of these individuals in your community we used Social Security data. However, the important point to keep in mind is that many of them are not solely dependent upon Social Security retirement payments. They also have private pension funds, personal investments, military pensions and other sources of support. You should look at both recent and long-term retirees as prospective supporters of your efforts to build a community fund.

In addition to retirees, we also provide information on the amount of personal investments that are held by households in your community, based on dividends and interest earned. This number will reflect only a portion of the true level of personal investments. However, the number should approximate how many of your area's residents have investment income.

## Target Data

Target Data point you toward the kinds of individuals who are likely to contribute to the building of a community fund. In this section, we focus on individuals who can not only contribute from their annual income but also can transfer discretionary assets (e.g., securities, real estate) — and often larger gifts — to a community fund.

## 9. Business Proprietors

Every community has highly visible businesses and well known owners. However, you may be surprised to discover how many other people are also business proprietors. They may include private contractors, people who rent and manage property and others who work from their homes. Our numbers for this category include all non-farm businesses that are sole proprietorships, partnerships and tax-exempt cooperatives. We counted them on the basis of where the owners live rather than the location of their businesses.

To be sure, not all business owners have high incomes, but many make a very good living. Nationally, business proprietors now account for more than 8 percent of total personal income — a figure that has increased as large companies have down-sized and as our economy has become an information-driven sector.

## 10. Farm Proprietors

Farming no longer dominates the Southern economy as it once did, but the productive use of land can still be a major economic asset in rural areas. Farmland and farm operations represent an important source of assets for individuals and families.

We counted the farm proprietors in your area but excluded non-family corporate farms that are part of complex ownership networks with different locations.

Land-based wealth may involve more than just farming in your area. Mining and mineral extraction, the growing of timber, recreational use (e.g., hunting) and the land's potential for future business and residential development all are examples of sources of wealth and potential charitable assets.

## 11. Affluent and Middle-Class Families

This indicator focuses on families with incomes of more than \$50,000, according to federal income tax records, for whom a one-time charitable gift of \$500 or so is not likely to constitute a financial hardship. In some cases, income from personal investments is included in this data, and can supplement your findings from indicator #8. We have also provided a map, based on zip codes, to show you where affluent and middle class families reside in your area.

## 12. High-Income Households

While we believe that everyone in the community should be a giver to a community fund, gifts from wealthier people often are the core support for building a lasting endowment. There are a growing number of high-income households (income of more than \$150,000 a year) even in many so-called poor communities. For this indicator, we used Census Bureau data to pinpoint two groups: moderately high-income households with annual incomes ranging from at least \$75,000 to \$150,000, and high-income households earning over \$150,000 annually.

# Part Two:

## Local Knowledge Questions

**A**s we have already noted, your community's score on the basis of the 12 indicators in the first section of the *Workbook* can provide only a partial assessment of your philanthropic potential. To help you delve deeper, we have created another set of inquiries — “Local Knowledge Questions” — the answers to which will give you an additional set of scores to create your final Philanthropy Index.

These 12 question sets (which build upon the 12 indicators that we provided you) are more subjective and open-ended. Therefore, as you work through them, keep in mind these additional considerations:

- Do some of the indicators seem to have more importance than others as you consider your community's potential to build a community fund?
- How do your personal assessments of the 12 indicators compare with the objective data we provided you?
- Which indicators will help you to make the strongest possible case to other people for building a community fund?
- What other information might help to predict philanthropic potential? For example, could you collect information on successful campaigns for your churches, hospitals or other nonprofit organizations?

Once you have determined your score on each set of questions, record the score on the Philanthropy Index score sheet on page 21.

### “Local Knowledge Questions” Primary Goals

1. **Adjust your score to include local knowledge that is not reflected in the “hard data.”**
2. **Bond the members of your group.**
3. **Make the strongest possible case for building a charitable community fund.**
4. **Begin setting goals for the size and scope of your new fund.**

**1. Grantmaking Foundations** **Baseline**

Even if nobody in your community has ever created a grantmaking foundation (which is true in most rural counties and parishes in the Southeast, there may well be other activity that demonstrates philanthropy in action.

<b>Possible Points</b>			<b>Your Score</b>
<b>Yes</b>	<b>No</b>		
<b>1</b>	<b>0</b>	1. Can you identify at least two organizations in your community (such as churches, schools, hospitals, civic groups or other nonprofits) that have established their own permanent endowments?	_____
		_____	_____
<b>1</b>	<b>0</b>	2. Have any members of your group made contributions to grantmaking foundations or served on their boards or committees?	_____
<b>1</b>	<b>0</b>	3. Does your group have access to a professional advisor (banker, financial planner, attorney) who understands how to establish permanent endowment funds?	_____
<b>1</b>	<b>0</b>	4. Is there a community foundation in your area that is willing to work with your group?	_____
<b>Total Possible Points: 4</b>			<b>Your Total Score</b> _____

## 2. Nonprofit Organizations

Baseline

The presence of strong nonprofit service organizations in a community can be a good indication that residents have a tradition of responding to the needs of their fellow citizens. Furthermore, it also is in the self-interest of the board members, other volunteers and financial supporters of nonprofits to encourage the building of philanthropic capital.

Possible Points			Your Score
Yes	No		
1	0	5. Can you identify at least five independent nonprofits (i.e., not chapters of national organizations) in your community in addition to those provided in your <i>Philanthropy Potential Data Report</i> ? (We have learned that published lists of nonprofits often represent only the tip of the iceberg. Guidestar <a href="http://www.guidestar.com">www.guidestar.com</a> may help you to expand your list.)	_____
		_____	_____
		_____	
1	0	6. Does your group include or can you identify at least four nonprofit leaders who are willing to work toward the building of a community endowment, even if their organizations do not immediately receive a direct benefit?	_____
		_____	_____
		_____	
1	0	7. Do nonprofit leaders generally play an important leadership role in the community? Do they serve on important boards and commissions? Are they included in the community development planning processes? Is their work covered in the local press?	_____
<b>Total Possible Points: 3</b>			<b>Your Total Score</b> _____

### 3. Charitable Giving

Baseline

One of the strongest indicators of your community's ability to raise a charitable endowment is the level of charitable giving to support the nonprofit organizations and programs that serve its citizens.

Possible Points			Your Score
Yes	No		
<b>1</b>	<b>0</b>	8. Does the level of charitable giving reported in the data strike you as under-estimating the ability of your community to make charitable contributions?	_____
<b>1</b>	<b>0</b>	9. Does your community regularly participate at some level in the fund-raising drives of national charities (e.g., American Cancer Society, American Red Cross)?	_____
<b>1</b>	<b>0</b>	10. Does your community annually participate in a community-wide appeal for funds to support local charitable agencies (e.g., United Way)?	_____
<b>1</b>	<b>0</b>	11. Do you think that your community might respond favorably to an appeal for endowment funds "to keep charitable dollars at home?"	_____
<b>1</b>	<b>0</b>	12. Based on your local experience, do you have confidence that you could set and accomplish a reasonable first-year fundraising goal (such as \$25,000 to \$50,000 or more)?	_____
<b>Total Possible Points: 5</b>			<b>Your Total Score</b> _____

**4. Social Capital** **Baseline**

A community’s social capital is a critical gauge of its belief in itself and its potential.

<b>Possible Points</b>			<b>Your Score</b>
<b>Yes</b>	<b>No</b>		
<b>1</b>	<b>0</b>	13. Does your community have ten clubs (e.g. veterans groups, sewing circles, book discussion groups) that meet regularly? (Include any service clubs you may have listed earlier.)  _____ _____ _____ _____	_____
<b>1</b>	<b>0</b>	14. Does your community have at least six organizations in which adults serve as volunteer leaders, coaches, tutors or mentors for young people?  _____ _____ _____	_____
<b>1</b>	<b>0</b>	15. Does your community sponsor at least six community-wide events (e.g., festivals, parades, concerts) during the course of the year that attract at least 100 people?  _____ _____ _____	_____
<b>1</b>	<b>0</b>	16. Does your community convene at least three inter-faith activities or events (e.g., prayer breakfasts, Easter sunrise services) annually?  _____ _____	_____
<b>1</b>	<b>0</b>	17. Can you identify several more ways in which the citizens of your community come together in ways that strengthen their sense of place and purpose?  _____ _____	_____

**Total Possible Points: 5** **Your Total Score** \_\_\_\_\_

## General Baseline Questions

On this page you have the opportunity to identify other factors that could improve your chances of building charitable assets for your community and thereby increase your Index score.

Possible Points		Your Score
Yes	No	
<b>3</b>	<b>0</b>	
18. Can you list three additional baseline resources (those that currently contribute to charitable activities) that exist in your community? Score one point for each listed up to three.		_____
<div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%; border-bottom: 1px solid black;"></div> <div style="width: 45%; border-bottom: 1px solid black;"></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%; border-bottom: 1px solid black;"></div> <div style="width: 45%; border-bottom: 1px solid black;"></div> </div>		
<b>3</b>	<b>0</b>	
19. Can you identify three individuals or families who would be willing, if asked right now, to pledge a minimum contribution of \$1,000 to your proposed new community fund? Score one point for each up to a total of three.		_____
<div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%; border-bottom: 1px solid black;"></div> <div style="width: 45%; border-bottom: 1px solid black;"></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%; border-bottom: 1px solid black;"></div> <div style="width: 45%; border-bottom: 1px solid black;"></div> </div>		
<b>2</b>	<b>0</b>	
20. Is your group ready right now to establish an initial two-year, first-phase fundraising goal of \$25,000 or more?		_____
<b>2</b>	<b>0</b>	
21. Is your group ready to establish an action plan right now? Give yourself two points if someone has volunteered to organize a community-wide fundraising event that will net more than \$5,000.		_____
<b>2</b>	<b>0</b>	
22. Two points are available here, if you are committed to completing the following organizational tasks in the next month or so:		_____
<ul style="list-style-type: none"> <li>___ Formally name the fund;</li> <li>___ Establish an initial fundraising goal;</li> <li>___ Elect an initial leadership group;</li> <li>___ Consult with a community foundation, foundation expert, or qualified lawyer about the process of establishing an organizational structure and legal status.</li> </ul>		

**Total Possible Points: 12**

**Your Total Score** \_\_\_\_\_



**6. Emerging & Dominant Economic Sectors** **Trend**

The presence of a strong economic sector often — but not always — is evidence that a community has strong civic and cultural leadership. Your group should look for connections between the community’s major businesses and the engagement of their leaders in programs and institutions that strengthen the quality of life. Strong linkages of this kind are among the best indicators that you can build a charitable community fund.

<b>Possible Points</b>			<b>Your Score</b>
<b>Yes</b>	<b>No</b>		
<b>2</b>	<b>0</b>	4. Can you identify at least six leaders from the dominant and/or emerging business sectors in your community who are not yet part of your leadership group?	_____
		_____	_____
		_____	_____
		_____	_____
<b>2</b>	<b>0</b>	5. Can you list at least six businesses whose leaders play prominent roles in your community’s civic, service and other nonprofit organizations?	_____
		_____	_____
		_____	_____
		_____	_____
<b>2</b>	<b>0</b>	6. Can you list at least four individuals from the business or agricultural sectors whom the community regularly recognizes for their community service?	_____
		_____	_____
		_____	_____
		_____	_____
<b>Total Possible Points: 6</b>			<b>Your Total Score</b> _____

## 7. Labor Force Stability

Trend

A stable or growing labor force generally means that blue-collar and middle-class households have financial stability. If that's what your community is experiencing, then businesses that depend on consumer spending probably are doing well too.

Possible Points			Your Score
Yes	No		
2	0	7. Have economic forces in your community made it possible for the labor force to remain stable or to grow?	_____
2	0	8. Whether your labor force has changed or remained stable, has the economic status of blue-collar and middle-class families improved?	_____
<b>Total Possible Points: 4</b>			<b>Your Total Score</b> _____

**8. Retirement and Investment Income** **Trend**

To assess possible growth in the numbers of retirees, as well as individuals and households with personal investments, take a look at services offered in your community that target groups, such as country clubs, health clubs, travel agencies, financial services firms, etc.

Possible Points			Your Score
Yes	No		
<b>2</b>	<b>0</b>	9. Can you identify sections of your community that are experiencing a significant influx of retired people? (Discuss the level of their affluence.)	_____
<b>2</b>	<b>0</b>	10. Can you identify at least three services in your community that are targeted to affluent retirees (e.g., golf tournaments, health clubs, travel opportunities)?  _____	_____
<b>2</b>	<b>0</b>	11. Can you identify at least two financial service firms (other than banks) in your community that offer brokerage services or investment planning advice?  _____	_____
<b>Total Possible Points: 6</b>			<b>Your Total Score</b> _____

## General Trend Questions

The four broad factors that we have identified may not be the most important trends for your community. Here's an opportunity to take note of others and to increase your Index score.

Possible Points			Your Score
Yes	No		
2	0	12. Can you identify at least two other trends that indicate your community has the potential to build a community fund?	_____
_____		_____	
<b>Total Possible Points: 2</b>			<b>Your Total Score</b> _____



**10. Farm Proprietors** **Target**

If your area historically has had a strong agricultural base, chances are that some farm proprietors may have accumulated significant assets.

Possible Points		Your Score
-----------------	--	------------

Yes	No		Your Score
<b>2</b>	<b>0</b>	5. Can you identify at least ten significant farm operations (not necessarily measured by current income) whose owners are actively involved in community affairs?  _____ _____ _____ _____	_____
<b>2</b>	<b>0</b>	6. Can you identify at least ten significant farm operations whose owners (including absentee owners and heirs) are not actively involved in the community?  _____ _____ _____ _____	_____
<b>2</b>	<b>0</b>	7. Can you also identify at least eight moderate-sized farm operations whose owners are actively involved in the community?  _____ _____ _____	_____
<b>2</b>	<b>0</b>	8. Can you identify at least two farm organizations (such as a Farm Bureau) of even modest size or two major events (e.g., county fairs) that involve many of your area's farmers?  _____	_____

<b>Total Possible Points: 8</b>	<b>Your Total Score</b> _____
---------------------------------	-------------------------------

**11. Affluent and Middle-Class Families** **Target**

The threshold for affluence on this data indicator is \$50,000 in annual income. The presence of a significant number of middle-class families can be a sign of both community stability and a pool of modest-sized donors who may want to contribute to the building of a community fund.

<b>Possible Points</b>			<b>Your Score</b>
<b>Yes</b>	<b>No</b>		
<b>2</b>	<b>0</b>	9. Is the number of middle-class families in your community greater than you would have guessed?	_____
<b>2</b>	<b>0</b>	10. Can you identify at least four specific middle-class neighborhoods in your community?	_____
<b>2</b>	<b>0</b>	11. Do you believe that these middle-class families are more involved in your community's civic affairs than their counterparts in nearby communities of similar size?	_____
<b>2</b>	<b>0</b>	12. Is there a strong ethic of sharing among your community's middle-class families? Put another way, can they be counted upon to support worthwhile causes and programs?	_____
<b>Total Possible Points: 8</b>			<b>Your Total Score</b> _____

**12. High-Income Households** **Target**

High-income households are measured on the basis of only one year’s income, and the year for which we have supplied information (2000) came at the end of an extraordinarily positive business cycle. Nonetheless, although the figures may no longer completely reflect current conditions, the presence of high-income households in your community is a very important indicator that you have a potential source of major support for building charitable capital.

<b>Possible Points</b>			<b>Your Score</b>
<b>Yes</b>	<b>No</b>		
<b>3</b>	<b>0</b>	13. Is the number of high-income households in your area greater than you would have guessed?	_____
<b>3</b>	<b>0</b>	14. Can you identify people from at least 12 different high-income households who actively participate in community affairs?	_____
		_____	_____
		_____	_____
		_____	_____
<b>2</b>	<b>0</b>	15. Can you identify at least six high-income household whose members are not currently active in community affairs?	_____
		_____	_____
		_____	_____
<b>3</b>	<b>0</b>	16. Can you identify at least six organizations whose success with fund-raising campaigns or other initiatives has depended upon the support of high-income households in your community?	_____
		_____	_____
		_____	_____
<b>3</b>	<b>0</b>	17. Generally speaking, is there a strong tradition of giving by high-income households in your community?	_____
<b>2</b>	<b>0</b>	18. Can you identify at least four neighborhoods within the local census areas (on the map provided in your <i>Data Report</i> ) that include high-income households?	_____
<b>Total Possible Points: 16</b>			<b>Your Total Score</b> _____

## General Target Questions

Identifying and soliciting the involvement of individuals for any worthy cause is always more of an art than a science. Keep in mind that perhaps the most frequent reason that people contribute to an appeal for support is that someone they know and trust asks for their help. Often these donors are people who have strong ties to a rural community but have moved away or have historic family or commercial connections. Many times, these people have prospered and are willing to contribute. Use this opportunity to think about those likely contributors in your community not covered in previous questions and those potential givers living elsewhere.

Possible Points			Your Score
Yes	No		
2	0	19. Can you list at least three additional donor prospects (individuals or institutions) who might contribute assets to a community fund?	_____
		_____	_____
		_____	
2	0	20. Can you identify at least five individuals, families or companies that reside outside your area but who have strong ties to your community and are likely to contribute to the new fund?	_____
		_____	_____
		_____	
		_____	

**Total Possible Points: 4** **Your Total Score** \_\_\_\_\_

# Scoring Your Philanthropy Index

**I**t's time to calculate your community's philanthropic potential. Transfer your totals from all three sets of indicators to this sheet.

**Name of Group:** \_\_\_\_\_

**Counties or Parishes Included:**

## Baseline Indicators

	<b>Data Score</b>	<b>Local Knowledge Questions Score</b>	<b>Our Total Score</b>
1. Charitable Foundations	_____	_____	_____
2. Nonprofit Organizations	_____	_____	_____
3. Charitable Giving	_____	_____	_____
4. Social Capital	_____	_____	_____
		<b>Subtotal:</b>	_____

## Trend Indicators

	<b>Data Score</b>	<b>Local Knowledge Questions Score</b>	<b>Our Total Score</b>
5. Population Change	_____	_____	_____
6. Emerging and Dominant Economic Sectors	_____	_____	_____
7. Labor Force Stability	_____	_____	_____
8. Retirement and Investment Income	_____	_____	_____
		<b>Subtotal:</b>	_____

## Target Indicators

	<b>Data Score</b>	<b>Local Knowledge Questions Score</b>	<b>Our Total Score</b>
9. Business Proprietors	_____	_____	_____
10. Farm Proprietors	_____	_____	_____
11. Affluent & Middle-Class Families	_____	_____	_____
12. High Income Households	_____	_____	_____
		<b>Subtotal:</b>	_____

**Our Philanthropy Index Score:** \_\_\_\_\_

# Evaluating Your Score

**A**lthough your answers to the “Local Knowledge Questions” are subjective, the way you score them will tell you a lot about your group’s commitment and contacts as you think about building a community fund. Our experiences suggest that leadership can move forward even when statistics alone indicate a lower-than-average potential. Here are some thoughts about how to evaluate your final combined Philanthropy Index score as tabulated on page 21.

- Above 160** Your community’s potential for building a community fund is excellent. Go for it!
- 140-160** All the evidence suggests that your chances of success are very good.
- 120-139** With careful planning and hard work you should be able to build at least a small community fund.
- 100-119** You’re still on the upper half of the scale, but you could improve your chances by seeking the assistance of an outside advisor like a community foundation.
- 80-99** Your ability to build a community fund is questionable, but perhaps you could improve your chances by joining forces with a neighboring community. Another possibility might be to “practice” your asset-building skills with a more limited fund raising effort for a particular community project.
- 60-79** Unless your score on the “Local Knowledge Questions” is double that of your Data Score, you should consider alternatives like combining your efforts with those of a nearby community (See recommendation for 80-99 score above).
- Under 60** Your chances of success at this time probably are not very good — however, the decision and the drive to proceed are ultimately yours. If you do continue, please share your experience with us.

## Comparing Your Data Score to the Rest of the South

Here are two summaries to give you a reference for your score as compared to other counties and parishes across the Rural South. Both tables show only the data scores we originally provided, not your combined score that includes local knowledge. The data is shown in percentiles ranging from zero (lowest) to 100 (highest). Look at your community's data scores to see how you compare.

### Total Data Scores

Rank/Range	Data Score	Number Counties/Parishes
100th	77.844	Iredell County, NC
80 – 99	53.917 – 76.775	146
60 – 79	46.284 – 53.912	146
40 – 59	39.472 – 46.272	147
20 – 39	32.397 – 39.429	146
0 - 19	14.844 – 32.302	146
0	13.366	Lafayette County, AR

### State Data Scores

Rank/Range	AL	AR	FL	GA	KY	LA	MS	NC	SC	TN	VA	WV
Number of all Counties	67	75	67	159	120	64	82	100	46	95	98	55
Number of Metro Areas*	12	7	20	8	7	8	4	12	8	7	8	7
Number of Rural & Small Town** Counties and Parishes	43	63	33	117	97	40	73	65	30	68	59	43
Within 80 – 100	5	16	8	27	17	4	13	18	5	21	7	6
Within 60 – 80	9	7	5	21	30	8	17	15	8	12	8	6
Within 40 – 60	9	14	10	25	18	4	12	9	5	20	17	4
Within 20 – 40	11	14	6	21	10	13	17	12	4	4	14	16
Within 0 - 20	11	12	4	23	22	11	14	11	8	7	13	11

\*Metro areas can contain multiple counties and parishes. Only one Metro area in the South does not have philanthropic assets.

\*\*Of the 733 Rural and Small Town counties and parishes, 370 did not have philanthropic assets as of 2000.

# Building Upon What You Have Learned About Your Community

**W**e hope that this *Workbook* has helped you discover that you have more assets available for strengthening your community than you initially thought existed. We further hope that by following the steps we have outlined, you have discovered an expanded pool of leadership and made some new friends. Above all, we hope that what you have learned has motivated you and your colleagues to develop an even more positive sense of what it is possible to achieve.

For more information or questions about the *Philanthropy Index Guidebook* and *Workbook*, or to order additional copies, please contact:

**The Philanthropy Index Clearinghouse**  
**20 Battery Park Avenue, Suite 211**  
**Asheville, NC 28801**  
**(828) 285-9230**  
**[amcgregor@srdi.org](mailto:amcgregor@srdi.org)**  
**[www.philanthropyindex.org](http://www.philanthropyindex.org)**

The *Guidebook* and *Workbook* are not intended to serve as a fund-raising manual. If you decide to proceed with the work of building charitable resources that can serve your entire community, many excellent resources already exist that can help you develop strategies for success. For example, if your state has a nonprofit resource center (see listing on page 26), we would urge you to establish contact with it.

The Southern Rural Development Initiative also stands ready to be of help to you with community organization and the Southeastern Council of Foundations can be of assistance if you are interested in creating a community foundation. The Mid South Collaborative for Philanthropy is available to assist communities in Arkansas, Louisiana and Mississippi. You may contact these organizations at the addresses and numbers listed here:

**Mid South Collaborative to Promote Philanthropy**  
 c/o Foundation for the Mid South  
 308 East Pearl Street  
 Jackson, MS 39201  
 (601) 355-8167  
[www.fndmidsouth.org](http://www.fndmidsouth.org)

**Southern Rural Development Initiative**  
 Philanthropy Program  
 20 Battery Park Avenue, Suite 211  
 Asheville, NC 28801  
 (828) 285-9230  
[www.srdi.org](http://www.srdi.org)

**Southeastern Council of Foundations**  
 50 Hurt Plaza, Suite 350  
 Atlanta, GA 30303  
 (404) 524-0911  
[www.secf.org](http://www.secf.org)

We wish you every possible success in the important work of community building that you are undertaking.

Finally, because the Philanthropy Index is a work-in-progress (and unlike anything that has ever been attempted before), we welcome your suggestions for ways in which we can improve it and make it even more useful to more communities.

# Appendices

## Resources

### The Foundation Center

<http://www.fdncenter.org>

The Foundation Center is the major information source about foundations. They publish annual guides to foundations and have a number of resources available on the Internet. They also have collections at libraries across the South.

### Council on Foundations

<http://www.cof.org>

The Council on Foundations is a nonprofit membership association of grantmaking foundations and corporations. COF is a major source for educational materials about philanthropy. Each year, it sponsors a number of conferences on philanthropy. The Council also hosts the Community Foundation Locator (<http://www.communityfoundationlocator.org>) that links to community foundations throughout the country.

### Changemakers

<http://www.changemakersfund.org>

This is a national foundation that seeks to increase the resources available to nonprofits working for social and economic justice, environmental sustainability and equality for all by encouraging community-based philanthropy.

### GuideStar, National Database of Nonprofit Organizations

<http://www.guidestar.org>

This free service offers information on the programs and finances of more than 600,000 American charities and nonprofit organizations, as well as news stories and a donor forum.

### Independent Sector

<http://www.independentsector.org>

Independent Sector is a national leadership forum, working to encourage philanthropy, volunteering, not-for-profit initiative and citizen action that help better serve people and communities.

### National Rural Funders Collaborative

<http://www.nrfc.org>

National foundations pool funds at NRFC to make major grants to rural collaborations that are building philanthropic and other assets for development.

### Newtithing Group

<http://www.newtithing.org>

A philanthropic research organization committed to increasing charitable giving, Newtithing has an online tool to help donors decide how much they can afford to give.

### New Ventures in Philanthropy

<http://www.givingforum.org/about/ventures.html>

This is a program of the Forum of Regional Associations of Grantmakers to fund and support creative efforts to build new permanent philanthropic assets.

### Rural Development Philanthropy Learning Network

Aspen Institute, Community Strategies Group

<http://www.aspeninc.org/rdp>

The Rural Development Philanthropy (RDP) Learning Network is a group of community foundations and philanthropic organizations engaged in developing locally-controlled endowments, programs and grantmaking efforts to improve rural economies. Managed by the Aspen Institute's Community Strategies Group with support from Network members and national foundations, the Network assists foundations and foundation clusters, and disseminates RDP tools, stories and strategic lessons.

## Publications

### Foundation News and Commentary

<http://www.foundationnews.org>

The online and print journal of the Council on Foundations.

### Grassroots Fundraising Journal

<http://www.chardonpress.com>

A practical journal for grassroots organizations raising money from individuals through mail appeals, events, major gifts campaigns, etc.

### Philanthropy Journal Online

<http://www.philanthropyjournal.org>

One of the leading online newsletters about philanthropy.

### The Chronicle of Philanthropy

<http://www.philanthropy.com>

A bi-weekly newspaper, and one of the most prominent philanthropic news publications.

*Southeastern Toolkit for Giving: Creating a Community for Philanthropy* is a hands-on resource prepared by the Southeastern Council of Foundations to help professional advisors, potential donors and foundation staff explore charitable giving options. The Toolkit includes: 10 questions every donor should ask; ideas on what, where and how much to give; profiles of donors; and additional resources about giving options. Order from the SECF website: [www.secf.org/publications.asp](http://www.secf.org/publications.asp).

## State Nonprofit Centers and Philanthropy Development Organizations

### State Nonprofit Centers

#### Alabama

The Nonprofit Resource Center of Alabama  
3324 Independence Dr., Suite 100  
Birmingham, AL 35209  
(205) 879-4712  
[www.nonprofit-al.org](http://www.nonprofit-al.org)

#### Arkansas

Nonprofit Resources  
500 Broadway, Suite 403  
Little Rock, AR 72201-3342  
(501) 374-8515  
[www.nonprofitarkansas.org](http://www.nonprofitarkansas.org)

#### Florida

Florida Association of Nonprofit Organizations  
7480 Fairway Drive, #206  
Miami Lakes, FL 33014  
(305) 557-1764  
[www.fano.org](http://www.fano.org)

#### Georgia

Georgia Center for Nonprofits  
The Hurt Building, 50 Hurt Plaza, Suite 220  
Atlanta, GA 30303  
(404) 688-4845  
[www.nonprofitgeorgia.org](http://www.nonprofitgeorgia.org)

#### Louisiana

Louisiana Association of Nonprofit Organizations  
700 N. 10th Street, Suite 250  
Baton Rouge, LA 70821  
(225) 343-5266  
[www.lano.org](http://www.lano.org)

#### Mississippi

Mississippi Center for Nonprofits  
612 North State Street, Suite B  
Jackson, MS 39202  
(601) 968-0061  
[www.msnonprofits.org](http://www.msnonprofits.org)

#### North Carolina

North Carolina Center for Nonprofits  
1110 Navaho Drive, Suite 200  
Raleigh, NC 27609-7322  
(919) 790-1555  
[www.ncnonprofits.org](http://www.ncnonprofits.org)

#### South Carolina

South Carolina Association of Nonprofit Organizations  
P.O. Box 11252  
Columbia, SC 29211  
(803) 929-0399  
[www.scanpo.org](http://www.scanpo.org)

#### Tennessee

Tennessee Nonprofit Association  
2012 21st Avenue South  
Nashville, TN 37212  
(615) 385-2221

### State Philanthropy Development Organizations

#### Arkansas, Louisiana, and Mississippi

Mid South Collaborative to Promote Philanthropy  
c/o Foundation for the Mid South  
308 East Pearl Street  
Jackson, MS 39201  
(601) 355-8167  
[www.fndmidsouth.org](http://www.fndmidsouth.org)

#### Alabama

The Alabama Giving Project  
P.O. Box 530727  
Birmingham, AL 35253-0727  
(205) 313-4827  
[www.alabamagiving.org](http://www.alabamagiving.org)

#### Georgia

Georgia Rural Philanthropy Initiative  
Georgia Center for Nonprofits  
The Hurt Building, 50 Hurt Plaza, Suite 220  
Atlanta, GA 30303  
(404) 688-4845  
[www.gcn.org/grpi.html](http://www.gcn.org/grpi.html)

#### Louisiana

Louisiana Giving  
c/o LANO  
700 N. 10th Street, Suite 250  
Baton Rouge, LA 70821  
(225) 343-5266  
[www.louisianagiving.org](http://www.louisianagiving.org)

#### North Carolina

Community Foundation Alliance for North Carolina  
North Carolina Network of Grantmakers  
Heidi Gilmore, Project Manager  
c/o North Carolina Community Foundation  
200 S. Salisbury St.  
Raleigh, NC 27601  
(919) 319-8986  
[heidilgilmore@aol.com](mailto:heidilgilmore@aol.com)  
[www.communityfoundationsnc.org](http://www.communityfoundationsnc.org)

#### South Carolina

South Carolina Gives!  
Marika Michaels, Project Coordinator  
c/o Central Carolina Community Foundation  
1400 Pickens Street, Suite 300  
Columbia, SC 29201  
(803) 254-5601  
[michaels@huxleygroup.com](mailto:michaels@huxleygroup.com)

#### West Virginia

West Virginia Community Foundations Consortium  
Post Office Box 314  
Harpers Ferry, WV 25425  
(866) 567-3457  
[www.givetowestvirginia.org](http://www.givetowestvirginia.org)

## Publicizing Your Work

Getting your story into the papers or other news media is an important way to help create community buy-in for your philanthropy-building efforts. Here are a few helpful hints to get you started.

- **Get to know the editors or reporters** who cover the kinds of activities you are undertaking. Depending on the size of the paper or radio/television station, your story may be of interest to the managing editor, a business reporter or editor or a reporter assigned to your geographic area. Once you find out who is most likely to cover your story, try to contact them personally and arrange a meeting to explain what you are trying to accomplish. Bring background material to leave behind.
- If you can't get a meeting in person, **develop your own press kit** to send to reporters or editors. In it, include a brief letter explaining what you are trying to do and why; background information about philanthropy in your area as compared to the rest of your state or the country; a list of reasons why philanthropy is important to your community; a timeline of the steps you plan to take in your work; a list of community people involved in the project; some printable quotes from team members about why this work is important; and contact information for your team's chosen spokesperson. Deliver this press kit to the appropriate editor or reporter, and follow up with a phone call to answer questions (see model press release at [www.philanthropyindex.org](http://www.philanthropyindex.org)).

- **Create regular press releases** to update editors/reporters on your progress. Press release topics might include:
  - Initial information about the start of your project, including what you hope to accomplish and why.
  - Addition of new team members (with quotes about why they joined your efforts).
  - Any findings that emerge during your research that would be of interest (or even surprising) to the community.
  - Milestones throughout your information-gathering process.
- Another way to inform the community of your efforts is to **offer yourself and/or other team members as speakers** for local groups. Try to make presentations to as many organizations as you can. Look for opportunities to speak to:
  - Social and civic clubs
  - Sororities, veterans' groups, sewing circles, book clubs
  - Religious groups
  - Farmers and farmers' organizations
  - Organizations for retirees

These groups are often interested in the "snapshots" of community that your data can provide, as well as the potential for giving that you will measure.

## Data Sources

### Baseline Data

#### 1. Grantmaking Foundations

Most of this information comes from The Foundation Center in New York ([www.fdncenter.org](http://www.fdncenter.org)). Other sources include the Council on Foundations ([www.cof.org](http://www.cof.org)); the Southeastern Council of Foundations ([www.secf.org](http://www.secf.org)); Grantmakers In Health ([www.gih.org](http://www.gih.org)); Philanthropic Research, Inc. ([www.guidestar.org](http://www.guidestar.org)); the Internal Revenue Service ([www.irs.gov](http://www.irs.gov)); and The Columbus (OH) Foundation's annual survey of community foundations ([www.columbusfoundation.org](http://www.columbusfoundation.org)).

#### 2. Nonprofit Organizations

The National Center for Charitable Statistics (a division of the Urban Institute) obtains its source data directly from the Internal Revenue Service, with which every nonprofit with annual expenditures of at least \$25,000 must file an annual return. Our figures, published in 2000, are from 1998 tax returns. ([www.ncs.urban.org](http://www.ncs.urban.org))

#### 3. Charitable Giving

The National Center for Charitable Statistics (see above). The data come from 1997 individual income tax returns.

#### 4. Social Capital

For this category we drew upon the Home Town Index — the work of researchers who in 1999 identified, compiled and published information about a series of factors from public sources like the Census Bureau and the Bureau of Economic Analysis and private sources like the Encyclopedia of Associations and the Census of Churches. We recomputed the nine factors into a single score that includes only information from rural counties and parishes in the South. The entire Home Town Index can be found at [www.epodunk.com](http://www.epodunk.com).

### Trend Data

#### 5. Population Change

The Census Bureau's 100 percent population counts in 1990 and 2000 ([www.census.gov](http://www.census.gov)).

#### 6. Emerging & Dominant Economic Sectors

Regional Economic Information System of the Bureau of Economic Analysis for 1990 and 2000 ([www.census.gov](http://www.census.gov)).

#### 7. Labor Force Stability

Local Area Unemployment statistics for 1990 and 2000 from the U.S. Department of Labor ([www.bls.gov](http://www.bls.gov) and [www.easidemographics.com](http://www.easidemographics.com)).

#### 8. Retirement and Investment Income

Regional Economic Information System of the Bureau of Economic Analysis for 1990 and 2000 ([www.census.gov](http://www.census.gov)).

### Target Data

#### 9. Business Proprietors

Regional Economic Information System of the Bureau of Economic Analysis for 1990 and 2000 ([www.census.gov](http://www.census.gov)).

#### 10. Farm Proprietors

Regional Economic Information System of the Bureau of Economic Analysis for 1990 and 2000 ([www.census.gov](http://www.census.gov)).

#### 11. Affluent and Middle-Class Families

Statistics of Income Division, Internal Revenue Service, for 1999 ([www.irs.gov/tax\\_stats](http://www.irs.gov/tax_stats)).

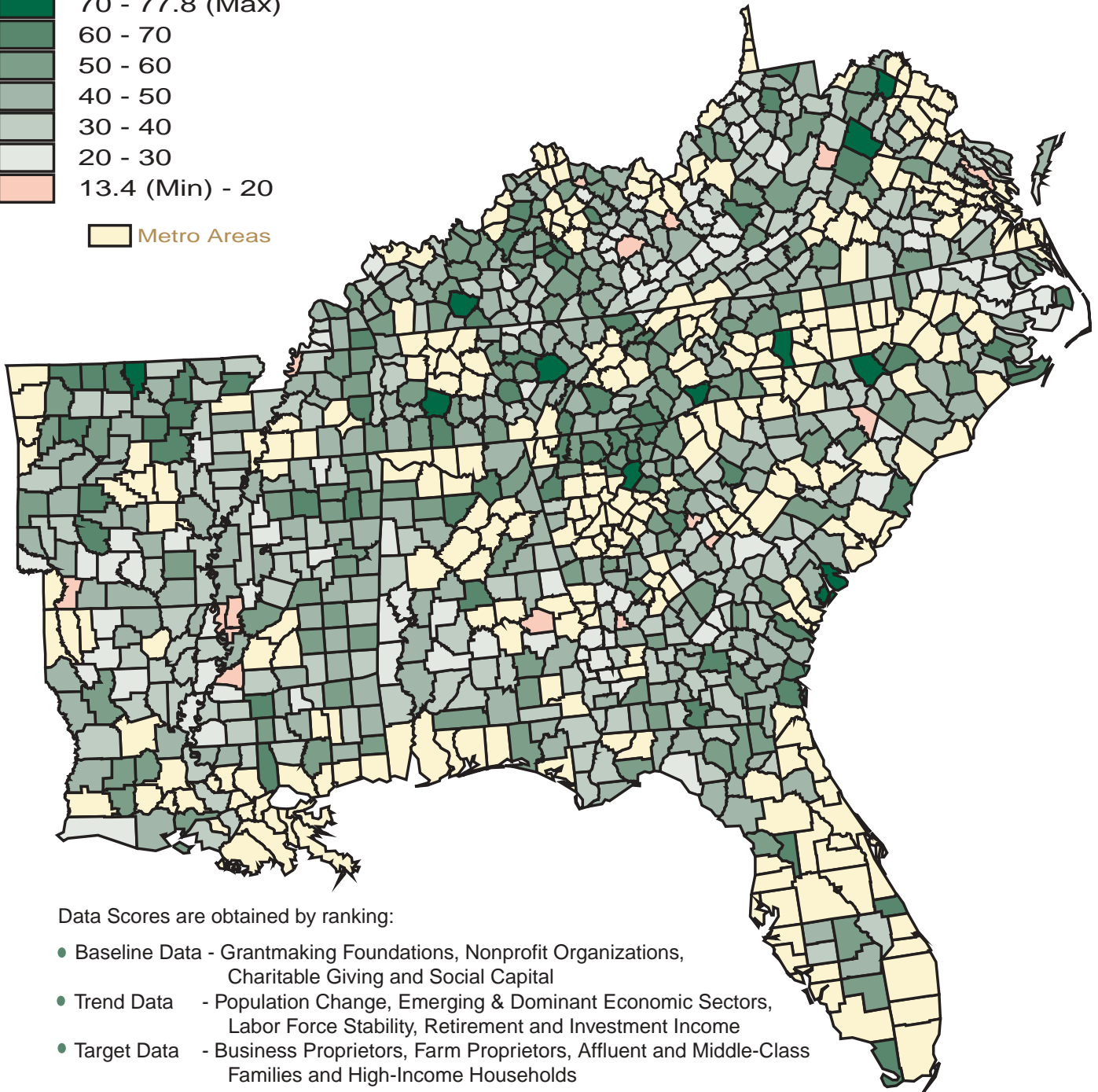
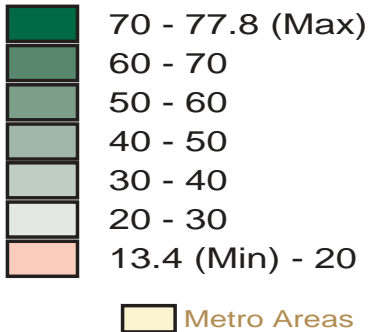
#### 12. High Income Households

Data from the 2000 Census and household income estimates from the EasiAnalytics research company for 2001 ([www.easidemographics.com](http://www.easidemographics.com)).

# The Philanthropy Index for Small Town & Rural Areas of the South

## Measuring the Potential for Philanthropy

Rural & Small Town  
Counties & Parishes



## Southern Philanthropy Consortium

20 Battery Park Avenue, Suite 211

Asheville, NC 28801

(828) 285-9230

[www.philanthropyindex.org](http://www.philanthropyindex.org)