

The Role of Community Foundations in Central Appalachia

Appalachia's community foundations are community partners who make strategic investments to strengthen community capacity, develop effective local leadership, broker partnerships, and advance just systems and policies that improve livelihoods and build community wealth. Deep knowledge of the local context allows community foundations to accurately understand challenges, give voice to the realities on the ground, and engage local people in improving *their own* communities, laying the foundation for lasting and transformative change in Central Appalachia. These foundations, rooted in place, naturally hold a longer-term perspective on and commitment to their regions. Ultimately, we believe that a strong infrastructure of community foundations that build local capacity and generate and invest locally controlled assets is essential to Appalachian transition.

For decades, Appalachia has struggled to overcome some of the highest rates of poverty, unemployment/underemployment, and chronic health problems in the nation, despite its abundant natural resources, strong cultural heritage, and entrepreneurial spirit. Community Foundations address these systemic challenges in partnership with local people by helping to align community assets with local wealth building opportunities. In addition to making strategic investments, they advocate for the needs of the community and continuously lift up local knowledge, resources, and assets. This approach fosters community capacity as the cornerstone of a transition that promotes widely shared prosperity.

Most importantly, community foundations operate on the frontlines of Appalachia's economic transition. The ongoing decline of coal and other extractive industries as a key economic engine offers an unprecedented opportunity to invest in the development of local economies that are based on promising sectors such as renewable energy, local food systems, and health, among others. As leaders and anchors in this transition movement, community foundations ensure that these emerging opportunities are homegrown, as they work to elevate local ingenuity and help realize the promise of place-based solutions.

Despite these strengths, community foundations face tremendous challenges, including:

- **A gap in community foundation infrastructure across Central Appalachia.** The community foundation landscape across Central Appalachia is diverse. Some areas are served by established, multi-county foundations; others by young, single county foundations. Still other areas are not served by a community foundation at all. This gap in services leaves wide disparities in resources between local communities. It will take more resources for existing and new community foundations to reach these underserved areas. With increased investment and alignment across community foundations, local communities will be empowered to participate in the decision-making processes that impact their livelihoods, and build their capacity to seize meaningful economic opportunities.
- **The limited capacities of communities to plan, implement, and sustain local economic development efforts.** While many strategies in the region are focusing on the promise of new economic sectors, there is limited attention to the development of local people to build the skills and knowledge necessary to contribute to and participate in these sectors. Support for community capacity building strategies as they relate to new sectors and new leaders are essential for sustaining the economic transition over the long term.
- **The decline in national funder support for rural philanthropy.** Data shows that 85 percent of the 353 persistently poor counties in the US are rural. Despite this data, major foundations have shifted their focus from rural regions to urban and international projects; and few remain focused on building capacity, leadership, and resources to benefit rural America. The decline of

philanthropic assets devoted to rural development negatively impacts local grantmakers' ability to capitalize on the moment of opportunity for transition in Central Appalachia. The result is an urgent need to expand the scope of charitable giving and investment in the region, with specific attention to building and sustaining the capacity of community foundations so they can become long-term, place-based partners with national funders.

Why Invest in Community Foundations in Central Appalachia?

Appalachia's community foundations are uniquely positioned to catalyze Appalachia's economic transition by creating the conditions for communities to participate in and contribute to the economic transition. Specifically, we believe:

- **Appalachia's community foundations provide vital leadership to the movement for the region's economic transition.** As members of the [Appalachia Funders Network](#), they partner with a group of over 80 national foundations, bankers, and federal agencies to accelerate the development of more diverse and resilient local economies in the region. Their participation in the Network helps shape a robust regional and sub-regional analysis of the key economic development opportunities, challenges, and priorities in rural communities. Through this network approach, they have aligned diverse efforts that were otherwise disconnected; shared strategies to use resources more effectively; and supported place-based approaches that empower rural people and places. They also formed the [Strengthening Community Capacity Working Group](#) to position themselves as strategic partners in informing local economic development strategies, fostering community engagement, strengthening community capacity, and growing local and regional endowments to advance the region's economic transition.
- **Appalachia's community foundations are an underutilized resource for local and regional economic development.** Leaders of community foundations are aligning their efforts to create a more coordinated body of economic development work in the region. This alignment helps to advance their core mission to improve the quality of life of their communities. They agreed to use a common philanthropic framework to form cross-sector partnerships, implement shared strategies, and advance promising economic sectors that create a thriving Appalachian economy. [Click here](#) to download this framework. As an organized body of place-based grantmakers, they are a strong resource to engage communities, help create and expand local businesses, support entrepreneurs, and influence investment partnerships that diversify the region's economy.

In addition, many are going beyond merely grantmaking, to deploy their full range of resources to build wealth that is locally owned and controlled by their communities. For example, the Greater Kanawha Valley Foundation of Charleston, West Virginia adopted a new grantmaking strategy designed to foster collaboration and grow multiple forms of wealth in their region. A project reflective of this new strategy aims to create a value chain that connects growers of local produce to a large hospital. [Click here](#) to watch a video about this project. This is just one example of how local philanthropic leaders are working in new and exciting ways to share all their resources – financial, human, social, and intellectual – to better the long-term economic welfare of their community by building community wealth.

Appalachia Funders
NETWORK
learning · analysis · collaboration

- **Appalachia's community foundations work on the ground to ensure a locally rooted and lasting economic transition.** Investing in a strong network of Appalachian community foundations is a critical means to connect large pools of resources to local initiatives, and use those resources to leverage local philanthropic dollars and investments. An investment in a community foundation is an investment in local philanthropic leaders who are creative and determined to advance a better economic future for the communities they serve. These leaders have strong roots in their communities and intimately understand their strengths, needs, and assets. As such, they play the following catalytic roles in their community's development:
 - ✓ Provide deep knowledge of a community's assets, including cultural history, natural assets, social networks, political relationships, and anchor institutions.
 - ✓ Help to strengthen the skills, knowledge, and capacity of local communities.
 - ✓ Mobilize the resources of the community to meet identified priorities.
 - ✓ Tailor models and strategies to the local context.
 - ✓ Foster deep relationships and trust within communities.
 - ✓ Partner with historically marginalized and excluded groups in the community.
 - ✓ Convene cross-sector organizations within communities such as government, businesses, youth, and nonprofit organizations.

The ultimate goal of Appalachia's community foundations is to build just, sustainable, and resilient economies and permanent assets that benefit the region's communities over the long term. Increased financial support will allow them to act boldly, using investments and influence to test new models, convene diverse groups of people, influence policy change, foster cross-sector partnerships, and develop long-term strategies. Community Foundations are positioned and prepared to help address the region's most critical challenges and seize the most promising opportunities.

About The Appalachia Funders Network

The Appalachia Funders Network is a group of over 80 national, regional, and local grantmakers who work together to accelerate the development of more diverse and resilient local economies that sustain our unique assets and provide widely shared prosperity for all. Our work is focused in Central Appalachia, the region we define as the Appalachian counties of Ohio, Kentucky, Tennessee, Virginia, West Virginia, and North Carolina.

Strengthening Community Capacity Working Group Leadership

Co-Chairs: Gerry Roll, Foundation for Appalachian Kentucky and Margo Miller, Appalachian Community Fund
Becky Ceperley, Sheri Ryder, Nelle Chilton, Stephanie Hyre, Greater Kanawha Valley Foundation
Catlin Fullwood, Appalachian Community Fund
Ethan Hamblin, Robin Gabbard, Foundation for Appalachian Kentucky
Holly Shelton, Foundation for Appalachian Ohio
Jane Higgins, Blue Grass Community Foundation
Judy Sjostedt, Parkersburg Area Community Foundation
Kathryn Davis, Mary Witten Wiseman, Foundation for the Tri-State Community
Kathleen Marks, The Conservation Fund
Paul Daugherty, Philanthropy WV
Susie Nelson, Community Foundation for the Ohio Valley