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RURAL EDUCATION PHILANTHROPY:
A CASE STUDY OF NEED AND OPPORTUNITY

A Dissertation Presented

by

Carolyn Dwyer

to

The Faculty of the Graduate College

of

The University of Vermont

In Partial Fulfillment of the Requirements
for the Degree of Doctor of Education
Specializing in Educational Leadership and Policy Studies

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ABSTRACT

The role of philanthropy in K-12 public education has historically ebbed and flowed in relation to public expenditures. Early K-12 education philanthropy peaked during and after the Civil War when philanthropists supported education for emancipated slaves through initiatives like Freeman's Bureau, Slater Fund and Rosenwald Schools until state and federal governments assumed responsibility (Bremner, 1988; Finkenbine, 2003; Fleishman, 2009; Mays, 2006; Stephenson, 2012). With sufficient public support, K-12 education philanthropy did not see its next major wave of investments until the 1990s, with significant increases occurring after 2000. From 2000-2010 the number of education related grants from major national philanthropists increased from 1,200 to 2,600, and the amount of total funding, \$486 million to \$843 million (Reckhow & Snyder, 2014, p.3). The latest wave of education philanthropy occurs at the intersection of two key events: Funding challenges for public education and increasing philanthropic resources particularly among a new generation of philanthropists. While significant philanthropic resources have poured into K-12 public education, they are more likely to support changes in education policy than to provide direct support to the schools (Ferris, Hentschke, & Harmssen, 2008; Greene, 2015). In addition, rural communities receive very little support from national education philanthropy.

Vermont is a rural state with a relatively successful K-12 public school system that faces significant funding challenges (Pache, 2017; Valley News, 2015). The questions at the core of this research are what role does philanthropy play in Vermont K-12 public education and what role might it play? To answer these questions, the literature provides a foundation by exploring the history of philanthropy in general, and specifically education philanthropy. Further literature review examines the current trends of using philanthropy to shape national education policy and fund programs that compete with public education. A gap in the research on rural philanthropy and rural K-12 education philanthropy provides the impetus for the focus on the rural schools in Vermont.

The study focuses on two geographically defined regions in Vermont that utilize two different models of place-based philanthropy to support their public schools. The two case studies include interviews with 24 participants with backgrounds in and knowledge about education and philanthropy. In addition, document review was used to support and triangulate the findings. The findings, presented for each case and in a cross-case analysis, reveal the effective and unique ways these two rural areas use philanthropy to support its K-12 public schools. One model was regional with a focus on broad program support through use of local nonprofits, while the second model was town specific and provided direct support to the local schools. Both cases demonstrate the challenges and opportunities associated with place-based philanthropy. The conclusion offers further information on how schools and communities might develop their own place-based philanthropy.

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“Giving in K-12 schooling is like the ‘dark matter’ that physicists study: We think it’s there, it seems to matter, and we see traces of its influence, but we’re not sure how much there is, where it is, what it does, or how it works.”

Frederick Hess, 2005

CHAPTER 1: INTRODUCTION

Twenty-four hours after national media reported, the Gates Foundation announces new \$1.7B for K-12 (Vara-Orta, 2017), local media in Vermont reported, the Districts must cut teaching, support staff (Danitz-Pache, 2017). The current wave of education reform exists amidst a confluence of economic events. Policymakers and practitioners find increasing limits on public funding from local, state and federal sources while still facing unmet student needs and public demands for improved outcomes. At the same time, philanthropic resources have soared and are increasing their impact on K-12 education. As schools and communities struggle to support their student needs, it raises the question of what role philanthropy can play in filling the gaps.

Understanding how a small, rural state like Vermont might engage philanthropies for supporting its schools requires establishing a multidisciplinary context. Examining historical, economic, theoretical and geographical research establishes a foundation for understanding: a) how philanthropy has evolved over time; b) current economic conditions that impact policy and philanthropy; c) theoretical assumptions about giving; and d) the unique positioning of rural communities in both education and philanthropy. With this foundation, a research context is established for exploring what role philanthropy plays in Vermont K-12 public schools and what role it might play.

Vermont Study Context

In order to utilize Vermont in a case study, it is essential to understand the conditions impacting the research. These conditions include Vermont’s current

educational environment, rural composition, student achievement trends, funding challenges and availability of federal and state funding. This is followed by a description of the current economic environment, particularly how income and wealth disparity are shaping the availability of philanthropic resources. Identification of key philanthropists and the current philanthropic trends in education provides the final contextual piece for the research landscape.

Every year in Vermont, state and local leaders grapple with the same question: What should our K-12 education system accomplish and how do we find the resources to be successful? State leaders test the limits of taxpayer capacity and engage in the unenviable task of choosing amongst a noble list of possibilities, guessing where the limited state resources might have the greatest impact. At the local level, school boards and school district administrators pore over annual budgets, seeking to stretch each dollar to cover the needs of students and the demands of state and federal laws. The painstaking process often leaves little room for larger transformational budgeting questions: Are all students being prepared to succeed regardless of their background and ability? Does the system prepare all students for postsecondary education and the workforce? Are teachers and administrators adequately trained and supported? Do buildings and infrastructure match needs of students while ensuring efficiency to reduce costs and protect the environment? Does classroom technology match the current and future needs of our students? The annual struggle is meeting the core needs with limited resources, leaving longer term questions of educational innovations unaddressed.

Rural character. The budget challenges facing Vermont's education system are not unique. Each state, community and school has its own set of characteristics that defines its challenges. One of the primary challenges facing Vermont is its size and rural composition. Vermont's population is 625,741, making its total population comparable to a midsize city like El Paso or Denver (U.S. Census Bureau, Table 1, 2010). With over 60 percent of its citizens living in rural areas, Vermont is a close second to Maine as the most rural state in the country (U.S. Census, 2012). Vermont does not have a single urban area of over 50,000 people, and only 17 of its 242 towns qualify as urban clusters with populations above 2,500 (U.S. Census, Table 8, 2010).

The small population of the state is reflected in its schools. Vermont is one of only two states with the majority (54.7 percent) of its students enrolled in rural school districts (Showalter, Klein, Johnson, & Hartman, 2017, p. 15). The national median enrollment for rural schools is 485 students. Vermont is one of only three states where over 90 percent of the rural districts have fewer than the median rural enrollment (Showalter et al, 2017, p. 15). In fact, 70 percent of Vermont's school districts enroll less than 300 students (Wertlieb & Bodette, VPR, 4/15/2015). Already small schools face the challenges of declining enrollment. Vermont's public schools serve a K-12 student enrollment of 88,000, down from 107,000 in 1997 (Wertlieb & Bodette, VPR, 4/15/2015). Steeped in this rural landscape is a deeply held tradition of local control of schools. Public financing for K-12 education comes primarily from local property taxes. School budget decisions are made by local school boards and approved by local voters.

Educational achievement. Vermont is recognized as having one of the top school systems in the country based on national standardized achievement tests (American Legislative Exchange Council [ALEC], 2010). In 2013, Vermont's (National Assessment of Educational Progress [NAEP] scores for 4th and 8th grade in math and science were among the top 10 states in the nation, with all but one sub-group in the top five (National Center for Education Statistics [NCES], National Report Card 2013). Vermont is also among the top 10 in the nation for graduation rates (Governing, 2013) and its student scores are above the national average on SAT College and Career Readiness Benchmark (College Board, 2014).

However, not all students have been well served by the system. Students defined as economically disadvantaged demonstrate lower achievement on standardized tests (Holcombe, 2014). Early care and education fails to meet identified needs and additional funding is required to meet legislative goals of universal Pre-K (Niles, 2014). Vermont's high school graduation rate is high but the percentage of students that continue to post-secondary education is significantly lower than the graduation rate. This has long-term economic impact for both individuals and the Vermont economy (Vermont Agency of Education, 2014b).

The challenge facing Vermont's public education system is how to build upon its success. To do so it must address the shortcomings in academic performance among economically disadvantaged students and developing a coherent Pre-K-16 system that addresses gaps in early care and education as well as postsecondary matriculation. At the same time, Vermont's public education system needs to anticipate and address evolving

demands in technology, infrastructure, pedagogy and program needs that support a successful learning environment.

Funding challenges. Vermont's public education system is based on a model of local control and funded primarily through property taxes. Public schools are funded through a complex formula that complicates local decision making and state level policy making. A court challenge to the State's funding system in late 1990s alleged that the funding system was inequitable because of the variance in per pupil spending across Vermont communities (*Brigham v. State*, 1997). Wealthy districts, particularly those with a tax base driven by the ski and tourism industry, were able to spend significantly more than lower wealth communities. In *Brigham v. State* (1997), the Vermont Supreme Court found education to be a constitutionally protected right:

In Vermont the right to education is so integral to our constitutional form of government, and its guarantee of political and civil rights that any statutory framework that infringes upon the equal enjoyment of the right bears a commensurate heavy burden of justification. (p. 9)

The Court also found that the current educational funding system had "fallen short of providing every school-aged child in Vermont an equal educational opportunity" (*Brigham v. State*, 1997, p. 2). As a result, the Vermont legislature passed Act 60 which equalized school funding by creating a statewide per-pupil funding system (Act 60 of 1997). Under Act 60, each community develops and approves a budget for its local schools and the statewide formula addresses spending equity aligned with the *Brigham* decision. In this system, communities are accountable for their own funding decisions but are also impacted by the funding decisions of other communities.

Vermont is among the highest states in educational spending in the nation, spending \$16,773 per student compared to the \$10,667 national average (Vermont School Board Association, 2014, p. 3). Vermont's costs continue to rise, with some per pupil estimates now over \$20,000 (National Education Association [NEA], 2015). This is partially a function of Vermont's small population and rural location of its schools. Increasingly, the rising costs are a function of declining student enrollment, which has dropped from a peak of 107,000 students in 1997 to recent enrollments hovering around 80,000 (Holcombe, 2014, p. 10; Wertlieb & Bodette, VPR, 4/15/2015). Vermont's system is funded on a per-pupil basis so the loss of 21,000 students between 1997 and 2014 had a significant impact on local budgets (Holcombe, 2014). This puts even greater pressure on local property taxpayers as costs continue to increase (Vermont School Board Association, 2014). This increase burden occurs as Vermont's property tax rate is in the top 10 nationally and the overall tax burden ranks fourth in the nation while the median household income is at the national median (Kiernan, 2018; McCann, 2018; U.S. Census Bureau, 2016).

With the tradition of local control, school funding decisions are most often made on Town Meeting Day with many of these town meetings still conducted by a moderator and attended in person rather than by Australian ballot (Vermont Legal of Cities and Towns [VLCT], n.d.). Understanding the unique value placed on small towns and local decision making is crucial to understanding the challenges in funding schools. The statewide funding formula means decisions made by other communities, especially the decision to keep very small schools open, increases costs for every community in the

state. As a result of escalating costs, voters have increasingly rejected school budgets, with voters in 2014 rejecting the most budgets since 2003 (Galloway, 2014).

To address the declining enrollment and escalating costs, Act 46 was passed to facilitate consolidation of small schools and school districts. This controversial legislation elicited heated debates as school consolidation was viewed not just a matter of budgets and resources, but of community identity and local control. Act 46 was successful in encouraging the conversations that led to several mergers (Weiss-Tisman, 2017). However, there are still small schools and school districts, many of them geographically isolated, for which mergers are not feasible and may not resolve funding challenges. Former Governor Shumlin noted the funding issue is a long-term problem:

If you think you have high property taxes and a low student population right now, look at where you'll be in five years, look at where you'll be in 10 years! it makes your property taxes now look like an after-holiday sale. (Valley News, 2015)

Indeed, consolidation appears to have had a limited impact on overall costs as the state of Vermont faces either millions of dollars in cuts to education or an eight percent property tax increase in FY2018-19 (Pache, 2017).

The facts are clear: Enrollment is down, costs are up and the current funding system is increasingly viewed as unsustainable both by policymakers and by voters who reject school budgets. Funding is increasingly a source of inequitable opportunity as larger districts are able to offer educational and enrichment opportunities simply not available in small districts (Holcombe, 2014). Providing adequate funding to maintain

high educational quality while targeting the unique needs of disadvantaged and geographically isolated students is proving to be progressively difficult.

Federal and State Funding for Education

Challenges at the local level are compounded by federal and state budgeting (Reckhow, 2013). While the federal role is limited, it is also declining and less predictable. The primary source of direct school support targets disadvantaged students (Title I) and special education (Every Student Succeeds Act, 2015). From 2010 to 2013, the federal government reduced Title I funding by 12 percent and special education funding by 11 percent (Leachman & Mai, 2014, pp. 6-7). Further, the Trump Administration has proposed significant cuts in the federal education budget (U.S. Department of Education [DOE], 2017). The Trump Administration budget proposal also signals his support for redirecting public resources to private school ventures such as charter schools (U.S. DOE, 2017). The declining and tightly targeted funding available from the federal government offers little relief for local schools.

The state of Vermont faces its own set of budgeting challenges. Financial challenges for both individuals and communities are so persistent that “affordability” has become a top political issue in recent elections (Hirschfeld, 2016). Like local leaders, state legislators face the same struggle to connect limited resources with high demands across policy areas ranging from health care to infrastructure. The chart below (Figure 1) reflects the ongoing gap between general fund budget demands and available revenue. It reflects projected and ongoing budget gaps from between \$96 million and \$130 million (McCullum, 2015).

Figure 1: General fund budget gap. (Burlington Free Press, 2015)

In addition, midyear budget cuts have become a regular part of the budget process (Galloway & Mansfield, 2017). The perennial gap leads to a perennial question about the overall state budget: Cut programs or raise taxes? A parallel debate occurs in education funding: Cut programs or raise taxes? Both the ability to cut programs and raise taxes are close to reaching capacity as evidenced by failures to pass school budgets, increasing willingness to engage in mergers and successful political campaigns based on affordability (Danitz-Pache, 2017; Holcombe, 2014; Valley News, 2015). With local, state, and federal funding sources limited in their capacity to provide additional support, the role of external funding is increasingly emerging as a potential solution for schools and communities.

Economic Disparity

Amidst the concern over government funds, our nation is also at a troubling moment in personal income and wealth disparity. *Forbes* (2017) magazine's annual list of 400 Wealthiest Americans has a minimum threshold of \$2 billion to make the list and the total net worth of those on the list exceeds \$2.7 trillion. The gap between rich and poor has reached historic levels, aided by conscious policy choices that increase income for the top earners while suppressing wages for the majority of workers in the US (Gurn, 2016; Stiglitz, 2012). This growing gap between rich and poor impacts resources available for schools and communities. This is particularly true in Vermont where local property taxes are income sensitive and stagnant wages limit tax revenue for public education. Political, religious and economic leaders have all noted the dangers of the growing income gap (Desilver, 2015).

Income disparity. Since the 1970s, the US has experienced a steady redistribution of wealth to the top one percent of all Americans. University of California-Berkeley economist Emmanuel Saez (2013) found that from 1993 to 2012, real income grew 86.1 percent for the top 1 percent of individual wage earners compared with 6.6 percent for the bottom 99 percent (p. 7). Saez (2013) estimates that between 2009 and 2012, the years immediately following the Great Recession, the top 1 percent captured 95 percent of total income growth (Saez, 2013, p. 5). In real dollar terms, a Pew Charitable Foundation study found that in 2014 the top 1 percent accounted for 21.2 percent of all income earned, the top 5 percent accounted for 37.8 percent and the top 10 percent accounted for 49.9 percent of all annual income (Desilver, 2015).

Real Household Income at Selected Percentiles: 1967 to 2014

Figure 2: Real household income at selected percentiles: 1967-2014

Wealth disparity. Much of the conversation on economic inequality focuses on income when the numbers reflecting the disparity of wealth are even more jarring. Wealth, or net worth, is defined as the value of housing, real estate, bank deposits, certificates of deposit, money market accounts, cash value of life insurance, financial securities, pension plans and retirement plans, stock and mutual funds, business equity and trusts funds less any debt (Wolff, 2016). The top 0.1 percent in the US is comprised of 115,000 households with net worth of at least \$20 million. These individuals in the top 0.1 percent own 20 percent of US wealth, up from 7 percent in the 1970s (Collins & Hoxie, 2015, p. 3). The wealthiest 20 percent of U.S. families own 88.9 percent of all wealth in the US (Desilver, 2015).

Economist Richard Wolff illustrates in the chart below that the greater inequality is in wealth rather than income.

Figure 3. Wealth and Income Inequality (Gini Coefficients)

Source: Author's calculations based on the 1962 SFCC, the 1968 MESP (Wolff 1980), and the 1983, 1989, 1992, 1995, 1998, 2001, 2004, 2007, 2010, and 2013 SCP.

Figure 3: Wealth and income inequality (Gini Coefficients)

Wolff's table below shows income and wealth by class. Most notably, the top 1 percent has a mean net worth of over \$18 million while the net worth is negative for the bottom 40 percent (Wolff, 2014).

Table 1:

Income and net worth in the US by class, 2013

Wealth or income class	Mean household income	Mean household net worth
Top 1 percent	\$1,679,000	\$18,623,400
Top 20 percent	\$257,200	\$2,260,300
60th-80th percentile	\$76,500	\$236,400
40th-60th percentile	\$46,000	\$68,100
Bottom 40 percent	\$20,300	-\$10,800

Wolff (2014); only mean figures are available, not medians. Note that income and wealth are separate measures; so, for example, the top 1% of income-earners is not exactly the same group of people as the top 1% of wealth-holders, although there is considerable overlap. (Wealth, Income and Power, G.W. Domhoff)

Economic disparity and philanthropy. The radical growth of economic inequality and increasing demands on public funding sources has happened several times throughout history. Bishop and Green (2008) note that historically these moments of great income inequality came during major shifts in the economy and were accompanied by significant philanthropy. Bishop and Green (2008) identify five golden ages of philanthropy to illustrate the correlation between economic transition and increases in philanthropy. The list below identifies the time and associated economic event with each of the five golden ages:

1. Tudor England and Renaissance Europe with philanthropy from merchants
2. 18th century with philanthropy from the founders of the joint stock company
3. Industrialized England with philanthropy from emerging market economy and investment wealth
4. United States philanthropy from the industrial revolution
5. United State philanthropy from technology and banking revolutions

(Bishop & Green, 2008, p. 2)

Giving USA (2017) noted the link between the economy and individual charitable contributions. "Giving by individuals has historically correlated with changes in such national-level economic indicators as personal consumption, disposable personal income and the Standard & Poor's 500 Index" (p. x). The relationship between economic disparity and philanthropy is relevant because we find ourselves in the fifth golden age as described by Bishop and Green (2008), with market-disrupting technology causing both economic upheaval and a surge in philanthropy. Disruptive technology alters an existing

industry or creates a new one. Examples range from smart phones to companies like Uber or Airbnb. These disruptive technologies are playing a significant role in wealth generation both among individual business leaders and those invested in the stock market.

Research on wealth transfer by Havens and Schervish (2014) suggests that when estate values exceed \$20 million, the amount given to charity ÷increases dramaticallyö (p. 36). This finding is significant when paired with recent data showing over 100,000 households with at least \$20 million in wealth and the median net worth for the top 1 percent closing in on \$20 million (Collins & Hoxie, 2015, p. 3; Wolff, 2014). Havens and Schervish (2014) noted that ÷growth of household wealth is closely related to the amount of wealth transfer and the potential for charitable givingö (p. 36). This suggests that not only is there a great potential for philanthropy to provide needed support, but with the transfer of wealth among generations, this potential could exist for some time (Havens & Schervish, 2014).

Charity and Philanthropy

The connection between economic conditions and philanthropy is grounded in historical examples as noted above. In order to understand the impact of this wealth in the public arena, it is first essential to understand the evolving definition of charity and philanthropy as they reflect the changing role of giving. This is followed by a description of the current value of philanthropic funds. Finally, understanding the context of current philanthropy must include a description of mega donors and foundations and their impact on recent trends in philanthropy. This foundation for the field of philanthropy provides context for exploring the specific niche of education philanthropy.

Defining charity and philanthropy. The clearest example of the socially constructed nature of charitable giving is in its evolving definition. Early giving by the wealthy was defined as charity. The word charity has its roots in the 13th century and is often associated with the religious tradition of giving to the needy. Merriam-Webster online dictionary defines charity as:

- benevolent goodwill toward or love of humanity
- generosity and helpfulness especially toward the needy or suffering
- aid given to those in need
- an institution engaged in relief of the poor
- public provision for the relief of the needy
- a gift for public benevolent purposes

The first use of the word philanthropy, according to Merriam-Webster, was in 1623, which defines it as follows:

- goodwill to fellow members of the human race
- active effort to promote human welfare
- an act or gift done or made for humanitarian purposes
- an organization distributing or supported by funds set aside for humanitarian purposes

The definition of charity is focused on "needy," "poor," and "relief" where philanthropy focuses on "promoting," "organizing," and "distributing." Charity is characterized by direct support, immediate action, religious traditions of giving to those in need and participation by all levels of donors. Philanthropy is characterized by business models, long term solutions, indirect support and wealthy donors. This analysis of the dictionary definitions of charity and philanthropy is relevant as you will see the evolving social construction around the notion of giving represented in the literature review. Further, the purpose of this study is to explore how such evolving social construction around charitable giving impacts rural schools and communities.

Quantifying current philanthropy. Charitable giving can come from individuals, foundations and corporations in the form of money, time or services (Payton & Moody, 2008). As noted above, the consolidation of wealth among the top income brackets is increasing the amount of philanthropic funds available to high net worth individuals. For the purpose of this research, the focus will be on financial contributions from those high net worth individual donors and associated private foundations.

In 2017, charitable donations reached an estimated \$410 billion. Individual giving represents the largest share with an estimated total of \$286.65 billion. Charitable giving from all sectors, individuals, foundations, estates and corporations all saw increases in 2016 (Giving USA, 2017). Havens and Schervish (2014) suggest that philanthropic assets could reach between \$6 and \$25 trillion by 2052 (Hay & Mueller, 2013, p. 2). The value of individual philanthropy today eclipses that of the previous great generation of American philanthropists. For example, Warren Buffett's single \$30 billion dollar gift to support philanthropy at the Gates Foundation represents more than Carnegie and Rockefeller combined gave in their lifetime (Bishop & Green, 2008).

Mega donors: High net worth individuals. The growing wealth gap in the US has increased the number of Americans in the top economic tier. In 2016, there were 10.8 million millionaires in the US. Of the 10.8 million, 156,000 had net worth of over \$25 million (Spectrem Group, 2017). While this represents a record number of millionaires in the US, the truly eye-catching number is the 540 billionaires. The total net worth of those 540 billionaires in the US is \$2.4 trillion dollars (Peterson-Withorn, 2017). These billionaires are most commonly associated with an expanding group, often

referred to as mega-donors, who are receiving the most attention for their philanthropic work.

Among the well-known of this group are the four wealthiest Americans according to *Forbes* (2017), which annually tracks and identifies the wealthiest individuals. Listed below are the wealthiest Americans in 2016¹, their estimated net worth and associated industry:

1. Bill Gates - \$89 billion, technology
2. Jeff Bezos - \$86 billion, e-commerce
3. Warren Buffet - \$74 billion, finance
4. Mark Zuckerberg - \$71 billion, technology

Gates, Bezos and Zuckerberg represent the new gilded age of philanthropy built through disruptive technology that has fundamentally altered the economy. Warren Buffet represents the finance and investing industries which have the most billionaires (Peterson-Withorn, 2016). Gates, Buffet and Zuckerberg are also associated with major philanthropic efforts. Jeff Bezos has yet to announce any major philanthropic efforts nor how he plans to dispose of his wealth.

These mega-donors have made a significant contribution to philanthropy through their commitment to The Giving Pledge. Created in 2010 under the leadership of Bill and Melinda Gates and Warren Buffet, the Giving Pledge was designed to "set a new standard of generosity among the ultra-wealthy" (Givingpledge.org). The goal of the Giving Pledge was to encourage the ultra-wealthy to commit to giving away the majority of their wealth to philanthropy through shifting norms to give more, give sooner and give smarter (Givingpledge.org). Started in the US, there are now 170 signers in 21 countries.

¹ These rankings are subject to variation based on the stock market. Current estimates suggest Jeff Bezos is the wealthiest American.

The signers of the Giving Pledge in the United States range in age from their 30s to 90s and come from 27 different states (Givingpledge.org).

The Giving Pledge is having a huge impact on the conversations about philanthropy. It is clearly encouraging the ultra-wealthy to think early and consciously about how they will dispose of their wealth. It has also created a community for philanthropists to discuss how to develop their charitable giving strategies and share both successes and failures (Lewis, 2014). However, the focus on who is giving may in some cases overshadow when and where they are giving. The work of the Gates Foundation is very public and relatively well known, but hundreds of other billionaires give their money away with far less transparency. Though still less than 10 years old, the Giving Pledge is criticized for not tracking where or how much its signers actually give (Lewis, 2014). The Foundation Center created "Eye on the Giving Pledge" to attempt to provide greater transparency about those signing the Giving Pledge and the impact of their philanthropy (Lewis, 2014). This information is increasingly relevant as the pressure to give away this vast amount of wealth and to do so in the coming years creates legitimate questions about the where, when and how of these contributions.

Philanthropic foundations. A foundation has its own legal distinction as a specific type of nonprofit. The purpose of foundations is charitable giving, either through other organizations or direct program support. Mega donors often establish private foundations to distribute their philanthropic wealth. Three of the wealthiest Americans, Gates, Buffet and Zuckerberg, are associated with major philanthropic organizations. Bill Gates established the Bill and Melinda Gates Foundation which is the largest foundation in the US with assets of \$44 billion and annual giving of \$3.4 billion in 2014

(FoundationCenter.org, 2017). As noted earlier, Warren Buffet pledged \$30 billion of his wealth to the Gates Foundation. Mark Zuckerberg committed to giving away 99 percent of his wealth which is currently estimated to be \$45 billion. He created the Chan Zuckerberg Initiative as a limited liability corporation for the tax benefits, distinguishing it from traditional foundations (Kokalitcheva, 2015).

The foundations of mega donors reflect the growth of foundations as a sector in philanthropy. In 2014 there were over 86,000 foundations in the US with assets exceeding \$865 billion and annual giving over \$50 billion (The Foundation Center, 2017). Foundations started by individual donors or donor families represented 96 percent of all foundations, 88 percent of all foundation assets and 80 percent of all giving from foundations (The Foundation Center, 2017). Foundations are a key focus of current philanthropy particularly as a philanthropic distribution tool of ultra-wealthy individuals.

Education philanthropy. Historically the role of philanthropy is to fill the gaps between public funding and received needs. Philanthropy can provide direct support, invest in research or shape public policy. Often philanthropists invest in pilot programs that, if successful, can be taken to scale by government funding. Education has been one of the top targets for philanthropic funding (Giving USA, 2017). This is not surprising given education's role in strengthening democracy, promoting individual economic opportunity and social mobility, and providing work force preparation for future members of the labor market on which businesses depend. Philanthropy provides direct program support to K-12 education for things like arts education, after school programs and programs targeting specific populations like low-income students. Philanthropists also provide funding for professional development, curriculum and delivery model

innovations and capital improvements. Beyond these forms of direct support, philanthropy can support capacity building, research, legal interventions and efforts to shape public policy.

Education has consistently ranked second behind religious organizations as a recipient of charitable giving. In 2016, giving to education was estimated at \$59.77 billion, an increase of 3.6 percent over the previous year (Giving USA, 2017). This follows 8 percent increases in giving to education in the preceding two years. Charitable giving to education has remained steady at 15 percent of total charitable giving (Giving USA, 2017). Unfortunately, these numbers reflect total giving to education and do not provide more specifics on the breakdown between K-12 and higher education.

Reckhow (2013) notes that one of the three major trends impacting K-12 education philanthropy is “the extraordinary amount of wealth being disbursed by living philanthropists” (p. 10). Many of the mega donors have invested in large scale K-12 education initiatives. Walter Annenberg, through Annenberg Foundation, contributed \$500 million in a national effort to improve public schools. Bill and Melinda Gates, through the Gates Foundation, spent \$2 billion on a high school reform effort. Mark Zuckerberg jumped into philanthropy with a \$100 million gift to the Newark Public Schools (Russakoff, 2015). These are just a few examples of the scale of philanthropic investments in single initiatives with countless other philanthropists targeting their own programs within education. Research by Ferris et al. (2008) identified 26 foundations that focus their funding on K-12 education.

Despite the philanthropic interest in education, it appears that little of the available funding finds its way to Vermont. In 2012, Vermont education organizations

received \$12.8 million (The Foundation Center, Top Recipients, 2017). This amount is not categorized by K-12 and higher education; however it is clear the majority of these funds went to higher education. The \$12.8 million includes single gifts of \$5.5 million to Middlebury College and a \$2.6 million gift to Bennington College. The only gift in the top 10 to K-12 related education was \$135,000 to the Southwest Vermont Supervisory Union (The Foundation Center, Top Recipients, 2017). Of the top 50 foundations making contributions to education in Vermont, only the Vermont Community Foundation is located in Vermont. In 2012, the Vermont Community Foundation made \$1.2 million in gifts to education which represents approximately 10 percent of its giving for that year (The Foundation Center, Top Givers, 2017).

Vermont is a small, rural state that faces significant challenges in funding what has been a fundamentally strong K-12 public education system. Current economic disparity increases the funding pressures on local schools but also provides a potential opportunity with the increase in philanthropic resources. The literature review that follows explores further the historical traditions that shape current philanthropy, the recent trends in education philanthropy and the gap that exists in the research on the level and type of support for rural schools.

CHAPTER 2: LITERATURE REVIEW

Philanthropy is a relatively new field of study with only one seminal work available on the history of philanthropy in the US (Bremner, 1988). Focusing on the role of philanthropy in K-12 public education significantly limits the amount of research available to review. This topic of study came of age within the last 30 years, with the majority of the work done since 2000. The purpose of this literature review is to provide an overview of the history of philanthropy in the US, the evolution of K-12 philanthropy, an understanding of the unique characteristics of rural philanthropy, and the theories that shape philanthropy.

The first section covers the historical foundations of philanthropy in the US. This includes the religious and secular thinkers that shaped early philanthropic traditions. The historical section also covers the role of philanthropy in social movements. Particular attention is given to the role philanthropists played in providing education to emancipated slaves.

The second section focuses on the Gilded Age and the evolution of charitable giving to the business of philanthropy. Attention is given to the use of business models in charitable giving and the creation of the first charitable foundations as both have significant impact on today's trends in education philanthropy.

The third section focuses on the current role of philanthropy in K-12 public education. This includes areas of programmatic emphasis, the evolution away from direct support to focusing on shaping policy, and a review of high profile efforts in urban school systems. This is followed by a review of the current status of philanthropic

involvement in Vermont K-12 public education. The final section looks at some of the current trends and theories in philanthropy.

This literature review does not address higher education, which is the subject of the majority of research on philanthropy in education. This literature review also does not delve into the business aspects of philanthropy's evolution, particularly as it relates to legal designations and changes in tax code, nor does it look at controversies involving use of philanthropic funds. This literature review is carefully tailored to establish a context for research on the role of philanthropy in rural, K-12 public schools. For that reason, detailed descriptions of the literature on the history of philanthropy and theory of philanthropy make up significant portions of this review. Understanding the historical evolution of philanthropy in general, and K-12 education philanthropy in particular, are essential for grounding the development and subsequent outcomes of this research.

Historical Evolution of Philanthropy in the United States

Understanding the historical evolution of charitable giving in the US is essential for identifying and analyzing current philanthropic trends in education. The research on the history of philanthropy is limited; however, two key books provide the foundation for this historical understanding: *American Philanthropy* by Robert Bremner (1988) and *Charity, Philanthropy and Civility in American History* edited by Lawrence Friedman and Mark McGarvie (2003). *American Philanthropy* was originally published in 1960 and is considered one of the definitive writings on the history of philanthropy in the US. *Charity, Philanthropy and Civility in American History* is a collection of articles by historians that offers a post-colonial perspective of Bremner's work. These articles provide greater detail about the events described by Bremner and emphasize

marginalized groups as philanthropists, in the case of women and the Jewish community, or as recipients, in the case with African Americans and Native Americans.

Role of religious thinkers in shaping philanthropy. Bremner (1988) traces philanthropic traditions in the US to European roots, noting that colonialization happened at the same time as the first great age of philanthropy was taking place in Europe (Bishop & Green, 2008). The growth of individual wealth combined with an increasing concern about those living in poverty ushered in a new awareness of and commitment to charitable giving. Colonization was one of the areas that benefitted from this charitable giving. Missionaries who sought to convert indigenous peoples to Christianity as well as those creating settlements in the colonial US were supported by wealthy benefactors (Bremner, 1988).

This tradition of giving financial support was referred to as charity and had its roots in religious tradition. Charitable giving was an individual act whose purpose was to help those in need and those less fortunate (Dobrzynski, 2007). Bremner (1988) noted, "Faithful Christians have often remarked that one of God's purposes in creating poverty was to make charity possible" (p. v). John Winthrop, William Penn and Cotton Mather were three religious leaders in the colonial US who sought to explain the differences between rich and poor. Puritan leader John Winthrop's sermon "A Model of Christian Charity" (1630) is recognized as one of the key writings that shaped early philanthropy in the US. He articulates an understanding of giving to others where charity is synonymous with love for fellow man (Bremer, 1988). In describing this theory of philanthropy Winthrop said:

In this duty of Love we must love brotherly without dissimulation; we must love one another with a pure heart fervently; we must bear one another's burdens; we must not look only on our own things, but also on the things of our brethren.

(Winthrop, 1630)

Bremner (1988) summarizes Winthrop's theory as "difference in conditions existed, not to separate and alienate men from one another, but to make them have more need for each other and to bind them close together" (p. 8). While Winthrop emphasized responsibility to each other, William Penn emphasized the responsibility of those with significant wealth. Penn, who lived with the Quakers in Pennsylvania, believed that responsibilities came with wealth, "God gave men wealth to use rather than love or hoard" and "the best recreation is to do good" (Bremner, 1988, p. 11). Following the philanthropic trends of Europe at the time, Penn focused on the responsibilities of those who had wealth to do good for humankind.

Winthrop and Penn focused on the theory of charity where Cotton Mather focused on the delivery. In his writings *Essays To Do Good* (1710), Mather looked to the process of how charity was conducted, "Let us try to do good with as much application of the mind as wicked men employ in doing their evil" (Bremner, 1988, p. 14). Mather is credited with advancing the idea of association in charity, believing it should be a communal activity that brings the charity of many to a common purpose. Bremner (1988) describes this as the "recognition of the need for enlisting the support of others in benevolent enterprises" (p. 13). Today association is a powerful force in philanthropy as it is utilized by organizations ranging from the United Way to political campaigns. Taken together, Winthrop, Penn and Mather established a philosophical foundation for

giving that addresses the connection between givers and receivers, notes the specific responsibilities of the wealthy, and identifies a role for everyone to participate in charity through collective action.

Role of secular thinkers in shaping philanthropy. The religious tradition of charity, defined as direct support to meet an immediate need, would serve as the foundation and consistent role of philanthropy. However, subsequent secular thinkers would seek to address the causes underlying the need for charity. Bremner (1988) notes the roles of many secular thinkers in shaping the evolution to philanthropy, but for the purposes of this research I focus on two: Benjamin Franklin, who represents the expanding definition of philanthropy; and Horace Mann, whose work offers specific insight into early philanthropy in education.

Benjamin Franklin was one of the first to expand the notion of charity beyond giving to the poor. Franklin said, "I think the best way of doing good to the poor is, not making them easy in poverty, but leading or driving them out of it" (Bremner, 1988, p. 17). Franklin foreshadows scientific philanthropy, which is the basis of much of today's philanthropy and gained popularity in the 19th century. He does so by asking how charity can solve problems rather than just relieve suffering. Friedman and McGarvie (2003) describe this shift as "ideas and practices of Christian charity were replaced with a pattern of philanthropy that presented a means by which philanthropic actors could participate in, reform and enhance civilities within their societies" (p. 23). This concept of philanthropy led Franklin to establish the first volunteer fire department, Pennsylvania hospital, American Philosophical Society and what would become the University of Pennsylvania

(Bremner, 1988, p. 18). In each case Franklin was looking to alleviate suffering or solve a problem with long-term philanthropic investments that supported the community.

Horace Mann applied a similar theory to education as a leading advocate for free, universal public education. Mann's advocacy came at a time of significant philanthropy in education. According to Bremner (1988), schools for the poor were a popular focus of charity in the early 1800s, which was soon followed by charitable giving for private academies for children of the wealthy. This pre-Civil War era in philanthropy also saw the creation of niche educational institutions: Thomas Gallaudet created a school for the deaf; Dr. Samuel Howe created a school for the mute; and Dorothea Dix created a school for the blind (Bremner, 1988, p. 50).

As secretary of Massachusetts State Board of Education, Mann had what Bremner (1988) describes as "the opportunity to canvass every shortcoming in the existing school system and to promote improvements" (p. 68). Mann's work reflected the interplay between public sector and philanthropic efforts to address the need for universal public education. Like other education reformers, Mann believed that universal education was essential to improve and reform society (Bremner, 1988, p. 67). Mann's advocacy for a publicly funded school system for all children was resisted by local philanthropists who supported local and regional schools and were unwilling to cede control of those schools to the government.

Once government took responsibility for the public education system, philanthropists directed their attention and financial support elsewhere. Mann was disappointed by local philanthropist Abbott Lawrence who made a major gift to Harvard College, noting "elementary education appears to be well provided for in Massachusetts

(Bremner, 1988, p. 69). Mann struggled to implement his ideas like improving teacher salaries and more books for libraries. He was disappointed in the amount of philanthropic support that went to higher education and that rich men contributed little beyond their taxes to public education (Bremner, 1988, p. 69). This is a classic example of the common role of philanthropy. Philanthropy often fills the gap where government funding either does not exist or is insufficient. As philanthropic programs prove successful, they are often adopted and delivered by government sources. As governments stepped in to provide universal public primary education, philanthropists stepped away and directed their resources elsewhere. This example represented the first significant example of philanthropists stepping away from direct support for K-12 public schools, a relevant theme in this study.

Philanthropy as a social movement. Horace Mann's work in education also highlights the developing connection between philanthropy and social movements. Mann was among the thinkers and philanthropists of the time that believed, "a man must be free before he could be educated" (Bremner, 1988, p. 69). Prior to and during the Civil War, philanthropic groups were formed to provide emancipated slaves with money, clothes, books and teachers (Bremner, 1988; Lenkowsky, 2005). The Freedmen's Aid Society, as they were known, was the source of support for freed slaves until the end of the Civil War when the demand overwhelmed the capacity. Freedmen's Aid Societies in northern cities banded together to press for public support for their work which led to the creation of the federal Department of a Bureau of Refugees, Freedmen and Abandoned Land (Freedmen's Bureau) (Bremner, 1988, p. 81).

The creation of the Freedmen's Bureau and its ongoing relationship with philanthropy reflects a unique public/philanthropic relationship. According to Bremner (1988), the Freedmen's Bureau "provided half the money spent on Negro education from 1865-1870" (p. 83). The Freedmen's Bureau recognized that education was essential and supported this need by:

- Repairing leased and built schoolhouses
- Providing transportation and housing for teachers
- Assisting aid societies in funding teachers

As the efforts to provide education to emancipated slaves expanded, the Freedmen's Bureau noted the lack of teachers and encouraged philanthropists to help establish teacher training schools. The Freedmen's Bureau partnered in this effort by making grants to "20 normal schools, colleges and universities" (Bremner, 1988, p. 83). This partnership between the Freedmen's Bureau and philanthropists led to the creation of Fisk, Atlanta and Howard Universities and other historically Black higher education institutions. Bremner (1988) identifies this as an important and lasting contribution of philanthropy while noting that the Freedmen's Aid Societies and the Freedmen's Bureau represent "the possibilities for fruitful cooperation between a government welfare agency and private philanthropy" (pp. 82-83). The Slater Fund. Bremner (1988) highlights the positive role of charity in educating freed slaves in contrast to "Reconstruction, and African American Education in the Post-Emancipation South" by Roy Finkenbine (2003) which demonstrates a more complicated picture of the role philanthropists played in both promoting and limiting opportunities for emancipated slaves (p. 161). Finkenbine (2003) noted, as did Bremner, that many philanthropists found education to be "the best vehicle

for shaping former slaves into productive citizens and workersö (p. 165). Both authors noted that philanthropy played an important role in developing African American schools and colleges and that some of the earliest philanthropic funds were developed to support African American education (Finkenbine, 2003).

The Slater Fund. The Slater Fund is the most prominent example of such a fund committed to African American education. As one of only 10 charitable funds with a \$1 million endowment, the Slater Fund had an enormous impact on how education was defined and delivered to emancipated slaves (Finkenbine, 2003). The Slater Fund emphasized industrial education, or training for manual labor jobs, for African Americans as opposed to the liberal arts education found in most White schools. The Fundö board believed that this approach would ölimit racial discord, develop a tractable labor force, encourage sectional harmony, attract Northern capital and cause Southern industries and railroads to flourishö (Finkenbine, 2003, p. 170). It is worth noting that Andrew Carnegie, one of the wealthiest and most well-known philanthropists, also supported this approach to African American education (Bremner, 1988).

Many of the agents responsible for distributing the Slater Fundö resources supported slavery before the Civil War and supported segregation after the war. Their approach to industrial education placed barriers on educational and economic opportunities for African Americans and perpetuated segregation. The Slater Fund expanded its reach by funding country training schools designed to further embed this model of education for African Americans. The Slater Fund put their vast philanthropic resources toward this approach which meant their influence was significant in shaping the education of African Americans for decades (Finkenbine, 2003).

The Slater Fund extended its reach in a way that reflected the evolution of philanthropy away from individual charity, closely connected with the community, to broad based initiatives whose impact shaped outcomes well beyond individuals and local communities. Finkenbine (2003) noted the application of a new type of philanthropy that “emphasized businesslike methods, efficiency, centralized decision making and the broad application of funds to social groups to achieve social objectives” (p. 172). The Slater Fund ultimately merged with other philanthropic funds and, at the end of World War II, the organization was led by African Americans committed to educational equality and desegregation (Finkenbine, 2003, pp.176-77).

Rosenwald Schools. The Rosenwald Schools present a different role philanthropy played in the education of African Americans. Julius Rosenwald was an owner and executive with Sears and Roebuck. He used his wealth to support the building of nearly 5,000 schools in 15 states for African Americans between 1912-1932 (Fleishman, 2009, p. 172; Mays, 2006; Stephenson, 2012; Tompkins-Stange, 2016). Although Rosenwald made capital investments in building modern schools for African Americans, his aspiration was to push for equal government funding of African American education (Hammack, 2003).

The Rosenwald schools reflect the importance of direct school support and collaboration with communities (Mays, 2006). Rosenwald’s friendship with Booker T. Washington brought the need for schools to educate African American children to his attention. Rosenwald provided funding to build schools but insisted that community members also contribute to the cost through direct fundraising or volunteer time (Mays, 2006). This matching grant model is now almost universal in philanthropy. The

Rosenwald Schools are also significant as they represent one of the rare examples of rural education philanthropy (Emanuel, 2015).

Gilded Age of philanthropy. The period after Civil War reconstruction ushered in one of the greatest economic expansions in U.S. history (Fleishman, 2009). The wave of industrialization created unprecedented wealth that led to a major growth in charitable giving (Lenkowsky, 2005). Historically, this is identified as the fourth golden era of philanthropy but is the first such instance in U.S. history (Bishop & Green, 2008). Some of today's most well-known philanthropic organizations, such as Rockefeller and Carnegie, are tied to business leaders of this era. These philanthropists were responsible for creating libraries, museums, colleges and universities as well as creating foundations that continue their philanthropic tradition today (Bremner, 1988). In addition, philanthropists of the Gilded Age expanded the field of philanthropy with implementation of scientific philanthropy and use of foundations. Andrew Carnegie is highlighted in this review both for his contributions to the field of philanthropy and the impact that the foundations he started continue to have on education philanthropy today.

Andrew Carnegie and scientific method of philanthropy. Andrew Carnegie was a successful industrialist who became one of the great philanthropists in U.S. history. He gave away the majority of his wealth during his lifetime, a sum of over \$4 billion in current dollars. Carnegie built concert halls and museums, and created public parks and libraries across the US (Bremner, 1988, p. 103). Like Benjamin Franklin, Carnegie is one of the leading secular thinkers about philanthropy. Where Winthrop and Penn saw God's hand in the creation of wealth and its purpose to bind rich and poor, Carnegie saw it as survival of the fittest, a natural selection process that accounted for his accumulated

wealth (Bremner, 1988). He viewed himself as a servant to the public good rather than a servant of God and in so believing was responsible only to his own conscience and judgment of what was best for the community (Bremner, 1988, p. 101).

Carnegie's greatest contribution may be his writings on philanthropy, particularly his essay "Gospel of Wealth" (1889). "The Gospel of Wealth" reflected Carnegie's thinking on the role of charity in public life and set the foundation for modern philanthropy. He identified three means for disposing of wealth: leave to family members; leave to the state; or distribute during one's lifetime in a manner that has lasting impact for communities (Carnegie, 1889). He advocated for the distribution of wealth during one's lifetime as the wealthy "have it in their power during their lives to busy themselves in organizing benefactions from which the masses of their fellows will derive lasting advantage, and thus dignify their own lives" (Carnegie, 1889).

During this period there was an attempt to understand the best methods for providing philanthropic support for causes (Dobrzynski, 2007; Saltman, 2010). Carnegie is credited with introducing the concept of scientific philanthropy, the "development of a more scientific spirit and method in philanthropy" (Bremer, 1988, p. 86). The scientific method of philanthropy sought efficiency and organization as means to addressing the root causes of social ills. Rather than providing immediate relief through charity, Carnegie believed the main objective of charitable giving should be "to help those who will help themselves; to provide part of the means by which those who desire to improve may do so; to give those who desire to use the aids by which they may rise" and more directly noted the goal of philanthropy should be to "to assist, but rarely or never to do all" (Carnegie, 1889).

Bremner (1988) noted that during Carnegie's era a local philanthropist gave \$30,000 to a soup kitchen and the gift was mocked as "all soup, no salary," reflecting a growing view of philanthropy at the time (p. 93). The emerging opinion of leading philanthropists was that their impact lay not in short-term amelioration of social ills but in changing the systems that produced those ills (Fleishman, 2009, p. 101). Sealander (2003) noted the impact of scientific giving on education: "Improved professional standards and training programs; helped create world class universities; and sought to improve education for neglected minorities, especially African Americans" (p. 230). The practice of scientific philanthropy also literally partnered with the field of science to promote great gains in research and training (Sealander, 2003, pp. 230-231).

Saltman (2010) offers a counter perspective of scientific philanthropy, delving into its conservative, capitalistic and White, Eurocentric perspectives. In his analysis, Saltman also focuses on Carnegie and his lasting impact on the field of philanthropy. The example Andrew Carnegie set through his personal philanthropy and his writing about charitable giving is reflected in many characteristics of modern philanthropy. Carnegie's example of giving away wealth during one's lifetime is reflected in the recent creation of the Giving Pledge by Bill and Melinda Gates and Warren Buffet. The Giving Pledge encourages the nation's wealthiest individuals to dedicate the majority of their wealth to philanthropy (Giving Pledge, n.d.). The notion that philanthropists know best how to serve their communities through charitable giving is reflected in the diverse range of issues currently supported by philanthropists. Introducing business concepts to philanthropy established the foundation for today's venture philanthropists and seeking

long term solutions through use of experts is a commonly accepted practice in all modern philanthropic work.

Creating charitable foundations. Carnegie was among the first philanthropists to use foundations as a vehicle for identifying causes and distributing support in a methodical fashion (Tompkins-Stange, 2016). Foundations were viewed as a bridge between distributive charity and scientific giving (Sealand, 2003, p. 225). Bremner (1988) noted Carnegie's most significant contribution to the field of philanthropy:

Was to find institutions capable of distributing private wealth with greater intelligence and vision than donors themselves could hope to possess. The great philanthropic trusts they established climaxed the long effort to put large-scale giving on a business-like basis. (p. 115)

Although foundations have a history that predates the formation of the US, it was Carnegie and his peers that first utilized them in the US (Fleishman, 2009; Lenkowsky, 2005; Sealand, 2003).

Carnegie established several foundations including the Carnegie Foundation for the Advancement of Teaching and the Carnegie Corporation, a foundation despite the word "corporation" in its name (Fleishman, 2009, p. 46). One of the longest lasting impacts on education from a philanthropic foundation came from the Carnegie Foundation for the Advancement of Teaching, the first foundation Carnegie established in 1906 (Fleishman, 2009). The foundation supported the creation of the Educational Testing Service, which is responsible for testing millions of high school students to assess their readiness for postsecondary education. The foundation identified the need to increase the number of applicants to highly selective schools by including religious and

geographic diversity, attracting the most talented students to science related professions and relieving schools of the burden of creating and administering their own admissions tests (Hammack, 2003). In addition to Mr. Carnegie, it is important to note that Mrs. Russell Sage is credited with creating the first general need, multipurpose foundation in 1907 (Crocker, 2003). The foundation is of note because of the significant role it played in shaping the social justice mission of philanthropy.

Today great attention is given to major foundations as their scale and investment style are important developments in education philanthropy (Snyder, 2013, p. 31). These foundations have become so instrumental to philanthropy that the federal government both sought to model their structure and coordinate with them for programmatic support. During the Obama Administration, the Department of Education created an Office of Innovation and Improvement based on the Gates Foundation and other venture philanthropy models (Reckhow, 2013; Reckhow & Tompkins-Stange, 2015). The Invest in Innovation Fund required 20 percent private match to federal grants. Department of Education coordinated with philanthropies to ensure those funds were available for this program (Reckhow, 2013). As demonstrated in the literature review of K-12 philanthropy, foundations are a tool by which, the very wealthy become producers or architects of charity rather than simply supporters (Hay & Muller, 2013, p. 4).

The historical evolution of philanthropy in the US provides the context for understanding current philanthropy. Religious and secular thinkers provide the foundation for understanding the evolution of philanthropy's purpose from meeting immediate needs to identifying long-term solutions. The professionalization of charity into the practice of philanthropy began to put distance between donors and recipients.

This disconnect continues today and is a concept underlying the purpose of this study. Professionalizing charity also introduced business principles that drive modern theories of philanthropy, especially the current trend of venture philanthropy. Finally, social movements, particularly the education of emancipated slaves, demonstrate examples of direct philanthropic support for education and its lasting impacts.

Philanthropy and K-12 Public Education

Historically, philanthropy has played a significant role in education. Individual charity, religious institutions and corporate giving have provided support to schools in the US dating back to 1640 (Bremner, 1988; Lenkowsky, 2005). The first large scale philanthropic efforts in education took place during and immediately following the Civil War with educational programs for African Americans like Freeman's Bureau, Slater Fund and Rosenwald Schools (Bremner, 1988; Finkenbine, 2003; Fleishman, 2009; Mays, 2006; Stephenson, 2012). Once the Progressive Era took hold in the early 20th century, philanthropy decreased its involvement in K-12 education as local, state and federal governments assumed primary responsibility for the public education system (Bremner, 1988).

The role of philanthropy in education began to increase again in the 1990s, with major increases since 2000 (Hess, 2005). Reckhow and Snyder (2014) conducted research on philanthropic spending on K-12 education between 2000 and 2010. They found an increase in both the number of grants funded, 1,200 to 2,600, and the amount of total funding, \$486 million to \$843 million (p. 3). Current philanthropic trends in education funding show a decline in direct support to schools and an increase in grants targeting systems level changes. Support to local organizations dropped from \$58

million to \$21 million while funding for national advocacy increased 23 percent faster than total giving between 2000 and 2010 (Reckhow & Snyder, p. 3). Today philanthropists, particularly major foundations, seek to change systems rather than merely fund programs (Ferris et al., 2008, p. 709; Greene, 2015, p. 11). This is reflected in the current trend of seeking to influence public policy, with current researchers noting that philanthropy is inextricably linked to public policy (Newland, Terrazas, & Munster, 2010, p. 18).

Shaping policy. Much of the recent literature on K-12 education philanthropy focuses on efforts to shape K-12 education policy (e.g., Ferris et al, 2008; Greene, 2015; Gurn, 2016; Reckhow & Tompkins-Stange, 2015; Saltman, 2009; Scott, 2009; Tompkins-Stange, 2016; Zeichner & Pena-Sandoval, 2015). This philanthropic funding does not go to direct school support but instead seeks to impact national education policy. The Ferris et al. study of 19 foundations involved in education found 68 percent engaged in policy problem definition and agenda setting (p. 720). Participation by these foundations drops to 42 percent at policy adoption phase and 37 at implementation phase (Ferris et al., 2008, p. 720). Even the largest effort to provide direct philanthropic support to rural schools, the Annenberg Rural Challenge, morphed into an organization dedicated to shaping public policy (Annenberg Challenge Lessons, 2002, p. 19). This is reflected in the fact that major philanthropists and their foundations seek large scale changes in education (Callahan, 2017).

The efforts to shape policy by major philanthropists and their foundations often involve supporting national policies and programs that serve as disruptive forces or jurisdictional challengers to the public education system (Mehta & Teles, 2012; Snyder,

2015; Reckhow & Snyder, 2014). These initiatives include national standards, charter schools and choice, teacher education and school governance (Reckhow & Snyder, 2014).

Figure 4: Percent of major foundation grant dollars in traditional institutions vs policy driven jurisdictional challengers, 2000-2010. (Reckhow & Snyder, 2014, p. 190)

Reckhow (2013) also found that the top education funding foundations were targeting their support to a small number of organizations and were funding similar priorities. In 2000, 23 percent of major foundation grants were given to organizations receiving funds from two or more major foundations, but by 2010, that number rose to 64 percent (Reckhow & Snyder, 2014, p. 6). As a result, fewer organizations were getting support and the resources were more targeted to national advocacy and jurisdictional challengers. Reckhow and Snyder (2014) find that this data “suggests strong alignment of funding for research, advocacy and implementation to advance a policy agenda” (p. 8).

	2000	2005	2010
Total giving	\$486.6 million	\$738.1 million	\$843.7 million
National advocacy and research	\$56.3 million	\$69.9 million	\$110.6 million
Top 5 national advocacy and research grantees	Rural School and Community Trust Public Education Network Academy for Educational Development Children's Educational Opportunity Foundation America Education Commission of the States	Academy for Educational Development Jobs for the Future Achieve, Inc. Developmental Studies Center American Institutes for Research	Education Trust Jobs for the Future Achieve, Inc. Rural School and Community Trust Stand for Children Leadership Center
Number of national advocacy grantees >\$1 million	7	18	34

Note. Authors' own data gathered from foundation tax returns for top 15 education foundations, reported in inflation-adjusted 2010 dollars.

Figure 5. Trends in Total and National Policy Advocacy/Research Giving. (Reckhow & Snyder, 2014, p. 189)

Tompkins-Stange (2016) provides a critical comparison of four foundations that fund K-12 education and the role these foundations play in shaping policy. Her work is distinguished from others by her use of two frames. First, she looks at whether the work of these foundations produces technical or adaptive changes. Second, she utilizes a grassroots versus grasstops framework to look at the impact of top-down versus bottom-up approaches to education reform (Tompkins-Stange, 2016). Her work guides a more nuanced understanding of the ways philanthropy targets problems and engages in solutions.

Shaping policy on national standards. Philanthropists utilized several approaches to advance their support for and national education standards and accountability measures (Reckhow & Snyder, 2014; Reckhow & Tompkins-Stange, 2015). The Gates Foundation identified 15 top prospects and offered up to \$250,000 to hire consultants to write state applications for federal Race to the Top funds (Barkan,

2011). Broad and Gates sponsored “Waiting for Superman” which makes the case for education reform (Barkan, 2011, p. 56). Gates and Broad also invested \$60 million to get political parties to address education reform (Barkan, 2011). Specifically, a number of philanthropists invested in the creation of Common Core educational standards (e.g., Callahan, 2017; Tompkins-Stange, 2016).

Shaping policy and funding charters, vouchers and choice. One of the best examples of investments in jurisdictional challengers by philanthropists is charter schools, vouchers and choice programs (Colvin, 2015; Greene, 2015; Hassel & Way, 2005; Saltman, 2009; Scott, 2009). Charter schools, in particular have received the attention and resources of philanthropists (Bishop & Green, 2008; Callahan, 2017). During 2000-2010, philanthropy in traditional public institutions declined from 16 percent to 8 percent while funding of charter schools increased from 3 percent to 16 percent (Reckhow & Snyder, 2014, p. 5).

There is an extensive body of research on specific geographical charter programs, program success, and the role of public and private funding of these schools. For the purpose of this research the relevance is in the willingness of major philanthropists to commit significant funds to charter schools. The Eli Broad Foundation and Walton Family Foundation invested heavily in charter schools (Reckhow & Snyder, 2014; Saltman, 2009; Scott, 2009). Perhaps the most notable philanthropist in this arena is Betsey DeVos, who devoted millions to funding charter schools in Michigan and supported state and federal advocacy for expanding charter schools (Strauss, 2016). As a billionaire supporter of charter schools, DeVos gained national attention after being selected Secretary of Education for the Trump Administration. Her role uniquely

represents the intersection of politics, policy and public education (DeGroff, 2017; Ravitch, 2017).

As jurisdictional challengers, charter schools also represent a politically divisive topic pitting those who support privatization and competition against defenders of the traditional public system (McShane & Hatfield, 2015). Diane Ravitch, one such critic, noted philanthropists are using their vast fortunes to undercut public education and impose a free market competition (Hess, 2015, p. 4; Ravitch, 2017). When the head of a charter school was asked why philanthropist Eli Broad gave so much to his charter school, he said, "Because I am a disruptive force. And he's betting on that force gaining enough momentum that it will ultimately change the system, not just in L.A., but elsewhere too" (Snyder, 2013, p. 29).

Shaping policy and funding for teacher education. There is a long history of support for teacher education and training (Lenkowsky, 2005). The Carnegie Foundation for the Advancement of Teaching was the first foundation established by Gilded Age philanthropist Andrew Carnegie and continues to shape teacher education today (Bremner, 1988; Fleishman, 2009; Goldstein, 2015). The Carnegie Foundation supported the Carnegie Forum on Education and the Economy, which produced the 1986 report "A Nation Prepared: Teachers for the 21st Century" and partnered with the Rockefeller Foundation to support the National Commission on Teaching & America's Future, which published the report "What Matters Most: Teaching for America's Future" in 1996 (Gallagher & Bailey, 2000).

In addition to supporting research in the field, philanthropists also support specific programs designed to improve teacher education (Cochran-Smith, 2001; Colvin, 2005;

Goldstein, 2015; Reckhow & Snyder, 2014; Reckhow & Tompkins-Stange, 2015; Zeichner & Pena-Sandoval, 2015). Some of these investments go to fund teacher education programs and research in best practices (Imig, Weiseman, & Imig, 2011; Zeichner & Pena-Sandoval, 2015). Still other philanthropic organizations fund jurisdictional challengers like Teach for America that offer alternative certification (Kovacs & Christie, 2008; Kretchmar, Sondel, & Ferrare, 2014). Similarly, the Broad Foundation funds programs to move professionals from other fields into teaching careers (Barkan, 2011). Several philanthropists have also supported merit pay programs for teachers. Philanthropist Michael Milliken, for example, gave over \$100 million to recognize excellence in education through a merit pay program (Colvin, 2005).

Shaping policy and funding for governance and leadership. A number of philanthropists have sought to impact school reform through initiatives designed to improve governance and leadership (Colvin, 2015). The clear leader in this area is The Broad Foundation, which has made considerable investments in superintendent training. The Broad Superintendents Academy claims, “43 percent of all large urban superintendent openings were filled by Broad Academy graduates” (Barkan, 2011, p. 50). The Broad Residency Program trains professionals with master’s degrees to fill managerial positions in school districts as well as at charter schools and state federal education agencies (Barkan, 2011, p. 50). Barkan (2011) does note that these efforts are primarily in the LA unified school district and therefore target urban districts.

Beyond the Broad Foundation initiatives, the Wallace Foundation spent \$85 million on its Principals Pipeline Initiative for six urban schools (Bartoletti, Anthony, & McMillan, 2016; Turnbull, Riley, Arcaira, Anderson, & MacFarlane, 2013). In addition

to leadership training, some philanthropists look to support alternative governance and management models. The Laura and John Arnold Foundation supported the portfolio model of school governance. Since 2011, they have given over \$200 million to this jurisdictional challenger that aligns with charter school movement (Perry & Callahan, 2017).

Issue specific education philanthropy. Philanthropy has also been utilized to support an array of issue specific programs. These issues range from technology in the classroom to supporting highly targeted subgroups of students (James, Householder, & Bailey, 2000; Noguera, 2012). Major philanthropic gifts have targeted improving reading performance. Jim Barksdale of Netscape gave \$100 million to improve reading in Mississippi (Colvin, 2005). David Packard gave \$75 million to help a targeted group of California schools improve reading outcomes (Colvin, 2005).

A number of philanthropic efforts have targeted high school models, curriculum, size and delivery. One of the Gates Foundation's earliest large-scale philanthropic efforts, the small schools initiative, was based on research suggesting that smaller schools fostered higher educational achievement (Colvin, 2015; Goldstein, 2015; Tompkins-Stange, 2016). The Carnegie Foundation has committed \$200 million since 2000 to innovations in high schools and recently supported "Opportunity by Design" to reimagine the high school experience. The Barr Foundation supports non-traditional approaches to high schools in New England, and Laurene Powell Jobs committed \$100 million to redesign high schools (Hall & Callahan, 2017). Of the total funding distributed to issue-specific education philanthropy, direct school or teacher support is low and continues to decline (Reckhow & Snyder, 2014).

Investments in urban school reform. Major funders have targeted large-scale philanthropic efforts on urban schools and those efforts are the focus of a significant portion of research related to philanthropy in education (e.g., Gurn, 2016; Hess, 2005). Reckhow (2013) wrote an entire book on philanthropic support for reforms in just two cities: New York and Los Angeles. Russakoff (2015) wrote an entire book on philanthropic support for a single reform effort in the Newark, NJ schools. Jenkins and McAdams (2005) wrote on philanthropic support for reform efforts in Charlotte, NC, Houston, TX and San Diego, CA.

The Annenberg Foundation funded one of the largest efforts to reform public schools in 1993 (McElroy, 2014). This program provided \$500 million in grants to primarily urban school districts in 35 states. The ambitious effort was viewed to have had limited success but provided significant research into the successes and challenges of their efforts (Annenberg Foundation, 2002; Bessell et. al., 2003; Colvin, 2005; Domanico, Innerst, & Russo, 2000; Reyes & Phillips, 2001; Smylie & Wenzel, 2003).

Similarly, the Gates Foundation heavily invested in a small high schools program mentioned earlier in the review of issue specific philanthropy (Colvin, 2005; Kahne, Spote, De La Torre, & Easton, 2008; Shear et al., 2008). Like the Annenberg Challenge, the outcomes were mixed and the subject of much discussion about the effectiveness of philanthropy in schools. These programs all provided direct support to schools but with limited success. The Broad Foundation created the Broad Prize for Urban Education, described as the “Nobel Prize for education.” The prize of \$1 million is divided among the winning schools. Though billed as support for public education, there is no mention of rural schools (Saltman, 2009). Significant amounts of research exist on these high-

profile programs, evaluating their strengths and shortcomings. Callahan (2017) sums up the conclusions on these programs as such: “Their grandiose plans have often failed to anticipate realities on the ground, created intense polarization, and alienated the stakeholders who are essential to successful schools – like teachers” (p. 308).

The literature on current trends in K-12 education philanthropy highlight several issues that may impact the role of philanthropy in Vermont K-12 public education. First, the trend towards shaping policy may trickle down to schools in Vermont but the question of how these policies might impact Vermont must be paired with questions regarding available philanthropic funds for their implementation. The literature review does identify research that demonstrates a decline in funding for direct support of schools. To the extent that philanthropists do fund direct school support, the efforts are almost exclusively focused on urban schools and jurisdictional challengers to public schools. Each of these factors may offer explanation for current K-12 philanthropic funding in Vermont and will be explored as part of this study.

Rural Philanthropy

The literature on philanthropy is limited and primarily comes in the form of reports rather than peer reviewed articles or research. *Beyond City Limits: The Philanthropic Needs of Rural America* notes that there are “only a handful of major foundations with strong institutional commitments to grant making in rural America” (National Committee for Responsive Philanthropy, 2004, p. 3). The report describes what they call a “philanthropic divide” where rural states have limited philanthropic resources and received a small share of overall philanthropic funding (p. 6). The topic of this report also reflects the limits on research on rural philanthropy as it is narrowly

focused philanthropic support for rural economic development. Similarly, Campbell University's Office of Rural Philanthropic Analysis recently partnered with the Robert Wood Johnson Foundation for a report on rural philanthropy but its scope was limited to rural health and health care (Reilly, 2018).

Rural philanthropy most often falls within the category of place-based philanthropy and thus focuses on the notion of geography as central to philanthropy. *Growing Local Philanthropy 2009 Survey: Community Foundations and Geographic Affiliates* (2011) focuses on expanding community foundations through geographic affiliates. Community foundations are a form of place-based philanthropy designed to serve a specific geographic region. Geographic affiliates are satellite organizations of a community foundation that more narrowly target their geographic focus. This is significant for this research because a survey of community foundations found 75 percent of the geographic affiliates serve rural areas (The Aspen Institute, 2011).

Hay and Muller (2013) found that while geographers have done limited research on regional level influences on philanthropy, there is even less on geographic-specific philanthropy. The authors (2013) note the need to "conduct research on the knotty links between place and philanthropic activity" (pp.12-14). Gurn (2016) notes that economic restructuring "creates asymmetries between people and places with access to capital and those without" and identifies this as an unstudied aspect of philanthropy and rural communities (p. 1). Legislation in response to the *Brigham* decision in Vermont attempts to address this asymmetry in public education funding from the public funding perspective. This research seeks to explore this "unstudied aspect of philanthropy and rural communities" in Vermont.

Two other reports look specifically at rural philanthropy as a unique niche. *The Power of Rural Philanthropy* (2005) utilizes the idea of geographic-based philanthropy, in particular geographic affiliates to foundations, to provide a road map for rural communities to create their own locally sourced, locally driven philanthropic foundations (Forum of Regional Associations of Grantmakers). *Growing Local Giving and Living: Community Philanthropy in Rural Places* similarly focuses on philanthropic tools available to rural communities (Topolsky, 2008). In addition to discussing traditional fundraising opportunities, Topolsky identifies several philanthropic innovations like community endowment funds that hold potential for future rural philanthropy.

Beyond the tools for rural philanthropy, one study looked at differences in giving between rural and urban donors. In 2010, *Comparing Donation Patterns of Rural and Urban Donors* by the Center on Philanthropy at Indiana University and the Association of Fundraising Professionals compared giving patterns and factors between urban and rural donors. The study found that rural donors gave less than urban donors and that rural donors gave significantly higher to religious organizations. Of great interest to this inquiry is the finding that one of the few areas rural donor outperformed their rural counterparts is in giving to education.

Rural education philanthropy. The research on rural education philanthropy is extremely limited. It is not clear if this is due to the lack of rural philanthropy in general or a lack of research on the subject. In either case, the oversight is significant given over 8.9 million students attend rural schools, more than the enrollments of New York City, Los Angeles, Chicago and incredibly the next 75 largest school districts combined (Showalter et al., 2017, p. 1). Historic examples of rural education philanthropy are

limited to rural areas of the South during post-Civil War reconstruction or the Rosenwald Schools in rural Alabama (Emanuel, 2015; Finkenbine, 2003). The one significant recent example is the Annenberg Rural Challenge which was part of the \$500 million Annenberg Challenge started in 1993. The Annenberg Rural Challenge was recognized as an afterthought to a program designed to address urban schools. The \$50 million represented 10 percent of the overall funding available. The purpose was to support and develop rural schools and communities. It was noted at the time that the Annenberg commitment to rural schools "was a one-time event. It is not likely to be repeated" (Nachtigal & Haas, 2000, p. 7).

Educational reform efforts supported by philanthropy can look radically different when viewed through a rural lens. School choice, for instance, is of little use in isolated rural communities where the next school option is geographically or practically out of reach (DelReal, & Brown, 2017). Maine reflects some of the similar challenges facing Vermont: Shrinking tax base; aging population; declining enrollment; poor local tax base and weak state support that leads to tight budgets. Eric Steeves, superintendent of East Millinocket Public Schools in Maine, echoed the experiences of Vermont and noted that, "With rural schools, there hasn't been much dialogue, I would love to talk about it, but we never get invited" (DelReal & Brown, 2017).

Philanthropy in Vermont is inextricably linked to its rural character. A review of the literature reflects limited research on rural philanthropy and rural education philanthropy. Authors of rural philanthropy research note these limitations and call for greater study in this area. The limited research identified details the significance of place to giving and the unique giving habits of rural donors. There is a clear gap in the

literature on rural philanthropy. The purpose of this study is to add to the body of knowledge around rural philanthropy, particularly rural education philanthropy.

Survey of K-12 Philanthropy in Vermont

In Vermont, philanthropy is on a much smaller scale and more closely aligned with local priorities. Of the top 10 foundations in Vermont, only the top 3 are over \$1 million in annual giving (The Grantsmanship Center, 2014). Like their national counterparts, they are less likely to engage in K-12 education. The Vermont Community Foundation is the largest philanthropic organization giving about \$11 million annually (The Grantsmanship Center, 2014). This donor-driven foundation does significant work in early childhood care and education and post-secondary education, but very little in public K-12 education (vcf.org).

The second largest philanthropic foundation is the Ben & Jerry's Foundation which gives around \$2.5 million annually (The Grantsmanship Center, 2014). Most of its work is encouraging social justice activism. One program, the Vermont Community Action Team Grants, is driven by employee interest and provides many small grants to local schools (benandjerryfoundation.org). The biggest single foundation contribution to K-12 education comes from the family foundation which funds a professional development institute for K-12 educators through a local university. The foundation name and program are omitted in the literature review because they appear in the research section of this study. This program blends trends in higher education: Major, transformative gifts combined with the significant role of donors in direction of funds, and investing in teacher education. However, unlike the Gates Foundation, this program is tied to specific teachers and implemented on a small scale at local schools.

One Vermont community utilizes a local education fund to supplement public spending on education. Further research on this program is not provided as they are a targeted participant for this study. The same is true for a place-based fund within a local foundation. Voluntary associations like Parent Teacher Associations/Organizations (PTA; PTO) are common grassroots philanthropy for local schools but are not within the scope of this study. Corporate Foundations are also outside the scope of this study. Ben and Jerry's Foundation was included because of its unique employee-focused philanthropy and it is not a targeted participant for this study. This study will look at the local education fund and the place-based fund identified above as it seeks to provide greater detail and understanding about how philanthropists engage in Vermont's K-12 education system.

Trends in Education Philanthropy

There are a number of trends shaping current philanthropy in the United States, however two have specific relevance for this study: Venture philanthropy and place-based philanthropy. Venture philanthropy reflects the current ways in which business practices are impacting philanthropy. Place-based philanthropy looks at giving from a geographic perspective. This is relevant for the rural focus of this research as well as to provide a foundation for understanding what tools might be best utilized for geographic-based philanthropy.

Venture philanthropy. The most recent version of incorporating business practices into philanthropy is the concept of venture philanthropy. In its simplest form, venture philanthropy is based on the notion of bringing together ideas, capital and business expertise (Bishop & Green, 2008). Philanthropists invest in various ideas

about how to address a problem to see which, if any, has the most success (Callahan, 2017). The increasing trend of multiple foundations and philanthropists targeting the same programs for investment reflects the idea of pooling investments common in venture capital (Reckhow & Snyder, 2014).

Venture philanthropy has grown significantly in popularity in recent years (Callahan, 2017; Tompkins-Stange, 2016). This is often attributed to the fact that many of the wealthiest and most active philanthropists, like Gates and Zuckerberg, made their personal fortunes through startup companies (Bishop & Green, 2008; Callahan, 2017; Hess, 2015; Saltman, 2010; Tompkins-Stange, 2016). These philanthropists made their money through innovation and challenges to status quo and believe philanthropy can operate the same way (Snyder, 2015).

Petersen and Smith (2006) describe these investors as “a rare breed of innovator whose characteristics and activities may lead to the transformation” not merely the slight improvement” of the public education system” (p. 2). Rather than seeking to improve the current public education system, venture philanthropists invest in programs that they believe will transform the system. They support joint philanthropic funds like New Schools Venture Fund, Charter School Growth Fund, New York’s New Vision for Public Schools, and Chicago’s Renaissance 2010, which invest in programs that compete with rather than support public schools (Saltman, 2009). Venture philanthropy also supports jurisdictional challengers like charter schools and Teach for America (Reckhow & Snyder, 2014; Scott, 2009). Greene (2015) best describes the disruptive goal of venture philanthropy with this example: “Uber wants to introduce broad changes in how

local taxi service is provided, just as foundations want to change how local education is providedö (p. 15).

Tompkins-Stange (2016) devotes an entire book to comparing the traditional foundations of Ford and Kellogg to the venture philanthropy style foundations of Gates and Broad. Saltman (2009) devotes an entire book to critiquing venture philanthropy and related privatization business models for education. He notes that venture philanthropy assumes education problems are administrative and can be addressed with a business plan; improvement come from top-down reforms (experts rather than locals know best) and quality and success is measured through test scores (Saltman, 2009). One of education venture philanthropy's biggest investments has been in charter schools as direct challengers to local public schools. Saltman (2010) offers the opinion that, as exemplified by charter schools, venture philanthropy öclaims to empower communities by expanding choice while actually undermining local community controlö (p. 6).

Place-based philanthropy: Community foundations. Connecting philanthropy to geographic places is the conceptual foundation for place-based philanthropy. Community foundations are tax-exempt nonprofits that are publicly supported and are defined by the geographic region they serve (Fleishman, 2009; Markley, Topolsky, Macke, Green, & Feierabend, 2016; Sacks, 2014). The Cleveland Community Foundation was established in 1914 as the first community foundation (Fleishman, 2009; Kelly & Duncan, 2014). Geographic affiliates are funds established within community foundations that further target specific geographic regions (The Aspen Institute, 2011). While community foundations are among the earliest established foundations, their growth is a recent phenomenon. Barry Knight's (2014) research on community

foundations finds that 70 percent of the 1,863 community foundations he identified were created in the last 20 years (Sacks, 2014). Several high-profile foundations like Ford, McKnight, Rockefeller and Charles Stuart Mott have supported the growth of community foundations (Kelly & Duncan, 2014).

Community foundations were created for the same reason as private foundations: To dispose of excess wealth and to help communities solve social and economic problems (Sacks, 2014). Among the defining characteristics of community foundations are their community leadership, role in community development, and service as an intermediary between donors and programs in need (Sacks, 2014). In addition, community foundations teach and promote philanthropy, focus resources during disasters and promote social justice (Sacks, 2014). While many of these characteristics are shared with private foundations, it is the community focus, driven by a board of community members that distinguishes community foundations.

The book *Here for Good: Community Foundations and Challenges of the 21st Century* presents a case for including community foundations, along with hospitals and colleges, as anchor institutions (Kelly & Duncan, 2014). Anchor institutions are defined as òa commitment by place-based institutions to consciously and strategically apply their long-term, place-based economic power, in combination with their human and intellectual resources, to better the welfare of the communities in which they resideö (Kelly & Duncan, 2014, p. 15). Specifically, Kelly and Duncan identify community foundations as tools for building community wealth through the establishment of building blocks. One of the blocks they identify is building basic skills through education and training (Kelly & Duncan, 2014). Connecting community foundations as anchor

institutions to building community wealth through education addresses the exact challenges identified in rural America in books like *Hollowing Out the Middle* (Carr, 2009).

Place-based philanthropy can also be defined by disconnect between donors and communities. Hay and Muller (2013) discuss the work of researchers on diaspora philanthropy, “Philanthropists who operate at a physical distance from one another but who have shared values with recipient countries” (p. 8). This label describes the significant growth of international philanthropy by high wealth philanthropists in the US, most notably the Gates Foundation and the Clinton Foundation. As noted in the section on rural philanthropy, Hay and Muller (2013) identify the limited research on geography and philanthropy, and identify the lack of research on the connections between place and philanthropy. Sacks (2014) identifies community foundations as one of the least studied forms of philanthropy that is in need of more research.

Donor-advised funds are a growing facet of community foundations. These funds give donors control of how funds are distributed (Kelly & Duncan, 2014). This topic is relevant as they may be utilized as a form of place-based philanthropy in some instances. However, the bulk of the research on these funds is outside the scope of this study as it pertains to tax policy and competition among private philanthropic advisors and community foundations.

Place-based philanthropy: Local education funds. Local education funds (LEF) are an even more narrowly targeted example of place-based philanthropy. These funds are established by local communities to support local schools (Kearney, 1994; Kline, 1992; Uroff & Leisure, 1993). The funds are designed to fill in the funding gap

between public funding and school system needs (Brent, 2002; CCEFLink.org; Clay, Hughes, Seely, & Thayer, 1985; de Luna, 1998). Rather than rely on high net worth individuals or foundations, these are voluntary associations that ask local citizens to support local schools through charitable contributions (Clay et al., 1985). The direct connection between schools and communities that is provided by these funds has been found to strengthen community bonds (Brent, 2002; de Luna, 1998).

These funds first appeared in the 1980s and grew significantly in number during the 1990s, most often in response to property tax decisions at the state level (Else, n.d.; de Luna, 1998). Much of the early literature provides “how to” for communities looking to establish an educational fund (McCormick, Bauer & Ferguson, 2001; Muro, 1995). LEFs vary in size from \$200 to over \$1 million, with the average raised by LEFs amounting to less than one-half of 1 percent (.005) of school budgets (Else, n.d., p. 1; Merz & Frankel, 1995). However, Brian Brent’s (2002) survey of LEFs in New York and Florida found that recipients valued these contributions and found they had a significant impact. Likewise, McCormick et al. (2001) found that \$20 per student can have an impact and \$40 can produce change in education.

A number of associations emerged to support LEFs. The National School Foundation Association (NSFA) has over 1,000-member foundations and encourages the development of state associations of education foundations. Currently NSFA identifies 10 state education foundation associations. Vermont does not list a state education foundation association; however, two Vermont schools appear as members of NSFA: Rice Memorial High School and South Burlington Schools’ Foundation for Education Advancement (schoolfoundations.org). As a sign of continued interest in LEFs, NSFA

announced a certification program that, “recognizes a growing need to address funding gaps for the nation’s Pre-K-12 schools through a formalized professional development process” (NSFA, 2015).

The Public Education Network (PEN) was an outgrowth of an initial grant supporting the creation of LEFs by the Ford Foundation in response to *A Nation at Risk*, a critical report on public education in the United States (Cairney, 2012). PEN served as a membership organization supporting LEFs, providing support for creation and implementation as well as advocacy for LEFs. At its peak, 84 foundations in 26 states belonged to PEN (de Luna, 1998, p. 386 – compare to 1,000 in NEFA). The organization was discontinued in 2012 after 21 years, citing that the original goals had been met and decreased interest in organization membership. But of particular interest, PEN’s senior vice president noted that LEFs “have become mature organizations which have moved from mainly project-oriented work they were doing in the 1990s to policy work, public engagement” (Cairney, 2012). No research to support this movement away from direct support to policy advocacy by LEFs was identified but the suggestion does mirror the national trends in K-12 philanthropy.

LEFs are most commonly found in urban areas (de Luna, 1998). The 2014 National Study and Rankings of Top Educational foundations identified that the top 100 had annual revenue of \$2 million or more (Dewey & Associates, 2014). The U.S. Tax Code only requires reporting for foundations with income over \$25,000 which makes tracking smaller LEFs more difficult (Brent, 2002). Merz and Frankel (1995) note LEFs that spend less than \$10,000 annually do so for mini-grants. The concern most often raised about LEFs is that they are utilized and found to be more effective in wealthy

communities, creating troubling inequity (Brent, 2002; Brunner & Imazeki, 2003; Downes & Steinman, 2007; Goodman, 1999).

The trends identified offer contrasting examples of how philanthropy may or may not engage in Vermont K-12 public education. Venture philanthropy almost exclusively supports programs in urban schools and jurisdictional challengers that would have little impact on rural, public schools. In contrast, place-based philanthropy is an emerging area where philanthropy is directly connected to community and has already demonstrated possibilities for rural areas.

Theory in Philanthropy

There are two books that specifically address theory of philanthropy. These works describe what philanthropy does, why philanthropy is utilized, how philanthropy can serve as a unique catalyst for action and who engages in philanthropy. Payton and Moody (2008) provide multiple theoretical frameworks for exploring philanthropy and its role in public education. Prince and File (1994) provide a framework for identifying different types of philanthropists and their unique approach to charitable given. Taken together, these two works provide a foundation for understanding the role philanthropy plays in public life and what motivates different types of philanthropists. These theories are key to understanding what is happening in Vermont K-12 education philanthropy.

Framework: Five roles for philanthropy. Payton and Moody (2008) broadly define philanthropy as "voluntary action for the public good" (p. 6). Pulling this definition apart, they define voluntary action as "relieve the suffering of others for whom one has no formal or legal responsibility" and the public good as means "to improve the quality of life in the community, however one defines that idea" (p. 28). With this

definition as a foundation, the authors provide a useful framework for understanding how philanthropy works by identifying five roles for philanthropy:

1. Service ó providing services and meeting a need
2. Advocacy ó advocating for reform (interests, populations, views)
3. Cultural ó expressing and preserving values, traditions and identities of a culture
4. Civic ó building community; generating social capital; promoting civic engagement
5. Vanguard ó social innovation, experimentation and entrepreneurial invention

(p. 34)

Payton and Moody (2008) provide support for the role of social construction in philanthropy by noting the “public good” is constantly being constructed (p. 60). In this context, they note the role philanthropy plays in shaping the human condition, “Philanthropy exists because of two truths about the human condition: Things often go wrong, and things could always be better” (p. 63). The authors explore the notion of life chances, which is particularly relevant in the niche of educational philanthropy. The authors (Payton & Moody, 2008) note the great variance in social and economic standing as a result of “life chances” (p. 68). The notion of “help people to help themselves” is an underlying theory of philanthropy based on an attempt to address the disparity in life chances. Many of the examples cited in Bremner (1988) and Friedman and McGarvie (2003) highlight this ó from schools for the blind to African American education in the post-Civil War south.

As the authors suggest, this framework can help identify what is “wrong” and what can be done better. Utilizing this framework will help identify the specific ways in which philanthropy engages in Vermont K-12 education. In addition, this approach may

help identify gaps and possible opportunities for future engagement. The list is also a useful tool for shaping conversation about the appropriate role of philanthropy in education in general, and specifically in rural communities.

Framework: Three reasons for philanthropy to engage. Another useful framework provided by Payton and Moody (2008) is the three reasons they identify for philanthropic response to the human problematic: It is the only, or only effective response; it is a response that compliments other responses (i.e., government, business); it is the preferred or most appropriate response (p. 87). These concepts are easily applied to examples of education philanthropy given in Bremner (1988) and Friedman and McGarvie (2003). For example, philanthropy was the only response to the educational needs of emancipated slaves after the Civil War. Once the Freedmen's Bureau was established, philanthropy continued to compliment the efforts to educate the emancipated slaves. Philanthropy ultimately became the preferred response for establishing training schools for Black educators and ultimately predominately Black colleges.

This three-part framework for philanthropic engagement is a useful tool for examining current trends in philanthropy. It also serves as a useful guide for exploring why philanthropy currently engages in Vermont K-12 public education. The value of this framework is shaping the rationale for different levels of engagement by philanthropists.

Framework: Moral action and moral imagination. Payton and Moody (2008) describe moral action and moral imagination as yet another framework for exploring philanthropy. The authors identify philanthropy as a means for moral action and moral imagination as creative solutions to social problems. Moral action is defined as the vehicle for moral imagination to shape and advance the moral agenda of our society

(Payton & Moody, 2008, p. 96). The notion of moral action is tied to the philosophical understanding of who we are and what we seek as a people, "Philanthropy is a way that we can work with others towards something better, toward a shared understanding of the public good, or perhaps to preserve something we see as good already" (Payton & Moody, 2008, p. 98). Payton and Moody (2008) see the human potential through philanthropy, "humans are defined not only by their self-interest but also by their capacity to see and act beyond it" (p. 128). And the authors use meliorism, the belief that "the world can be made better through rightly directed human effort" as a foundational principle for exploring moral action (p. 122).

Moral action describes why humans seek to do good for others. Moral imagination is the creative ways in which social and community problems are solved, it "helps us to respond creatively to human needs and to see the possible public good" (Payton & Moody, 2008, p. 133). Payton and Moody (2008) identify two strands woven through our philanthropic tradition of moral action and imagination: "Compassion and community" (p. 34). The authors use Old Testament scripture to provide a foundation for the role of compassion in moral action. Like Bremner (1988) and Friedman and McGarvie (2003), they note the religious traditions that shaped early charity. Payton and Moody (2008) also note the importance of alms giving which stems from the religious tradition and is rooted in compassion. The notion of community as part of moral action is an interesting concept with which to explore current education philanthropy. It raises the question of how community needs are met by philanthropy focused on issues like teaching standards. Payton and Moody (2008) note that philanthropy exists because the

government and business sectors have either failed to address or do not sufficiently address identified human needs (p. 158).

Today philanthropists seem particularly engaged in moral imagination when seeking to address issues like eradicating certain diseases or finding ways to provide clean water. Moral imagination seems an apt way to describe venture philanthropy in education. These philanthropists are engaging in moral imagination when seeking innovative, new solutions to challenges in education. Jurisdictional challengers may be the strongest example of moral imagination as those programs do not seek to reform education but offer a whole different means of educating students and preparing teachers. Both moral action and moral imagination serve as guides for thinking about philanthropy in a moral context and how that lens shapes understanding of current and future philanthropic engagement.

The three frameworks identified in Payton and Moody (2008) provide useful means to understand the ways philanthropists engage, the rationale for engagement at different levels and the moral motivations for philanthropy. Taken together, they provide a comprehensive framework for understanding how philanthropists, educators and community members develop understanding and meaning around the idea of philanthropy. These frameworks will help define interview questions and provide a foundation for document review.

Seven faces of philanthropy. Prince and File (1994) conducted a study of the motivations of individuals who support nonprofit organizations. As a result of their study, they identified seven distinct types of donors which are: Repayer, Investor,

Socialite, Communitarian, Devout, Altruistic and Dynast. There motivations are described as follows:

1. Repayer: Doing good in return
 2. Investor: Doing good is good business
 3. Socialite: Doing good is fun
 4. Communitarian: Doing good makes sense
 5. Devout: Doing good is a moral obligation
 6. Altruist: Doing good feels right
 7. Dynast: Doing Good is a family tradition
- (pp. 14-16)

For the purpose of this research, the emphasis was on Communitarian, Devout, Altruist and Dynast. Communitarians were the primary focus of this research because of the emphasis on hyper local philanthropy and the donors were motivated by support for their local communities (Prince & File, 1994). Devouts were a focus because of the historic tradition of religion as a motivation for charitable giving noted in the literature review and referenced by participants (Prince & File, 1994). Altruists and Dynasts emerged with some philanthropists identify giving as a moral obligation or family tradition (Prince & File, 1994). Repayer, Investor and Socialite did not emerge as motivations for participants in this study.

Where Payton and Moody (2008) provide the framework for understanding how and why philanthropists give, the primary focus of the *Seven Faces of Philanthropy* is who gives and what defines each giving type (Prince & File, 1994). This will complement Payton and Moody's (2008) frameworks in helping shape the interview questions for philanthropists. This framework also provides a tool for understanding the connections, or disconnections, between philanthropists and local communities. Finally,

this framework may provide a means for understanding how stronger bonds between donors and communities might be formulated and implemented.

Taken as a whole, these frameworks provide tools for understanding how and why philanthropists give. These same frameworks provide a guide for how educators and other participants might categorize current and future opportunities for participation by philanthropists. In seeking to answer *how* and *why* questions, these frameworks are well suited to the needs of case study research (Yin, 2014).

CHAPTER 3: METHODOLOGY

Purpose of Study

The rural character of Vermont is a significant factor in the high cost of its K-12 public education system. Stagnant incomes for the majority of Vermonters combined with Vermont's high tax burden means Vermonters are increasingly unwilling to support tax increases for public education. Vermont faces increasing demands for K-12 education funding with limited prospects for additional public funding from local, state or federal sources. At the same time, an unprecedented amount of funding is available through private philanthropy. This raises these overarching research questions: What role does philanthropy play in Vermont K-12 public education? What role might it play?

To explore these questions, a comparative case study was conducted of two different geographic regions in Vermont. The focus on Vermont came from a desire to provide information on the opportunities and limitations of education philanthropy to interested communities but has the added benefit of adding to the limited research on rural communities in New England. These regions in Vermont were selected for their use of two different models of place-based philanthropy. The specific research questions that form the foundation of this study are:

1. How is philanthropy utilized to support K-12 public schools in each region?
2. Who provides the philanthropic support to local schools?
3. Who decides how philanthropic support will be used?
4. What are the opportunities that come as a result of philanthropic funding for local schools?

5. What are the limitations of utilizing philanthropic funding to support local schools?

The outcome of this research contributes to understanding the changing landscape of philanthropy, particularly as it applies to education philanthropy. In addition, this research contributes to the limited body of knowledge about rural philanthropy, particularly rural education philanthropy. Finally, this research provides greater understanding of how philanthropy is currently utilized by two regions in Vermont and what opportunities might exist for other communities to utilize philanthropic models.

Research Methodology

Qualitative methodology is utilized for this study because it enables the researcher to understand and interpret how the various participants in a social setting construct the world around them (Glesne, 2006, p. 4). This approach aligned with the research questions I sought to understand: How do Vermont educators and philanthropists define and utilize philanthropic resources to meet K-12 public education needs? Further qualitative researchers seek to understand process, particularly how individuals understand their experiences (Creswell, 1998; Merriam, 1988). The notion of process is important to this research as understanding how the participants view the process of engaging philanthropy gets to the possibility of replication in other communities. Exploring what is going on here through study of groups, organizations and relationships are defining features of qualitative research (Tracy, 2013, p. 6). Interviewing participants in their working environments and conducting document review are also characteristics that support a qualitative approach to this research (Merriam, 1988; Stake, 1995; Yin, 2014).

Charmaz (2006) notes that Grounded Theory complements other qualitative approaches and that Glaser and Strauss invited their readers to use grounded theory strategies flexibly in their own way (p. 9). Several methodological strategies of Grounded Theory were used to provide a flexible yet systematic approach to the development of this study. The development of this study originated from a series of questions that were explored through literature review. The initial observation was that Vermont needs education funding, philanthropy has resources available and asked how the two might be connected. This initial query led to document review, seeking to understand what is driving Vermont's need for education funding and what is driving the increase in philanthropic funds. The results of this research were represented in the introduction and context section of this study and reflect the initial steps in the Grounded Theory process (Charmaz, 2006).

The next round of the process focused on what is going on in Vermont education philanthropy. Document and literature review helped identify rural philanthropy as a neglected area of research and identified place-based philanthropy as the most likely form of philanthropy to be utilized by rural communities. Place-based philanthropy, simply defined, is charitable giving that is associated with a defined geographic region. Through a modified process of sorting memos, this step in the Grounded Theory process shaped the theoretical sampling seeking specific new data (Charmaz, 2006). This led to the identification of specific uses of place-based philanthropy that support public education in Vermont which forms the foundation for the comparative case study approach this research takes. Grounded Theory process encouraged an openness to what is happening in the places that use these models and utilized comparisons at each step of

the analysis to see if any theory may emerge (Charmaz, 2006). This approach left room for the possible development of middle range theories that explain unexplored aspects of rural education philanthropy.

Case study approach. The Grounded Theory process led to the decision to utilize a comparative case study approach to this research. The purpose of this study is to understand how educators think about using philanthropy to support education and how philanthropists make decisions about investments and why they may choose investments in public education programs. These types of *how* and *why* questions are defining characteristics of case study methodology (Yin, 2014, p. 2). Further, case study methodology is appropriate for this study because I sought an in-depth understanding of a specific issue using a case that is bounded by time and place (Creswell, 1998; Yin, 2014).

Yin (2014) notes that multiple case studies can be purposefully selected to highlight different perspectives. A comparative case study approach was utilized in this study to describe how and why specific place-based models of philanthropy were used and their level of success in supporting local schools. Data was collected and analyzed both within and across the two cases. The goal was to gain greater knowledge about what is happening with education philanthropy in two regions of Vermont. The primary outcomes focused on the specific cases rather than general knowledge about philanthropy (Creswell, 1998).

Theoretical Framework. Development of this study was approached from an interpretive paradigm (Tracy, 2013). The overarching theory in the research design is that notions of giving and need are socially constructed. This relativist perspective acknowledges *multiple realities have multiple meanings* and seeks to ascertain the

perspectives of diverse participants (Tracy, 2013, p. 49; Yin, 2014, p. 17). Case study method is grounded in a social construction perspective that seeks understanding of the world in which [participants] live and work and to understand the historical and cultural settings of the participants (Creswell, 1998, p. 24).

Social construction is demonstrated in the meaning individuals ascribe to education. For parents, education is defined as ensuring their children are given every opportunity for success. For taxpayers, education is defined by personal values and perceptions about what they can afford. For community members, the meaning of education may include a sense of identity, a source of pride and a hub of community activity. For students, the meaning of education includes a physical place they spend a significant portion of their formative years, growing in intellect, emotional capacity and friendships. Schools in communities are often defined as more than places where kids learn. They are the home of musical performances, dances, athletic events. They house community meetings, meals and, in many communities, are fundamentally tied to the community's identity. These views on the role of schools reflect an element of social construction where each school's uniqueness is shaped by agreements among community members about what they value and will support in their schools. They exemplify the notion of social construction that says "socially constructed phenomena, which have no tangible reality, are limited only by human imagination and the agreements people make with each other" (Bushe, 2013, p. 1). If schools are, "created, developed, and infused with meaning by organizational members," then any change to the school alters the members' socially constructed reality (Anderson, 2012, p. 76).

The historical perspectives of philanthropy in the introduction and literature review demonstrate a similar notion of social construction. The evolving definition of philanthropy reflects the changing agreement on philanthropy's meaning and use. The evolution from charity to philanthropy and current trends also reflect social construction. Although each philanthropist defines their own charitable work, once they engage others in the process they are engaging in social construction. Be it staff, grant recipients or other philanthropists, defining collective action through philanthropy is an act of social construction.

To explore the social construction of philanthropy in Vermont among educators, philanthropist and citizens, theoretical frameworks derived from Payton and Moody (2008) and Prince and File (1994) were utilized for this research. Payton and Moody were used for examining how philanthropists engage in programmatic support and how others both see current philanthropic work and future opportunities. The five roles for philanthropy identified by Payton and Moody (2008) are service, advocacy, cultural, civic and vanguard (p. 34). This framework identifies philanthropic support by specific programmatic areas. Payton and Moody (2008) also identify three reasons philanthropists engage: "Philanthropy is the only solution; philanthropy is the best solution; philanthropy is done in collaboration with other entities" (p. 87). This framework helped identify how philanthropists most appropriately engage, at what level and in which capacity.

Payton and Moody (2008) provide frameworks for answering the "how" questions of this research. In contrast, Prince and File (1994) was the basis for a framework of

understanding why philanthropists give to various programs. The seven types of philanthropists, as described in greater detail in the literature review are:

- The Communitarian ó doing good makes sense
 - The Devout ó doing good is God's will
 - The Investor ó doing good is good business
 - The Socialite ó doing good is fun
 - The Altruist ó doing good feels right
 - The Repayer ó doing good in return
 - The Dynast ó doing good is a family tradition.
- (pp. 14-16)

I used Price and File's (1994) seven categories of philanthropists as a framework for identifying the different types of donors and their motivations. This framework was essential for understanding why donors give as a precursor to understanding how different giving priorities might be established.

Site and participant selection. For the comparative case study, two geographic regions in Vermont were selected as study sites based on their use of two different models of place-based philanthropy: Placed-based fund of a community foundation and a local education fund. The unit of analysis was defined by geographic boundaries and connection to place (Yin, 2014). The multiple case study approach using a small number of cases typically looks for cases that are literal replications (Yin, 2014). This study addressed replication generally in that both research sites use philanthropy to support public schools and they were bound by being situated in Vermont. However, the comparative approach looked at how these sites utilize different philanthropic models, seeking to understand how they work, their effectiveness and their potential for replication in other communities.

A two-phase approach was utilized for participant identification (Yin, 2014). The first phase of participants were defined based on the literature review and included educators, philanthropists, philanthropic staff, and education activists in Vermont. Further exploration of rural philanthropy and place-based philanthropy models led to defining the comparative case sites as two geographic regions in Vermont that were purposefully selected for their use of place-based philanthropy models. In addition to identifying research sites, the second phase helped identify a number of specific participants for purposeful selection.

The list of participants identified below was a result of purposeful sampling. The general criteria for selection was defined by the literature review, purpose of the research and the research questions (Tracy, 2013). Specific criteria for participant selection included connection to specific geographic locations defined by the comparative case study approach and expertise in education or philanthropy. In addition, snowball sampling was utilized to identify possible participants that surface through interviews with participants on the initial list. This method of sampling was appropriate when studying ñorganic social networksö and aligns with both Grounded Theory and social construction (Tracy, 2013, p. 136). While these participants were selected for the specific role noted below, the finding sections note that participants almost always had more than one area of expertise related to the research questions.

Table 2:

Participants and Roles

Geographic Region	Expertise
Region 1	Philanthropic expert
Region 1	Rural education expert
Region 1	Philanthropist
Region 1	Philanthropic expert
Region 1	Education leader
Region 1	School board member
Region 1	Educator
Region 1	Educator
Region 1	Educator
Region 2	Philanthropist
Region 2	Philanthropic expert
Region 2	Education leader
Region 2	Education leader
Region 2	Educator
Region 2	Educator
Region 2	School board member
Region 2	School board member
Statewide	Philanthropic expert
Statewide	Philanthropic expert
Statewide	Philanthropic expert
Statewide	Education philanthropy
Statewide	Education philanthropy
Statewide	Philanthropist
Statewide	Community leader

Data sources and collection. Yin (2014) describes the importance of designing cased studies with four principles in mind. These four principles are using multiple sources of evidence, creating a case study database, maintaining a chain of evidence, and identifying use and limitations of electronic data sources (Yin, 2014, pp. 118-129). This study design incorporates all four principles as described in greater detail in the sections that follow.

Sources of evidence. The primary source of data for this study was interviews. The targeted list of participants included 28 possible interviews with educators and philanthropists over two geographic regions. Ultimately, 24 interviews were conducted ranging 30-60 minutes per participant. The interviews were conducted based on open ended prompts as is appropriate for case study methodology (Yin, 2014). As noted by Yin, interviews “provide short-cuts to the prior history” identify other relevant sources of evidence” (p. 113). Two interview guides were utilized for this study, one for educators and one for philanthropists (Tracy, 2013). This differentiation was necessary to provide the best opportunity to secure rich, descriptive data that highlights the unique perspectives of educators and philanthropists (Appendices A and B).

As noted above, the participants were purposely selected for their relevance to the study which is defined, in part, by their particular knowledge of the intersection between education and philanthropy. The participants’ ability to “articulate stories and explanations” was necessary to provide the rich description (Tracy, 2013, p. 140). My positioning as a researcher in the interviews was a friendship model which is appropriate given I had prior relationships with a number of the participants (Tracy, 2013). Further, the topic lends itself to an informal, friendly conversation.

Document review was an essential method for conducting this research. Over 40 documents were reviewed across the two cases. These documents included reports, websites, fundraising lists, fundraising lists, grant making lists, grant applications, IRS documents, organization documents, technical assistance documents, a survey, organization communications, articles, donor statements, videos and podcasts. Pan (2008) notes reports from associations and internet sources are relevant materials for review, particularly when more recent information is available from these sources. As noted in the introduction, philanthropic decisions like the Gates Foundation's recent announcement to direct \$1.7 billion to K-12 programs are impacting this research as it is being conducted, making documents and online sources a necessary component to this research. The specific documents to review included reports from think tanks. These reports offer useful insights on specific areas of philanthropy relevant to this research. In addition, many nonprofit organizations create "how to" guides and summaries of activity in specific areas of philanthropy. Reports identified in the literature review were relevant as subjects for document review. Finally, through the course of interviews, documents were requested and reviewed as necessary to provide rich details and triangulation of the participant's views.

Observations were also a critical source of data for this study. Single observations were done at each case study site. In addition, interviews were conducted at locations selected by participants. This included cafés, schools, a library and participant homes. Travel to these sites along with the locations themselves provided rich context for the communities discussed in this study.

Creswell (2013) noted that multiple sources of information are necessary for the case study approach to research. The combination of interviews with diverse participants, document review and observations provide rich description and a triangulated approach to understanding the role of philanthropy in Vermont K-12 education. The common denominator for the participants, as noted by Glesne (2011), is their role in a bounded system.

Case study database and maintaining a chain of evidence. In order to maintain the integrity of collected data, a database was established. One portion of the database tracked the data collected through interviews and a second section tracked the reviewed documents. A separate journal was used for notes, observations and researcher memos based on interviews and document review. The chain of evidence plan connected the collected data to its source and to research findings.

Data analysis plan. Data in qualitative research is typically derived from interviews and observations over time as well as document review and artifact collection (Merriam, 1988; Stake, 1995; Yin, 2014). I utilized a data analysis loop as the approach recommended by Creswell (2013). Immediately after each interview, journal notes identified observations, questions and thoughts for follow up (Miles, Huberman, & Saldana, 1994). Each interview was transcribed and then reviewed. Another journal entry was done for transcript review included identification of emerging themes, possible codes and general thoughts.

For document review, each document was summarized in a journal entry. In addition to describing the context and source, I described how it relates to the research topic generally and specifically the research questions. The journal entry included

questions, emerging themes, other documents for review and general thoughts on the significance of the document.

The primary goals of data analysis were giving priority to the participant's voice and identifying the process for each model of philanthropy. Based on these goals, a combinations of in vivo, process and value coding was utilized for the first round of coding (Saldana, 2016). This multiple code approach was necessary to respect the social construction occurring in the conducting of this research as well as the different perspectives present among the participants. Analytic memos were used during the first round of coding to track the three different analytic goals. Further, analytic memos were utilized to help identify emerging themes and areas of commonality that shaped the second round of coding.

I utilized a matrix display method for the data to help track observations within each case and across both cases. (Miles et al., 1994). To ensure the quality and integrity of the research, Stake's checklist of 20 criteria for "assessing a good case study" was utilized (Creswell, 1998, p. 264). The 20 criteria are as follows:

1. Is this report easy to read?
2. Does it fit together, each sentence contributing to the whole?
3. Does this report have a conceptual structure (i.e. themes or issues)?
4. Are its issues developed in a series and scholarly way?
5. Is the case adequately defined?
6. Is there a sense of story to the presentation?
7. Is the reader provided some vicarious experience?
8. Have quotations been used effectively?
9. Are headings, figures, artefacts, appendices, indexes effectively used?

10. Was it edited well, then again with a last minute polish?
11. Has the writer made sound assertions, neither over- or under-interpreting?
12. Has adequate attention been paid to various contexts?
13. Were sufficient raw data presented?
14. Were data sources well-chosen and in sufficient number?
15. Do observations and interpretations appear to have been triangulated?
16. Is the role and point of view of the researcher nicely apparent?
17. Is the nature of the intended audience apparent?
18. Is empathy shown for all sides?
19. Are personal intentions examined?
20. Does it appear individuals were put at risk?

The participants and locations were assigned pseudonyms making the data indirectly identifiable. The list of participants and their pseudonyms is kept separate from the data. The data is stored on a password protected local computer drive.

Delimitations and Limitations

The delimitation, or boundary, of this study is rural communities in Vermont utilizing place-based philanthropy to support public K-12 education. This research scope is narrowly tailored and excludes other forms of philanthropy. Excluded forms of place-based philanthropy include PTOs which could be considered place-based but would more likely be considered a form of voluntary association philanthropy. Also excluded are booster clubs, student fundraising for specific events or projects and corporate philanthropy. These forms of philanthropy are excluded in order to focus on models of community driven philanthropy that broadly supports local education. It is also

important to note that while equity issues often arise on the subject of philanthropy, it is not the focus of this research. I did not assume a position, in favor or against, philanthropy in public education. Instead, issues of equity are addressed in this research as they were identified by participants.

The generalizability of case studies is the most often identified limitation with this approach (Yin, 2014). Yin notes that concerns about case study approach “usually reflect fears about the uniqueness or artificial conditions surrounding the case” (p. 64). This is of limited concern in this study as it is the uniqueness of rural schools that requires the research in the first place. This study will have limited generalizability to urban schools. However, it has significant potential for contribution to other rural states, schools and communities.

Validation and Trustworthiness

Case Study Tactics for Design Tests as cited in Yin (2014) was utilized to validity and trustworthiness of the study. The four tactics are “construct validity, internal validity, external validity and reliability” (Yin, 2014, p. 45). Construct validity was demonstrated through use of multiple sources of evidence and establishing a chain of evidence. The multiple sources of evidence included diverse participant interviews, document review and observations. In addition, four different member checks were done to confirm accuracy of findings and reporting of process.

Internal validity was demonstrated through pattern matching, explanation building and addressing rival explanations. Pattern matching was done within and across cases. Explanation building and rival explanations both surface during the cross case analysis as well as the concluding summary and opportunities for action chapter. External validity

was demonstrated through use of theory and replication across the two cases. Finally, reliability was established through use of Stake's check list of 20 criteria for assessing case study as listed above (Creswell, 1998).

Researcher Identity

I came to this research with over 25 years of experience in politics and public policy. I have worked in schools, held policy positions in state government and maintained an understanding of the current issues facing public education through work on numerous state and federal political campaigns. My work as a political consultant also has included significant engagement in fundraising. This work gives me significant insight into the process of fundraising as well as connection to donors who often also play a significant role in philanthropy. In addition, I have served on the board of three major nonprofits that do work in environment, higher education and community foundations.

My prior work history offered both the benefits and potential liabilities of extensive social networks. The benefits were knowledge of the state of Vermont, connections to a diverse range of stakeholders and access to people and institutions beyond that of an average citizen. The liabilities were my prior work knowledge may have impacted people's willingness to participate in the study and may have impacted participant responses in interviews.

There are also several ways in which power differentials play into the research. I serve on the board of the community foundation where several study participants are staff members. The power differential may have been mitigated by the fact I had already done research to support one of their programs in my capacity as a doctoral student. It should

also be noted that I did not expect a significant level of participation from community foundation staff at the start of this research. It was only as the research gap on rural place-based philanthropy and the first case study emerged in the literature review that the expanded focus on community foundations was necessary. Several of the philanthropists were people I have worked with in other contexts and with whom I have personal relationships. These relationships afforded me access but I did not see evidence that it altered the content of their interviews. The process of identifying participants was impacted by webs of personal, professional and service-related relationships. These conflicts, to some extent, were unavoidable in small, rural communities. However, it must be disclosed that my prior work extended these conflicts beyond that of a typical researcher.

To address issues that might arise from these relationships, my role as student and researcher was made clear at the beginning of each interview. Participants were told they would receive transcripts of the interviews so they might correct any factual errors in their statements or address any concerns they may have with their responses which seem to build comfort and trust. My research position was not one of advocacy or seeking to confirm a held position on the use of philanthropy in education. Instead, my research was driven by questions about what exists, how it works and how participants perceive their work. These questions guided the data analysis and helped mitigate bias. Reflexive memo writing also was included as part of the post interview journaling process to monitor for potential bias.

Finally, philanthropy is a relative new field of study. There is a growing body of literature on the technical aspects including the role of foundations and the impact of tax

laws on charitable giving. More recently, there has been more attention paid to the "dark side" of philanthropy that can lead to disproportionate power in the hands of the wealthy and potential for abuse. I approached this issue with an awareness of the potential pitfalls as well as a desire to allow those issues to emerge, or not, as the participants' responses dictated.

CHAPTER 4: FINDINGS

The findings are presented as an analysis of each case followed by a cross case analysis. Other examples of place-based philanthropy supporting K-12 public education beyond the two models in the case studies were identified and are included as well. Based on the literature review, it was clear there was little major national philanthropic foundation support for public K-12 education in Vermont. Philanthropic models in Vermont that did emerge from the literature review were a placed-based fund of a community foundation and a local education fund. The first case is a geographic region that employs a place-based fund of a local community foundation to provide general support to its communities, including K-12 public education. The second case is a single community that utilizes a local education fund to provide direct support to its public schools.

Each case includes contextual descriptions and prioritizes participant voices. In-person interviews were conducted at locations selected by the participants which was essential for reflecting the sense of place that defines rural philanthropy. The stories of these communities and their public schools, as told by the study participants, provide valuable insights into rural education philanthropy and the ways it may be utilized to strengthen schools and communities.

Case One: Regional Philanthropy

The Northern Region² is a three county region clustered in a far northern, rural region of Vermont. The region includes 37 public schools that enrolled 7,680 students during the 2017-18 school year (Vermont Agency of Education, 2017) The smallest of

² Name has been changed for confidentiality.

the three counties has four public schools which enrolled 558 students and eight of the 37 schools in the region enroll less than 100 students (Vermont Agency of Education, 2017). The region's sparse population and geographic isolation presents some challenges for defining public education. Many of the communities do not have enough enrollment to support community-based education beyond sixth grade. These students, without a junior high or high school in their community, are allowed under state law to use their state per pupil allowance to attend the school of their choice including private institutions. This makes for an unusual blurring of the lines between public and private education.

The Northern Region is also noted for some harsh economic realities. Average annual wages are below the state average and unemployment is the highest in the state (Vermont Department of Labor, 2015). The region also is above the state poverty rate and above the state rate for children in poverty with a range of 17-20 percent across the three counties (University of Vermont, 2017). However the region also has a mystical quality that is shaped by iconic mountains, rivers and lakes that locals and tourists alike savor for the skiing, mountain biking, water sports and quiet rural living.

The Northern Region has a place-based fund within a state level community foundation that provides direct philanthropic support to communities in the region. The place-based fund is similar to a geographic affiliate which, as noted in the literature review, is a satellite organization that directly serves a specific geographic sub-region. The difference between a geographic affiliate and that of a place-based fund is a geographic affiliate has its own governing board where a place-based fund has an advisory board, with final grant making decisions made by the community foundation.

The Northern Region Fund³ represents a type of rural philanthropy that emphasizes place-based resources to address local needs. The findings for this philanthropic model include how the Northern Region Fund [NRF] was established, how the fund works, the types of education related programs its supports, the role of nonprofits, and the limitations of this philanthropic approach. In addition, the research uncovered a rare success story of national philanthropy in rural Vermont which concludes the analysis of the Northern Region.

The findings in this case are based on nine interviews, eight of which were in person and the other by phone. The interviews locations were selected by the participants and provide rich context for the communities that shape the region. These interview locations included a local business, a nonprofit school partnership, cafes in three different communities, school district offices and a local nonprofit. The expectation in defining and selecting participants was that they would neatly fit into categories of educator, donor and philanthropic expert. Instead I found most of the participants brought diverse experience across many areas of interest in the research. The table below lists the pseudonym of each participant in this case as well as their area(s) of expertise:

³ Name changed for confidentiality.

Table 3

Case One Participants by Area(s) of Experience

Name	Educator	Donor	School Board	Nonprofit	Philanthropic Leader	Community Leader
Claude		X	X	X	X	X
Jack		X			X	X
Betty	X			X		
Jeb	X					X
Alice	X			X		
Meg	X			X	X	X
Willow	X	X	X			
Tina					X	
Kim		X				

In addition to the interviews, data was also obtained through community observations and document review. The community observations included lunch at a school run program, visit and tour of a local arts nonprofit, meetings at local cafes and attending a community grants celebration which is described in greater detail in the nonprofit section below. The document review included grant lists, websites, reports, program descriptions, donor statements, articles, grant applications, technical guidance documents, videos and podcasts. The triangulation of interview, document review and observation provided a rich set of data for description and analysis of the Northern Region and its use of philanthropy to support public education.

The Northern Region.

Reaching interview sites involves long travel, not measured by miles but by time. The two lane road winds through gentle curves with large swaths of open land, sometimes farm fields punctuated by a large homestead.

Countless small towns are identified by small green signs in this billboard free state. It is often not clear where the towns actually are or where they start and end as few sign of community life are visible from the main local road.

The winding road offers stunning scenic beauty with the occasional small lake or a river chasing alongside the paved road. The gentle curves of the road occasionally become gradual climbs through pine tree lined paths.

It is easy to label this region isolated. In the 95 minute drive there were signs for towns but only on a few occasions did you actually drive through one. Traffic lights are rare and stop signs are few. I counted two schools during this drive. Like the communities themselves, the schools must be hidden off the small roads through the backcountry of this deeply rural area.

The journey to interviews gives a sense of place. It gives context to the challenges facing these communities and their schools (Journal Notes, 2018).

The Northern Region Fund: History. Statewide community foundations are rare and are generally found in states with significant rural populations. These foundations face the challenge of reaching a large number of small communities within their geographic bounds. The statewide community foundation sought to create a geographic affiliate as a means to reach parts of Vermont where they saw less philanthropic activity and greater need. Stan⁴, the head of the community foundation at that time described geographic affiliates: “The fundamental idea is that people are motivated by hyper local communities. By creating a geographic affiliate you create a greater sense of personal commitment towards the foundation and toward the cause of that community.” Stan is an expert of sorts on geographic affiliates. He cited his personal experience with a geographic affiliate in Shickley, Nebraska, a community that

⁴ Id.

would come up again with another participant and is discussed in greater detail in the Action section of this study. In addition, Stan had professional experience with another New England based community foundation that had done some of the earliest work in geographic affiliates. These experience helped shape Stan's interest in geographic affiliates for Vermont. He describes how the community foundation selected its first geographic affiliate:

When we looked at the highest need⁵ it said the areas of biggest need of grant support, of financial support are the [Northern Region]¹ So we made a decision, let's create a separate fund to create a heightened attention to the [Northern Region].

Describing itself as "by the region, for the region," the NRF was established in 2011 as a permanent philanthropic fund within the statewide community foundation. The NRF provides grants to community organizations in a three county region. Numerous participants noted this region was a strong choice because it was already recognized as a geographic unit, "it's seen as a region, a three county region, like it or not." That is kind of the way it is looked at so ok, this is a geographical regional area that is somewhat unto itself. Further, participants noted the region was recognized for its high need communities. Claude⁵ is a long time community member, former head of a nonprofit and founding member of the NRF. He captured this combination of geographic connection and need:

[NRF] was formed because we recognize that this is the most economically challenged and the most remote corner of the state...Plus we are very proud of the

⁵ Id.

[Northern Region] and there are things we want to preserve about the [Northern Region], including the sense of community in these little villages which continues to exist and isn't getting gobbled up by strip development by and large.

The concept of locally driven philanthropy was at the core of the fund's development and remains so today. The community foundation plays the role of conversation convener, provides technical support and is a partner in supporting fundraising efforts. The NRF is often referred to as a geographic affiliate but it does not technically meet national standards for geographic affiliates because it has an advisory committee rather than a governing board. Jack⁶ is a long time resident of the region, a member of the community foundation board and a founding member of the NRF. He describes the early days of the NRF:

It was intended obviously as a way to bring the community foundation to the [Northern Region], in a way that didn't come in and say we know how to do it, so we are going to tell you how to do it. We really want to listen to you folks, and you tell us what is really important to the communities here.

An advisory board of local leaders with broad geographic representation in the region was established to help develop the NRF. Their initial role was to raise funds and promote the work of the NRF. As Claude describes it:

The [NRF] is to support communities and their residents in the [Northern Region] and you know really advance those communities in terms of their education, their municipal development, their service to people who are needy and also to raising

⁶ Id.

the flag to the [Northern Region] so that people beyond know that good things are happening here.

The Northern Region Fund: How it works. The advisory board maintains the same diverse membership today and in addition to raising funds and promoting the NRF, is responsible for overseeing annual grant review and making grant recommendations for the community foundation from this NRF. This notion of by the Northern Region, for the Northern Region philanthropy is best captured by Jack: “ok let’s get other [local] organizations really involved and show, have those organizations tell us what’s important to the [Northern Region] communities.” Jack also notes that during the grant review process, evaluators look at a number of factors including how likely the grant is to serve a diverse audience and have broad community support:

There has been some of the historical societies that have made proposals and wonderful proposals, you love history and it’s nice to really remember the history here and celebrate it, but how many people is that going to reach? Is it really something that the community, the greater community is going to get behind, or is it just something that is nice to have?

Since 2012, 65 nonprofits have received 100 grants totaling more than \$234,000 to support the region according to the NRF website and press releases. The competitive grant process includes Mini-Grants of \$500-\$1,000 and Sustaining Grants of \$1,001-\$5,000. Applicants must demonstrate that their beneficiaries are “people and communities of the [Northern Region]” and will not fund capital, normal operating or debt expenses (NRF Website). The NRF provides broad-based support to community needs so the grant recipients vary from year to year, “So it was addressing elderly issues,

addressing educational issues, some arts and culture, women's issues—those organizations but really trying to help provide some philanthropic support, financial support for organizations be they large or small.ö The broad-based approach to grants reflects this observation from another philanthropic professional, öWhen a community is facing challenges it's never a single issue.ö

The NRF grants related to education have sought to address the limitations of small rural schools, particularly geographic isolation, lack of diversity and enrichment opportunities. The following are examples of these efforts, funded by the NRF, as described by participants:

[An] elementary school which did a cultural history in food program where the kids would study a culture, ethnic culture, as part of the curriculum. Then they would take the kids to a restaurant that was ethnic, one of the cultures that they studied. They get them to Hanover, it got them to Burlington. They got these kids from the [Northern Region], many of them who had never really been outside of the [Northern Region], the opportunity to at least do that.

An educator who heads an afterschool program gave this example:

I just write up an eight week curriculum every year—last year it was culture and community study group for middle schoolers. So each group made a film about what it takes to make a great community. So not necessarily what's great about their community, but if they were to step foot in Mexico, what would they want to see in the community that would make them feel comfortable. So the idea was that even though there is a lack of diversity here, how can we create a community where everyone would feel great. So the kids wrote the script, they filmed it, they

did all the recording, they directed it, and they acted in it. So it was totally theirs.

And they came up with the idea, it was really amazing.

Several participants noted the value of informal programs that support learning:

Many of the programs that the [NRF] funds are program for youth, or out of school, after school, summer and some of them are supplemental in terms of curriculum. Some of them are informal education, and that is an important part because the schools can't afford to be talking about informal education. But informal education is what is inspiring. It can be outdoors, it can be experiential, it can be after school, it can be on the trails, it can be recreational, it can be all of those things and the kids are learning important life skills.

These programs funded by the NRF reflect the role philanthropic funding plays in complementing public expenditures on education. They address needs local educators and community leaders identify that are in many instances unique to their small size and rural location.

The Northern Region Fund: Program support and nonprofits.

On a cold, snowy night far from an interstate but nestled in a deeply wood area, community members gathered to celebrate local philanthropy. As I arrive I note both parking lots are full, and am surprised by such a strong turnout on a winter night.

The event is at a local community building that offers programs for adults with developmental disabilities. The dark, chilly night air ran in stark contrast to the warm, brightly lit room humming with conversation. Cheerful staff offered tasty nibbles from a local business. Community members comment with pride on the catering and the lovely community building.

The community room was filled with guests there to celebrate the programs funded by their local philanthropy through the NRF. People from the state community foundation and NRF reflect a quiet pride as they retell the history of the NRF and the good work done by great local organizations the NRF supports.

"We are here to bear witness to the power of philanthropy."

Indeed the stars of the evening are the grant recipients. Betty shares a heartwarming video of the afterschool program enrichments funded by NRF.

Two different student groups perform music, representing programs funded by a grant to a local arts nonprofit. The young woman who sings is a show stopper. You can't help but feel a little joy knowing she has this opportunity to shine. The room is full of pride for the programs and the philanthropy that makes them possible.

Each year the NRF holds a community celebration to celebrate local philanthropy and announce the annual grant recipients. Three weeks after I observed this event I sat down with Claude who was still in awe of this year's community grant celebration, "After that program that you saw at the [NRF] celebration, holy smokes, there were two organizations that presented there that, uh, these guys are unbelievable." Claude is an articulate spokesperson for both the power of local philanthropy and the unique role nonprofits play in supporting schools. I began this research looking for direct support from philanthropists to K-12 public schools but instead learned of the vital role nonprofits play as a bridge between schools and community resources. Claude explained that small rural schools often do not have the expertise, experience or resources to provide curriculum enrichments. Nonprofits are valuable resources that are inextricably linked to the community and its schools.

Small rural schools do not have the access to resources that larger urban schools have. By that I mean curricular resources, I mean equipment for a laboratory for example. What small rural schools have are small scale classes and often teachers who don't possess the full spectrum of what ought to be taught in the curriculum of elementary schools. Particularly elementary schools and middle schools need to draw on what their community nonprofits can offer. It may just be a local library, it may be museums, it may be art centers, but these organizations whose

missions very often speak directly to providing service to youth, they build relationships with schools, and those relationships are pretty durable.

Jeb⁷, a local educational leader, noted that limited resources and recent budget cuts force some educational programming out of the schools and into nonprofits funded by philanthropy:

I think what ends up happening there ends up being a bit of a triage of things, and that certain things that you would like to do and can be really meaningful learning opportunities get pushed aside...I think we have a strong commitment to the arts and music both performing arts and visual arts. I think sometimes they are not as rich as they could be and I think those are areas that could benefit from additional support.

Specifically, the NRF recently has funded grants to nonprofits that provide science and art enrichment as well as nutrition programs. One example several participants described was with a local science museum:

Over the years the [local] Museum developed a whole spectrum of curricular programs, both in the field, on school grounds and in classroom laboratories in the Museum. Those involved teaching natural sciences primarily but also things like meteorology and astronomy things that the Museum works with. Those programs were offered through contracts with the school districts and those contracts are renewed almost every year without any question. The problem was of course that they never kept up with the costs. So that is where philanthropy enters into it.

⁷ Id.

Other participants described a partnership with a local arts nonprofit:

When the school budget is tight the arts programs suffer. [Nonprofit] Arts for what looks like a real pittance will fill some of that gap for them whether it's teaching technique through the arts, whether it's introducing students to what the arts mean, and what the spectrum of the arts might look like. Including things like music lessons and studio lessons that are available to kids out of school or after school.

Yet another example cited by participants was the work of a nonprofit providing nutrition related services:

[Nonprofit nutrition program] is certainly an organization that provides a lot of educational programming both during the day and after school programs and they depend heavily on foundations...My guess is to some extent [outdoor nonprofit programs] are two other organizations in the area that are to some extent funded [by philanthropy].

Programs provided by nonprofits to area students may take place during the day or afterschool. In fact a number of participants, like Betty who runs afterschool programs at 10 area schools, noted the importance of enrichment in afterschool programs that extend learning time for students. As noted earlier, the NRF funds an eight week curriculum Betty does each year in her afterschool programs. Jeb also noted the value of funding programs that extend learning time, "There are things that we can do in an after school program that maybe we don't have time to do during the day." Alice⁸ provides arts

⁸ Id.

education through a local arts nonprofit. She is utilizing a NRF grant to pilot an innovative violin-based afterschool program:

The [name] music program is looking at building resiliency in kids who come from poverty or other trauma informed circumstances. So it's a whole different way of looking at arts programming and figuring ways to connect with community organizations to approach problems in a slightly different way.

Nonprofits, with their own struggles to support their operations, rely on philanthropy to support their educational programs. According to Alice, "[nonprofit arts education] probably wouldn't exist. I don't even think [nonprofit arts organization] would exist. I mean we really rely on philanthropic support." Claude noted that nonprofits take on the responsibility of seeking philanthropic support for educational programs they provide to schools:

Those nonprofits all depend on philanthropy, whether it's large or small. In order to underwrite some portion of the programs that they offer to schools and the schools are generally naïve about that. More specifically, those nonprofits are more savvy than public schools about seeking grant support from philanthropic foundations.

Claude further noted that nonprofits take on the responsibility of making the case for philanthropic support for these kinds of nonprofit based educational programs:

You really have to make the case to a funder that what we are doing can't happen in this school, they don't have the resources to do it, they don't have the expertise to do it, but they have the need to do it and we can provide that to them.

The introduction section of this study identified the evolution of distance between donor and recipient. The growth of foundations created greater distance between donors and recipients by serving as a third party actor in the process. While nonprofits play a similar role as a bridge between donors and recipients, they do not seem to create the same arms-length transaction feel. Instead, in this instance, the nonprofits are utilized by the NRF in ways that strengthens ties between nonprofits and schools with the overall impact of strengthening the communities themselves. The spirit of the annual grants celebration conveys the strength of this connection and the sense of community.

So the grants go to nonprofits, as we did recently we celebrate those nonprofits who are receiving grants because we want everybody in the [Northern Region] can feel, oh this is ours and they are doing stuff in our community and it's making a difference, even if it's a small difference.

The Northern Region Fund: Limitations. It is clear communities appreciate the support from the NRF and they are proud of the contributions local philanthropy makes to communities. There are, however, significant overarching limitations to this approach. Jack identified the annual struggle to raise funds and the NRF continued reliance on the statewide community foundation to help fund their efforts. He also acknowledges limited resources and the challenges of reaching some of the poorest and most remote communities in their region. Utilizing nonprofits for partnerships with schools appears to work well for this region. Replicating this would require a similar commitment to community level collaboration that other communities might find difficult to achieve. Further, those communities must have nonprofit assets capable of delivering educational programming. The NRF grants are done annually with no specific programmatic focus.

This means other community needs may be determined to have greater importance than education programs. The grant focus is not education specific and therefore provides no guaranteed funding to support community education programs.

The participants identified specific limitations as who determines how philanthropic support is used, knowledge of philanthropic opportunities and grant writing capacity and the challenge of seeking additional funding for something already funded with public money. The concept of who decides how philanthropic dollars are used was most often cited as a limitation to using or expanding use of philanthropy to support schools.

Unfortunately sometimes grants are opportunities that become problems. So I worry about that even from a philanthropic standpoint. What are the strings attached? What inducement does that money provide? Is that the path that we want to go down, or should go down?

One participant observed this challenge with national education philanthropy:

[Major national philanthropists] are trying to shape public education that may or may not work for the place...organizations want to do literacy and they want to do it this way, so they set up a program. They can be good, but it's a very narrow program. What if the community needs something else, you know?

Another participant noted the question of mission alignment with donors:

There could be some conflicts of mission that could be troublesome. For instance there could be some you know, I think of the NRA foundation might be a really bad match for a school. So yeah, I think, certainly the missions have to align.

Other participants raised the issue of who decides how philanthropy is used in the context of how it fits with the primary public funding of schools and school board oversight of such funds:

What's the program you would really like to have? What's the metric to show it's successful? And if you are putting these funds through a school board that is responsible for the budget how are you sure it's going to get deployed the way you want it to get deployed?

This participant noted the process challenges of integrating philanthropy into education funding:

I haven't been able to envision some systematic flow through philanthropy to public schools. I just don't see that as easy to manage or easy to justify, or easy to make appropriate to the needs of the schools because every school is different.

The lack of awareness of philanthropic opportunities combined with need for grant writing capacity was cited as another barrier to accessing philanthropic support for schools. Jack noted this challenge is especially present among the most rural, high need schools in their region: "I think the communities that have those schools, I don't think they are good at asking for it because maybe they don't know it's available or what the way, the ways to do it." Jack also sees this as an outreach challenge for the NRF:

There are some of these organizations in some of these small towns that do a lot and have terrific stories to tell I'm convinced. I think a lot of them just don't think they have a chance of getting it, and the biggest challenge we have is saying no, it's not just the usual suspects who get the grants. If you've got a program

come to us, and if you need some help then we need to find a way to get you some support in helping you to write your story.

Schools and communities also face the challenge of identifying eligibility for different types of philanthropic grants. Tammy⁹ and Jeb, both local education leaders, expressed frustration around the lack of awareness that philanthropic gifts can be made directly to schools. Jeb specifically noted, “I don’t know that people typically have a sense that there could be an opportunity to give to a school directly.” In contrast Alice, who runs nonprofit arts education programs noted, “Some funding sources, schools are not eligible to apply directly which is another reason for them to partner with us or another nonprofit organizations.”

Finally, schools and communities may find themselves limited by the perception that education is a publicly funded entity. Jack noted this challenge, “How you mobilize when folks in any one of these towns looks at what they are paying for education as it is, how do you get them to recognize yeah, but the schools really need more support?” Jeb noted that in addition to paying taxes, community members are regularly asked to support other education related expenses which can lead to donor fatigue:

We have you know tax payers and there is sometimes a reluctance, you know, how often do you go to the well? How much do you ask people? If somebody is paying a substantial amount in say property taxes or whatever collectively taxes they are paying, to then solicit for additional donations...

There are structural limitations to this model that include the ability to raise funds, the existence of nonprofit providers, the need for community-based collaboration and

⁹ Id.

lack of annual commitment to fund education related programs. Participants raise specific concerns about who decides how philanthropy is used, knowledge about accessing philanthropic resources and resistance to additional educational funding. The strength of this model is its grassroots approach, driven at the local level, and its reliance on local philanthropy to support those community driven efforts. Both the strengths and limitations in replicating this approach will be determined by the unique assets and challenges of the communities seeking to use this model.

Connection to theory: Roles and engagement for philanthropy in NRF. This model effectively seizes the opportunity for utilizing community assets to support education and strengthen bonds between school and community. Payton and Moody (2008) identify five roles for philanthropy that place the NRF in a theoretical context.

Table 4

Payton and Moody's Five Roles for Philanthropy

1: Service ó providing services and meeting a need
2: Advocacy ó advocating for reform (interests, populations, views)
3: Cultural ó expressing and preserving values, traditions and identities of a culture
4: Civic ó building community; generating social capital; promoting civic engagement
5: Vanguard ó social innovation, experimentation and entrepreneurial invention

The NRF reflects three of the five roles for philanthropy: Service, cultural and civic. Funding nonprofits that provide curriculum and enrichment reflects the service role of philanthropy. The defining of a region as a cultural unit as well as the local driven philanthropy and grant making reflect the cultural role of philanthropy. Finally, the emphasis on community building and promoting school-community connections reflects the civic role of philanthropy. The multiple ways philanthropy engages in this model paired with the multiple roles it serves make this a compelling option for other communities to consider.

Payton and Moody (2008) also identify three reasons why philanthropy engages in a given place or program. Those reasons are identified in Table 5 below.

Table 5

Payton and Moody's Three Reasons Why Philanthropy Engages

1: It is the only, or only effective response
2: It is a response that compliments other responses (i.e. government, business)
3: It is the preferred or most appropriate response

The reasons for philanthropy to engage in the programs funded by NRF fall into the category of philanthropy as the "only effective response." The common theme among participants in this model is noting that without philanthropic support, these programs and services would not exist. However, given that the core support for education comes from public funding, philanthropy also engages as a complement to public funding.

Prince and File (1994) identify seven types of philanthropists as a framework for understanding donor motivations. The seven types of philanthropists are identified in Table 6 below:

Table 6

Prince and File's Seven Faces of Philanthropy

1: Repayer: Doing good in return
2: Investor: Doing good is good business
3: Socialite: Doing good is fun
4: Communitarian: Doing good makes sense
5: Devout: Doing good is a moral obligation
6: Altruist: Doing good feels right
7: Dynast: Doing Good is a family tradition

Of these seven types of donors, Communitarian is by far the most prevalent in the Northern Region. Prince and File (1994) identified characteristics of Communitarians as including business leaders in the community, service on nonprofit boards and a belief in the value of nonprofits (pp. 17-18). These characteristics were most clearly represented in Jack and Claude, founders and board members of the Northern Region Fund. All participants shared the Communitarian belief that they should support their local community (Prince & File, 1994, p. 20). The overarching idea of the NRF is support for local communities which seems to place the value of community support at its very core. The Northern Region also had examples of Devout in Claude and Willow¹⁰ as they

¹⁰ Id.

identify their Quaker faith as a motivator for their giving. Tina¹¹ recognized the philanthropists she works for as an Altruist both for the moral value they place on giving as well as their preference for anonymity. Finally, several participants recognize themselves as Dynast for the role family tradition played in their philanthropic work. While one participant specifically mentioned inherited wealth, the others all mentioned more general family traditions of giving.

A Success Story of National Education Philanthropy in Rural Vermont.

The literature review for this study turned up little evidence of national education philanthropy in Vermont, suggesting it was an example of how rural communities are overlooked by large scale, national philanthropy. For this reason, the focus of this study was on philanthropic models like geographic, place-based philanthropy and local education funds that were identified in the literature review as forms of philanthropy used by rural communities and are currently utilized in Vermont. However, other forms of philanthropy that support K-12 public education did surface during participant interviews and document review.

For example, a number of regional philanthropic organizations located outside of Vermont provide funding to public education in Vermont. The most noted examples are Tillotson Fund, Henderson Fund, Nellie Mae Foundation and Bay and Paul Foundation. While a few participants made reference to these philanthropic organizations, they were not able to provide specific examples of what these foundations fund in Vermont public education. Document review identified early care and education funding as well as some geographically targeted funding but without further specifics. Also corporate giving and

¹¹ Id.

federal competitive grants were identified during the course of interviews and document review but fall outside the scope of this study.

History of a rural partnership. Interviews with several participants identified direct philanthropic support to schools in the Northern region with a surprising connection to large scale, national education philanthropy. Unrelated to the NRF, this nonprofit organization came as a result of an initiative seeded by funding from the Annenberg Foundation over 20 years ago. As noted in the literature review, the Annenberg Foundation made a landmark investment of \$500 million in public K-12 education during the 1990s. Rural schools were not included in the first draft but later were given \$50 million for the Annenberg Rural Challenge (Annenberg, 2002). Meg¹², who lives in the Northern Region, has deep connections to rural education having served as an educator, principal and now consultant to rural schools across the world. She was a founding member of the Annenberg Rural Challenge efforts in Vermont. According to Meg and historical timeline documents, scouts from the Annenberg Rural Challenge identified schools in Vermont that aligned with the project goals. In 1996, an initial grant of \$64,000 supported work in seven rural Vermont schools. Over the five years of grants from the Annenberg Rural Challenge, \$564,000 would support efforts in Vermont schools¹³.

The initial funding was run through the Vermont Agency of Education. However after two years, the Annenberg staff felt local control was needed and declined to provide additional funding unless a self-governing nonprofit board was established. According to

¹² Id.

¹³ Citation omitted as it would reveal identify of participant.

Meg, “Annenberg felt like the schools should have their own governing body, they should have their own board, they should be a nonprofit.” Meg specifically noted the connection to future Annenberg Funding, “[Annenberg Foundation] said we will fund you more but you need to become independent of the state department, you need to become your own organization. That’s when the [Vermont Rural Schools Group] was formed.” In 1998, the Vermont Rural Schools Group (VRSG) was established as a nonprofit with its own governing board. Annenberg funding returned and the program grew in the number of schools and students. The initial primary focus was student leadership. Eventually efforts would expand to include curriculum development for place-based learning and advocacy for rural schools.

As the Annenberg funding was coming to an end, their staff worked with the VRSG to identify new funding sources. A number of regional philanthropic foundations stepped in and have provided ongoing support to the VRSG, starting with over \$500,000 for the initial seven schools. The VRSG focuses on place-based learning, service learning, student leadership and school-community partnerships. This focus reflected similar initiatives supported through the national Rural School and Community Trust. This Trust evolved from the Annenberg Rural Challenge as a national nonprofit based in Washington, DC which advocates for rural schools and provides technical support including capacity building.

How it works and what it funds. The VRSG is a group of predominately rural schools seeking to share resources for addressing mutual challenges. In addition to the academic efforts noted above, the VRSG provides annual mini-grants to teachers, classes or whole school projects.

We allocate all of the money we receive; every year it changes, up and down a little bit...Some years we've given schools \$500, other years we've given schools \$10,000, it depends on how much we get and what they are asking for. It's not so much the money as the ability to network and work together.

Schools must be in the partnership to receive grant funding. Grant requests are evaluated through a peer review process in which all those requesting grants participate in evaluating the other proposals. If the initial grant is found lacking in peer review, guidance is given for how to improve or amend the request. Ultimately every grant request is funded. Meg speaks to the uniquely collaborative grant review process, "We have a peer review system where schools apply but everybody reads every grant application, asks tough questions, and we even had students, we have students writing grants and reviewing grants."

Meg attributes the long term success of the VRSG to creating a low cost nonprofit with little overhead costs. She suggests that when the funding ended for other Annenberg Rural Challenge sites, many of them built organizations with high overhead costs that made them unsustainable. Here is how she describes the VRSG business model:

We have a board...We don't have any paid staff so I'm the director but I'm not like paid a salary or anything. We just contract with the time people work, so if I write a grant, they would pay me for getting that applied for. We are based now at [local supervisory union] they are nonprofit, they are fiscal agent. So we don't pay for the bookkeeping or any of that.

Grants from the VRSG can cover a range of programs and classroom needs. High priority continues to be placed on programs that emphasize student leadership and help

strengthen bonds between school and community. Meg describes the program funding priorities in this way:

Any way of connecting the school and the community. So history projects, science projects, any kind of school community partnership. Sugaring operations at schools, fixing up a blacksmith shop, all kinds of school community projects. Also youth leadership stuff, so often they are hand in hand. Ways to give kids leadership roles and encourage leadership with in the school and the community. So kids serve on town boards and things like that. So from we have built a lot of bread ovens, Quebec bread ovens that they use in school to make bread, also to have community fund raisers and things like that. We've built a lot of gardens and nature trails and things like that.

VRSG: Present and Future. As of 2018, the work of VRSG has expanded to over 50 schools primarily in the Northern Region. The organization is undergoing yet another evolution. For the past two years, leaders have worked to build the Vermont Regional Education Group (VREG) which will launch in May (Caledonian Record, 2018). This model will take the program from a school-based model to a supervisory union level model. Three supervisory unions will form the core of the new iteration, one of which serves as the fiscal agent. The goals are to improve collaboration across districts and increase private funding to support their schools as well as address shared issues of teacher recruitment and curriculum development.

50 schools in the [Northern Region]. Working together on three areas across districts. Professional development, supporting innovation in classrooms and scaling up innovation and advocacy for rural schools. From that seed grant, by

the Annenberg rural challenge, we've been able to support rural schools so they are not isolated and on their own. So they can meet with and look to other small schools beyond their district. They can support each other that way.

The new model takes a regional approach, much like the NRF, but with a specific focus on the common needs of rural schools. The capacity building aspect of the Annenberg Challenge grant has enabled this group to focus on expanding, rather than building, a funding stream to support their efforts. Jeb, whose supervisory union serves as the fiscal agent for the VREG noted, "I think there is some real potential there, obviously there is funding for that in a way builds capacity and again, further subsidizes programming and opportunities."

This new model also adopts many of the recommendations provided by the national Rural Schools Collaborative. Both Meg and Jeb mention their next step is focusing on building a sustaining funding stream which is one of the key components of the national rural collaborative model. The national rural collaborative model focuses on development of local philanthropy, specifically the opportunities available with school foundations, community foundations and planning giving efforts (www.ruralschoolscollaborative.org). It is also worth noting that a review of the national rural collaborative website suggests their efforts are mainly in the Midwest and South. In fact, the national collaborative just announced the opening of a New England hub to support regional efforts earlier this year.

Seed Money from Annenberg Rural Challenge

Vermont Agency of Education disburses Annenberg funding to seven rural schools in Vermont

Local nonprofit created to oversee Annenberg Funding, replacing Vermont Agency of Education

Local nonprofit replaces Annenberg Funding with regional philanthropy; changes focus from school-based to a collaboration of three supervisory unions

Figure 6: National rural collaborative model evolution

The VRSG differs from the NRF in that the VRSG seeks regional philanthropic funds to support small rural schools, meaning most of the funding comes from outside the local communities. The experience with the Annenberg Rural Challenge built the capacity that enables Meg and others to seek grant funding in support of their efforts and to demonstrate a track record of success that makes philanthropic funding from outside the region more likely. Further, the VRSG model is exclusively focused on schools and education rather than the broad model of community support utilized by the NRF.

Connection to theory: Roles and engagement for philanthropy. The VRSG uniquely employs all five roles of philanthropy as identified by Payton and Moody (2008, Table 4). The VRSG fills the service role by providing technical support, grants and curriculum to local schools. Advocacy is evident in their goal to promote awareness of the unique needs and opportunities of rural schools. The advocacy role is particularly present in current discussions of school consolidation as a result of Act 46, the legislation that encourages voluntary consolidation of public schools. VRSG recognizes and seeks to preserve the unique culture of the Northern Region and rural schools. The civic engagement role is at the core of their curriculum as they seek to embed opportunities for students in daily community life. Indeed, their consistent focus has been on creating and supporting leadership opportunities for students. Finally, both their emphasis on student leadership in the community and development of place-based learning opportunities reflect the vanguard role of social innovation. The initial investment by the Annenberg Challenge was for the innovative student leadership program. Embedding student learning in the real world needs of communities further reflects this commitment to innovative learning opportunities.

Identifying which of Payton and Moody's reason for philanthropy to engage (Table 5) are most applicable to VRSG is more challenging. Like the NRF, participants note that programs and services supported by VRSG would not be available without philanthropy. This suggests philanthropy engages because it is the only available response. However, given that public education's core mission is funded with public funds, philanthropy clearly engages as a compliment to other responses. However, given the five roles the VRSG serves, particularly advocacy and culture, it is easy to imagine leaders of VRSG arguing that engaging philanthropy is the preferred and appropriate response. It seems the diverse role philanthropy plays through VRSG reflect the multiple ways in which philanthropy engages public education in this region.

Much of the literature on major education philanthropy focuses on the limited success of their efforts (Annenberg Foundation, 2002; Bessell et al., 2003; Colvin, 2005; Domanico, Innerst, & Russo, 2000; Reyes & Phillips, 2001; Smylie & Wenzel, 2003). Yet rural Vermont may be one of their best success stories. Philanthropy provided seed funding to promote programs and collaboration at the local level. Empowered educators used the funds to meet the unique needs of rural schools. By supporting the local efforts in securing additional, regional funding as national funding withdrew, they ensured the capacity building and collaborative efforts continued to be supported. Based on the participant's interview and document review, philanthropic investment has given local educators resources to provide meaningful opportunities to their students, invested in youth leadership and developed pedagogy that uniquely utilizes and enhances rural assets. Further, these educators now possess the capacity to seek additional philanthropic resources to support their efforts and to train others in their region as evidenced by their

ongoing success in securing philanthropic support and expanding the network of participating schools.

Both the Gates Foundation and Chan Zuckerberg Initiative found limited success in their top down efforts at education reform. Both now tout new initiatives, backed by major philanthropic investments that are focused on community-based local efforts to improve public education. Yet both foundations still focus on urban schools, when a clear model of success exists in a rural region of a small state. Smaller investments can net larger returns in rural communities which would seem to make them worthy of consideration for major national funders. But more important, this success story suggests that rural communities have the ability to serve as low cost pilot programs with the potential to scale up in large communities. The story of the VRSG offers some serious food for thought for national funders and local communities alike.

Case Two: Community Specific Education Philanthropy

The second case is set in a single Vermont community that has its own place-based philanthropic fund to support its public schools. The town of Banford¹⁴ was established in 1794. A local author noted that, “Then, as now, the town depended on its natural surroundings” (Parrish, 2008). Today relying on natural surroundings primarily means tourism as the community is situated near mountains that make four season recreation a local, regional and national attraction. The community of just over 4,000 people has significantly higher educational attainment and income than most other communities in Vermont. Over 80 percent of the residents have some form of postsecondary education, with 56.9 percent having at least a four year degree (U.S.

¹⁴ Name changed for confidentiality.

Census Bureau, American Community Survey, 2016). The median household income is \$61,000 which is above the statewide median and the poverty rate is 8 percent which is below the statewide median of 11.9 percent (U.S. Census Bureau, American Community Survey, 2016).

The town of Banford has its own preK-12 public school system. The system includes three schools housed in two buildings. The elementary school is located in the heart of downtown, surrounded by shops and some high density housing. The combined middle school/high school is located outside the town center on an enormous piece of land, surrounded by mountains and a mixture of homes, including a few large homes situated on spacious, scenic properties. Banford enrolls just over 800 students in its preK-12 public school system (AOE Enrollment 2017-18). The schools are regularly top statewide performers on achievement tests (Annual School Report, 2015-16).

Banford has its own local education fund. As noted in the literature review, local education funds are a form of place-based philanthropy established by communities to provide direct support to its public schools. The purpose of these funds is to fill the gap between community-identified education needs and public education funding.

Historically, local education funds have been established in highly affluent urban and suburban districts. As a rural-based local education fund, the Banford Education Fund (BEF) is relatively unique. In fact, the size of the community, the number of students served and the annual funding provided are all significantly below national trends for local education funds. However, like its national counterparts, changes in state level education funding played a crucial role in the Banford local education fund's creation.

Like other models of rural place-based philanthropy, the fund has a hyper local focus with philanthropic resources directed to three schools in a single community.

Data for the Banford location education fund was derived from 10 in-person interviews, one observation and review of 19 documents. The interviews locations were selected by the participants which allowed for contextual experiences within the community. These locations included a coffee shop, elementary school, community library, and several participants' homes. The documents reviewed included websites, reports, fundraising lists, grant making lists, IRS documents, organization documents, a survey and organization communications. As with the first case, many of the participants brought multiple sources of experience to the interview. The table below identifies the pseudonym for each participant and their areas of experience:

Table 7

Case Two Participants and Areas of Expertise

Name	Educator	Donor	School Board	Nonprofit	Philanthropic Leader	Community Leader
Diana		X			X	X
Tammy	X					X
Mabel	X					
Denise	X					
Cathy		X	X			
Val		X			X	
Ellen		X	X		X	
Justin	X				X	

The observation of a Banford local education fund board meeting took place in the evening at the local public library. The meeting took place shortly after the mass shooting at Marjory Stoneman Douglas High School, casting a pall over the meeting. After a lengthy discussion on school safety, the general business of the meeting involved reports from the high school principal, the school board representative, reminders about Town Meeting Day and a financial report. The discussion topic for the meeting was the idea of moving from funding small projects to a single major project. Emphasis was placed on involving the students in selecting the major project if the board choose that route.

The Town of Banford.

Banford is located in a picturesque rural Vermont community. Nestled between the mountains, its downtown is dotted with the small, quaint shops, an inn, and elegant church steeples that mark an iconic New England town.

Unlike the Northern Region, Banford has its own sign off the interstate. The drive from the interstate to Banford is marked by local commerce and signs of the tourism trade, suggesting a thriving economy. Snowcapped mountains greet you as you approach the town.

The local coffee shop is a stark contrast to the one in the Northern Region case where everyone knew each other. This café is populated with wealthy tourists, given away by clothing that is more fashionable than functional.

The participant homes I visit are elegant and well appointed, accompanied by a sizable amount of land and eye popping views. They are not near downtown but off winding roads and up mountains. This does not suggest isolation, but privilege.

The community elementary school is located in the center of town. The building is all white and well maintained including elegantly done landscaping. To one side of the entrance is a beautiful stone arch that has an artistic and meditative quality about it. The school is inviting to students and adults alike. As I arrive at the entrance, I am asked to sign in on an iPad.

In contrast the supervisory union office reveals some economic variation. The grand old building is worse for wear, but repurposed to house both the supervisory union offices as well as a preschool program. The sounds of children at play echoes through the

cavernous building. Every space appears utilized to maximum efficiency. The bathroom is also the utility closet for cleaning and a storage space for spare children's clothing and diapers.

With the exception of the supervisory union office, the locations suggested an affluent community (Journal Notes, 2018).

The Banford Education Fund: History. Local education funds (LEF) are non-government, philanthropic organizations that provide financial support to school districts for programs and projects that fall outside of the school district's annual budget. LEF are recognized as intermediary organizations as they "work for public school improvement, but sit outside districts and schools; they are not part of government" (Brown, Christman, Hartmann, & Simon, 2004, p. 6). Among the factors that distinguish a LEF from other intermediary organizations are the fact they are permanent, locally based, focus on the single issue of public education and have a school district as their primary constituency (Brown et al., 2004).

The BEF was created in 1997 in response to Act 60. This law was intended to equalize education spending across the state but had an adverse impact on property wealthy communities like Banford (Goodman, 1999). Cathy¹⁵, a BEF donor and school board member at the time succinctly noted: "That iteration of [Act 60] was really punitive to our town. So [the BEF] was a way to avoid it." These communities were now required to share a portion of their property tax wealth with communities across the state. Mabel¹⁶, a local education leader, noted that BEF was "inspired by wanting to maintain the same quality of programming and education." This was done by creating a foundation to support the schools in a way that did not require sharing revenue with other

¹⁵ Id.

¹⁶ Id.

communities. The BEF initially raised \$1 million and received a \$1 million matching gift from a local family foundation. The 2015 IRS filing shows the BEF with a current asset range of \$100,000-\$499,999. According to the Banford Thank You Letter, the BEF receives annual income from this asset fund. Tammy, a local education leader who has spent her entire career in the supervisory union that includes Banford describes the history:

[BEF] is formally established nonprofit that was actually I believe formed around the time Act 60 was passed. Its initial purpose was to generate revenue for the school district that would help to ameliorate the local property tax. The loophole that allowed that to work was closed in a couple years of the passage of Act 60 and their mission shifted to be more funding enrichment program, enrichment that wasn't supported by the local budget.

Initially the BEF was run by a paid staff member and major fundraising events were held to raise funds. Over time, and with changes to Act 60 that reduced the impact on Banford, the program size and scope decreased. Val¹⁷, who serves in the BEF leadership, noted:

One thing that became more clear over time was the fundraising capacity was not as high as it was as you move away from Act 60 and its direct impact. It's harder and harder to raise the same sorts of funds of money and the model of having an executive director who was paid, was becoming unsustainable. There were years when it was more than 50 percent of what people were paying, or donating was going to the expenses. It was starting to become that elephant in the room.

¹⁷ Id.

Today the BEF is a 100 percent volunteer organization that raises, \$35,000-\$40,000 a year to support the local schools according to public documents from the BEF. The BEF not only has the capacity to raise annual funds in support of local schools, it has implemented a process that engages educators, parents, philanthropists and the community in the process. The BEF is sustainable, reliable and supported by the community. Ellen¹⁸, a parent and school board liaison to the BEF sums up the BEF's capacity this way:

The benefit we have now 20 years later, there is a good deal of credibility both in our current [BEF] president and in the institution itself. People know that this is a good organization, they have funded good programs over the years, they have demonstrated their value and worth.

The Banford Education Fund: Staff and funding. The essential elements of a local education fund are how it is staffed and how it secures funds. The BEF documents identify the mission of the organization as follows:

In [Banford], the quality of education, the spirit of the community and the health of the economy are inextricably linked. With the belief that an outstanding education is one of the greatest gifts we can give our children, BEF strives to provide funding for projects and programs that promote excellence and an expanded educational experience.

We are a 100% volunteer based non-profit 501(c)(3) organization dedicated to support and enrich education in the [Banford] public school system. Through

¹⁸ Id.

fundraising and community involvement, we collaborate with parents, teachers, administrators and the community to achieve the short and long term educational goals of the [Banford] schools.

BEF shares the belief that strong public schools are an essential asset to the quality of life and the future wellbeing of our community. Together we can help our children become productive, responsible and caring citizens.

The mission statement identifies both the staffing and funding process for the BEF. The mission statement is verified and amplified by multiple participants. The BEF is run by a volunteer president and board of directors. Ellen, who serves as a school board liaison to the BEF describes the BEF this way:

It's all run on volunteers. BEF is not a school directed, it's not administration directed, it is there by the grace of a handful of dedicated individuals who are willing to manage the money, who are willing to go about fundraising, which is very time consuming and which takes a certain skill set, you know, to go and ask people for money.

The BEF Board of Directors composition reflects the priority placed on school-community-BEF collaboration. BEF documents identify 10 board members. As noted above, one participant was a school board member who served as a liaison to the BEF board. One of the school principals was at the meeting I observed and was later confirmed through document review to be a current BEF board member. Another participant, selected for their background as an educator unexpectedly identified themselves as a former member of the BEF Board, "I was the teacher representative,

there were parent representatives, and there was usually an administrator representative, one of the principals. So I think it was pretty well balanced in terms of getting input because you had all the different sources there.ö

The BEF raises funds annually to support the schools. The leader of the BEF said, öThe biggest source of income is just annual appeal to parents and community members. The community members are usually people who give us, or make donations every year and support education in general.ö Another participant, an educator, confirmed the role of community in funding the BEF, öThe people of the town do, people in the community do. Theyöve gone through a lot of transitions through the yearsí their funding targets were much more extensive.ö He also noted his role in an innovative fundraising practice they had utilized in the past, öWe ran a reuse shop for a while where people would donate things and weöd be able to sell them and get the proceeds for the sale [for the BEF].ö

Since the BEF became a 100 percent volunteer board in 2011, the organization has raised an average of \$40,000 according to BEF public documents. A BEF public report stated that in 2016-17 the BEF provided \$38,850 in support to Banford schools. The support was close to evenly split between expanded and applied learning projects and school climate/faculty support/student leadership projects. As the school board liaison to the BEF observed, öThe amount of moneyí that BEF has been able to raise year to year is pretty consistentí There are a couple little spikes here and there but itö pretty consistent. The number of people who contribute is pretty consistent.ö

As noted above, the BEF has gone through some evolution on its fundraising practices. The current head of the BEF noted that they currently limit use of events to

raise money because of time demands on a volunteer organization and competition with other local fundraising events. She said, "We used to do more events. We used to do maybe a couple a year, but they have sort of run their course. They are a lot of time and effort sometimes for very little pay off." A local education leader neatly summarized the role of the BEF, "BEF historically has provided a fundraising focus and volunteer man hours for getting those donations that school systems, public school systems typically don't have."

The Banford Education Fund: Board collaboration. There is a delicate balance between what the Banford school board budget funds and the role the BEF can play in filling the gaps. In fact, ensuring a comprehensive funding strategy requires close collaboration among the school board, the school district and the BEF board. The BEF, as previously noted, exists as its own legal entity and is not governed by the school board or school district education leaders. Val describes the relationship this way:

The school board does not have any say over where we grant our money. But we work with them pretty closely. We help communicate some of the things that they have going on. We have a school board member as an advisor on our board who then reports to the school board what we are doing and what is going on. And we share our survey results with them so that they just have another reference point so they know the types of things that the schools are saying they need and want and also what parents and teachers might have for feedback and comments.

The BEF board pays close attention to the school budgeting process, both to identify where they can support efforts outside the budget and to be aware of items on their list

that are more appropriately covered in the school budget. Justin¹⁹, an educator, pointed out that “for [BEF] grants they have to get approved by the supervisory union before we can submit it.” This ensures the district leadership is aware of BEF funding requests and can make sure it isn’t more appropriately funded through the school budget. Ellen, as the school board liaison to the BEF, noted this tension:

[The BEF board] are saying, before we fund these things, could they be in the budget? There is always a little bit of a tension between what should be funded through BEF and what should be in the school budget. Ideally all of the things that BEF is raising money for would be covered in the budget, but especially in a year like this, it’s just not possible.

Ellen also notes the importance of having a school board member serve as a liaison to the BEF board, “That is what my job is, to make sure the right hand is talking to the left when we talk about where money is going and prioritized.”

While there can be challenges to this type of collaboration and coordination, there are also significant benefits. Several participants noted that the BEF is a valuable communications partner in promoting the schools system. Val pointed out:

We put the school board meetings in [BEF] newsletter with links to some of their information. When they were having the community meetings for Act 46 we sent it out to all our email list which is far larger than the school email list right now and we’ve tried to work more closely with the school board with helping them communicate ideas to the extent that it makes sense.

¹⁹ Id.

The survey process utilized by the BEF, and discussed in greater detail in the following section, provides an opportunity to share data with the school board that helps their budgeting process and strengthens community relations.

The BEF also is cognizant of other fundraising organizations within the Banford school system. Like most schools, Banford also has a Parent Teacher Organization (PTO) and a Booster club that fundraise to support the local schools for things that fall outside the school budget. Several participants noted that the PTO is focused at the elementary level, and tends to fund arts and special events. The Boosters focus on extracurricular activities, primarily sports. Val was aware of the potential overlap:

We recently reached out to both the Boosters and PTO to give a sense of their fundraising capacity and the programs they support because people often ask us, you know is there overlap, who should I send money to, and we found there is not a lot of overlap and we would never directly compete with the other and quite frankly if someone wants to donate to any of the three organizations they are supporting the school in some way so it doesn't matter.

The benefits of the BEF extend beyond grant giving to include improving communication across the district and increasing collaboration across all related entities. Another unique benefit identified by several participants was that the BEF has the ability to be more nimble with budgeting than the school board. Val and Ellen both described nimble as a BEF benefit:

I think what is great about it is that where needs are not being met, BEF is nimble and agile and able to come in and meet needs (Ellen).

Everyone on our board is very well informed about everything that is going on. If they have to have cuts this might be a year where we would say, you know forget all the things on our list, we might need to do this (Val).

Finally, several participants noted the unique role the BEF can play in asking the community to support the local public schools. An education leader described the social and political benefit this way:

So to the extent that a philanthropic organization can do the fundraising and kind of serve as and provide the man power and resources that we don't typically have in our systems for requesting gifts and donations, that is useful. Also, being kind of a political buffer for, yes you pay your taxes and it's super valuable, we are asking something that is above and beyond that and is special in some way.

The Banford Education Fund: The grant process. The BEF provides annual grants to schools for programs, classroom resources, and infrastructure investments that fall outside of the Banford school district's annual budget. The grant making process is collaboration between educators, school leadership, community members, the Banford School Board and the BEF. A local education leader describes the process like this: "We have a process that they developed where they survey faculty and staff and administrators. They also get input from parents in the community and then the board synthesizes that into priorities."

Figure 7: Source: Author created based on participant notes.

The first step in the BEF process is surveying the needs of educators. Ellen, as a member of the school board and BEF liaison describes the first step, “At the beginning of the school year, BEF goes out to all the teachers with a survey. They say what are your priorities? What do you need?” Val, as head of the BEF provided more detail on the timing of the BEF survey:

So mid-August or so when the principals are getting ready to come back to school, we reach out to them and ask them for things they would like to be on our fundraising list that are not going to be on their budgets.

Ellen provided greater detail on the types of items a principal might include on their list:

The principal basically, they compile a list of things. It’s everything from percussion sets for the music department to a stage for the auditorium to reading materials for the literacy department. So they have this huge wish list of things probably ranging from \$50 to a few thousand dollars.

Mabel, an educator and education leader, noted that controlling costs for local property taxpayers is a high priority for the school board. This consideration often determines what might be left out of the school budget but becomes an item for consideration by the BEF. Mabel gave this example:

So we'd like new science labs but boy that's gonna be a lot. It's gonna add a lot to the budget. Taxpayers, it might cause them to pause, like whoa do we really need these new science labs because that's gonna drive our property taxes up.

The second step of the BEF process is a survey of parents and community members based on the initial list of requests from educators. Val describes the process both informing the community and seeking guidance from the community:

We survey all the parents and teachers as well to have them sort of weight in on that list. We remind people sort of what we raised prior year and what it went to and this is the list of the things that the school has said they need that are outside the scope of the school budget. We have them help prioritize and we ask some open ended questions about what they might think schools need.

Both participant comments and a review of past community survey documents demonstrate a commitment to community engagement. Community members are asked to rank the list of options based on their view of school priorities and are asked open ended questions about where they see needs in the schools. Val noted valuable outcomes from the survey:

Often in the surveys we might hear of things that are not on those lists and we'll go back to the schools and say, oh we are hearing you know that this, some feedback that this item might be necessary. It's a good way to have some

collaborative effort and adding things perhaps to the list or if nobody support one of the, if it's a very low percentage of parents and teachers support a particular item we might as a group discuss do we want to even put that on our fundraising list? Most of the time the items all make it on the list.

Once the BEF board has the survey results, the third step is to finalize the list and communicate the funding priorities for that school year. Ellen explains that the BEF board "takes all that data, what did the teachers and principal ask for, what will the community support with this money, and then they start talking about, you know, how much can we put towards these different things." According to Val, the head of the BEF:

Usually by October, November we aim to communicate that list to the [community] these are the things we want to be raising money for this year. It's a first glance for people to see what the schools think that they need for that year at that time. Then we sort of actively set out to raise money for those items.

Ellen further noted that, "The board votes on [the final list]" I have never been in a meeting where something has not been unanimous."

The fourth step in the BEF process is raising and disbursing the funds during the course of the academic year, with highest priority items received the earliest funding.

Ellen explained the decision and disbursement process:

[The BEF board] can make those funding decisions and release funds right along the way. So they don't just do it all at once and say we are funding these 25 things and we are done, but they do publish at the end of the year what BEF has funded, how much it's funded and report that to the community as well.

As noted in the prior section, the primary source of fundraising is direct solicitation of the community. Several participants mentioned and BEF website confirmed several small fundraising events support the BEF. These events include BEF Night Out, Wine and Dine for Banford Schools and a teacher appreciation link that allows donors to make a contribution in honor of a specific educator who receives a card recognizing the contribution in their name. Each of these events reflects the effort to connect school and community as well as recognizes that the funds support schools and educators.

As noted above, the funding decisions are usually unanimous after the survey process has collected feedback on the possible funding options. Ellen did note that tensions arise where there is a question of appropriate funding source:

The controversial onesí would be projects that community members would reasonably ask, should this be in the school budgetí When we get into standing desks, and materials in the classroom, like the literacy materials which everybody agrees are really important and happy to fund if that is a need, there is also a little bit of shouldn't that be in the budget, shouldn't we just pay for that, shouldn't the district be able to pay for that? And it's a valid question.

Val echoed Ellen's comments about releasing funds as they become available. She recognized this as an important evolution in how they fund requests:

Over the last several year we've funded things as we raised money that has high support from the survey, high percentage of support from teachers and parents on the survey. Also, depending on how much money we've raise, if it's a smaller item that can be really impactful, then why wait until June and they can't have it until the following school year. So that has evolved over the last couple of years.

This fund-as-you-go approach reflects the commitment to making the BEF program support as timely and useful as possible.

The Banford Education Fund: What it funds. As noted in the BEF process section, the BEF funds programs, classroom resources, and infrastructure investments that fall outside of the Banford school district's annual budget. A local education leader described the range of BEF funding:

[BEF] has supported initial funding for startup for a position. They support with, their mission tends to be enrichment related, curricular materials. When we renovated the schools in 07, 08, BEF helped with the science labs to make sure they were state of the art. So it varies year to year based on whatever our initiatives are and the funding priorities.

Val, as head of BEF, noted that often the focus is on equity with a specific concern for low income students, "For many years we were helping fund SAT prep courses so that those kids who maybe mom and dad wouldn't be able to afford SAT prep but would benefit from it." Val also noted that focus can change from year to year, specifically identifying technology upgrades as a focus in past years, "Over the years technology was a high priority. This included smartboards for classrooms, iPads." Most often common examples cited by participants and triangulated in the document review were for enrichment, startup costs, facilities and teacher mini-grants.

The most common example of enrichment programs funded by the BEF were music related. School board member Ellen noted music as an example of "no-brainer" funding request to the BEF:

When there is something for the music department or the art department or a specific department that is sort of a one off that you can really see that everybody supports and there is support from the parent community and the teachers are asking for it and the principal thinks it's a good idea, those are all kind of no brainers.

Multiple participants across all areas of expertise acknowledge music and art related programs as funded by the BEF. Ellen noted one particularly innovative example of a music program funded by the BEF:

There was a joint music and PE program they just finished. I think it's called Drums Alive! Things like that are just so fun, and the kids love it and it is, does feel sort of extra, sort of above and beyond what would be expected as normal curriculum.

The other enrichment program most commonly cited by participants was literacy related programs. Ellen described the literacy programs funded by the BEF from the board perspective:

Early literacy materials, there was a request that came in for early literacy materials that seemed like a very, everybody felt pretty good about that. We want those early learners to have those books and the things that they need. Those kinds of things are funded pretty readily.

There were two different literacy programs funded by the BEF that were mentioned by educators. One program funded a leveled book program. According to Justin:

BEF has helped, has funded our book room here substantially over many years.

The book room is something we created where we request funds from them and

we created a guided reading book room and the books are leveled A through whatever.

Justin and Denise²⁰ both described the book bags which enabled students to take home their reading materials from the book room. Justin describes BEF's role in supporting this program:

We have these book bags that BEF helped us buy and they have BEF labels on them, so that when they get home parents see that BEF helped. So there are books that go home as a result of BEF every, you know from our classes.

Finally, science was identified as something supported by the BEF. Most often participants referred to upgrading the science labs. However, Justin also mentioned an example of a partnership with a nonprofit that provide science based learning and was funded by the BEF, "We run a little science program, we have a science teacher come in from [local] Nature Center who does about 8 different sessions with us during the year."

The BEF also provides startup or bridge funding for certain academic programs. Ellen provides two descriptions of this type of support. In the first example she talks about BEF funding as providing immediate support for something that will take time to build into the regular school budget:

Some of the programs that they have supported has been directly related to instruction and curriculum and enabled the school to jumpstart programs that were not in the budget but were needed right away. We as a board would identify that need, see the need in a particular area, but if it wasn't something that could come in the current budget cycle, BEF has stepped in in those areas and actually

²⁰ Id.

has really supported curriculum and instruction in the school which is really fantastic.

Specifically, Ellen gave the example of a math position that was in the long term school budget plan but needed immediate startup support:

We needed partial funding. We identified the need. It wasn't in the budget to add that position. We knew that we were going to have an opportunity to present that to voters in the budget as a long term and felt pretty confident that we should be able to put that position in and fund it long term, but to jump start that program at the start of the school year BEF stepped in and funded, in part, that position.

Tammy talks about using a similar approach to funding a supervisory union level program in Chinese language and culture.

Right now I'm looking for some donations for a start up for a Chinese language and culture fund. So that is a real concrete need that I have right now. I think that will be a self-sustaining program once I get it started but in order to get through initial variations in both expenditures and revenues, having a fund and having some resources would help so that is what I'm looking for donations for.

Ellen gave a current example of a program she hopes to see started in the high school that could utilize BEF startup funding:

There is a freshmen orientation that the new principal wants to do that is not in the current school budget. That would be awesome, that is in my mind is an awesome example of what BEF can do. This new principal is super motivated to address culture and address responsibilities of being a high school student and what it means. It's not in the budget, he didn't even ask for it in the budget

because he knew there is no money for that right now. But if that is something BEF can step in and do in the hope that it could be sustained, that would be really cool.

Ellen's second example is specific to how BEF can help with bridge funding when difficult funding decisions have to be made in the school board's budget:

We have to make choices about where to spend money, we have to make choices do we need a math coach or a literacy interventionist, can we afford both? BEF had helped us bridge the gap for the math coach position and with some literacy intervention materials for the elementary school.

In addition to funding startup costs around curriculum and enrichment, the BEF also has played a major role in upgrading facilities. Participants noted BEF investments in auditorium and science lab upgrades. However, the project most often cited by participants was the greenhouse project. Val gives a rich description of why funding this project is so meaningful to the BEF:

We usually like to fund projects that will touch a lot of students and will have high impact. One of our really good projects that we funded and have funded the last several years is the garden and the greenhouse at the middle and high school. That one has had so many opportunities for students both in science to go out there and do their experiments, they use it as an outdoor classroom, a greenhouse is, they use it almost all year, maybe not in February. There is a garden club, they grow food for the cafeteria. This year there was such an abundance that they gave food to food shelters, like produce and things for the food shelters. I wish there were more projects like that.

Val and Ellen both noted that the greenhouse program is one of several that gets annual funding.

Ellen describes it as a great example of a BEF success story that merits repeat funding:

The garden and the green house and the sort of gardening program they have at the middle school now has really been phenomenal. They can look at that and they can continue wanting to fund and support that because they can see that it's really become part of that experience for students at the middle level. So those kinds of things are easy to continue doing.

One of the more recent programs funded by BEF is the faculty resource grant, also known as the teacher mini grant program. This program is an excellent example of direct philanthropic support as they are teacher driven and connected to the classroom experience. The head of the BEF describes how the teacher mini grants work:

We've added a new program that we are really excited about. It's called faculty resource grant program. We started it last year with the idea that teachers themselves, or educators themselves know what they need in their classrooms for students and a small amount of money, \$500 is like a gold mine to them. It could make a huge difference whether it's technology support, or they want to go on a field trip, they want to get some extra training so we were really excited about this program. It's a way to show our appreciation to teachers who are in the trenches day in and day out, and we have fantastic teachers in this school system. So last year is the first year where we introduced it and we funded, we got 13 grants applications and we ended up funding \$6000 with these little micro grants.

Several participants noted that this program is a way to show appreciation for teachers and support specific projects of interest to them. Ellen, the school board liaison to the BEF, gave this perception of the faculty grant program, "One program that was really successful that was new last year is a teacher grant program. Those were enthusiastically received by the faculty and I think parents felt, the community felt good about that." The grants of up to \$500 appear to primarily target enrichment activities, things that are nice to have but not essential to the core education mission. While providing direct support to educators, the grants appear to also have the benefit of strengthening ties to other programs and encouraging collaboration. The mini grants also demonstrate how a small amount of money can make a meaningful impact.

Denise, an educator, describes the connection between the BEF funded book room and a mini grant request last year:

Each year they allow you to apply for a grant up to \$500 per classroom. We applied my team applied for book bags so each kid could bring home a book bag each day and have their own personal bag to travel back and forth to school with. [BEF] funded our book room which was multiple copies of books for students and I know they funded first and second grade book bags. They happily granted it for us and it was awesome.

Mini grants can also be used to support applied learning opportunities. Denise describes her upcoming year mini grant request to support such a program:

Our mini real program which is a program where kids create their own businesses and get a business loan from the mini real bank and they sell to the school and they have to figure out their business tax and their profit, their net profit and their

gross profit. So we are about to apply to ask for some extra carts for that. It's every third graders' favorite time of third grade, it's such a cool program. I think [BEF is] pretty generous. I haven't heard of anyone being turned down for one of the grants.

The mini grant program can also foster collaboration among educators and across academic disciplines as evidenced in this example from the head of the BEF:

One of the other [mini grants] was a residency with this Drums Alive. It was elementary school and the PE teacher and the music teacher jointly applied for the grant and it was a matching grant and they had this fantastic program at the elementary school. It was \$500 of our support. So we are hoping to grow those sorts of things because you are in there in the school doing this that really matter.

The mini grant program reflects another area where communication and collaboration is essential among the BEF board, school board and supervisory union. A local education leader noted a challenge in this respect:

It's one of the things that we are needing to work with BEF to clarify. Often what teachers are asking for are things that we could have covered in the local budget. That said, the intent is really terrific, we just have to find a way to balance the intentions with the effort and impact.

Similarly the head of the BEF noted that they do not feel universal support for the mini grant program, "It's interesting, the school is not as excited about it sometimes. There was a little push back about how everything needs to be pre-approved and it needs to go through this process which it took some working out this year." There are some

challenges with a mini grant program but the outcomes, especially those related to collaboration, merit attention and additional consideration.

The target of BEF funding has evolved over time. Multiple participants and reviewed documents confirmed this is the 20th year of the BEF, making it an appropriate time to review their goals. As described by the school board liaison to the BEF:

One of the things they are really talking about again because it's the 20th anniversary and going along with sort of redefining what is the mission of BEF and how can we raise funds and have impact, and what are we, what is our purpose in life kind of, is the discussion around, should BEF take on a big project. Is there some big need at the school that is not going to be met in the school budget? They are also talking about is it, is it going to be, are they going to be more successful both in raising money and it having impact with one big project or is it better to keep doing these little projects and kind of supporting teachers in the classroom and doing that.

The leader of the BEF said, "We are at that point now where maybe we want to be a little more targeted, we are actually going to talk about it tonight." During the observation of the BEF meeting they did devote time to hearing thoughts on the possibility of a single, large project and how they might identify and gain support for that project. The school board liaison identified an example of possible large project: "Renovating that library space has been a recognized desire of many community members and parents." The BEF board noted the importance of involving students in the process of identifying a possible large project, demonstrating their student centered, collaborative approach to

philanthropy. The BEF continues to contemplate its next incarnation, which was articulated well by the BEF leadership:

Support those teachers with a small amount of money can really make a big difference in their classroom. Or a larger program that, like if we were to upgrade the library, all the students at the middle and high school benefit from it at some point, some day. It's hard to know what the right avenue is.

The Banford Education Fund: Limitations and replication. Participants noted several limitations to the BEF approach. The limitations include high local taxes, need for stable funding, finding reliable volunteers and ensuring philanthropic funds are at the direction of local education officials, not donors. As noted in previous sections, the primary source of funding for public education in Vermont is property taxes and these taxes are generally perceived as high by taxpayers. Participants noted the challenge high property taxes that support education pose for seeking additional funding for the BEF.

Tammy, a local education leader, identified this political challenge:

It's also clouded by the political reality that we are funded locally anyway. So people, we feel like we are already asking people for money annually and they are giving us money annually, so asking for additional funds has a political and social dynamic to it.

Denise, as an educator, shared her own family story with the challenge of even getting people to support the local school budget as proposed by the school board:

My grandparents always used to vote down the school budget, they thought teachers were overpaid, that it was pathetic how much money schools had, and

they changed their mind when they saw how much I worked and how involved I was. I think people don't always know what is happening.

Ellen, from the perspective of a school board member and liaison to the BEF board, recognizes the challenge in raising funds for the BEF:

We pay a lot of taxes to the state education fund and there is some feeling, some of the things that make a program like BEF hard is gosh, we already pay so much taxes for education, we are already paying a lot. I think people feel a little tapped.

Philanthropic funds are raised year to year which makes reliable funding a challenge. To the extent a program is looking for long term funding, there is no guarantee from year to year. Justin, as an educator, recognized this possible pitfall, "I think there needs to be stable funding for education and the philanthropic funding doesn't necessarily, there is no guarantee year to year, and one thing you need in education is some sense of stability of funding."

Val, as head of the BEF, also noted the challenges of sustaining a volunteer based organization, "One of our biggest challenges is finding people who want to commit the time and effort to help the schools, or help fundraise, or even just be in charge of something." Val estimates that she devotes 10 to 20 hours a week during the school to her volunteer position. Like the participants noted above, high property taxes make fundraising for public education difficult.

A criticism that you hear is like oh well, you hear that it only happens in affluent districts and people think it's very easy to raise money in affluent areas, but it's not as easy as you think. People will say, my property taxes have quadrupled in

the past five years, it's so expensive. We are paying a lot of property taxes for the school and now you want me to donate money as well?

Another limitation of philanthropy in general noted by multiple participants is ensuring philanthropic support aligns with school needs and local control of funds.

Tammy directly stated, "Decisions about how it's going to be used need to be made by the school board." Equally direct, Justin stated, "It does have to fit with the needs, it has to tie to our mission, it has to tie to action goals, it has to tie to the learning progressions and everything else we are doing." Mabel noted that the BEF leadership is clear that "[Donors] provide funding but they don't try to control which items we put on the list and in which priority" the decisions need to be ours because we are the people who understand the context. "Tammy's role as an education leader gives her the most unique perspective on this issue and the most unique example of alignment and need for local control:

It's important that philanthropic donations not be used to fundamentally alter the mission of the organization or drive educationally safety or practical decisions and that does happen from time to time. Someone will say, "I'll give you \$2000 for the set infrastructure if you will make Peter Pan fly in the musical and the answer is no. Our insurance company says Peter Pan is not going to fly."

Participants view the BEF model as one that can be replicated in other Vermont communities, "The school community here and I think in most towns, see the value of investing in our schools. So, do I think it could work in other towns? I do, I definitely think it could work in other towns." However, the participants did note the need for community support, committed volunteers and ability to raise funds. Justin saw volunteer

capacity as a possible barrier to replication “To some extent, you need a community that has parents that have time to do it.” Tammy saw a similar barrier in the ability to raise funds “when you don’t have a full time dedicated employee working on this, their ability to generate the funds diminishes.” The head of the local BEF noted the need for local leadership: “I think you could if you had a good group of people who really wanted to make a difference. I think it could! Make sure you have a robust board.”

Ellen’s belief that the model could be replicated elsewhere is tempered by her awareness of the need for this to be fully supported by the community:

In terms of is it viable or feasible or desirable to have philanthropy, you know the community has to be really dedicated to it. Not only in terms of giving some money, on top of their taxes which is always really difficult, but in terms of putting in the time.

Denise echoes the view that community support and capacity to raise funds are essential to the success of program replication:

Well I think it should because it’s so lovely for teachers to have access to money to help their curriculum, but I think it might be harder in a community that didn’t have as much money. But still I think there are things you could do like ways to raise money, and I think you have to have a lot of community support.

Perhaps most important, participants noted the need for educators to be engaged in discussions about starting a local education fund to ensure they are interested and willing partners. Val, head of the local BEF, offers this suggestion for replication:

I would say the first thing they should make sure and check on is how receptive the school would be to having such help. Sometimes I find schools aren’t always

open to talking about things or showing all the good things they do and if you want to go in to help, raise money to help a school, make sure they are receptive to how that would work and also be thoughtful about what types of things maybe you would want to support.

The fact that Banford is a higher income community may have limitations for replication in other communities, Justin, an elementary level educator with a prior career in finance noted, "One thing I would say about this community, it's not a typical Vermont community by any means. There is too much money, too much money compared to a typical Vermont town." Denise, a fellow elementary level educator, shared a similar sentiment:

I always feel weird applying [for grants] because there is that perception that every kid here has a lot of money and that the school has a lot of money and that you don't need it and it should go to a school that needs it. And some of that is true.

Diana, a local philanthropist with long ties to the Banford school system, offered a different perspective on replicating the program. She cautions that philanthropic funding should not be used to support schools that will inevitably close due to low enrollment but instead should be used to foster innovation in small rural schools.

If there was a vision. If it wasn't just prolonging the inevitable. If there really was a longer term vision with it. Not just hey we want to hang on to this school as long as we can...You know do they feel like that money was just kind of, bought us time rather than real change.

Rather than just say, save the [small rural] School if it was hey, [small rural school] is going to partner with this local business and this local educational institution and they are going to come up with a way to be really innovative in how they deliver these services to these kids. Then yes, then it can be of interest you know, then you might not need huge amounts of money. You can kind of do it project by project. That would appeal to me. Not just, hey its business as usual and we are going to do this to keep the people of [rural community] tax down.

The Banford Education Fund: Connection to other local philanthropy. Other forms of philanthropy that support public education in this community emerged during the course of interviews for this case. Participants, asked generally about philanthropy in their local schools, all identified the BEF. Several participants noted the PTO, which is a form of voluntary association philanthropy, and local corporate philanthropy. Both of these fall outside the scope of this study. However, one of the local education leaders did identify two other relevant forms of philanthropy that support local schools. Tammy mentions the Hills Fund²¹, “So [Hills Fund and a regional fund] have helped us with that for at least a decade. This year we are writing to the [Hill Fund] for some support with playground.”

The Hills Fund is a place-based fund that was established in 1993. The fund is located at the state community foundation and provides support to Banford county and includes education among its granting priorities. The Hills Fund is also a donor advised fund which means the charitable fund was established by an individual who maintains control over how the funds will be disbursed. In this case, the donor is anonymous as is

²¹ Name changed for confidentiality.

the value of the fund and the projects it has recently funded. A local philanthropic expert and the Hills Fund website confirm the geographic focus and education mission of the fund. In addition, the Hills Fund website identifies two grant options: Mini-grants and Sustaining Grants. The Mini-Grants range from \$500-\$1,000 for after school programs and enrichment. The Sustaining Grants range from \$1,000 - \$5,000 for six months to one year projects targeting infrastructure, equipment and strategic initiatives. The website notes that grant applications are accepted year-round and that eligible groups include schools, municipal entities and nonprofit organizations.

The fact this donor advised fund is anonymous makes it difficult to know the specifics of how local schools benefit from the funds. However, the fact a local participant discussed its long term relationship with the fund makes it clear there is a strong connection between the fund and the school systems it intends to support. This information is included in this study because it demonstrates that hyper local philanthropy exists in rural communities and that philanthropists have seen the value in supporting local public education. Other philanthropists might be encouraged to start such funding knowing this anonymous option exists.

Tammy also identified the Thomas Foundation²² as providing professional development to the supervisory union that includes Banford. The Thomas Foundation is a private family foundation that funds an institute which partners with a local higher education institution. The Institute provides professional development and small grants to incorporate technology into classroom learning. This philanthropy is relevant to this study because it is an example of local philanthropy providing direct support to schools.

²² Name changed for confidentiality.

In addition, this example reflects several current trends in national education philanthropy including investment in professional development and venture philanthropy. Finally, this approach offers several points of contrast to other place-based philanthropy.

The Thomas Foundation was established in 2005 by a successful local businessman who built his career in the field of technology. Both the source of wealth and interest education philanthropy are similar to other major national education philanthropists like Mark Zuckerberg and Bill Gates. Like national counterparts, the founder of the Thomas Foundation was motivated to improve education through philanthropy. However, unlike the national counterparts, this philanthropist directly connects with local schools and is most interested in how technology could support learning.

As noted in the literature review, one of the current trends in national education philanthropy is support for professional development and leadership training. The Thomas Foundation funds an institute located at a local higher education institution that, according to its website provides "intensive professional development, leadership preparation and planning, and small grants for innovative technologies -- all free of charge." This program is a partnership with higher education, local schools and philanthropy. Schools must apply to participate and sign a Memorandum of Understanding that is customized to the unique needs of that school or school system.

This program has several characteristics of venture philanthropy. Business principles underlie this approach to education. The website describes the Foundation and its work as, "A leader in innovative education strategies, engaging thousands of students around the state through technology." The Foundation's founder describes himself and

his philanthropic work this way: “We do not consider ourselves philanthropists in the traditional sense of the term. We are investors. We invest in not-for-profits, and we expect return on that investment. The only difference is that here we are looking for a non-monetary return.” Further, both the Foundation and the Institute focus on data to evaluate possible philanthropic investments and project outcomes. The website provides a mix of quantitative and qualitative data to support the technology based approach to education. Teachers and students provide testimonials, reflecting their commitment to school-based work. This philanthropist, through the foundation, seeks to use the type of business principles of innovation, strategic engagement and data driven planning and evaluation to help educators be successful.

Like other education philanthropy in this study, the program seeks a long term, local driven commitment to educational success. A philanthropic expert affiliated with this Foundation identified the key to this program’s success as investing in the long term and trusting educators, “The restraint that has been shown to by everyone to just let the work happen, and to be flexible about timelines” To really trust educators and to stay out of their way has been crucial.” The head of Banford’s supervisory union echoes the need to trust educators about the needs of their schools: “One of my expectations is that we do things as a system. We can differentiate across the system but we do things as a system and [foundation] was flexible in supporting us with that.” Further, this approach also shares a commitment to community level engagement as the program is tailored to meet the unique needs of each school and community.

Unlike the other forms of place-based philanthropy reviewed in this study, The Thomas Foundation does not seek to exist in perpetuity. The foundation will end

operations in 2040. In this way, the foundation is similar to national education philanthropy that seeks to provide seed funding or a targeted program or what is described as a “get in, get out” approach. The philanthropist behind this foundation said, “I don’t want the [foundation] to be looking around 100 years from now, what can we do next.” This philanthropist’s philosophy about philanthropic funds is “using them, using them wisely, using them now because they are needed.”

Like the exploration of the NRF led to the Vermont Rural Partnership, exploring the BEF led to the Hill Fund and Thomas Foundation. This demonstrates that each community has multiple, unique forms of rural, place-based philanthropy supporting public education. Showing these diverse approaches to local education philanthropy offer multiple paths for other communities seeking to utilize philanthropy to support its schools.

The Banford Education Fund: Connection to theory. In addition to Payton and Moody’s Five Roles for Philanthropy (Table 4) and Three Reasons for Philanthropic Engagement (Table 5), the BEF also can be evaluated with a set of guidelines for effective local education funds and with Prince and Field’s Seven Faces of Philanthropy (Table 6). Another model for evaluating effectiveness of local education funds unexpectedly emerged during research on Vermont Rural Education Group in the first case study of the Northern Region. The Rural School Collaborative provides technical support to rural schools. The Collaborative identifies rural philanthropy as one of the three key components for promoting small, rural schools. While local education funds have typically been found in large, wealthy urban and suburban communities, the Rural School Collaborative advocates for school foundations in rural communities:

Starting a school foundation is not a panacea for the challenges facing public education, but it is of the utmost importance in these times of shrinking state budgets, rural capital flight, and small town brain drain. A thriving school foundation engages citizens and alumni in the school, facilitates important school partnerships, and can provide much needed resources to the school community.

(www.ruralschoolcollaborative.org).

The Rural Education Collaborative identifies the following components of a successful school foundation:

1. The primary focus is on student success and opportunities.
2. Efforts to build a foundation are imbedded in the community.
3. All school foundation board members are donors.
4. The foundation is open to collaboration and partnerships.
5. Planned giving is at the forefront of foundation dialogue.
6. Foundation leadership is active, engaged and persistent.
7. The focus on communications and educating the school community is ongoing.

Based on participant interviews and document review, the BEF meets five of the seven criteria. I was unable to identify if all board members contribute (#3) and there is no evidence of planned giving in their fundraising efforts (#5). The BEF plays an important role in facilitating school partnerships and providing needed resources to schools, which as noted in the quote above, are indicators of a thriving school local education fund.

Based on this criteria, the BEF appears to be a strong local education fund.

Of Payton and Moody's Five Roles for Philanthropy (Table 4), the BEF fills the roles of service and civic. The primary goal of the BEF is meeting a need for additional

educational resources which is a service they provide to the local school system. In addition, their communications to the community are both a service to the schools and community as well as a means of civic engagement. The civic role is further demonstrated by their community outreach which promotes civic engagement and builds community connections.

Of Payton and Moody's Three Reasons for Philanthropy to Engage (Table 4), the BEF engages as a compliment to other funding sources in public education. Multiple respondents noted that the core education mission is satisfied by public funding but that enrichments compliment the public school budget. Philanthropy is not the only option for school funding nor is the preferred source of funding for public schools.

Prince and Fie's Seven Faces of Philanthropy (Table 6) is appropriately applied to this form of philanthropy as the Communitarian form of philanthropy. The community developed the BEF because it made sense as a tool to supplement public education funding for local schools. Over the 20 years in existence, the BEF has continued to be a tool for supporting local schools. This fits the Communitarian definition of philanthropy that "doing good makes sense" (p. 17). Further, the local education fund model is a hyper local form of philanthropy that targets a particular community. Like the NRF, the concept of community giving is at the core of this model of philanthropy. People who support the BEF are likely to do so because they believe in supporting their local community.

The BEF model of direct school support for a single community is successful in providing enrichment, bridge funding and facilities support. The BEF has shown itself to be a nimble organization that has evolved over time to meet the changing needs of

schools and the available funding sources. Beyond the direct benefits of enrichment and facilities improvements, the BEF fosters collaboration and communication within schools and among education stakeholders in the community. The BEF has built capacity and established itself as a reliable source of funding for schools. Other communities may find this to be a potential model for their community schools. To do so, they will want to evaluate the level of interest from the schools and community as well as assess the level of available volunteers and financial support.

Cross Case Findings

The cross case findings are presented in four sections. The first section provides a comparative analysis of the two different place-based philanthropic models. This includes how each model works, what they fund, their limitations and prospects for replication in other communities. The second section looks at the trends across the cases, specifically the challenges and opportunities associated with utilizing philanthropy to support public education. The third section focuses on philanthropy and philanthropists. This section includes insights into what motivates philanthropists, what they fund, how they make funding decisions and their thoughts on the work of charitable giving. The final section concludes with general observations from participants about rural philanthropy, the role of philanthropy in education, what makes them proud of their work and how they might engage national education philanthropists in Vermont public education.

Comparative analysis. The Northern Region Fund and the Banford Education Fund origins are locally driven efforts to support and improve their communities through geographic specific philanthropy. The NRF defines its region as three counties that

include 37 public schools serving approximately 7,600 students. The BEF defines its region as a single town that includes three public schools, housed in two buildings, and serving around 800 students.

The BEF uses a local education fund as its philanthropic approach. This model is an independent organization funded by local donors, is focused exclusively on education and provides funding to schools and educators. In contrast, the NRF is a place-based fund within a community foundation. This model is funded by local and regional donors, focused on broadly defined community needs including education and provides education related funding primarily through local nonprofits.

Both the NRF and the BEF rely on a volunteer board to help raise funds and oversee the grant making process. The BEF is a 501(c)3 which gives the BEF board responsibility for its finances and grant making. The NRF is a fund within the local community foundation which means their board has an advisory role in grant making but the community foundation is responsible for the fund and grant making. In 2017, the NRF made \$63,000 in grants. The NRF education related grants are most often to nonprofits for enrichment activities in education, arts, nutrition and afterschool programs. For the 2016-17 school year, the BEF made just under \$39,000 in grants. The BEF grants are for learning resources, school climate and student leadership enhancements or infrastructure upgrades. The BEF has specifically funded enrichment in science and literacy.

Both the BEF and NRF offer two types of grants. The NRF and BEF both have a mini grant program. The NRF mini grant is defined by amount level (\$500 - \$1,000) where the BEF is defined by both amount (up to \$500) and recipient (teachers). The

NRF also has a sustaining grant program with gifts ranging \$1,001 - \$5,000. The BEF primarily gives general grants which do not have dollar limits. The BEF is reviewing its grant policy, considering the option of one large, targeted grant rather than multiple smaller grants.

Table 8

Cross Case Comparison

	Northern Region Fund	Banford Education Fund
Type of Philanthropy	Place-based fund within community foundation	501(c)(3) Local education fund
Geographic Focus	3-County	1-Town
Number of Schools	37	3
Number of Students	7680	800
Who Funds	Regional and State donors	Local donors
Grant Focus	Broad community needs including youth and education	Education Specific
Recipients	Primarily nonprofits	Schools and educators
Who Decides	NRF Board makes recommendations to Community Foundation which makes grants	BEF Board
Annual Funding	\$63,000 (2017)	\$39,000 (2016-17)
Grant Levels	Mini Grants \$500-\$1000; Sustaining Grants \$1001-\$5000	Teacher Mini Grants \$500; General Grants - No Limit
Funded Programs	Enrichments: Science, art, nutrition, afterschool	Learning Resources; school climate/student leadership enhancements

The ability to raise funds and concerns about strings attached to philanthropic contributions were identified by both BEF and NRF participants as limitations. While both the BEF and NRF noted the challenges of fundraising, the NRF also identified an endowment as a goal they struggle to reach. One philanthropic professional noted the overarching challenge of limited financial resources in rural communities, “There are a lot of people and a lot of employers and a lot of community leaders who care deeply about [rural philanthropy]; there are not a whole lot of individuals with the capacity to make big, big investments.” Both groups of participants felt that “strings attached” to philanthropic gifts can limit interest in or relevance of such grants. They noted that the philanthropic gifts must align with needs and goals of the schools/communities. Further, both sets of participants noted that schools need stable funding and the annual grant process makes it challenging to plan year to year based on grant requests.

The BEF and NRF also noted limitations unique to their model and/or community. BEF participants noted that perceived high property taxes make it difficult to ask for additional funds for education. They also noted that the BEF can be limited by the volunteer support available each year. The NRF, as a regional fund, noted the limitations of reaching all communities. This raised equity issues for several participants. Given the NRF is not specifically targeted to education, there is a risk that other needs or grant proposals for community services may be more compelling thus limiting or excluding education related funding in a given year. Finally, NRF noted limitations in grant writing capacity for many organizations that might otherwise receive support for their programs.

All participants believed their model, be it regional fund or local education fund, could be replicated in other Vermont communities. In fact, most participants seemed excited by the prospect. The participants see the benefit of bringing more resources to bear on community challenges and feel the work they do is making a difference. Participants in both models did note that it must be something the community wants and is willing to invest both time and money in its development. Volunteer capacity and fundraising capacity are significant barriers that interested communities and schools must address. BEF participants noted the relative affluence of their community as worth consideration for those looking to replicate. No participant from the BEF case suggested a community had to be wealthy to have a local education fund but they did note that would distinguish them from most other communities in Vermont. The NRF participants noted their reliance on nonprofits to deliver services and enrichment meant communities looking to replicate their model would need to assess their community's nonprofit assets.

Trends. In addition to the specifics of development and implementation of the two place-based models of philanthropy, there were six overarching trends present in the data. These trends are: (1) community driven philanthropy; (2) community commitment; (3) commitment to collaboration; (4) the role of communication; (5) organizational adaptability; and (6) charismatic leadership. The first three trends reflect the essential role of community in rural education philanthropy. The second three trends address organizational aspects of successful place-based philanthropy. Taken together, these six trends provide a broader understanding of both how these forms of philanthropy work and how their benefits extend beyond direct financial support.

Community-driven philanthropy is at the core of each of the models observed in this study. National education philanthropists often advocate for a specific program or innovation like Charter Schools or small high schools and provide funding to schools that utilize their chosen program. The program is developed by experts in the field or innovators interested in applying unique approaches to education. This top down directive is often referred to as “grass tops philanthropy” (Tompkins-Stange, 2016). In contrast, the philanthropic approaches identified in this study focus on identifying promising programs that already exist at the community level for philanthropic investment. Dave²³, head of the local community foundation, observed this advantage of these models of place-based philanthropy:

It brings us closer to the communities we are trying to serve effectively with philanthropy. It mitigates the risk of the philanthropic paratrooper who air drops in to a community and says I know what’s going to work for you, which there is a long history of that not being effective, whether Vermont or elsewhere.

Local stakeholders are viewed as experts on their community needs and resources. This is especially true with the community foundation that provided technical support as local leaders developed the NRF. The community foundation continues to provide that support by serving as the fiscal agent for the fund and by continuing to help the NRF identify strong grant prospects. The BEF was also developed by concerned citizens in the community and its evolution over time was a result of input from educators, parents and community members.

²³ Id.

Community-driven philanthropy begins with a community's commitment to a philanthropic fund. Multiple participants noted that the first step in determining if their philanthropic model can be replicated in another community is gauging that community's interest in the concept. Effective local philanthropy includes having the volunteer and financial capacity to build an effective program. Further, effective efforts also demonstrate significant collaboration. The NRF demonstrates collaboration between philanthropists, nonprofits and educators on education related grants. The BEF model demonstrates collaboration between the BEF board, the local school board, educators, community members and local funders. Each model also encourages collaboration among educators themselves as well as all local stakeholders. It is these multiple layers of collaboration that strengthen the delivery of philanthropy in support of schools and strengthens the bonds between school and community.

Another trend across cases was increased communication about the schools, local nonprofits and the community in general. Data collected across cases demonstrated that philanthropy can provide another venue for communication between schools and communities. The BEF includes school board meeting dates in its communications and sends out emails to its list regarding school board activities. The BEF board also shares feedback from their annual survey with the Banford school board. The Thomas Foundation, which was identified in the BEF case, gave example where the communication required to build capacity for its professional development program had the unexpected benefit of helping to pass a local school budget:

One of the defining issues was the community hadn't passed the budget in seven years so there was a ton of kind of friction between the [school] district and the

community. So a huge piece of the work in that first school was community involvement. You know there was tons of going out in the community, tons of interviewing of people, tons of engaging with the students. After our first year there they passed the budget first try.

The annual celebration of grants for the NRF promotes the work of their grantees in the community. The celebration not only brings together diverse stakeholders in the region to network and socialize, it also communicates the power of local philanthropy and showcases the organizations that are working to support local communities.

The ability to adapt over time, or be “nimble” as participants described it, is another trend across cases. One philanthropic professional noted, “We reserve not insignificant funding outside of that grant round to support needs and opportunities as they come up out of the grant round,” demonstrating an awareness for the need to seize opportunities as they arise. In fact, participants noted this as a key to longevity. While projects can vary from year to year and are most often short term, the broader philanthropic commitment itself is long term. Philanthropy needs to be nimble to match evolving needs of the community. Many participants noted the public education funding is limited to core function without funding for “extras” that enrich the learning experience or support the learning environment. The role of philanthropy is to fill in the gaps but to do so they must be flexible. BEF case participants provided example of how they can be aspirational in their funding by providing seed funding for long term curriculum items (startup funds for specialized teaching positions) while other years, when the budget has been very tight, they may step in to meet more direct and immediate

needs. The NRF takes a similarly adaptive approach to its grant making, noting the priorities each year are driven by the community needs and proposals.

Not only are these philanthropic organizations nimble from year to year, they demonstrate adaptability over the course of their history. As an organization, the BEF has evolved from a tool for addressing changes in state level funding to a grant-based organization that provides grants for teachers and school identified needs. They continue an adaptive mindset by exploring a single large grant model for future education investments. The Vermont Rural Schools Group, the model identified in the NRF case as an example of successful national education philanthropy investment in local rural schools, evolved from a national philanthropic grant to one that received regional funding in support of local schools. Overtime they have expanded the number of small, rural schools receiving direct support and are currently reshaping their governance structure to be based at the supervisory union level and cover three counties in the state. Year to year or over the course of decades, these organizations are thriving because they are tightly connected to the communities they serve. This is a significant contrast to the approach of national education philanthropists whose lack of adaptability is one reason cited for their limited success (Callahan, 2017).

The final trend observed across cases is the role of charismatic leadership in successful local philanthropy. One philanthropic professional noted that strong leadership is a major consideration in funding decisions. He gave this powerful example that occurred early in his career, outside Vermont, of investing in leadership for successful philanthropy:

She had a very specific need, she wanted to learn how to put together a work skills program. But rather than getting into the nuts and bolts of how a work skills program works for her emergency shelter, her real request from us was for communication material¹ she wanted to learn how to use desktop publishing software more effectively. We are like, that seems like a really odd thing, but there was something about her that spoke to her ability to get things done¹ we ended up investing more and more money with her as time went on. That is a multimillion dollar organization today, East Side Emergency Shelter. It's probably one of the premier organizations in the country doing that kind of work in a very, very difficult environment. And it's because of her¹ That to me is an indication that it is as much about the individual as it is about anything.

Leaders in the Northern Region demonstrate similar leadership. Meg took seed funding from national education philanthropists and built a long term infrastructure devoted to preserving, protecting and promoting small rural schools. Bonnie helped created an organization for regional grant seekers because she saw the need for greater collaboration among fundraising professionals as a way to expand the pool of resources for the region. Alice successfully built a diverse arts education program to support local students. Her success in those efforts led to an additional new investment in an innovative program that addresses social, health and emotional development of low income, high need students through music.

Charismatic leadership is also found in the leadership of philanthropic organizations. Jack and Claude were motivated by the example set by the previous generation of regional philanthropists to create a philanthropic fund in the most

economically depressed area of the state. They provided leadership, encouraged collaboration and provided financial support to get the NRF established. As a result, the NRF has given over \$300,000 to over 100 local organizations since 2012. Jack and Claude remain committed to endowing the NRF so that it will continue to support the region in perpetuity. Valø's visionary leadership helped the BEF transition to a 100 percent volunteer organization that provides diverse grants for local schools. Over the years the BEF leadership has built a sustainable fund that has the trust of the community and schools and has the capacity to provide meaningful enrichment to the full student experience. At the organization level and the recipient level, successful philanthropy is connected to visionary, charismatic leadership.

Philanthropy and philanthropists.

If I'm going to help someone, it's sure going to be my neighbors. We've got to stick together and make life for everyone here in the community just a little bit better.

Prince and File Study Participant (1994, p.17)

Across the two case studies, 15 participants who were either philanthropists or experts in philanthropy were interviewed. These participants provided valuable insight into what motivates their philanthropy, the different ways they engage in philanthropy, what they are likely to fund and how they make funding decisions. In addition, these participants provide some general insights into the world of philanthropy.

There were a wide range of motivations for charitable giving among the participants in this study. Prince and File (1994) identified Communitarian, "doing good works in and for the place they live only makes sense," as the most common motivation for donors in their study (p. 17; Table 6). That finding was replicated in this study. Not surprising, many donors are motivated to give to programs and people in their

communities: “They are our neighbors and members of the [Northern Region]. When people are in need then that’s where philanthropy really must step up.” Two participants identified specific connections to the Northern Region as motivation, “We try to make our grant requests to organizations in the [Northern Region] having some impact to families and kids” and “I’m looking at seed grants to things like the [Northern Region Fund].” Other participants also focused more generally on place-based philanthropy. One philanthropist in the Northern Region shared how her connection to Vermont impacts her philanthropic work:

We are living here and being so grateful to this place that all of gifts that it gives me that I choose to live here. I’ve lived many other places and to me this is the best place for me that I’ve ever lived. So of course I wanted to be a plus in that equation because I do feel that so much that there is such a gift from the community. I feel good here so I wanted to share that, have that goodness flow through me and into the community.

Tradition, both of external role models and family, was also a common factor motivating local philanthropists. Two participants cited local traditions for supporting philanthropic organizations. Jack, who helped start the NRF said, “I was amazed of the stewardship of the older generation here. My mentors here, when I first came here, they were all involved in the community and cared very deeply about the social and cultural institutions.” Claude, another founding member of the NRF, echoed this sentiment, “A hundred years ago there was a whole band of wealthy philanthropists who were building the infrastructure of [Northern Region], the cultural infrastructure, and so now it’s kind of our turn to try to sustain or rebuild that as needed.” Several other participants noted

family traditions as their motivation for their philanthropic work. Claude tied his history of giving to his family's Quaker faith and their tradition of helping those in need:

My family was absolutely committed to giving, there was a very strong credo that they adhered to which was to share the world's resources fairly. That meant not accumulating the way the incredible billionaires are now but to make sure that everybody is taken care of if possible.

Kim²⁴ who has continued her family's commitment to philanthropy shared the poignant story of how her family first got involved in charitable giving:

My dad and my step mother didn't know anything about the fact that there was this hidden population living in subzero temperatures in the local park. So they found out more about that and the program that was bringing them into church basements at night to shelter them. Then they just got outraged that this was not being addressed better and they wanted to do something to help. So they started a small foundation with the mission to help people in desperate need.

Community and tradition were the most common responses to what motivates local philanthropists; however, a wide range of other motivations further illuminate local philanthropy. Feeling a connection to the organization is a strong motivator for some participants like Diana²⁵, "I remember like discovering [Vermont Public Radio] 'I was like oh my god this is like a life line, I've got to support this. I can see a benefit.' Diana, as well as several other participants, was motivated by the ability to do good for others, "I guess really making the world a better place, that sounds so cheesy, but you know

²⁴ Id.

²⁵ Id.

making these kids' lives better' saving the goddam planet. Yeah, maybe feeling that is where you can have some power in your life.' Kim shared a similar view, 'Philanthropy is love for your fellow human. So it is a powerful, it's powerful medicine because it involved both the head and the heart.' Making a difference is also a powerful motivator for some philanthropists. Jeb, who gives on a small scale, noted, 'I think it makes a difference if there are opportunities that would not exist otherwise. A belief that those opportunities can be meaningful to students learning and their experience.'

Two compelling examples of philanthropic motivation reflect the depth of thought and connection, or lack thereof, in making a funding decision. Claude and Willow support an organization that represents the intersection of their Quaker faith and support for education. Their story also connects to historical traditions noted in the literature review section both in the role faith plays in philanthropy and the role of philanthropy in supporting emancipated slaves:

There is an organization in South Carolina that we give [to] every year. It's called the Penn Center and it's located in Beaufort, South Carolina. It was founded by, when, in 1863 after the Emancipation Proclamation a bunch of wealthy Unitarians and Quakers from Philadelphia went down there to help these people who were suddenly free. They established the Penn Center that was a school for those families that provided over time some trade school experiences, how to keep a check book and those kinds of things. They are no longer a school but they are a place that celebrates all kinds of civil rights initiatives.

Where motivations for philanthropy can run deep, as in the case of Claude and Willow, sometimes the motivations are more primal and random. Here is an example from one educator and philanthropic expert:

Then [national foundation] connected us with [regional foundation] and that was like the weirdest experience. They invited me down to their castle in [another state] to meet the Halston Family²⁶. I went down there and did my little spiel and just as I was ending, Mr. Halston got a phone call and left to go by helicopter to go to the city. As soon as he left the room Mrs. Halston said, -give this woman anything she wants.ø I thought, oh I must have done a good job. Turns out Mr. and Mrs. Halston were getting divorced.

Multiple participants noted the value of contributing both time and money as ways to engage in philanthropy. Many philanthropists had humble beginnings and trace their interest in giving to communities in need to a time when they did not have a lot of money. Diana describes herself as a long term contributor, ðI always gave away money, even when it was \$50 or whatever to causes.ö She has always supported issues that matter to her:

When I had no money I volunteeredí to feel like I was doing something. Now I feel like, I say to organizations: I donø have any time, but I have money. Earlier I was like I got time, I got no money.

Time versus money was a common theme among the participants in this study. Kim observed, ðOver time I have come to understand, not just from my own observations but from hearing from other people, that New England is volunteering rich and donating

²⁶ Id.

poor.ö This observation is supported by data found in the literature review about the giving habits of rural donors (The Center on Philanthropy at Indiana University and Association of Fundraising Professionals, 2010).

Philanthropists in this study made clear the value of volunteering and low dollar contributions to support programs and people in need. They appeared to want people to know it is not just large donations that make a difference, but the cumulative effects of volunteering and small contributions. One donor and philanthropic expert observed that “the lifeblood [of the nonprofit] were the volunteers” and those little old ladies in tennis shoes who would give you ten bucks a year every year no matter what.ö Another made explicit the value of small donations, “I don’t want to discount the importance and the meaningful level of even the smallest contribution. You know people making a small donation to support a fundraiser or an activity, you know all of that is important.ö The head of the local community foundation observed the powerful impact of small grants can have in small, rural communities:

We tend to be distracted by large dollar amounts. The reality is when we think about the things that are making the difference through a regional fund like the [NRF]í these are small organizations that are finding ways to do transformative work with relatively small increments. You know, I share this particularly with colleagues and peers from out of state and just saying, you know, recognizing how far philanthropic dollars can go in small communities.

Several philanthropist also noted unique ways philanthropists can engage in supporting local communities. One local education leader and donor gave this example of non-monetary contributions:

The [local] elementary school recently had a gift of land that is along the [local] River. I don't remember the exact amount of land but I want to say it might have been as much as 15 acres. That is a substantial gift. I think somebody approached the school and said, hey we are willing to give this land if they use it for some environmental learning, and ecological learning.

Another local philanthropist gave an example of how their family turned a personal need into a community asset. She describes how her husband's interest in building a pool for himself became a pool for the community:

[He] always talked about maybe building a lap pool because he loves swimming laps. And um, he was outside swimming with [their son] and some of his friends and he realized these kids like they are the best hockey players and snow boarders and they could barely swim. So [he] got the idea of, hey let's build, rather than build an indoor pool for myself, let's build it for the community.

Another local leader noted a unique way of funding a program for Vermont kids that also reflects differences between urban and rural philanthropy:

My father and I ran a summer program a number of years, an exchange program with rural kids from the [Northern Region] and New York City. At the time he had a church in Harlem, and he could pick up the phone and call people and they'd say, Father, what do you want? What are you looking to do? And he'd say well we are looking at getting some kids from Harlem, going to bring them to Vermont, get some kids from Vermont to come down. They'd say what do you want? People would just write him a check, \$5,000, \$10,000, but it's that kind of environment.

The philanthropists in this study were asked specifically about programs related to education that they fund. Willow noted funding the local library that has programs for kids but more generally described their funding interest as, “We like to support organizations that support local communities. We like to support organizations that reflect our values and concerns about the world.” Her husband and philanthropic partner said they gave in smaller amounts before inheriting money they use for a philanthropic fund. Claude noted their funding priorities have been consistent over time, “We scraped together what we could here and there for the causes that we cared about most: high-quality education for all, families in crisis and the Vermont environment.”

Diana has a successful family run business so her philanthropy includes corporate gifts, a personal family foundation and a foundation created to provide a youth developmental program for disadvantage teens. She explains their motivation for focusing on youth development:

Professionally there was a moment when [we] couldn’t obviously afford to do anything, we had everything pledged to the bank or whatever. When we started becoming profitable and could do something, you know we really thought long and hard about how we were going to give back it was teenagers who kind of put us on the map, teenagers who believed in us. So we said we want to give back to that population.

Similar to the national trends, scholarships are a popular form of local philanthropy. Countless scholarships at a wide variety of gift levels exist in communities across Vermont. One participant noted his family scholarship, “My own family actually support a scholarship in the name of my brother who had passed away just after high school.” As

a local education leader, he also identified a place-based scholarship for students of a local community, “We do have a scholarship for [town] elementary students” which again, is specific to students who have gone to [town] elementary school and have later graduated from [town high school]. That is one of our more substantial funds.”

Philanthropic decisions are often made based on knowledge of the organization, specifically involvement with an organization. One donor appreciated the NRF because they help make donors aware of strong organizations in the area: “What helps probably is what we know about the organization. That is why the [Northern Region] fund was so easy to give to because they took that burden of having to know all these organizations.” Another philanthropist notes personal involvement can make them feel more confident about their investment in an organization. She said she decides based on “personal involvement and I guess that sense of wanting to understand that my money is going to be well spent. That it’s not, I’m not going to find out that the organization is in trouble.” Other philanthropists look to fund things that are long term assets to the community. Claude gave an example of both his specific funding interests and the idea of supporting long term assets:

I like programs that support the arts and sciences in terms of educational opportunities. But obviously things that affect the way that families function is important to us as well. Resources that are always there for community, especially children is really important.

Multiple participants noted that a clear mission is something they look for when making funding decisions “when there is a clear mission and there is a clear understanding of the role of the group, and what they are fundraising for, in those

instances, it's very easy for people to get around a cause.ö One philanthropist noted the first point of consideration is simply people who ask for her support. When asked how she makes funding decisions, this philanthropist responded, öI think the old adage is true, when people ask, right?ö Kim highlighted the struggle many philanthropists have with the inherent tension between addressing immediate needs while seeking long term solutions to eliminate those needs:

My impulse is to have that balance between addressing immediate needs or possibilities and then having a long gameí Because that tension, how do you do both? And do you always want to do both? Is it sometimes better one or the other?

Along with providing insight about what philanthropists fund and how they decide, participants also shared what they would want people who are not familiar with philanthropy to know about their work. The first message is that philanthropy is there to help. One of the founding members of the NRF advises, öPhilanthropists are open for business...Tell us your story, you probably have a compelling story to tell us. Tell it.ö A local philanthropist echoes this view, öIt's really about sitting down with someone and saying hey, I am so excited about this opportunity and I want you to be excited about this opportunity and then you've got to ask for an amount.ö The second message from philanthropists is to build relationships. Multiple participants mention the importance of getting to know what organizations do as well as those who lead the organizations. Tina, a philanthropic professional, describes the significance of relationships this way:

For individual donors and small family foundations I think taking the time to build the relational trust is huge and really listening in on what the person is

passionate about and curious about, and if it's not a good fit, it might not be a good fit, if it is a good fit then take the time to develop the relationship.

A different philanthropic professional raises an important point that not every request is a match for the goals of a specific philanthropist.

It's also ok for it to not connect with every donor. So, be who you are and who your organization is and know, and know that some donors will have a passion for trees instead of kids or kids instead of trees and that is ok.

Tina also noted that not every organization wishes to do their work publicly.

We don't have a website. That is intentional. I think a lot of small, family foundations try and go under the radar to some degree because they are receiving too many requests from so many people. If you become known as a generous person everybody wants to be your best friend all of the sudden and it's a hard. That is a hard boundary to keep. That is part of my job to be a gatekeeper of sorts.

Regardless if an organization is a match for a specific philanthropist or philanthropic organization or if the philanthropist prefers to be "under the radar", this philanthropic professional notes the benefit of developing relationships with staff.

Community foundations. In addition to individual philanthropists, a local community foundation played a crucial role in a number of philanthropic efforts cited in this research, most notably partnering with the NRF. The two key features of a local community foundation, as described by one staff member, are local and forever:

Community foundation really is about defining a geographic boundary and then figuring out how to raise and manage funds that are going to benefit that

geographic forever. Literally forever. One of the requirements for a community foundation is that it manages its assets in perpetuity. So this money is going to be here as a source of support for this area that we have defined as being deeply committed to forever. There is something about that for me feels very noble. Community foundations can be a complicated concept as they navigate both the donor and grantor sides of the philanthropy equation. This is how one participant describes the work of the local community foundation:

The [local] community foundation does three things: It helps people find and fund the things that they care about, the issues that they care about; It invests money in the community to make those communities stronger, healthier; And it provides a level of leadership in the community so that as efforts get underway to move work forward there is somebody who is looking at the bigger picture to figure out how the pieces fit together.

The philanthropic professional who works with the local community foundation describes the three ways they provide grant funds to local communities. First, there are donor advised funds in which the community foundation makes grants based on the donor's requests, driven by individual interests. Second, there is discretionary grant making through a competitive grant process. The NRF is one of their discretionary grant programs. Finally, Giving Together is a digital platform that provides information to those holding donor advised funds about programs the community foundation is supporting and they may want to consider for funding. The NRF is one of the funds promoted by the local community foundation through the Giving Together program.

According to the head of the local community foundation, the NRF is one of over 700 different funds they manage which total over \$300 million in assets. The discretionary grants are òa product of deeper partnership based on our understanding of the circumstances within communities, our understanding of goals and objectives of particular communities and regions,ö according to the head of the local community foundation. He describes their current discretionary grant focus this way:

We are focused on how we ensure that kids born in Vermont that they have a level playing field through their growth and development. That means early childhood care and education, access to post-secondary and career training, its support for youth and families so that while kids are in school they have access to healthy activities, nutrition, housing and environment that allows them to be successful.

Another feature of community foundations is the ability to host supporting organizations. Supporting organizations are defined as òa 501(C) (3) organization recognized by the IRS as a public charity because of its close relationship to another public charity.ö²⁷ The supporting organization has its own board but the majority of its members are appointed by the local community foundation which also provides staff and technical support, including grant making. The local community foundation hosts one such supporting organization whose primary grant focus is access to higher education. In its grant making, this foundation works with K-12 schools, higher education institutions and nonprofits to òsupport equitable access to college and career education in Vermont.ö A philanthropic professional associated with the organization observed, òThe lines are

²⁷ Citation omitted due to confidentiality.

becoming more blurred between K-12 and higher ed., so we know philanthropy has potentially the most leverage at the intersections, so that is where theí foundation focuses its resources.ö

This organization uses similar strategies to other philanthropist in making decisions about funding education related programs. The philanthropic professional identified öintelligence gatheringö that includes ösitting down with practitioners who are in the trench[es]ö and öhearing directly from students and educators and parents and administrators and college staff and faculty about the real on the ground barriers to this issue.ö Their funding often expands access to existing programs that target low income and first generation college prospects as well as enrichment programs in afterschool programs.

As noted in the trend section, community based philanthropy is a common condition among the models of rural philanthropy in this research. This is true as well for the community foundation and its associate funds and organizations. They place a premium on connecting to communities and working collaboratively to address their needs. Whether it be the community foundation, other philanthropic organizations or individual philanthropists, the participants in this study share a commitment to place-based philanthropy. They see the value of investing in their communities.

Rural philanthropy insights.

Two participants requested we meet at a local café. The quaint sign notes the town was founded in 1776. The old majestic buildings interspersed with a few folk art shops give the community a dignified yet whimsical feel. Paved roads intersect with dirt roads, ruts deep from the winter thaw. Off a dirt road, nestled in a narrow valley is the town, estimated population 40 according to the sign.

The Café is warm and inviting. As I sit waiting for my participants to arrive, I am struck by the sense of familial closeness between the staff and customers. An elderly woman, struggling to walk, is asked if she's having the soup of the day and an extra slice of bread before she can reach the counter to order. She settles in at a table and is attentively cared for in service and conversation. She and the staff discuss another town member, gone for the winter, who would have objected to today's special. Another customer arrives ordering "his usual sandwich" as the young woman behind the counter encourages a spurge on dessert today, she's sure he'd love the special cheesecake. Yet another customer wanders in, greeting the other customers and staff before debating the merits of the special of the day. I can't help but wonder if everyone in this town knows each other.

My interviewee arrives as do a few more customers. Without looking at the menu, she knows exactly what she will have for lunch, greeting the other customers as she orders. We head up to the loft for a more quiet space, finding a cozy nook with a kitchen table and a few old, comfy chairs. The walls proudly promote the art of students from the local elementary school, the café serving as the gallery for their work. The people and place are so tightly woven together. I feel as if I am seeing a Hollywood stereotype of the quintessential, small New England town, but my observation is of very real people living a very authentic life. (Journal Notes, 2018)

Participants were asked several contextual questions that provided insights into issues that shape education philanthropy in Vermont. These questions include challenges facing local education, challenges of rural philanthropy, concerns about equity, benefits and opportunities of rural education, what makes them proud of their work and how they would make a case for national education philanthropists' investment in Vermont public education.

The greatest challenge facing public education locally and at the state level, according to study participants, is poverty. This challenge was identified by educators, philanthropists, education leaders, school board members and philanthropic professionals. One educator described the community challenges with both poverty and substance abuse:

There are so many great reasons to live in rural Vermont, but I think there are also a lot, there is lacking a lot opportunity for our kids. You know with the rise of the opioid epidemic. So you know thinking about the poverty levels in this area.

[local community] is 74% free and reduced [lunch] and with the methadone clinic opening up and the prison, trauma is running rampant through our schools, you know behaviors are escalating and so the state is saying we need to cut education funding. Our educational budgets are increasing to deal with the demands of all of those high needs and trauma and that ends up taking away from all of the extra.

A local philanthropist echoed the challenge poverty poses to rural communities:

Working in a community where 70% of the kids are in free or reduced lunch, there are some big challenges, and heartaches. Trying to hold that tension of the harsh realities people face and the hope or possibility for a different future.

A local education leader described the systemic and generational challenges of poverty:

I think, you know the other challenges is in association with this, is income inequality and a sense of almost a sense of hopelessness for many of our families. The challenges that come with generational poverty and even situational poverty where people, there is a certain desperateness for folks and that, it's hard for people to see the importance of education and the struggles, you know a child comes into the system already behind because of limited access to language arts and vocabulary.

These traumas, as noted above, lead to greater challenges in the classroom. According to another educator:

I think one of the biggest challenges facing our school was consistency in behavior by the children and how we react to it. There is more violence among younger kids now than you've seen in the past years. I mean kids just lose control completely. You know they scratch, bite, kick and spit and, you know it's hard to teach if that is going on in the room and there is not a workable alternative to deal with it.

Education related philanthropy in Vermont seeks to address poverty through a diverse range of programs. The afterschool enrichment programs are viewed as a continuation of the school day, especially for low income students who might not otherwise have access to enrichment activities. Participation in these enrichment activities is seen as a contributing factor to long term student success. These programs, that may either not exist or are the first to be cut from public funding, are a place where small philanthropic investments can make a huge difference for students most in need. In addition, a number of schools use the philanthropy funded backpack program that sends food home for the weekend for students with need. One of the music enrichment programs specifically targets low income students and the associated effects of poverty. Multiple programs target low income students for postsecondary matriculation. In this instance, philanthropy is utilized to fill the access gap for a particular student need population.

The next most commonly cited challenge from participants was managing change, particularly as it relates to government funding and mandates. The head of a nonprofit that provides services to local schools noted the challenges with uncertain funding, "[Trump] put in his budget last year complete elimination of 21st Century funds which

without them we wouldn't be able to run afterschool programs." A local school board member mentioned the challenge with changing priorities at the state level:

You know we'll never have enough. We are a government institution, we have to follow the laws and while boards are kind of having whiplash from this law and the next law and a new funding system and then you know a new secretary of education, like what, we are constantly responding and we are doing the best we can and I think school boards around the state do a really good job at making sure they are serving their students.

Tammy, a local education leader, echoes these sentiments from her perspective leading a supervisory union:

The change cycles are more rapid than perhaps they were 10 years ago and the needs for change are a bit more significant than they might have been in most of our lives. I think that not only is the change hard in terms of instructional practice but helping parents in the community understand the importance and buy in and support those changes especially when it is not what they experienced and it's not the system they know how to navigate.

Several participants also noted challenges that were unique to small, rural communities.

Transportation was a barrier identified by several participants. As one educator observed:

If you are living in [local community] you could live 20 minutes away and there is some pretty high poverty levels in those areas and so we are constantly trying to figure out if that is stopping access to our programs.

A local education leader specifically noted the struggles of rural communities and concern that those communities may be overlooked by state level policymakers:

Rural communities are really struggling. Drive down downtown and see how many businesses are vacant and the hole in the middle of the city and all those things. The number of properties for sale in [local community] and people can't sell anything and the problems the city is having with tax revenue and just on and on and on.

While several participants implied bias against rural schools, one directly stated it:

I also worry, this is some of our own policy makers in the state that I think there is an inherent bias against rural schools. There is a perception that one, we cost too much and we ought to just consolidate and we would save a lot more money is a bit of mythology, but that is the narrative.

And from one local philanthropist, a possible explanation for why rural communities are overlooked, "It's always hard for people to break out of their habits so if they are not living in a rural context, maybe they just wouldn't pay attention."

Equity was a recurring theme across the research, taking many different forms. For most participants, the equity concerns were around issues of poverty and educational opportunity as noted in the prior discussion about poverty. One local educator leader summarized this challenge:

Meeting both equity of need and equity of opportunity and I think we have to see both. There are communities that have higher needs and often that is associated with increased poverty. So I don't know that we are addressing it as well as we need to.

For some participants, equity was about ensuring fair disbursement of funds across its targeted schools or communities:

It's hard. We do, we pay close attention to that. It's hard to find a way to get philanthropy involved. They don't have the education base, they don't have a lot of schools over there, they don't have cultural organizations, they don't have healthcare organizations. So there is not much that would really fit.

One school board member defined equity concerns around small versus large schools, noting the important role philanthropy can play in helping maintain small rural schools:

We talked a little bit about small schools in Vermont and one of the challenges in this whole concept of equity and this concept of opportunity for kids in a small school system, is that it's expensive to run small schools. So if Vermonters want to hang on to those, and really preserve those small schools, having philanthropy come in where you can supplement in some ways to make sure all kids have a group they can belong to, that they have access to good academics, to me I think, yes I would support [philanthropic support of education].

Educators often noted that poverty creates inequality in the classroom that they struggle to address. Several noted that philanthropy can help address this:

I think they can add value to schooling in places where there is high poverty and great need because they can provide that extra that local funds can't, you know, sustain or provide.

While participants noted the importance of public funding for the primary support of public education, they also recognized the equalizing impact philanthropy can have as a

supplemental resource. One philanthropist noted her desire to supplement but never supplant public funding for education:

You don't want to feel like I said, you are just filling in where the government has let down, but if you could add meaningful programs and equalize the opportunities. That is what I worry about. You have low income kids who can't afford all the activities. The music lessons and the, you know, the sports and all this stuff.

Participants also noted the benefits and opportunities of rural philanthropy. One local education leader noted on several occasions that "even a small amount of money can make a really big difference in a school." A local philanthropic professional also noted that size can be an advantage, "I think actually making a difference in a community can happen relatively quickly and with a small investment of money...the scale is such though that it can make a difference in someone's lifetime." However, the most common benefit identified by participants was the sense of community in rural places that makes them attractive. A philanthropist who relocated to Vermont and has since made significant philanthropic investments observed, "When I came to Vermont from suburban and urban living I saw the strength of the rural equation with is a greater sense of community." A local educator describes the benefit of rural schools this way:

The ability to know every child and every family and to tailor what you do to engage those families is a gift that in larger systems you can't do. The other thing that I think is true of rural places for the most part is people tend to stay, so there is often less turn over at least at the teacher level.

The benefits of rural were supported by documents reviewed that included a podcast about what makes rural communities appealing, “I remember telling the principal when I moved here, this is something that in L.A. people would pay \$1,000 a month to send their 5-year-olds to! Small classes, and kindness, and good quality educational materials (Brave Little State).

Meg’s view, as an educator and advocate for small rural schools, is reflected in documents on rural education. The Rural School Collaborative says, “Education is the linchpin issue in rural economic development! Schools truly are the lifeblood of small towns, and everyone must do all they can to maximize the learning opportunities for teachers and students” (www.ruralschoolcollaborative.org). Similarly, the BEF documents note, “Our schools are the foundation of our community and an essential asset in creating vibrancy and quality of life in [Banford].” The Annenberg Rural School Foundation Report (1995) made its investment in rural schools over 20 years ago based on, “the unrecognized strengths of many rural schools, including their small size and strong community connections.”

Pride in system and work. Participants were asked what makes them proud about the work they do. Educators, not surprisingly, were most proud of their school systems. They consider their systems to be “strong”, that they do a good job educating a diverse continuum of students and they see success in their students. As one local education leader describes it:

We are an aligned K-12 system that pays attention to the educational experience of the students from pre-Kindergarten through their graduation. That we have high standards for all of our students. That we expect collaboration and an

attention to the system as a whole. That we have good community partnerships and good community support.

Many participants outside the field of education also share pride in their local school system. Philanthropists were more likely to identify pride in program outcomes. Meg, who is both a local educator and leader of the VRSG, defined her pride in program:

The opportunities for kids to be leaders in their communities from a young age. It's a beautiful thing! These kids who have served on town committees. For example the naming of the roads! those kinds of tasks are so multi-faceted they don't fit into science or social studies or math but they are, they can cross a lot of academic areas and they build confidence so much in a kid to be able to work side by side that way.

The head of the BEF was proud of the 20 year tenure of their local education fund and cites program support as her source of pride:

I'm most proud of that we can support the educators in the classrooms however that may be whether it's through a grant, whether it's through the garden program whether it's through technology, they make a difference for their students. We make a difference for the students.

Educators, philanthropists, local leaders and philanthropic professionals all cite difference making as a motivation and source of pride. Philanthropists specifically note their pride in using philanthropy to make a difference in the lives of children and in their communities:

The impact that matters to me is when I see kids smiling because of something they were able to do because it was supported by philanthropy. Or when I see the

director of a tiny nonprofit who is thrilled that a grant is going to make something possible, and they make it happen.

This pride in the impact on individuals and communities was echoed by another philanthropic professional:

I can run into people all the time that are affected in positive ways whether that is the general store or house of pizza, wherever it is I am constantly running into people who are engaged in different beneficiaries of the work that I am doing.

A local philanthropic expert identified the lasting impact of a community foundation as a source of pride:

The work that we do is going to be around forever. A community foundation is about perpetuity. It's about being here 100 years from now, 200 years from now, 300 years from now supporting the community. When I work every day, I have a part in that, and that feels really great knowing that this institution is going to be here forever.

Should philanthropy support public education? Participants were asked their views on the role of philanthropy in education, specifically if philanthropy should support public education. The majority of participants were in favor of using philanthropy. The most common reason for supporting the use of philanthropy in public education was budget related. One educator working for a nonprofit that provides services to schools noted the budget challenge:

With budgets getting trimmed, chopped, every year they seem to get, they just don't get bigger, and there is a lot of opposition to growing school budget among tax payers. But the needs are still there, and the needs are not going to go away,

so yeah, I think absolutely, and our federal money isn't going to get any bigger, it's probably only going to get smaller.

A school board member voiced a similar concern, "School budgets have become so squeezed down that the ability to think creatively or expansively about program or opportunity is not available to us to large extent and I feel like philanthropy could do that." A local philanthropist noted the current statewide school budget challenge in supporting philanthropy in public education:

Most schools have so many things that they need that are not in the budgets that they could benefit from private dollars or philanthropic initiative for sure. We have yet another budget that has gone up with no new programs. Year after year, it's been that way forever. Most communities are in that boat.

Some participants specifically noted they supported the use of philanthropy in public education as a way to supplement, or provide "extras" to the school budget. A philanthropic professional whose foundation provides professional development to educators noted, "Educators that I know don't need to be told what to do. They need the time, space and stuff to be able to do what they want to do." In providing those specific resources, this foundation demonstrates a bottom up and teacher focused approach that serves an important need for local schools.

One local education leader said, "I believe [philanthropy] should be to provide supplemental services and supports beyond the core educational mission which I think is and should be the responsibility of the public." A local philanthropist, who has provided support to education related programs shared a similar view:

I think providing the extras. I don't know if it's right, I don't think it's right, but it's not going to happen through federal funding and the states are only going to get more crunched as these tax [revenue] go down and expenses go up. I think it's really wrong to expect private money to educate our kids, but I don't think we have a choice.

Several participants shared the view of this philanthropist. They did not think private funds should be necessary for public education but nevertheless saw the need for additional funding and the opportunity presented by philanthropy. A local education leader said, "I do think there is unfortunately a growing need and a role for [philanthropy]." As one local philanthropist and education leader bluntly stated:

I don't think it's an appropriate role, but I see the need. I think that the communities and the state education, the benefit of that education benefits the community and the state for decades on. They ought to pay for it. Which is an attitude that a lot of taxpayers have. I don't think they are wrong.

Another philanthropic professional noted that successful programs that see their public funding cut turn to philanthropy leading to difficult conversations for those who share this concern about the appropriate role of philanthropy:

Programs whose federal funding or state funding has been cut and they offer long running demonstrably valuable programs, so they will come to philanthropy and say we offer long standing demonstrably successful program, please continue running them because our federal support has been cut. It's a really, really hard conversation to have because some funders, I think including [local family]

foundation believe that is not the best or most leveraged or most impactful use of their limited dollars.

A philanthropist and local educator both noted the unique needs of rural schools and the essential role philanthropy can play for those schools. A philanthropic expert noted struggling small rural schools could benefit from philanthropy:

I want to say the first place that comes to mind are communities where schools are getting smaller and they are increasingly strained in terms of education they are able to provide. You know if the premise is that we want kids to have equal access to educational opportunity, the scale of the school and the scale of the town is a fundamental challenge to that premise.

Similarly, a philanthropist recognized the role philanthropy could play in not just keeping schools open but ensuring they have adequate resources:

I think especially in rural communities where the pressure to consolidate or even close because of the low enrollment that we are facing and it's not about just keeping these local schools, rural schools open, but how can there be opportunities to support things that might not be funded in the budget or places where budgets are being cut, like field trips or music and art and things like that. I think it could be incredibly beneficial.

An educator tied the need for philanthropy back to the earlier discussion on poverty:

I think [philanthropy] can add value to schooling in places where there is high poverty and great need because they can provide that extra that local funds can't you know sustain or provide. In the case of rural schools I think there is an issue of community and community connections is a good place for philanthropy.

Finally, one educator saw the question as a no-brainer particularly as rural communities and small rural schools struggle for survival, “I can’t think of any better way to use philanthropic money than to try and help the next generation be better community members. We want people to want to raise their kids here.”

The final question asked of participants was about large scale, national education philanthropy. The question at the core of this research is, what is going on with education philanthropy in Vermont? One answer is that very little national education philanthropy makes its way to Vermont. One philanthropic professional noted, “There is no regional association of grant makers, there are very limited resources that will focus on New England in a way that actually benefits Vermont.” She went on to describe this conversation with a staff member from the Gates Foundation, “This is kind of what we are working on in Vermont and” he looked at me and he said 80% of the drop outs in this country are in 100 districts and none of them are in Vermont.” She expressed her frustration that the work of these large, national education philanthropies is almost exclusively focused on urban districts.

As the research was being conducted, the Gates Foundation announced another \$1.7 billion dollar effort to improve K-12 public education (Vara-Orta, 2017), so I asked participants to make the case for a Gates Foundation investment in Vermont public education. Without exception, there were long pauses in response. The most common response to why invest in Vermont is that its small size makes it ideal for pilot programs. An educator observed:

There’s so much more freedom in rural schools! There’s smaller numbers of kids and so you can create these programs in like mini pilots that the rest of the

country can use it. I'm really excited about that so rural schools have the opportunities to be kind of like microcosms of really great teaching.

Another educator who also heads the Vermont Rural Schools Group, suggested that Vermont's small, rural schools are already a model worthy of investment: "I've always felt that Vermont could lead the nation in public education because of its small community schools." In fact, the Annenberg Foundation made that case when investing \$50 million in rural schools in 1995, "Rural schools may be the nation's best laboratories for truly manifesting the Challenge's vision of good teaching and learning" (Annenberg Foundation, 1995). The Vermont Rural Partnership, a recipient of grants from that fund, continues to support rural education as noted in the Northern Region case study. A philanthropist suggested a more narrow scope in making Vermont a model for other rural states:

I think if you had some sort of project in Vermont it could be a role model for other rural states, you know? But I think, it feels like education should be decentralized, and we are centralizing it, right? Maybe we could be the model for decentralized, more personalized education. We just need a couple billionaires.

A philanthropic professional also made the argument that a small investment can have a huge impact in small, rural communities:

It takes millions of dollars to make a splash in a programmatic or an urban area with a lot of density just because of the scale and the aggregation of service. In smaller communities you can make an incredibly meaningful impact with tens of thousands of dollars.

One local educator did seize the opportunity to make a specific pitch for a program in her supervisory union, “Growing a paid internship program for aspiring educators in areas where it is hard to get practice. Specifically Chinese language and culture program would be one that would be worth looking into.” Another philanthropic professional whose foundation funds career readiness programs noted that Vermont’s high graduation rate and relatively low postsecondary matriculation rate would be a compelling issue for national education philanthropy investment. However, that same philanthropic professional noted their foundation’s collaboration with the Gates Foundation on a small, K-12 education program at a Vermont school ran into the same issues of top down problems that have plagued other efforts led by national education philanthropy. She explained:

[It] was kind of innovative in school program that garnered Gates foundations support and [local family] foundation stepped in as a match. We learned a lot through that program. We learned that the program had more administrative support than it had community support.

The responses to this question demonstrates that large scale, national education philanthropy is not at the forefront of conversations about how philanthropy can support public education in Vermont. Whether it is because of lack of awareness or perceived lack of opportunity to compete, national education philanthropy receives only passing mention from the participants. Instead, to the extent there is an effort to use philanthropy to support schools, it is local or regional.

Summary conclusions. This cross case analysis demonstrates how local philanthropic funds are used to support local education related programs. Participants

recognized the benefits of a local approach that strengthen ties between schools, nonprofits and communities and is driven by locally defined needs. They recognized the challenges of securing funds and volunteer support to keep these philanthropic efforts vibrant. Participants believe their work can be replicated in other communities but strongly voiced their view that it must be initiated and supported by the interested community. Community is at the core of any effort's success as it must be the source of leadership, funding and collaboration to meet the locally defined needs.

For their part, philanthropists and philanthropic organization also place a strong value on community. The philanthropic participants in this study are committed to place-based philanthropy. They are motivated to make a difference in their community and are inspired to give by compelling stories from organizations seeking support. These participants emphasized the value of small dollar gifts and volunteering, not just larger grants. A community foundation can play a unique role in building partnerships with communities that work to meet local needs. They have a diverse responsibility to donors seeking programs to fund and organizations seeking support. In all cases, philanthropy in this study is looking to connect with and make a difference in local communities.

Finally, the study provides some insights into the context in which rural education philanthropy seeks to make an impact. The overwhelming challenge facing communities in this study, as identified by participants, is poverty and its associated challenges. Participants also note the difficulty managing steady changes in public funding and legal requirements. Inequity surfaced as a challenge in various ways, relating specifically to both seeking and distribution of funding. Despite the challenges, participants see benefits to small rural schools and are proud of the work they do in schools and communities.

Participants in this study are generally optimistic about the role philanthropy can play in public education and see opportunities for it to make a difference in small rural schools.

CHAPTER 5: CONCLUSION AND OPPORTUNITIES FOR ACTION

Participant interviews and document review provided significant insights into the research questions of this study. The study demonstrated that philanthropy provides support to a broad range of nonprofits that deliver education related services as well as direct support to schools and educators. The philanthropic support comes from local and regional philanthropic organizations and philanthropists as well as community members. Decisions about funding are made by boards of the philanthropic organizations that are comprised of local community members. Educators and education leaders ensure that grant requests align with school and community needs, and school boards ensure funding requests are appropriate for philanthropy rather than the annual school budget. The opportunities that come as a result of education philanthropy are enrichment programs not possible through the school budget. These are often arts and science related but may also include food and nutrition programs. The programs may be viewed as “extras” beyond the core curriculum or needs that cannot be addressed by small, rural schools. The limitations of philanthropy include securing adequate fundraising and volunteer support. Capacity for grant writing and of local nonprofits may also be a challenge for implementing these models of place-based philanthropy.

Findings in this study both confirm information found in the introduction and literature review as well as add to the body of knowledge about rural education philanthropy. The basis for the research questions in this study was an observed challenge in funding K-12 public education in Vermont (Holcombe, 2014; Pache, 2017). These funding challenges were confirmed by data in the introduction and supported by participants in the study. Participant responses to questions about the role of

philanthropy in Vermont K-12 public education were connected to the issue of school funding and the challenges with limited resources at the federal and state level (McCullum, 2015; Reckhow, 2013). In addition, the issue of income disparity described in the introduction (Saez, 2013) was echoed by participants, particularly educators, who see the classroom challenges associated with students in poverty. They noted that increase demands on the education system are directly tied to poverty in their communities. On the other hand, Vermont has the opportunity to utilize the expected transfer of generational wealth identified in the literature review (Hay & Muller, 2013) as a means to support its schools and communities. This concept will be addressed in greater detail in the opportunities for action section that follows.

The data collected in this study connects to several components of the history section in the literature review. Several participants noted religious tradition as a motivation for their philanthropic giving which connects to the earliest forms of philanthropy (Bremner, 1988; Dobrzynski, 2007). Participants also connected their giving to social movements identified in the literature review, specifically the education of emancipated slaves (Bremner, 1988; Lenkowsky, 2005). The relationship between donor and recipient in the place-based philanthropy found in this case study reflects a closeness associated with earliest forms of philanthropy, a direct connection between donor and community (Bremner, 1988). However, the cases also employ formal structures like foundations and tax exempt funds as intermediaries that reflect modern forms of philanthropy (Sealand, 2003; Tompkins-Stange, 2016).

This research also confirms findings that rural philanthropy is likely to be place-based (Aspen Institute, 2011). It also confirms and adds to the body of knowledge of

what Hay and Muller (2013) refer to as, “knotty links between place and philanthropic activity” by describing how two rural regions utilize local philanthropy to address local needs (pp. 12-14). These models of philanthropy are deeply connected to place. Further, this research adds to the body of knowledge about the Annenberg Challenge (Nachtigal & Haas, 2000). The Vermont Rural School Group demonstrates how a small grant from the rural funding component of the Annenberg Challenge built a thriving organization that continues to support small rural schools in Vermont. This research also adds to the body of knowledge about Vermont education philanthropy. In addition to the models utilized in the two case studies, several other forms of rural education philanthropy in Vermont were identified during the course of the research. These models include the Vermont Rural School Group, the Thomas Foundation and the Hills Fund. This demonstrates that education philanthropy takes on diverse forms in Vermont and is not always in plain sight. It is important to recognize other philanthropic models are likely used to support public education in Vermont that we not identified during the course of this research. Finally, community foundations are noted for their role in supporting individual philanthropists through donor advised funds and regional philanthropic funds in ways that increase capacity and improve connection between philanthropists and communities.

The fact that national education philanthropy generally overlooks rural communities (e.g., Gurn, 2016; Hess, 2005) is supported by the research. The literature review and document review identified very limited support from national education philanthropy. Instead the research indicates that to the extent philanthropy supports local K-12 public education, the funding comes from the local communities themselves.

However the cases in this study contradict national trends of declining direct support to schools and increased funding for shaping policy and jurisdictional challengers (Ferris et al., 2008; Greene, 2015; Reckhow & Snyder, 2014). The models identified in this study provide direct support to schools and nonprofits and are designed to provide direct support to their communities. The data presented in this research also challenges assumptions about who can give and who can use philanthropy. The models in this study demonstrate small investments can net significant benefits to schools and nonprofits and the smallest communities can utilize philanthropy for supporting organizations and programs that meet community needs.

The place-based models of philanthropy reviewed in this study, regional funds and local education funds, can be situated in the theory of philanthropy. Of Payton and Moody's Five Roles for Philanthropy (2008; Table 4), these models of place-based philanthropy represent the service role as their primary mission is to meet local needs. However, equally important in these philanthropic models are the culture and civic roles. These models also help preserve rural culture in their communities and play a significant role in community building and civic engagement. Of Payton and Moody's Reasons for Philanthropy to Engage (2008; Table 5), the primary reason is to compliment other responses. As philanthropy represents a tiny slice of public education funding, philanthropic resources provide a complement to public expenditures. Whether philanthropy may be considered a preferred response is up for debate, but the participants in this study firmly felt this was not the case. In fact, many wished the public education needs could be fully met with public funding. Philanthropy could not be the only response given the size of the public education budget. However, with a more limited

scope participants argued that philanthropy is the only response for some of the needs identified by small rural schools in the Northern Region case study.

As for the motivations of philanthropists, the most common reason of Prince and Fiebert's *Faces of Philanthropy* (1994; Table 6) is Communitarian or the idea that giving locally makes sense. Whether it is a community member making a small donation or a philanthropist making a grant, they see local community as central to their motivation. They want to support the people in their community and do what they can to strengthen the communities in which they live. The other two most common motivations were Dynast, giving as a tradition, and Devout, giving as a moral obligation. Dynast may view the notion of tradition in a family context, as several participants noted, or in a community tradition context as identified in the Northern Region case. Some participants identified religious tradition as motivation for their philanthropy, while others viewed this motivation as simply a moral obligation that comes with the blessing of wealth.

Woven through the exploration of these place-based models of philanthropy is the notion of social construction. Different communities came up with different definitions of place. In some instances it was statewide (community foundation), for others it was a region (Northern Region Fund) or a town (Banford Education Fund). Their definition of educational programs may be broad to include nutrition and transportation or narrowly directed to schools and educators; their definition of schools and education may include nonprofits; their definition of educational need may be a Chinese language program or field trips to urban environments. The definition of community, education and need were uniquely constructed in each case. However, place-based philanthropy seems uniquely positioned to serve this bottom up approach to defining community need and connecting

those who are able to help address those needs. In fact, pairing social construction of community and definition of need with place-based philanthropy may explain why these models have been effective in their communities in ways national education philanthropy has not (Callahan, 2017).

Opportunities for Rural Communities

Overlooked by national education philanthropy and with limited regional philanthropy, communities that rely on philanthropy to support public education have utilized a Do It Yourself (DIY) approach. As exemplified in the two cases, these communities look within themselves for volunteers, funding and programs worthy of support that can improve and enrich the educational opportunities available to their youth. Their approaches varied from regional with a broad scope to hyper local with a narrow focus on schools. Philanthropy is still a mystery to many, often perceived as a luxury of the wealthy. These two cases demonstrate the power of local, place-based philanthropy. So if other small rural communities in Vermont or elsewhere are interested in using philanthropy to support their community generally, and their schools specifically, what do they do? The following section takes some of the lessons gleaned from this research, supplements it with other national examples that emerged during the research, to demonstrate opportunities for implementing or increasing the use of place-based philanthropy to support public education.

Building a culture of community giving. Multiple participants in this study noted the value of direct donations to schools. They were not referring to contributions for specific fundraisers like those held by parent teacher organizations or booster clubs, but general, unrestricted donations to schools. Education leaders, in particular, noted

their frustration with how few people think to make direct gifts to their local public schools. As Tammy, a local education leader observed:

Part of what has become clear to me is there are misconceptions about what it takes to make a charitable donation to a school district, and there is a belief that you need some sort of 501(C)(3) in order for it to be a charitable donation that is tax deductible for example. That is not the case.

One educator gave an example of exactly this type of gift to a local school in this study:

One year it was air conditioning for the elementary school and this person said that is going to be hard, don't put that on your list but I want to make a gift to the school because they have been so good for my kids.

Tammy also sees unrealized opportunities for her schools:

Look at higher ed. and famous wealthy actor X gives lots of money and resource to where he went to or she went to undergraduate school. I know I have some of those people but they are not reaching back to us and I don't have the capacity to reach out to them. So we could be a place where people would donate if we had addressed those misconceptions about it's possible to just write a big check to a school district and it's a charitable donation and you can write it off on your taxes.

Tammy also recognized that private K-12 schools already cultivate giving to their institutions, "I think private schools probably [fundraise], they have people dedicated to say you know, name us in your will and do your annual drive. Public school systems could do that, but typically don't."

During the course of the research, two examples outside of Vermont emerged that demonstrate how Vermont communities and schools might cultivate a tradition of

community philanthropy. The first example demonstrates how to cultivate a tradition of giving in children and the second example demonstrates how philanthropy can be leveraged to increase community giving. The Rural School and Community Trust, identified through the Northern Region case study, highlighted the first example from a school in Reeds Spring, Missouri on their website. This student driven middle school program allows students to wear hats in school one day each month for a one dollar fee. The money collected each month is given to a local, student selected charity. The Reeds Spring Middle School enrollment was 261 in 2017 and 51.9 percent of the students were eligible for free or reduced price lunch. Yet those students raise \$10,000 to support local nonprofits²⁸.

This program cultivates a tradition of giving among the community's youngest citizens. It also connects students to their community, specifically providing opportunities to learn about local nonprofits. Finally, it allows development of fundraising, money management and grant making skills. There is no doubt that programs like this exist in Vermont schools; however, the long term benefit of these programs is to institutionalize them as part of the curriculum. Programs like Learning to Give provide online resources for teachers that include curriculum, activities and current events. According to their website:

Most schools have a service requirement for graduation, but only a small percentage of schools teach tools and action of philanthropy instruction.

²⁸ See link below for the story of Reeds Spring, MO philanthropy in their own words. The clip runs from :50-3:00:
<http://www.cmi.ruraledu.org/school-foundation-building/48-community-foundation-of-the-ozarks>

Educators report that philanthropy education increases their students' interest and involvement in service. Research confirms this (www.learningtogive.org).

The goal of programs like Learning to Give is to demystify philanthropy and develop giving to one's community as a lifelong habit. For communities seeking to increase philanthropy, it makes sense to cultivate these habits early and to engage in a multigenerational approach to community giving.

The second example given by a participant in the study demonstrates how a single gift can transform a community and inspire a tradition of community giving. In this instance, a local philanthropist leveraged their gift to encourage support for local nonprofits by fellow community members:

There was a really awful immigration raid that really shook the community and so I think it was a place that was sort of searching for a soul in some ways. We had this wonderful visionary donor who put up \$500,000 challenge grant to the community and invited the community: You send a check for a hundred dollars, tell us the four different charities you want that money shared among, we'll match it, send it on to those charities, kind of a big coming together event. The year I left the event raised \$9 million.

Created in 1997, one in three families now participate in the annual giving event. The community designates a six week giving period, "Whether it's \$9 from a piggy bank or \$9 million from a hedge fund, all gifts are important and impact the community."

It is important to note that this fund is located in an affluent community. However, the key point is it began with an offer of a matching gift for contributions to community nonprofits. This created a culture of giving that 20 years later has been

responsible for over \$146 million in donations to community nonprofits. According to the organization website, “These funds are busy feeding the hungry, supporting the sick and elderly, teaching kids to read, protecting wildlife, building affordable housing, enriching our lives through the arts and touching the lives of everyone.” The study participant who helped build this program noted two key outcomes. First, it placed the responsibility for community giving on the entire community, “This is our community creating a statement of values, saying we are a community of givers. Our youth philanthropy program grew out of that, a bunch of work that was done with the local schools.” Second, as participants in the BEF case also noted, success over time builds trust and capacity. In this instance of this matching grant program, the participant noted:

It really put us on the map as a foundation and said we are the hub for this community. We also did a ton of nonprofit building work and so when it came time for some new large donors to look at how they want to handle their giving, I mean that is how we got a 30 million dollar gift.

Whether the impetus is students in school or a single philanthropist, models exist for building a community of givers that is essential for successful place-based philanthropy. As one local philanthropic professional observed, “I think that to the degree that you can stimulate that connection to place in people, you are going to be able to increase philanthropy.”

Building a tradition of planned giving or legacy gifts. In addition to cultivating lifelong charitable giving, schools have the opportunity to cultivate planned estate giving to support public schools. According to the Rural Schools Collaborative:

Planned giving is an important characteristic of a strong rural school foundation or local community foundation. The cultivation of planned gifts should be at the forefront of rural community dialogue and an explicit long-range goal of school and community leadership. Thoughtful planned giving has the potential to bolster local education efforts and promote overall community sustainability

(www.ruralschoolscollaborative.org).

As noted in the introduction, wealth disparity is just as pressing a long term concern as income disparity. Wealth disparity is important to consider for this research because we are in the midst of a 30 year generational transfer of wealth making philanthropy an even more significant opportunity for public education. The Rural Schools Collaborative puts this transfer of wealth in a rural context:

In the coming decades it is estimated that trillions of dollars will transfer from one American generation to another. Even in the poorest rural regions, land and other assets will be passed on, often going to heirs who no longer live in their hometown. Planned giving combats this form of "capital flight" by keeping much-needed resources in rural places and small towns

(www.ruralschoolscollaborative.org).

Awareness of this impending transfer of wealth is an opportunity for rural communities. Currently legacy gifts to schools most often come in the form of scholarships. Many participants noted place-based scholarships for postsecondary education that are tied to where a student lives or attends high school. Several participants identified gifts of land that the schools utilized for environmental education

or general use. Jeb, a local education leader, was one of several participants to mention this example of community philanthropy with a legacy component:

There was a workshop that I went to that was talking about alternative funding and resources, and they talked about a community somewhere in the Midwest, I don't remember exactly where it was, but a town, small town, probably less than 500 people but had such a history of people giving gifts at the time of their deaths. Endowing the school district. They had raised I don't know how many millions of dollars in this endowment, but they had cultivated this, that somebody would give \$20,000 or \$50,000 or whatever, you know instead of to Vermont Public Radio or instead of to other organizations out there, they were actually making those donations to their local school.

The community in question is Shickley, Nebraska, population 340. Shickley has the Shickley Community Foundation which is affiliated with the Nebraska Community Foundation. Like the BEF and VRSG, the Shickley Community Foundation is a volunteer run organization. And like the BEF and VRSG, their long term success is in the ability to evolve based on both need and opportunity. The Shickley Community Foundation was first established in 1991. The Foundation website notes that the endowment balance as of 2001 was \$21,000. With a commitment to build that endowment, the Foundation reported a balance of \$1.5 million in 2016. The fund has 25 sub-accounts including seven for scholarships and two for school programs. Among the grants to schools are funds for playground equipment, enhanced curriculum and specialized school equipment (www.shickleycommunityfoundation.org). According to the Rural Schools Collaborative, Shickley is not the only example of this kind of success:

Seymour, Missouri, an Ozarks community with a population of just under 2,000 and a poverty rate of nearly 20%. Hardly a bastion of affluence, Seymour is a working class community with its own public school system, a locally-owned bank, and an interesting history as an old railroad stop. Since its fledgling start, [Greater Seymour Area Foundation] has amassed more than \$1.6 million in total assets, established more than 40 funds, granted back nearly \$550,000 to various public causes, and maintained a Youth Empowerment Project that has introduced civic leadership to scores of high school students (www.ruralschoolscollaborative.org).

The Shickley Community Foundation specifically identifies low dollar gifts as one of their strategies. According to their website, "One of the goals is to involve every member of the community in the Foundation, hence we have no minimum gift restrictions." More specifically, the Foundation notes, "a primary goal of this project is to solicit contributions from 100% of the Shickley school district patrons since the entire community will be benefiting from future grants that are awarded" (www.shickleycommunityfoundation.org). However, the Shickley Community Foundation expanded its efforts to include legacy gifts of life insurance, annuities, stocks, mutual funds and real estate based on a study by the Nebraska Community Foundation that found "total wealth transfer in Shickley is estimated at \$68 million over the next 50 years." The Shickley Community Foundation explicitly stated, "We are also looking forward to long-range bequests and contributions which will build up our endowment fund to a point where interest monies each year will allow substantial contributions to community projects" (www.shickleycommunityfoundation.org).

This commitment to community giving is based on this question asked of the Shickley community: “What would Shickley look like if thousands of dollars were reinvested annually in community-based education, health care, libraries, parks and recreation, community infrastructure and quality-of-life enhancements?” (www.shickleycommunityfoundation.org). Several participants in this study noted that school budgets have been limited to delivery of core educational needs. The K-12 Shickley public schools find itself in the same position but with philanthropy as partner to address additional needs:

With the vast majority of this small school district’s resources going to support core K-12 curriculum and its preschool and early childhood development programs, one might think that educators are forced to skimp on extra-curricular activities and specialized learning opportunities. Not so! the Shickley Community Foundation Fund has built an unrestricted endowment that has provided a steady stream of funding over the past 15 years. With an unrestricted endowment, the principal remains in place, with only the investment earnings used to make annual grants. It helps the school district with musical instruments, sports equipment, iPads, 3-D printers, playground equipment, an ADA swimming pool lift chair, science lab equipment, and master-level continuing education scholarships for teachers. (Nebraska Community Foundation, 2017).

The appeal of Shickley Community Foundation to Jeb may be its ability to fund projects like the performing arts space and community indoor recreation space for which he was unsuccessful in securing funding. As noted in the opportunities section to follow, any major capital investments have been nonstarters in the Northern Region because of lack

of funding. Not true in Shickley where they completed construction on a new million-dollar community center a few years ago, with a fully equipped wellness center. All these amenities were made possible largely through charitable contributions (Nebraska Community Foundation, 2017).

Participants in this study recognized the need to educate the community about the need and ability to give directly to public schools. As one philanthropist noted:

The first course is to explore the money that is already here in Vermont that they just don't choose to give either because they just don't know how, or they don't know that it would be welcome. I make sure ordinary people know that their \$5 or \$10 are welcome.

However, it is important to note study participants' concern that these funds be unrestricted and without strings attached so their use is decided by schools and their communities. A recent case in Pennsylvania highlights the challenge of philanthropic gifts when a mega donor made a \$25 million gift to his public high school alma mater, the largest single gift to a public high school (Reilly, 2018). The gift came with conditions including renaming of the high school, changes to the curriculum and annual reporting requirements. These were all controlled by the donor with limited community input which has made the gift a source of controversy. As noted by a participant in the study, philanthropy is a benefit to schools and communities when decisions about its use are locally driven.

Just as a students can be cultivated as lifelong givers, it is possible to educate people about the opportunities to give part of their legacy back to their schools and communities. One philanthropic professional recognized this challenge:

I don't know if there is enough being done in Vermont around making sure that people understand how convenient a mechanism that is for funneling resources into philanthropy. I just don't know that many people think when they are setting up their estates about just carving off 5% for something that is going to benefit Vermont. It could go to a fund for a region like the [NRF], you know really local. It could go to a fund for the benefit of all Vermont like the Community Foundation. I just don't know that that conversation is being had in enough places particularly at the advisor level. How often is, what are you going to do for your community is brought up?

The Shickley Community Foundation offers a model for thinking about the true definition of community philanthropy: That it lasts forever. Actively cultivating estate planned gifts is an opportunity for schools and communities to benefit from the current and projected transfer of wealth in a way that establishes a fund to meet current and future needs. The philanthropic professional suggested a simple request: "Leave Something for Vermont."

Building capacity. Multiple participants identified capacity issues as a barrier for utilizing philanthropy to support public schools. A philanthropist engaged with the Norther Region Fund observed the following:

It was very clear to us, these organizations really are critical to the fabric of the communities. They really are all best intended, but they don't have all the support and resources, they don't necessarily know how to raise money, they don't know how to run boards, they don't know how to, some of them have accounting issues as we know.

An educator who also works with the VRSG observed a similar lack of capacity:

How to apply for grants particularly to private foundations, [educators] don't know how to do that. They don't do that. When I took those superintendents to meet with [a philanthropist] they were all excited because here's a superintendent who had never met a funder before. What should we say, how should we? I said you just talk to him. They had never met a funder, isn't that funny?

A local education leader offered his take on capacity barriers:

It's a capacity issue. Ok, I can dream up all these ideas. Either I need somebody that that is their focus. To cultivate the relationships, write the grants, to make, build the relationships, all of those kinds of things, or to take something off my plate so that I can do it. One way or the other, there is just not enough time...I think that is part of the hope of the rural collaborative is that we might build some capacity.

One philanthropic expert participant observed the lack of research to support rural philanthropy:

There is not much research into what works in rural communities or which programs are doing better, or which programs could do, might benefit from a different approach because that research doesn't exist and nobody is there to fund it.

Two examples of capacity building support, one local and the other national, came up in the research. Nationally, support for capacity building is available through the Rural Schools Collaborative. The goal of the Collaborative is to provide capacity

building to small, rural schools in four primary ways. First, they encourage effective rural partnerships with advocacy groups, community foundations and higher education. Second, they provide technical assistance for place-based education like those found in the Northern Region, particularly through the Vermont Rural Schools Group. Third, they provide a forum for the recruitment and support of rural educators. And finally they encourage and support the development of rural philanthropy. This includes establishing school foundations, community foundations and utilizing purposeful planned giving to both seize the opportunity of wealth transfer and insure those resources remain in rural communities (Havens & Schervish, 2014).

In addition, a local effort to address capacity building was identified during the course of the research. Several participants identified the [Northern Region] Council on Philanthropic Development headed by Bonnie²⁹, another example of charismatic leadership in this study. I first met Bonnie at the Northern Region grants celebration. When I mentioned my research topic, several guests immediately suggested I speak with Bonnie, “You have this collaborative that [Bonnie] is doing out of [local nonprofit] in introducing development officers and organizational leaders to philanthropy opportunities and beyond. That is exactly what has to happen.” Bonnie is director of development for a local nonprofit. Seeing a shared need for improving best practices in local philanthropy and for expanding the flow of philanthropic dollars into the region, Bonnie, together with a handful of local philanthropists and leaders in the region’s nonprofit community, created the [Northern Region] Council on Philanthropic Development.

²⁹ Name changed for confidentiality.

Formed in 2017, the Council currently includes over 30 local organizations from across the three county region and is loosely governed by a steering committee. The mission of the Council is, “Connect[ing] professionals and volunteers to promote philanthropy in our region. We seek opportunities for training, networking, and collaboration to support our donors, funders, non-profits and communities.” The purpose of the Council is “to strengthen organizations and individuals involved with philanthropy efforts. We will work collectively to expand funding opportunities for the region and strive to develop coordinated efforts across sectors and organizations to enhance the effectiveness of philanthropy in our communities.” Thus far, the Council has conducted a survey of local funders to share with the region’s nonprofits and convened a well-attended capacity building training session. The Council demonstrates a commitment to regional philanthropy, collaboration and further building regional identity. Building capacity is a key prerequisite for successful rural philanthropy. These two examples provide national resources or local models for communities looking to develop their capacity to build and grow successful rural philanthropy.

Rethinking the role of philanthropy in school facilities. Philanthropists, particularly foundations, are reluctant to fund capital requests. While the reasoning behind this limitation is not explored in this study, it is easy to imagine why. Philanthropists generally prefer to support individuals or programs, not construction. They may associate these requests with posh buildings or new sports stadiums. In the case of K-12 education, funders may see this as a public function, one that should be assumed by local taxpayers or state funding. Even in historic examples like the Rosenwald Schools or Carnegie libraries, local communities were required to assume a

significant level of responsibility for the projects (Mays, 2006). But the deep and lasting impact of the Rosenwald Schools and Carnegie libraries raise the question of whether new buildings or upgrading aged schools is a function that philanthropists should consider. In rural communities this can mean modernizing to meeting pedagogy and technology needs of the modern classroom as well as opportunities for energy efficiencies whose cost saving can be redirected to direct student services.

Declining school facilities and the growing need for funding repairs and upgrades is an under reported story at the national level. A 1995 Government Accounting Office report found \$112 billion was needed to repair the nation's schools (Cohen, 2017). Estimates from 2016 suggest \$145 billion a year is need to adequately repair and modernize our nation's public schools (Cohen, 2017). Educators and education leaders who participated in this study noted the challenge with funding school facility costs:

The state has not funded any substantial renovation or building and gosh it's been at least 8, 9, 10 years, I don't know how long. In my two tenures as superintendent I don't know that there has been any statewide funds for facilities. It's one of those sort of unfunded mandates or requirements and so you know the legislature is great at blaming us for spending too much money and yet there used to be at least 30% state aid for school construction or major renovation. Well that is gone, it has to come from some place.

Two other educator participants noted this challenge. The first one identified the unmet facilities needs as a challenge, "Right now, that is the other thing on my list, I have to address facility needs." The other recognized the challenge of not having funds to ensure facilities keep up with changing education demands, "They are used to setting up a

building and using it for 50 years. You can't buy a computer and use it for 50 years, you have to upgrade it and that type of funding is hard.

One educator leader noted repeated failed attempts to get capital funding for a performing arts space at a school and a community indoor recreation facility. One failed in a bond vote; the other because a study found it was unsustainable without an endowment to cover annual costs. Here is how he described another attempt at a community building:

I was actually a part in the last year of another group of community organizers, people from the hospital, people from financial institutions, the bank, other people looking at how can we organize a campaign to develop again, an indoor recreation center, a pool and things like that. We just basically folded up shop and said we don't think we can do this because we didn't think we could find that kind of money.

Yet the Shickley Community Foundation demonstrated that it is possible for philanthropic resources to help build community facility assets. The Carnegie libraries are a living legacy of capital investment in communities. And the Banford community has a community pool and fitness center because of one philanthropic family. Both the current and historical examples demonstrate that investing in community facilities have lasting impact. In the case of schools, the impact may extend to improving the learning environment, reducing environmental impacts and reducing non education costs. These potential benefits make facilities investments a worthy consideration for Vermont philanthropists.

Conclusion

Experts expect a trillion dollars in wealth transfers will occur in the next 30 years (Havens & Schervish, 2014). Where will it go? How will it be used? This study offers insights into the opportunities and challenges associated with rural education philanthropy. The study demonstrates how two models of place-based philanthropy offer guidance for how rural communities and schools can keep and build community wealth for their needs in perpetuity.

This research offers several areas for further discussion. The most obvious one is the argument that philanthropy does not solve inequity, in fact it may increase it. There is evidence in the literature to suggest this is true in some cases. However, this research does provide an example of an economically challenged region successfully using philanthropy to support its communities and increase educational opportunities. It is worth noting that the same argument can be made about public education funding. A cynical view may be that neither achieves equity; a more charitable view is they are both striving towards a noble goal. This research is also limited by two cases in one state. Other communities may not have the same strong communities and commitment to local control that are present in Vermont. Again, the research offers Shickley, Nebraska as an example of the possibility for philanthropy in other rural communities.

There are also several opportunities for additional research. National education philanthropy is donor driven, where the place-based models in this research are educator and community driven. Further study on the differences between these two approaches and their relative success would be valuable. Also, further exploration of why more national education philanthropists choose not to make investments like the Annenberg

Rural Challenge would be useful. This study did not raise any instances of abuse or the “dark side” of philanthropy but a different study may focus on this issue and raise other information. Finally, there is little research on the effectiveness of philanthropic investments other than the anecdotal evidence from participants. Research of this nature would increase understanding of how these programs function and the value in replication.

As noted often by participants, philanthropy is a very small percentage of public education related funding in Vermont. Philanthropy cannot, and according to all participants in this study, should not be responsible for funding public education. But in this case, as in others, it can fill the gaps where small gifts can make a large impact. Jeff Bezos, founder of Amazon and currently the world’s richest man, has done little in the way of philanthropy compared to peers like Bill Gates, Mark Zuckerberg and Warren Buffet. In 2017, Mr. Bezos sent out a tweet soliciting thoughts for his philanthropic work, seeking “the intersection of immediate need and lasting impact” (Wingfield, 2017). In this tweet, he captured the historic tension of philanthropy. Trevor Noah (2016), the South African comedian, wrote powerfully of his experience with poverty and racism in Apartheid South Africa. He made his own observation about the tension between immediate need and lasting impact:

People love to say, “Give a man a fish, and he’ll eat for a day. Teach a man to fish, and he’ll eat for a lifetime.” What they don’t say is, “and it would be nice if you gave him a fishing rod” (p. 190)

The views of participants in this study suggested that education philanthropy is the intersection of immediate need and lasting impact. The investments made in

improving education quality and opportunity have lasting impacts for individuals, community and society. Education philanthropy is the equivalent of “giving the fishing rod.” Grants to schools and teachers not only provide the fishing rod to educators but provides the fishing rod students need to succeed. Philanthropic professionals understand and are deeply committed to helping philanthropy fill the gaps at the intersection. As one such professional professed when asked what she enjoys most about her work:

I am *still* awed by what it means to work at the intersection of privilege and poverty. To work with people who are deeply generous, and to be helping in some small way to de-polarize our world: that’s special stuff.

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APPENDIX A

Educator Interview Guide

Background: These interview questions are for educators. The purpose is to help me understand the current role of philanthropy in K-12 education and what opportunities might exist for future collaboration.

Informed Consent:

Thank you for agreeing to help with my research. I have a consent document for you which outlines the purpose of my research and your participation. Please note your identity will be confidential. Do I have your consent to participate? Your consent will be noted in your research file.

I would like to record our conversation today to aid my transcription of our conversation. Do I have your permission to record our conversation?

Date:

Time:

Location:

Interviewee:

Position:

General setting details:

As I mentioned, I am meeting with educators, philanthropists and experts to get a sense of what role philanthropy plays in Vermont K-12 public education.

Can you tell me a little about how you got involved in education?

I would like to ask you some questions about the role philanthropy plays in your school/school system.

- Are you aware of any philanthropic support for your school/school system?
- If so, who provides the funding?
- What do they fund?

- Who decides how the philanthropic funding will be spent?
- Are there specific unmet needs in your school/school system that philanthropy could fund? If so, what are they?

Let me ask you a few general questions about philanthropy.

- Do you see a role for philanthropy in K-12 education? If so, what?
- Do you see limitations on the use of philanthropy to support K-12 education? If so, what?

I would like to ask you about a few areas in which national philanthropy has made some significant investments to see if those resources are used in Vermont. Are you aware of any philanthropic funding for the following:

- Professional development
- Implementation of Common Core standards
- Specialized, innovative education programs (i.e. math or reading program)
- Others I didn't name?

Now I would like to ask you about philanthropic organizations.

- Are you aware of local philanthropic education funds? If so, what have you heard?
- Are you aware of any organizations providing funding for K-12 education? Can you tell me about them? How did you come to know about them and their role in your schools?

I just have a few more general questions.

- What are you most proud of about your school/school system? What about Vermont's K-12 system?
- What are the biggest challenges facing your school/school system? What about Vermont's K-12 system?

One final question:

Bill Gates recently announced the Gates Foundation would devote \$1.7 billion to funding K-12 public education.

- Can you make a case for the Gates Foundation to invest in Vermont public K-12 education?
- Where would a Gates Foundation grant be best used?

Is there anything else I should have asked you or that you would like to add?

Thank you for your time. May I contact you by email if I have any follow up questions?

APPENDIX B

Philanthropist Interview Guide

Background: These interview questions are for philanthropists. The purpose is to help me understand the current role of philanthropy in K-12 public education and what opportunities might exist for future collaboration.

Informed Consent: Thank you for agreeing to help with my research. I have a consent document for you which outlines the purpose of my research and your participation. Please note your identity will be confidential. Do I have your consent to participate? Your consent will be noted in your research file.

I would like to record our conversation today to aid my transcription of our conversation. Do I have your permission to record our conversation?

Date:

Time:

Location:

General setting details:

As I mentioned, I am meeting with educators, philanthropists and experts to get a sense of what role philanthropy plays in Vermont K-12 public schools.

- Just to get started, can you tell me a little bit about how you got involved in philanthropy?

Now I would like to ask you some general questions about philanthropy.

- How are you currently involved in philanthropy?
- What motivated you to get involved?

I would like to ask you some more specific questions about your philanthropy.

- How do you decide which programs or projects you will support?

- What helps you make decisions about what programs or projects you will fund?
- What sorts of programs or projects are you most likely to fund?

I would like your thought on philanthropy in Vermont K-12 public education

- Do you provide philanthropic support to any K-12 schools or related education programs?
- If so, can you tell me more about what you fund?
- Are you aware of the Northern Region³⁰ Fund? If so, what have you heard?
- Do you see a role for philanthropy in Vermont K-12 public education? If so, what?
- Major donors like Gates Foundation that are active in education provide little to no support for rural public education, any idea why? How might that change? Should it change?
- What are the challenges for rural philanthropy? What about the opportunities?

³⁰ Name changed to protect confidentiality

I just have a few more general questions.

- What are you most proud of in your philanthropic work?
- Have there been any disappointments in your philanthropic work?
- For those seeking financial support for their work, philanthropy can often seem a bit mysterious. As a donor, what would you want them to know?

Is there anyone else you think I should speak with or any other sources you think might be relevant to my research?

Is there anything else I should have asked you or that you would like to add?

APPENDIX C

Glossary of Terms and Acronyms

BEF	Banford Education Fund
Community Foundation	Tax-exempt nonprofits that are publicly supported and are defined by the geographic region they serve; A form of place-based philanthropy.
Donor Advised fund	Philanthropic vehicle established at a public charity. It allows donors to make a charitable contribution, receive an immediate tax benefit and then recommend grants from the fund over time.
Geographic Affiliate	Satellite organizations of a community foundation that more narrowly target their geographic focus.
Jurisdictional Challenger	Programs designed to compete against public education and related public education programs (e.g. Charter Schools).
LEF	Local Education Fund
Local Education Fund	501C3 independent nonprofits that raises money to support local schools.
NRF	Norther Region Fund
Philanthropy	The desire to promote the welfare of others, expressed especially by the generous donation of money to good causes.
Place-based Fund	A philanthropic fund connected to a defined geographic region.
Place-based Philanthropy	Charitable giving that is connected to place, often the local community where the philanthropy is based.
Voluntary Association	Group of individuals who join together in support of a common cause (e.g. Parent Teacher Organization)
VRSG	Vermont Rural School Group
VREG	Vermont Rural Education Group