



# The Role of Farm Families in Local Community Philanthropy

## Introduction

Historically rural community development was rooted in self-help and collaborative efforts. Often organized on informal bases, these social actions and behaviors fell into the general rubric of “being a good neighbor.” Lacking access to political capital and external resources, residents of many small communities discovered that if something was going to get done, they had to do it themselves. Cooperative community action such as building schools, churches, stringing early electrical lines, and other public goods were rooted in a common belief that neighbors helping each other was the only viable way to make community improvements. These shared values of helping each other were manifested in citizens investing in their own community for local development. One of the hallmarks of rural communities was doing it their own way and not accepting outside resources with strings attached.

Even today, lacking financial resources to pay professional staff, many communities rely upon volunteers to make sure that the “community needs” are addressed. Unlike cities with urban planners, grant writers, and paid staff to make necessary community improvements, many

small communities rely upon volunteers to donate time and finances to improve their communities. Perhaps owing to their rich history of cooperation in clearing the land, building barns, and labor exchanges during harvest, the agrarian roots of self-help is undoubtedly reflected in community building efforts in small places.

More recently, volunteering time and financial resources to community-building activities has been called philanthropy, and is recognized as an important component of rural development. Perhaps the most notable transformation is that these once informal activities have become formalized into community betterment organizations.

Community foundations and other types of rural development philanthropy organizations have been one of the fastest growing sectors of charitable giving over the past decade. Such organizations represent an important strategy through which rural communities across the U.S. are addressing gaps in services, improving infrastructure, building human resources, and meeting community needs.

The success of community foundations and other rural development philanthropy

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organizations depends to a large extent on involvement of local people and their willingness and ability to give of their time, money, assets, expertise, and other resources. To learn more about farmers' perspectives on philanthropy, the 2011 Iowa Farm and Rural Life Poll included several questions about philanthropic activities. Specifically, questions focused on frequency and magnitude of giving, motivations underlying charitable activity, favored causes, and intentions to leave a bequest to a charitable cause. The 2011 Farm Poll questionnaires were mailed in January and February to a statewide panel of 2,030 farm operators. Usable surveys were received from 1,276 farmers, resulting in a response rate of 63 percent.

## Results

### *Charitable giving*

Several questions focused on farmers' level of involvement in philanthropic activities. Respondents were asked whether they had contributed any time, money, or other services and assets to organizations, causes, or charities, (including churches and religious groups), in the preceding year (2010). Ninety-one percent indicated that they had contributed something to their community in the past year.

Participants were asked to estimate the monetary value of any money or other assets

that they had contributed to charities or religious groups in 2010. Nearly 90 percent of farmers reported that they had donated money or other assets (Table 1). Thirty-three percent contributed between \$1 and \$499. Slightly more than one-quarter (27 percent) indicated they gave between \$500 and \$999. Nine percent of farmers reported donations between \$2,500 and \$4,999, and five percent donated more than \$5,000.

In addition to asking about their financial contributions, respondents were also asked to indicate their frequency of volunteer work in the community. Eighty percent reported that they volunteered at least once over the course of the year (Table 2). About one-third (31 percent) indicated that they volunteered at least several times during 2010. Close to half of farmers (44 percent) reported volunteering once a month or more.

### *Why do farmers give?*

There are many factors that motivate people to give time, money, or other resources to a cause that is important to them. Research on philanthropy has identified a number of motivations for giving. Commonly cited motivations include a commitment to societal equity (people wanting to give back to society by helping others), religious beliefs and obligations, and a belief that non-profits can help those in need more effectively than the

**Table 1. Money or assets donated to organizations, causes or charities, 2010**

	— Percent —
None .....	12
\$1 to \$99 .....	18
\$100 to \$499 .....	15
\$500 to \$999 .....	27
\$1,000 to \$2,499 .....	15
\$2,500 to \$4,999 .....	9
\$5,000 to \$9,999 .....	4
\$10,000 to \$19,999 .....	1

**Table 2. Frequency of volunteering with organizations, causes or charities, 2010**

	— Percent —
Not at all .....	20
Once.....	6
Several times .....	31
About once a month.....	11
Several times a month .....	18
About once a week.....	8
More than once a week.....	7

government. Farm Poll participants were provided with several potential reasons for giving time, money, or other resources to organizations or causes and asked to rank the items on a five-point scale ranging from “not important at all” to “very important.”

The highest-rated motivation item was “it is important to give back to the community.” Fifty-eight percent of farmers indicated that this was an important or very important

reason underlying their decisions to give of their time and money (Table 3). Fifty-eight percent reported that helping the next generation(s) was an important or very important motivation, while 51 percent cited the effectiveness of non-profits relative to the government or the private sector as important or very important. The item, “I believe that those who have more should help those who have less,” was designated as an important or very important reason by 45 percent of farmers.

**Table 3. Motivations for giving**

	Not Important at all	Slightly Important	Moderately Important	Important	Very Important
	— Percentage —				
It is important to give back to the community .....	5	13	25	42	16
To help the next generation(s).....	5	13	25	41	17
Non-profits provide some services more effectively than government or private business.	6	15	29	36	15
I believe that those who have more should help those who have less .....	9	20	27	34	11
Religious obligations.....	16	17	25	30	14
I believe that my gift will help bring about positive change.....	10	20	31	34	6
Tax benefits .....	25	24	30	18	4
To leave a lasting legacy .....	43	26	17	12	3
To memorialize others.....	34	28	25	11	2
Being asked by an employer .....	61	18	15	6	1

Forty-four percent indicated that religious obligations were important or very important.

Other motivations for giving received lower ratings on the importance scale. Contrary to some who argue that charitable giving is dependent upon reducing one’s income tax liability, only 21 percent of farmers indicated that tax benefits were important or very important factors. Just 15 percent rated “to leave a lasting legacy” as important or very important, and “being asked by an employer” was the lowest-rated reason, at seven percent important or very important.

### *Priorities for giving*

Survey participants were provided with a list of 10 types of social causes and asked to indicate the level of priority that they place on each when considering where to give on a four-point scale from “not a priority” to “high priority.” Seven of the ten categories were rated as a moderate or high priority by at least half of the respondent. Churches and religious groups were the highest-rated category with fully 82 percent rating it as either moderate or high (Table 4). Other categories that were rated highly included local community improvement (76 percent moderate or high priority), local education (75 percent moderate or high priority), youth groups (74 percent moderate

or high priority), and health-related groups (66 percent moderate or high priority), the environment and conservation (56 percent moderate or high priority), and extension, education and outreach (53 percent moderate or high priority). Causes receiving less support for philanthropy included higher education (48 percent), international aid (42 percent), and arts, culture, and humanities (21 percent).

### *Farmer intentions to bequest assets*

Bequeathing assets is a common form of charitable giving. We first asked farmers whether they planned to leave any of their assets to a cause through their will or estate plan. A second question set provided a list of organizations and entities that are common recipients of bequests and asked farmers to indicate whether or not they had considered a farmland bequest to any of them.

The first question was preceded by the introductory text, “Some people leave a bequest of some of their assets to charitable causes in their will or estate plan. Do you intend to leave any of your assets to a cause?” and asked farmers to select one of five statements regarding their intentions to bequest assets. Sixty-four percent of respondents indicated that they had a will or estate plan, but did not plan to include a bequest to a cause (Table 5).

**Table 4. Priorities when considering where to give**

	Not a Priority	Low Priority	Moderate Priority	High Priority
	— Percentage —			
Churches and religious groups.....	9	10	39	43
Local community improvement .....	6	18	56	20
Local education.....	6	19	55	20
Youth groups (4-H, Scouts, YMCA).....	7	20	55	19
Health (Red Cross, American Cancer Society).....	9	25	53	13
Environment and conservation .....	14	30	43	13
Extension education and outreach.....	14	34	47	6
Higher education (universities and colleges).....	17	36	38	10
International aid (disaster relief) .....	22	36	36	6
Arts, culture, and humanities .....	35	44	18	3

**Table 5. Plans to bequest assets**

	— Percent —
Yes, I have included a bequest to a cause in my will or estate plan .....	10
Yes, I plan to include a bequest to a cause in my will or estate plan, but have not done so yet .....	14
I do not have a will or estate plan, but if I did I would consider including a bequest to a cause.....	5
I do not have a will or estate plan, but if I did I would not include a bequest to a cause.....	6
I have a will or estate plan, but do not plan to include a bequest to a cause.....	64

Another six percent reported that they did not have a will or estate plan, but would not include a bequest of assets if they did.

Twenty-nine percent of farmers indicated that they had included a bequest to a charitable cause in their will or estate plan, planned to do so, or would consider doing so. Of those, 10 percent reported that they had already included a bequest in their will or estate plan. Fourteen percent planned to make a bequest, but had not yet included it in their will. Five percent of participants selected the response. “I do not have a will or estate plan, but if I did I would consider including a bequest to a cause.”

Agricultural land is often the most valuable asset that farm families own, and bequests of farmland to community foundations and other rural development philanthropy foundations, conservation organizations, and other groups is common. Farmers were asked whether they had considered a bequest of farmland to any of a series of organizations or causes. Overall, 13 percent of farmers reported that

they had considered a bequest of farmland to a charitable organization or cause, and six percent had considered such a gift to more than one organization or cause. Seven percent of all farmers had considered a farmland bequest to a church or religious group (Table 6). Four percent had considered leaving a bequest to a community organization, a private non-profit conservation organization, or another type of organization or cause. Three percent of farmers had considered a bequest of farmland to a state or county conservation agency, and two percent had considered giving to a university or college. One percent of farmers had considered leaving a bequest to a local government.

### *Characteristics associated with giving*

Farmer participation in charitable giving and volunteer work were compared by variables measuring community engagement, income, and education. Statistical analyses were conducted to determine whether giving was associated with these characteristics. Community engagement was measured by the

**Table 6. Intended beneficiaries of farmland bequests, all farmers**

	— Percent —
Church or other religious group .....	7
Community organization .....	4
Another type of organization or cause .....	4
Private non-profit conservation organization.....	4
State or county conservation agency .....	3
University or college .....	2
Local government.....	1

**Table 7. Relationships between farmer characteristics and philanthropic activity**

	Dollar amount contributed to charity, 2010	Frequency of volunteering, 2010	Had considered farmland bequest
Number of local organizations farmers belong to .....	+	+	+
Self-rated level of working with others to solve community problems .....	+	+	+
Gross farm income, 2010 .....	+	+	+
Household income, 2010 .....	+	+	+
Percent of household income from farming, 2010 .....	+	Not significant	+
Education level.....	+	+	+

\*Statistically significant at the  $p < .05$  level, meaning that there is a five percent or less probability that differences are due to chance.

number of local organizations that respondents belonged to, and self-rated level of involvement in helping to solve community problems, measured on a five-point scale from inactive (1) to very active (5). Respondent income included gross farm income, overall household income, and percent of household income earned from farming. The final comparison variable was education. We hypothesized that higher values on all of these variables would be related to higher levels of giving.

Table 7 presents the relationships between the comparison variables and three measures of philanthropic activity: the estimated value of money or assets donated; reported frequency of volunteering; and, whether farmers had considered a bequest of farmland to a cause. To simplify presentation, we do not report magnitudes of difference. Instead, the table simply reports whether or not ANOVA or Chi-square tests identified statistically significant<sup>1</sup> relationships between the variables.

As predicted, farmers who are more involved in their communities contributed more money and time to causes in 2010 (Table 7). Respondents with larger-scale farm operations tended to give more, as did farmers with higher levels of overall household income. Farmers whose households depended more on farming

<sup>1</sup>Statistical significance is the probability that differences between group averages are due to chance.

as a percentage of overall income also reported higher levels of monetary contributions, but levels of volunteering were not significantly different. Finally, farmers with more years of education had higher values on all measures of community philanthropy.

## Conclusions

The results of this research show that Iowa's farmers are substantially involved in philanthropic activity which we posit is directly related to the legacy of neighboring and the philosophy of self-help reflected in the axiom "if it's going to get done, we have to do it ourselves." Eighty-nine percent of farmers reported that they had donated money to a cause in the previous year, and 80 percent had volunteered their time to some kind of charity. Overall, 91 percent of farmers had donated time or money to an organization, cause, or charity, including churches and religious groups. This proportion is far higher than percentages found in recent surveys of the general public, which generally find that between 70 and 75 percent of Americans donate time and money to charity.

These results suggest support for the notion that rural communities are heavily dependent upon volunteers and philanthropy. Too often community development research has focused

on only those living within the village or community boundaries. This analysis shows that farm families who generally live in the adjacent countryside are an important source of volunteer time and financial resources to improve their communities. Without the support of farmers, many communities would be even further disadvantaged. These findings call into question assertions that farm people are not engaged in their local community or are only concerned about commodity prices. While these findings may not be applicable across the diversity of rural places, it seems that in the Corn Belt, and particularly within

Iowa, a state of over 800 small communities (defined as less than 1,000) there is a close connection between farmers who generally live in the country and their support of the local community. These findings may reflect the tradition that neighboring has defined small communities and the close association between community viability and the surrounding farm population. Many farm families worship, work, and shop in the local community and they understand the importance of their volunteer time and financial resources to maintain the vibrancy of their community.

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