Strong Foundations for Rural Advancement

Investing in Rural Development Systems Change for Meaningful Progress

Executive Summary

10/5/2026

Rural development in the United States is at a key inflection point.[1] Rural geographies are highly productive contributors to national and global wealth and rural development practice is flourishing. Examples of dynamic local leaders and inspired place-based initiatives abound. And yet, rural communities face headwinds as the result of macroeconomic policy decisions, economies built around a single industry or employer, and the legacy of discrimination. Too often its wealth continues to be extracted from the people and places producing value for the nation. “Rural” as an economic space is synonymous with development inequalities that disproportionately impact communities of color, persistent-poverty regions, and Tribal Nations, alongside a broader set of rural communities affected by industrial restructuring, disinvestment, and demographic change—all of them holding untapped potential.

These long-standing dynamics in rural places are visible today in the example of data center proposals landing in Rural America, causing an uproar of resistance. Rural residents are unhappy about the prospect of a windowless building, often larger than a football stadium, rising out of a cornfield or a cattle pasture, ringed by fencing, humming day and night. In many cases, local officials are negotiating and even approving these projects under confidentiality agreements, before residents had much chance to weigh in. Public disputes over electricity rates, water use, and the actual number of permanent jobs created have led to local resistance that is one of the more genuinely bipartisan trends in state and local politics today. The debate is rarely about opposition to economic growth. It is about how the costs and benefits of large infrastructure projects are distributed, and how much say local communities have about what happens.

Business propositions like this are not new to rural communities. Rural regions across the country have a long-standing history with hosting industries—from coal to cotton—that have extracted wealth from the people and places producing value for the nation and as those industries changed, in some places they have produced or deepened persistent poverty. Data centers are simply the latest example and reveal, again, the persistent contrast between the inspirational, energetic leadership of rural actors and the slow pace of meaningful progress to create opportunity in rural places. It is increasingly clear: (1)

[1] SFRA defines rural community and economic development (RECD) as doing economic development differently: replacing a model built on outside capital and business recruitment with an asset-based, place-based approach — one that builds on the natural, cultural, and social capital already deeply rooted in communities. These practices are already reflected in frameworks like the Community Capitals Framework, WealthWorks, and Thrive Rural among others. Effective policy delivers steady, appropriately scaled funding and invests in the local and regional institutions — such as CDFIs, rural development hubs, local businesses, cooperatives, and community foundations— and networks that let rural places coordinate and keep locally generated wealth in place.

systemic change – via changes in policy, capital and ownership arrangements, and the removal of other structural barriers – is the best way to truly accelerate the development energies of rural America in way that reaches the full breadth and diversity of rural people and places; and (2) that systemic change depends on working to align rural voices and capacities across sectors, geographies, political boundaries, and federal/tribal/state/local levels of governance to build a shared vision, institutional relevance and power at a meaningful scale. Systemic change also benefits from strong urban and rural relationships that recognize interdependence and responsibility for shared prosperity. Strong Foundations for Rural Advancement (SFRA) initiative is focused on building strategy and funding for that needed alignment and network development.

The Capacity Gap Behind the Pattern

Rural communities across the country—red, purple, and blue—feel the real-life impacts of things like data centers, failing or inadequate infrastructure such as water systems, closing hospitals and schools, and broadband, acutely and immediately. In many instances, they organize quickly and effectively at the local level around specific issues or projects. What is missing is a cohesive, organized field of rural development practitioners and institutions capable of doing three connected things: helping rural communities tell their own story and make their own case, building a shared, practical vision of what durable local investment and growth looks like, and engaging effectively with state legislatures and federal policymakers to ensure the rules and resources that shape these decisions are based in rural realities and rural needs. Examples of dynamic local leaders and inspired place-based initiatives abound. And yet, rural communities face headwinds as the result of policy and market decisions made without their input and without understanding of rural realities.

A Strong Rural Development Field Can Change Systems

The Strong Foundations for Rural Advancement project aims to build the field and the infrastructure that can enable higher-level systems change to ensure economic and governance structures provide opportunity for rural communities and people, thereby strengthening the nation. Drawing on conversations with more than 40 rural leaders, practitioners, and funders, SFRA asked where the rural development field, and its existing infrastructure to support systems change, has existing strength, where gaps need to be filled, and what kinds of investments are necessary for early successes and long-term sustained action. These conversations identified six roles the rural development field requires to be successful, each with exemplary individuals and institutions already engaged, and each stretched thin and too disconnected from the others.

Capacity and leadership. Rural communities require a density of expertise, staff, community trust, and supporting institutions to align key players around a vision, strengthen core assets, enable investment, and manage complex economic transitions and opportunities. Working through existing entities at local, state, and national scales and supporting local leaders is the foundation of a healthy rural development field.

Voice and advocacy. Episodic organizing around single issues—whether schools or data centers—may help rural people shape outcomes in the short-term, but enduring grassroots engagement and community agency is needed to ensure local people can meaningfully shape decisions over the long-term as new challenges and opportunities emerge Consistent, year-round, non-partisan advocacy infrastructure is what shapes the policies and budget decisions that determine the outcome of not just one project, but the trajectory of rural communities over time.

Policy and strategy. Too few policy wonks or organizations are able to translate what one rural community or practitioner knows from experience into model policy or guidance for decision makers. Too much hard work is repeated independently, county by county. Having aligned national policy expertise and capacity gives rural knowledge a seat at the table and a go-to trusted source for legislators.

Research and data. The arduous processes of searching for data, interpreting academic research, and tracking policy actions of state and federal governments can quickly overwhelm local officials. By building shared research and data capacity attuned to rural realities and needs, more community leaders and policymakers can benefit from actionable insight that can drive decisions and build evidence and understanding.

Narrative. Rural communities benefit from the capacity to describe their own circumstances directly and tell their own stories, in place of narratives set primarily by outside voices. Locally-owned narrative can move beyond a story of what rural lacks to celebrate its strengths, innovation, and remarkable leaders. Steady investment in local narrative development, coupled with meaningful progress, can change what local people and national actors believe is possible in rural America.

Philanthropy and funders. Well-placed philanthropic investment supports locally rooted organizations and networks, strengthens connections across regions and sectors, brings rural knowledge and voice to state and federal policy tables, and provides the flexible, patient capital to advance long-term systems change. However, rural areas receive disproportionately lower levels of philanthropic investment, and a stronger, well-coordinated philanthropic ecosystem, working in close partnership with pooled funding collaboratives and national and regional intermediaries, will be a catalyst, partner, and bridge to other sources of capital to increase the ambition and scale of what’s possible.

These six roles function best in combination. Advocacy without research is easier to dismiss. Policy proposals without a clear, shared narrative or ability to implement them attract less support. SFRA's approach is designed to strengthen all six roles together, and the connections between them, building a whole that is larger than the sum of the parts.

Build the Field Now, Without Losing Sight of the Long Term

SFRA's recommendations are staged deliberately, reflecting the reality that this kind of field-building takes years, while individual communities continue to face these decisions in the near term. Over the next 12 to 18 months, the priority is groundwork: continuing SFRA's

role as a coordinating hub for the field, funding planning grants for a proposed national rural policy institute and a shared rural data cooperative, and funding action grants that help practitioners already collaborating turn early partnerships into working models that meet the current policy moment. The idea is that collective infrastructure and networks must be in place to be ready for when rural America needs to shape policy when the next big issue – such as data centers – hits their communities.

Over the following two to three years, that groundwork should develop into standing infrastructure, with SFRA's recommendations serving as a shared reference point for field investment. By the early 2030s, the goal is to formalize aligned, well-capitalized funding mechanisms. Over the full decade, the objective is substantial new, sustained, locally directed investment–SFRA's steering committee discussed $500 million as a potential target–and a measurable, lasting increase in the share of philanthropic and public funding reaching rural communities.

Each stage of this strategy prioritizes strengthening the organizations, leaders, and networks already active in this space before creating new infrastructure. The underlying goal is straightforward: to build the institutional capacity that allows rural communities to evaluate, negotiate, and shape major investment decisions on informed and equitable terms, rather than responding to them after the terms have already been set.

Staged Investment Strategy

<u>Immediate (Next 12-18 months)</u>

1. **Capitalize & resource existing organizations and networks:** Direct resources toward the individuals and networks executing fundamental work on the ground.
2. **Planning Grants.** Two of the most commonly named components of rural development infrastructure are a 1) rural policy institute and 2) a rural data cooperative. Planning grants for these projects would enable SFRA and interested field leaders to do the early stage research and planning work move a step closer towards bringing a rural policy institute, national policy infrastructure and a rural data cooperative to life.
3. **Field Building & Action Grants that Support Collaboration and SFRA Recommendations.** SFRA has surfaced nascent collaborations and areas of shared interest among practitioners. New investments can deepen these relationships and shared understanding and lead to concrete deliverables. The types of investments that SFRA has surfaced that would increase connectivity across the field and the overall capacity for systems change and where SFRA would ask funders to invite and consider proposals for funding include activities that would:
    - Result in a collaborative, cross-sector vision that is informed by on-the-ground engagement of rural people and a corresponding, responsive rural policy agenda.

- Support the growth of existing and nascent field infrastructure such as a national intermediary for state offices of rural prosperity and more robust policy and advocacy efforts.
- Better align and strengthen existing field infrastructure (e.g. help organizations get more clear about their respective lanes aligning infrastructure such as the various existent rural hub networks)
- Better organize and formalize Rural Hub networks and infrastructure; doing so alongside significant investments could expand the reach of hubs and hub networks, provide the space required to create a shared learning agenda, clarify shared priorities, and articulate a forward-looking agenda across these networks to advance the broader ecosystem.
- Invest in programming, training, and TA that supports leadership development and local capacity building that enables greater involvement in systems change;
- Resource and build out lasting advocacy infrastructure for the rural development field;
- Support creation of products/tools/information that local leaders need in rural places (e.g. technical assistance and model community benefits agreements for data centers)
- Advance narrative change and rural voice efforts, especially those that lift up people of color and non-dominant perspectives;
- Provide just in time and bridge grants for essential field infrastructure; and
- Support and enable broader participation in collaborative efforts (e.g. ensure organizations are able to cover the cost of time spent working in partnership with one another).

4. **Field-building and coordination across RECD.** As part of Phase II of SFRA, a project steering committee representing the mission, diversity and commitment of the field should put time and energy into systems integration activities with support from contracted project staff. This plan of work should be drawn from the many ideas and suggestions in this SFRA report such as sharing information across sectors, organizing a 'rural week', and prompting creation of resources and forums at the national level that are responsive to local issues (e.g. data centers, local media, rural health transformation program implementation).
5. **Grow and deepen the network of regional, place-based funders** that the Brookings Institution and Grantmakers in Health have cultivated through their recent community of practice, in a way that continues to broaden and strengthen relationships, mobilizes and orients participants towards collective action, and develops momentum for the future.
6. **Support and inform philanthropic efforts to build a stronger learning and action network among national funders** that combines peer learning with coordinated deployment of capital. Specifically ensure that regional and local expertise is integrated into the network's activities and urge national and regional

philanthropy to recognize and support community foundations as essential RECD infrastructure.

7. **SFRA Phase II.** There is broad agreement among participants that the work of SFRA should continue. Financial investments that support a streamlined infrastructure and dedicated staff time are essential to moving forward with the recommendations that follow. In sum, the work at hand is: 1) supporting coalitions of the willing who are ready to advance some of these proposals that would build a more coherent and effective field; 2) building the capacity of the field to engage in and effect systems change. The end goal, in the long-run, is for the field of RECD to be organized and powerful enough to improve outcomes for rural people and places, through greater philanthropic, public, and private investment in rural places.

   The next phase of SFRA needs to bring in many more national, regional, and local rural leaders and practitioners into the fold. While this initial phase of SFRA was focused on taking stock and building alignment among field leaders, the next phase of the work must be more oriented towards building the infrastructure that SFRA identified as needed and taking action on a specific set of projects and priorities that SFRA has named. The effort should continue to be non-partisan, cross-sector, multi-racial, and multi-geographic, and future-oriented with on-the-ground experience, local needs, and rural voices front and center.

Short-term (2028-2029)

1. **SFRA recommendations and ideas continue to guide philanthropic investments.** Funders looking to invest in rural systems change efforts turn to SFRA for guidance and ideas for how to invest strategically while also consulting the increasingly coordinated rural funders, rural hubs, and increasingly coordinated field of practitioners.
2. **Support the growth of nascent systems change efforts:** Begin to formalize and build out systems change infrastructure (e.g. a national policy institute or rural policy and action lab) in line with the blueprints created through the planning grants noted in the previous section.
3. **Formalize aligning institutional philanthropy:** Facilitate continuous coordination and strategic alignment among national foundations, while also providing dedicated resources that enable regional funders to participate actively in ongoing dialogues horizontally across regions and sectors and vertically with national funders.
4. **Attract substantial new capital:** Secure a minimum of $20 million in new, previously-unplanned investments, especially from national philanthropy (or high-net-worth individuals) that is focused specifically on building the field of rural development and increasing the capacity for policy and systems change; these investments could be made through existing entities and/or a new entity or some combination of the two.

Mid-term (Through 2032)

1. **Align and capitalize funding infrastructure:** Align, capitalize, and build out a robust and intentional set of funding mechanisms, including multi-funder pooled funds and updated grant structures that enable greater alignment among funders and greater alignment with practitioner and on-the-ground needs.
2. **Attract substantial new capital:** Secure a minimum of $100 million in new, previously-unplanned investments (over five years), especially from national philanthropy (or high-net-worth individuals) that is focused specifically on building the field of rural development and increasing the capacity for policy and systems change; these investments could be made through existing entities and/or a new entity or some combination of the two.

Long-Term Priorities (10-Year Strategy)

1. **Sustain systemic investments:** Maintain permanent, patient funding, and develop new financial and capital investment models to anchor and sustain the rural systems change infrastructure for the long haul. Seek a 10-year commitment of significant systems change funding that results in a meaningful increase in philanthropic investment and a measurable increase in public investment in rural communities.

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