PHILANTHROPY
A Saviour to Regional Development in Rural Areas?

Joshua Barrett and Ryan Gibson
Department of Geography, Memorial University

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Overview

• Financial dependency trap present regional development

• Explore philanthropy as mechanism to overcome funding dilemma

• Discuss how to adapt to changing economic circumstances
A common theme

... and dilemma

• Regional development initiatives and processes highly dependent on government funding

• Problematic
  ▫ in periods of austerity
  ▫ during changing political priorities
  ▫ Limited financial resources causing competition among local actors
Key questions addressed today

• How can regional development overcome this ‘trap’ of financial dependence?

• How can regional development policy and practice adapt to changing economic circumstances?
Overcoming Financial Dependence

External Resources
- Increase/diversify government funds
- Grants and contributions
- Natural resource royalties

Internal Resources
- Taxation
- User fees
- Philanthropy
Philanthropy to Overcome the Financial Dilemma?

- Opportunity to utilize existing resources within the community/region
  - Private foundations
  - Community foundations

- Community Foundations in Canada (as of 2012)
  - 185 Community Foundations
  - $3.35 billion in assets
  - $143 million in grants
CFs in the Atlantic
Financial Assets of Community Foundations in Atlantic Canada

Total Assets of Community Foundations in Atlantic Canada Region, 2003-2011

- [Bar chart showing total assets from 2003 to 2011, with a significant increase in 2008.]
Total Gifts Provided to Atlantic Canada Communities

Total Gifts to Qualified Donees for Community Foundations in Atlantic Canada Region, 2003-2011
Philanthropy in NL

- Highest charitable giving rate in Canada
- Low donation value per donation
- Religious organizations lead as recipients
- Role of a strong sense of identity
The Role of Philanthropy in Regional Development

- Diversify existing funding
- Creates funds with less ‘strings’ attached
- More localized decision-making
- Sustained long-term funding solutions
- Engagement of residents
- Place based attachment
Limits to Role of Philanthropy

- Recipients must be qualified donees
- Limited knowledge of philanthropy
- Endowment building time consuming
- NL high rate of donors, low amounts
How to adapt to changing economic circumstances?

- New levels of wealth in many rural regions
- Opportunities to harness connection to place
- Governments could encourage philanthropy
- Inter-generational wealth transfer
Summary

- The status quo of regional development funding not sustainable
- Philanthropy holds promise
- Opportunities to adapt and benefit from changing economic circumstances; many time specific
- Philanthropy facilitates place base development and movements towards moving decision-making to the region
More Information

Joshua Barrett
jab327@mun.ca

Ryan Gibson
r.gibson@mun.ca

http://philanthropy.ruralresilience.ca