



# Proposal: Rural West Foundation

Creating charitable partnerships to  
strengthen our rural communities.

*Developed by Paula Shimp, BA, BSW*

**To: Premier Ed Stelmach  
Minister Iris Evans**

**Re: Establishing the  
Rural West Foundation**



Granum, Alberta 2006

As a fourth-generation rural southern Albertan with a background in community and program development, I am deeply concerned about the lack of charitable support networks in the Western provinces' outlying rural areas.

My research reveals there are 11 United Ways in Alberta that cover approximately 35% of the province's geography. In 2003, these 11 United Ways distributed over 50 million dollars per year to local charitable and social initiatives in their funding districts.

Currently, **100% of urban Albertans** live in a United Way funding district and have the opportunity to access community programming funded by their respective United Way. But **ONLY 18% of rural Albertans** live in a United Way funding district... consequently **82% of rural Albertans do not have the opportunity to access community programming funded through a United Way apparatus.**

Establishing effective programming for families and individuals living in rural Alberta is sorely limited by the absence of a strong, vibrant, and active charitable funding apparatus. Filling this gap with a foundation committed to, and keenly aware of, rural development is becoming increasingly urgent as low-income urban and immigrant families relocate to less expensive rural areas.

I am motivated to stimulate rural community development by co-creating, with the Government of Alberta, a Foundation for Rural Alberta. This Foundation will foster sustainable funding partnerships between government, corporations, and rural citizens... partnerships committed to building vibrant, opportunity-filled, and caring rural communities.

Thank you, Premier Stelmach and Minister Evans, for reviewing the attached proposal which details my request for government assistance in establishing a Foundation for Rural Alberta.

Sincerely,  
Paula Shimp

# Proposal: Rural West Foundation

## PROPOSAL SUMMARY

1. Paula Shimp, a Rural Programming and Fund Development Consultant, is respectfully requesting **seed funding** from the **Government of Alberta** in the amount of **\$500,000 over three years** to support the establishment of the **Rural West Foundation**.
2. In addition, it is anticipated the **Ministry for Rural Development** will take an active role in **identifying Foundation goals** and in **recommending inaugural Board Members**.
3. Finally, Paula Shimp is requesting the **Government of Alberta** implement **two special tax incentives\*** for persons donating to the Foundation during its first three years of operation, as follows:
  - i Persons donating to the *Rural West Foundation* from July 1, 2007 until June 30, 2010 will receive a special 50% Alberta charitable tax deduction.
  - ii Sponsoring oil companies will receive a reduction in Alberta royalties equivalent to 50 cents for every dollar donated.

The proposed tax incentives are intended to stimulate corporate and individual charitable giving in order to build an endowment fund whose interest will be distributed annually to qualified rural charities.

## ANTICIPATED OUTCOMES

Anticipated outcomes include:

- (a) Building rural, government, and corporate charitable funding partnerships.
- (b) Establishing a large sustainable rural charitable endowment fund akin to the Calgary and Edmonton Community Foundations, and the urban United Way Organizations.
- (c) Increasing charitably funded community programming in rural Alberta, British Columbia, Manitoba, and Saskatchewan.
- (d) Initiating a rural charity network designed to stimulate information sharing about rural programming alternatives and best practices in rural settings.
- (e) an increase in rural living success indicators.

**\*Author's Note:** *I thank Murray Edwards for his suggestion of the proposed tax incentives as a means of stimulating corporate charitable giving.*

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## DEMONSTRATION OF NEED

In 2003, the Province of Alberta had a population in excess of 3 million people. Approximately 2 million lived in urban communities, while the remainder - approximately 1 million people - lived in rural areas. A comprehensive review of Alberta's existing charitable support networks, indicates there is a gap in charitable funding in much of our province's outlying rural regions.

Each of our major cities - Edmonton, Red Deer, Calgary, and Lethbridge - have established community foundations to service their urban and, in some cases, neighbouring rural populations. In 2003, these four **urban foundations** reported **assets of over \$305 million** and distributed almost **\$15 million** to mostly urban charitable initiatives. (Please see table below.)

Foundation	Total Assets	Grants per Annum (approximate)	Ranking <i>Top 1000 Canadian Foundations by Assets</i>
Calgary Foundation	\$ 165, 975, 309	\$ 10, 789, 383	9 <sup>th</sup>
Edmonton Community Foundation	126, 824, 102	3, 489, 053	14 <sup>th</sup>
Red Deer and District Community Foundation	6, 863, 307	429, 412	532 <sup>nd</sup>
Lethbridge Community Foundation	5, 555, 137	160, 605	641 <sup>st</sup>

**In 2003, 27% of Alberta's population could not access any United Way funded programs**

**... ALL OF THESE PEOPLE WERE FROM RURAL ALBERTA.**

There are currently **11 United Way** foundations in Alberta funding community programs in all urban and some rural areas. In 2003, these United Way organizations raised over **\$51 million dollars** to support charitable projects in their funding regions, which included every major city in Alberta.

**100% of urban Albertans** (i.e. 2,001,672 people) and **18% of rural Albertans** (i.e. 268,502 people) **live within a United Way Funding District** and are **eligible** to access United Way funded programs. This means that **82% of rural Albertans** - or 821,657 men, women, and children - **live outside of a United Way Funding District** and **cannot access** the services of United Way funded programs. (Please see table on following page.)

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## United Way Funding In Alberta (2003 Figures)

LOCATION	UNITED WAY DISTRICT	\$ RAISED	POPULATION	PER CAPITA
<b>MAJOR CITIES</b>				
Calgary	Calgary & Area	\$ 32,358,111	922,315	\$35.08
Edmonton	Alberta Capital Region	14,503,428	985,000	14.72
<b>SMALLER CITIES</b>				
Red Deer	Central Alberta	1,200,213	83,000	14.46
Lethbridge	South Western Alberta	248,000	73,000	3.40
Medicine Hat	South Eastern Alberta	447,500	53,000	8.44
Fort McMurray	Fort McMurray	1,680,000	50,254	33.43
Grande Prairie	Grande Prairie & Region	380,000	40,000	9.50
Cold Lake	Lakeland	111,060	25,000	4.44
Lloydminster	Lloydminster & District	125,000	22,000	5.68
<b>TOWNS</b>				
Hinton	Hinton	111,442	9,405	11.85
Slave Lake	Slave Lake	17,573	7,200	2.44
<b>2003 Alberta United Way TOTAL - \$51,182,327 raised to serve 2,270,174 Albertans living in 11 United Way service areas. This is equivalent to 73% of the provincial population.</b>				
<b>* TOTAL ALBERTA POPULATION in 2003: 3,091,831 of which 2,001,672 (65%) are urban and 1,090,159 (35%) are rural.</b>				

On the following page, please review the map outlining Alberta's United Way Funding Districts. It is in 'draft' format and has not yet been updated to reflect boundary changes occurring in 2004, 2005, or 2006.

Of the remaining western provinces, Manitoba and Saskatchewan exhibit a similar urban-rural United Way divide; having 10 and 9 predominantly urban United Way Funding Districts, respectively. British Columbia has the largest and most comprehensive United Way network with 16 Funding Districts, many of which include the surrounding rural areas.

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## United Way Service Areas of Alberta

- Grande Prairie
- Fort McMurray
- Slave Lake
- Lakeland
- Lloydminster
- Capital Region
- Hinton
- Central Alberta
- Calgary & Area
- South Eastern Alberta
- South Western Alberta
- Uncoloured Areas Not Funded by United Way



In addition to the challenges presented by recent inflows of low-income urban and immigrant families, the rural west is regularly affected, both positively and negatively, by unpredictable weather patterns and by fluxes in the cattle and grain markets. During periods of fair weather and opportunistic markets, our farm and cattle operations and rural communities thrive. But during periods of inclement weather and challenging markets, our farm and cattle operations and rural communities struggle.

[Note: Please see attached map of Alberta's BSE Economic Disaster Zones developed from data published online by the Alberta Association of Municipal Districts and Counties in 2004.]

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The **rural vitality** of Alberta, British Columbia, Manitoba, and Saskatchewan can be sustained through challenging times by establishing a Foundation specifically designed to address the needs of, and create opportunities for, our rural peoples and communities.

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## PROJECT DESCRIPTION

Under the direction of Paula Shimp, and in conjunction with the Ministry of Rural Development, a small working team will be established to recruit and assist a volunteer Board of Directors in implementing the *Rural West Foundation*. Activities of the Foundation may include:

- ◆ fostering **government, corporate, and rural partnerships** intended to stimulate rural vitality through charitable giving;
- ◆ building an **endowment fund** whose interest will be distributed annually to qualified rural charities;
- ◆ spearheading an **awareness campaign** to educate the Alberta public as to the needs of our rural communities and the goals and objectives of this new foundation;
- ◆ developing a **Rural Charity Network** to facilitate information sharing among rural charities;
- ◆ **evaluating and reporting** on the activities and outcomes of the Foundation; and,
- ◆ contributing to the **knowledge base** on effective rural development practices, programming, and partnership building.

## REQUEST FOR GOVERNMENT SUPPORT

To support the development of the *Rural West Foundation*, I am respectfully requesting two-pronged assistance from the **Government of Alberta**. First, we will require **seed funding** in the amount of **\$500,000** - distributed over three years - to recruit a strong, dedicated Board of Directors; hire a small working team of rural and fund development officers and support staff; and cover basic day-to-day operational needs.

Secondly, I am requesting the **Government of Alberta** create a favourable rural charity investment climate. This can be achieved by implementing **two Alberta special tax incentives** for persons donating to the *Rural West Foundation* during its first **three** years of operation, as follows:

- i Persons donating to the *Rural West Foundation* from July 1, 2007 until June 30, 2010 will receive a special 50% Alberta charitable tax deduction.
- ii Sponsoring oil companies will receive a reduction in Alberta royalties equivalent to 50 cents for every dollar donated.

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## IMPLEMENTATION PLAN

From July 1 through to December 31, 2007, the Foundation working team will:

1. Identify a primary corporate sponsor willing to donate office space, furnishings, and equipment to support initial operations of the Foundation.
2. Communicate and/or meet with the Alberta Ministry of Rural Development, Rural MLAs to identify opportunities, challenges, and potential project partners for rural initiatives.
3. With the assistance of the Alberta Ministry of Rural Development, recruit a volunteer Board of Directors willing to guide the Foundation and provide stewardship over donated funds. Seek out individuals who are corporate, community, and politically connected; thoughtful; and results-oriented.
4. Assist the Board of Directors in legally establishing the Foundation; i.e. hold inaugural meeting, develop by-laws, secure bank account, establish strict accounting practices, and register the Foundation with Alberta Corporate Registries and Revenue Canada..
5. Review rural development recommendations emerging from:
  - Alberta Ministry of Rural Development;
  - Government of Alberta province-wide community asset mapping project;
  - Government of British Columbia
  - Manitoba Ministry of Rural Development
  - Saskatchewan Ministry of Rural Development
  - Rural West MLAs, MPs, and Senators; and,
  - Standing Senate Committee on Agriculture and Forestry.
6. Develop a clear plan with time lines to guide the project through to June 30, 2010.
7. Organize a press conference and distribute media releases - in conjunction with the Government of Alberta and the Alberta Ministry of Rural Development - to launch the Government of Alberta - sponsored ***Rural West Foundation***. Announce lead donations from committed sponsors representing a cross-section of individuals, small businesses, and corporations

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## CONCLUSION

I would like to thank you for considering my request for seed funding and introducing two special tax incentives; both of which are required to establish the *Rural West Foundation*. I am committed to creating vibrant rural communities with the partnership of key government decision-makers, corporate leaders, and rural charities and volunteers. I believe in the strengths of the rural West... we have the capacity to create positive opportunities for ourselves and for our children... to face tough rural challenges with innovative rural responses... to sustain our rural way of life.

Together we can make this Foundation a reality. We can build vibrant, opportunity-filled, and caring rural communities across western Canada.

Should you require additional information, please contact **Paula Shimp**.

Thank you.