



**LSC**

**Local Initiatives Support Corporation**  
Opportunities for Rural Missouri Investment and Funding Alignment  
**April 2023**



# Overview

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- I. CDFIs
- II. LISC
- III. Rural LISC
- IV. Rural Missouri Capacity Assessment
- V. Questions



# The Role of CDFIs in Community Development

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# LISC: 40+ years of impact

SINCE  
1979

**\$27 BN**  
invested

**\$75 BN**  
leveraged

**S&P 'AA-' Rating**

LISC is the first CDFI to tap the general obligation bond market, with a \$100 million issuance in 2017



**78 Million  
Square Feet**

of commercial, retail and community space, including schools



**463,000+  
Homes**

Affordable homes and apartments built and/or preserved

**\$466.5 Million**

Total Net Assets

**LISC**

# Rural LISC

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As the rural component of Local Initiatives Support Corporation (LISC), Rural LISC is deeply rooted in rural America and is committed to providing support for diverse rural communities, making them good places to live, work, play and innovate.

Rural LISC drives organizational change by providing need-based technical assistance, training and access to programs and capital to a network of more than 150 rural-based partners and collaborators (non-profits and small businesses) located across 2,200 counties in 45 states and Puerto Rico.



# The Rural Landscape

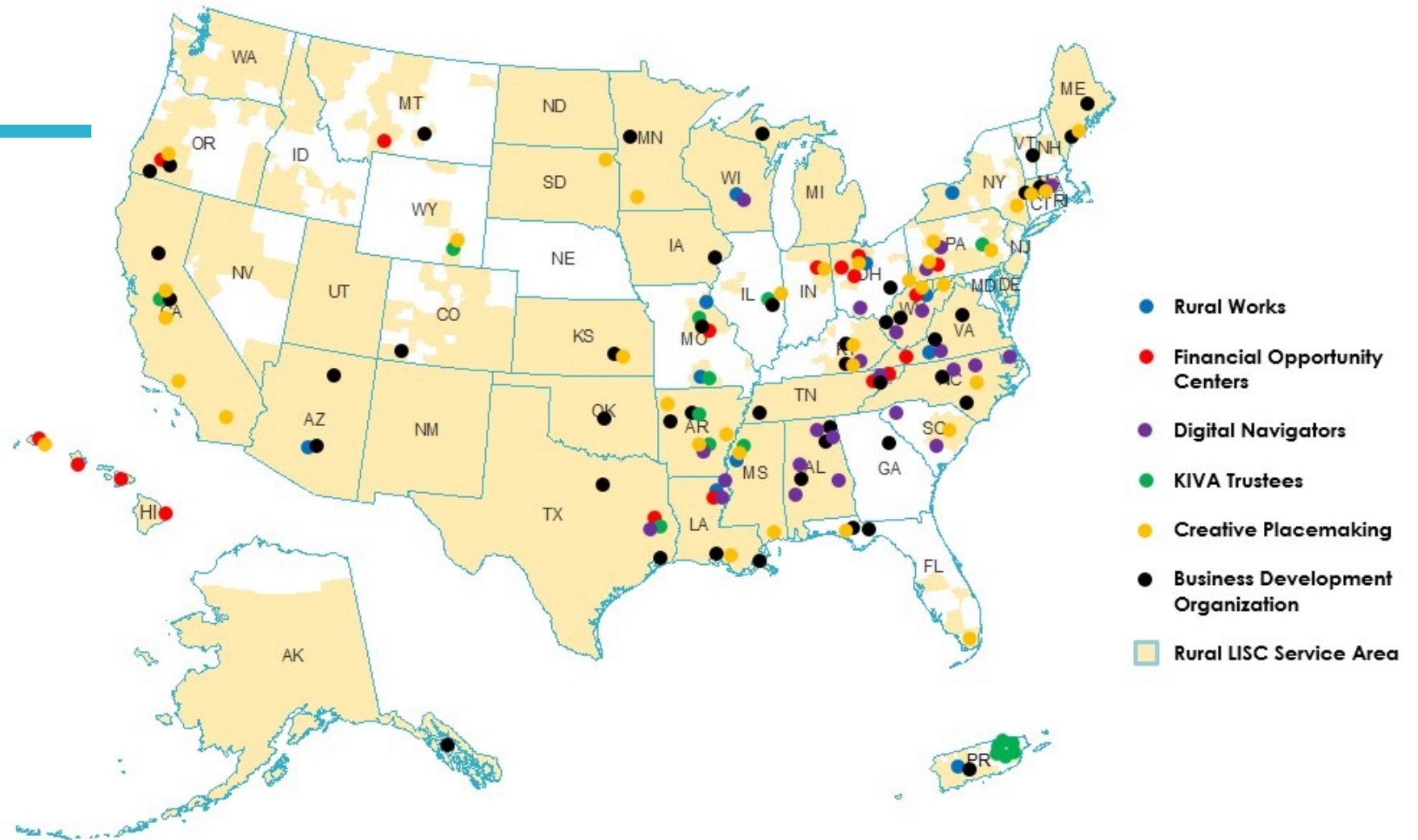
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Approximately 20 percent of our country's population resides in rural places. That's 60 million people who live and work in rural communities.

From the standpoint of a competitive America, we must recognize and leverage the extraordinary talent and assets of the vast part of the nation that is rural.



# Our Impact



As of 2021, we have created **\$5.5 Billion** in total development with **150** rural community-based partners across the United States and U.S. Territories

# Rural LISC Numbers

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**\$2.75B**

**Invested in grants,  
loans, lines of  
credit, repayable  
investments and  
equity**



**53,000**

**Affordable  
Housing Units  
Built**



**21,553**

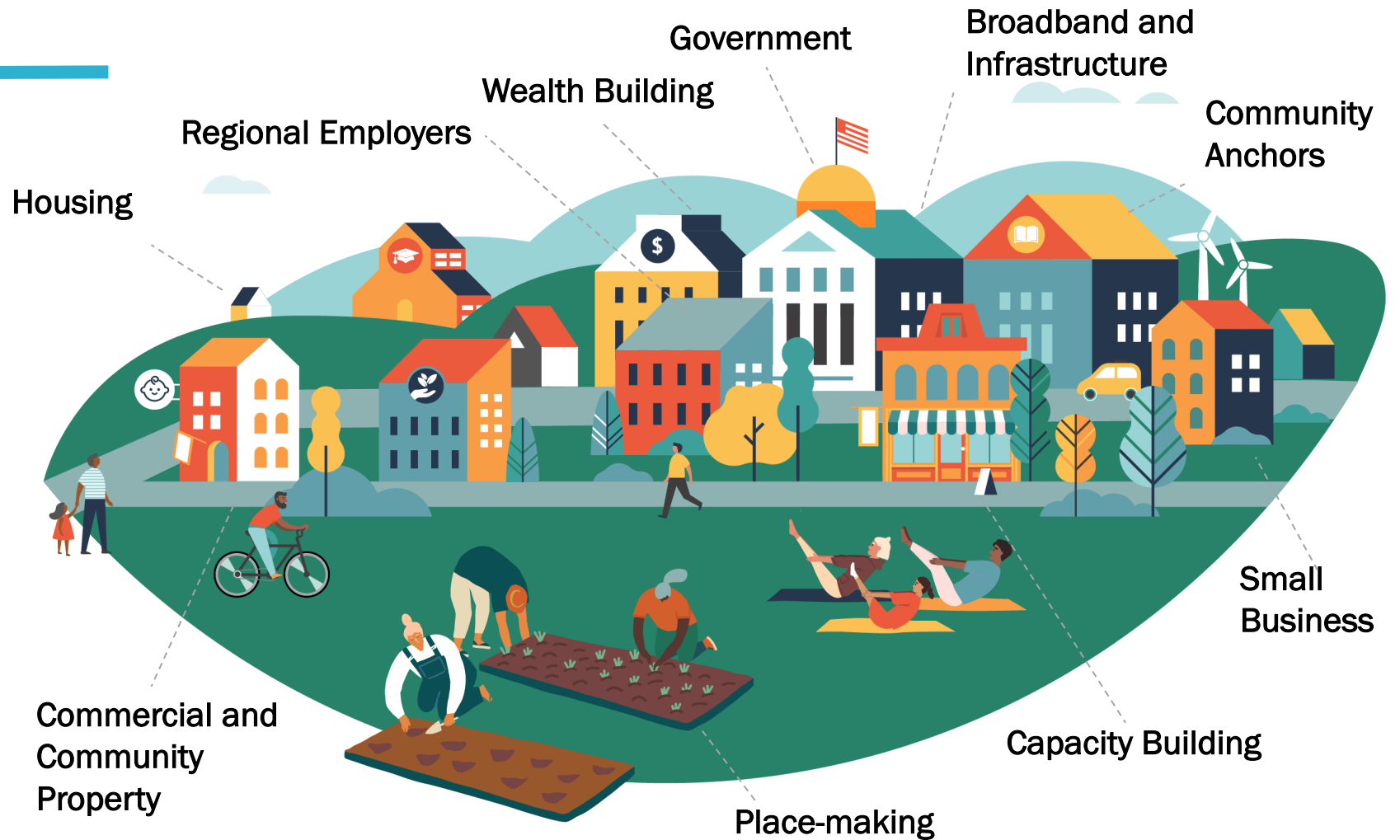
**Jobs created,  
retained,  
individuals placed,  
and small  
businesses assisted**



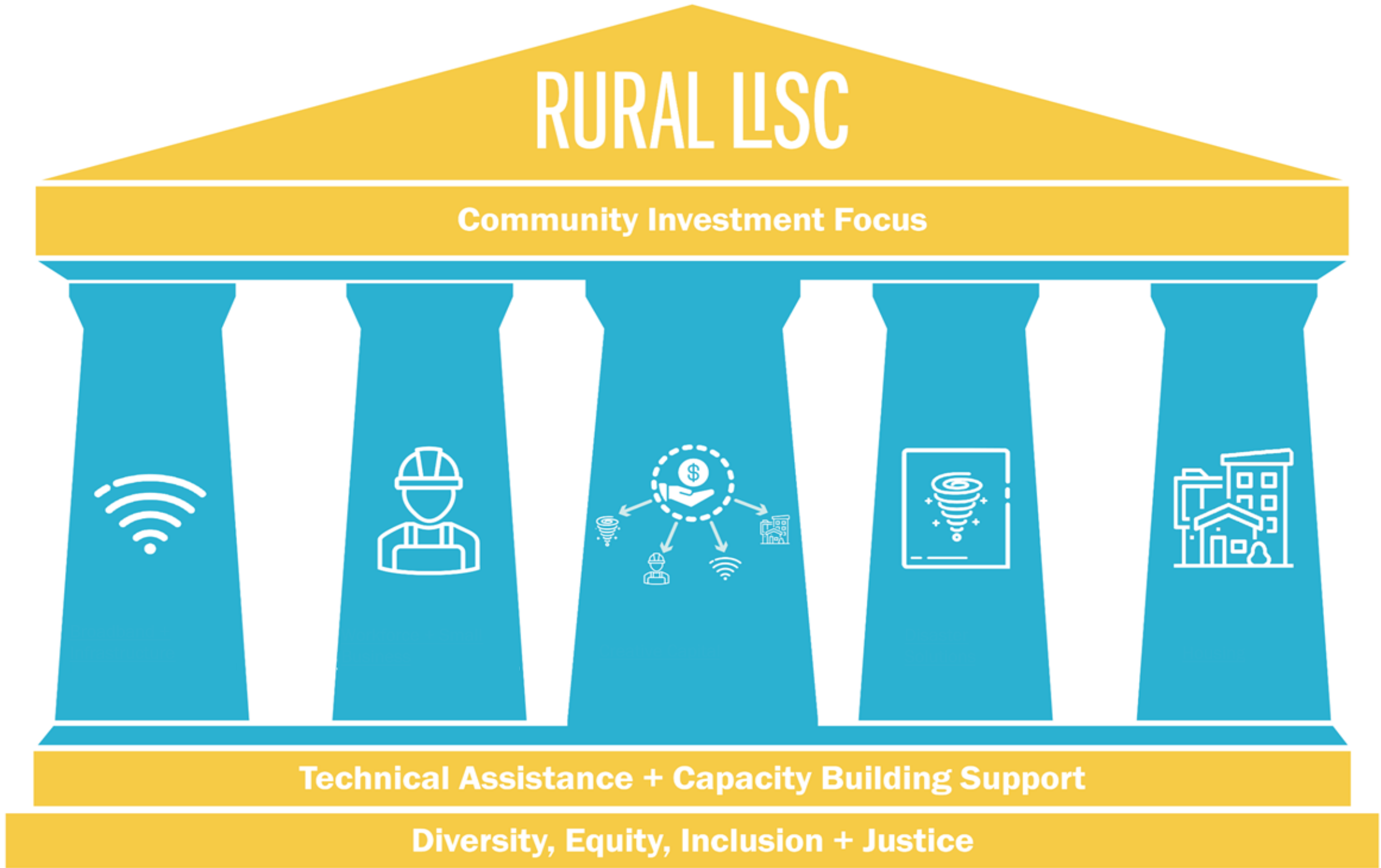


# How we serve

Rural LISC provides lending, programmatic supports (grants) and technical assistance directly to non-profits and government to address community development challenges.



**Rural LISC Structure**





# Rural Missouri Capacity Assessment

RURAL LSC

## Catalyzing Economic Impact: Rural Missouri

Aligning philanthropic investment to help guide transformative growth in rural communities



RURAL LSC

## Catalyzing Economic Impact: Rural Missouri

Aligning philanthropic investment to help guide transformative growth in rural communities



RURAL LSC

# Background & Purpose of the Assessment

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To investigate and re-imagine ways in which philanthropy can best align and leverage resources for rural investment

## Why this matters:

- 37% of the state's population resides in a rural county
- Poverty and disinvestment remain pronounced in many rural areas  
(Missouri's rural poverty rate of 18.4% is 27.8% higher than its urban poverty rate of 14.4%)
- Rural areas receive lower amounts of philanthropic investment



# Report Findings

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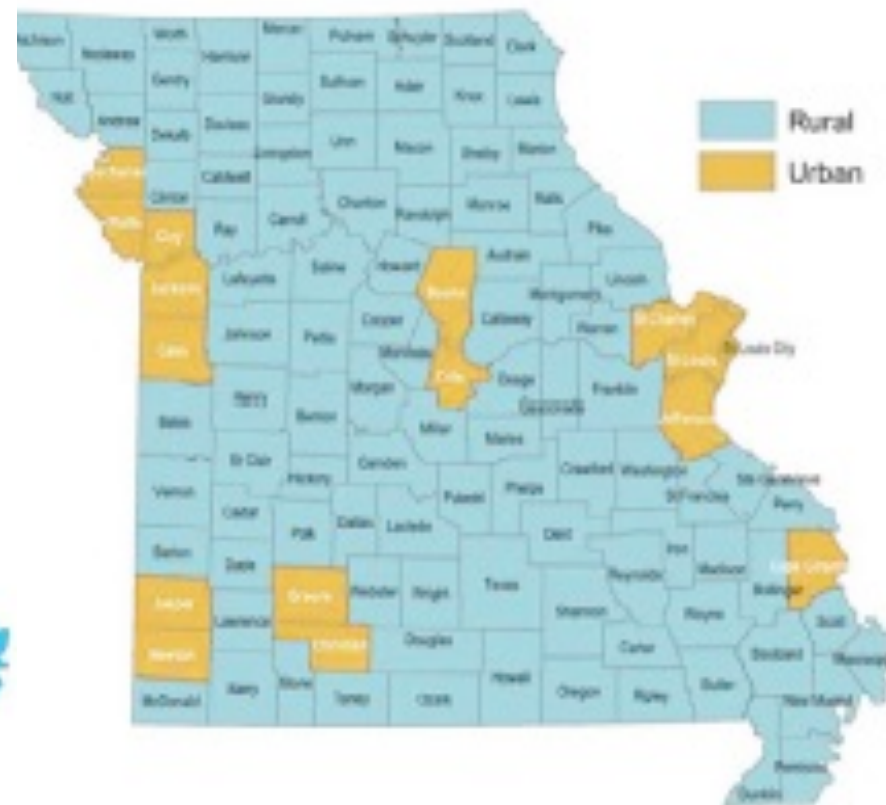
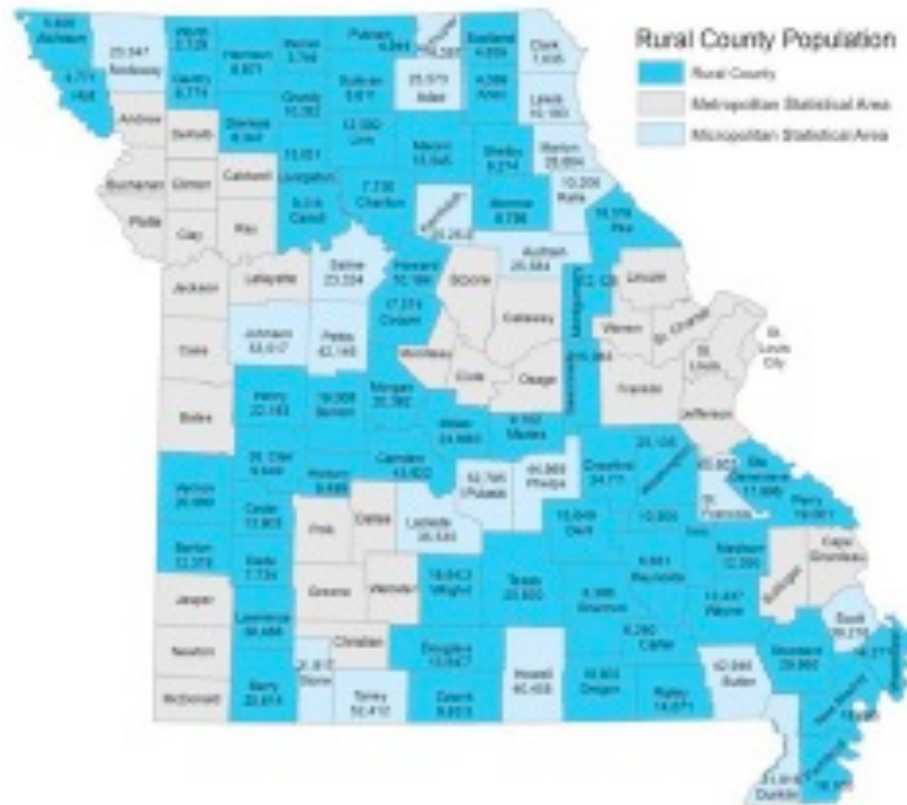
**Conducted a high-level, state-wide landscape analysis summarizing existing conditions relevant to rural: workforce, housing, small business, digital inclusion, and access to capital.**

- Population
- Age
- Income and Poverty
- Education
- Housing
- Broadband
- Workforce
- Small Business
- Philanthropic Funding
- Stakeholder Outreach and Analysis

# Findings - Population

Rural counties are less racially and ethnically diverse than urban counties

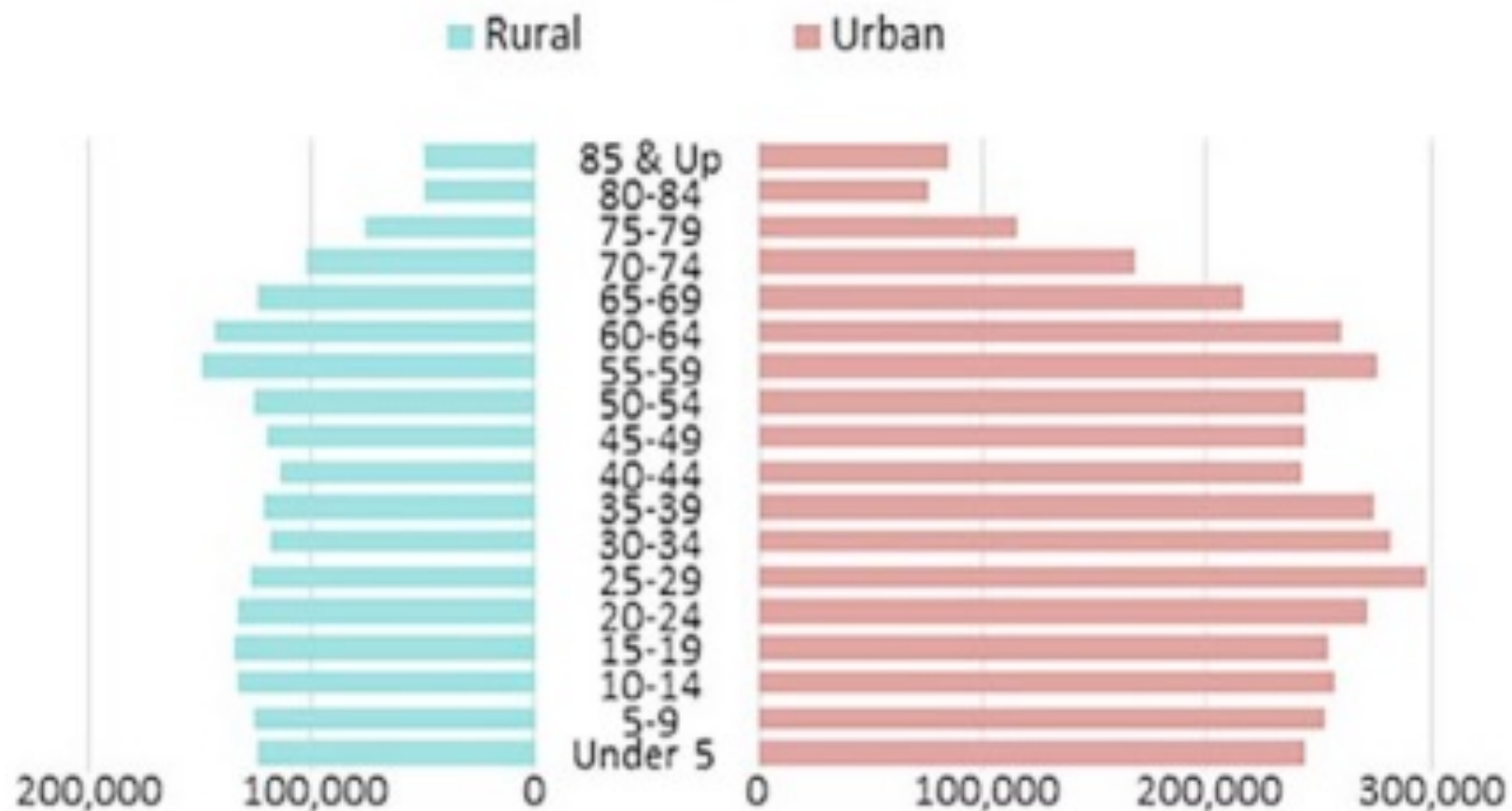
Approximately **23%** of urban residents identifying as non-white as compared to **7%** in rural counties.





# Findings - Age

Rural population skews older: the largest single age group in rural communities is 55 to 59 years old, whereas the largest age group in urban areas was 25 to 29 years.



# Findings – Income & Poverty

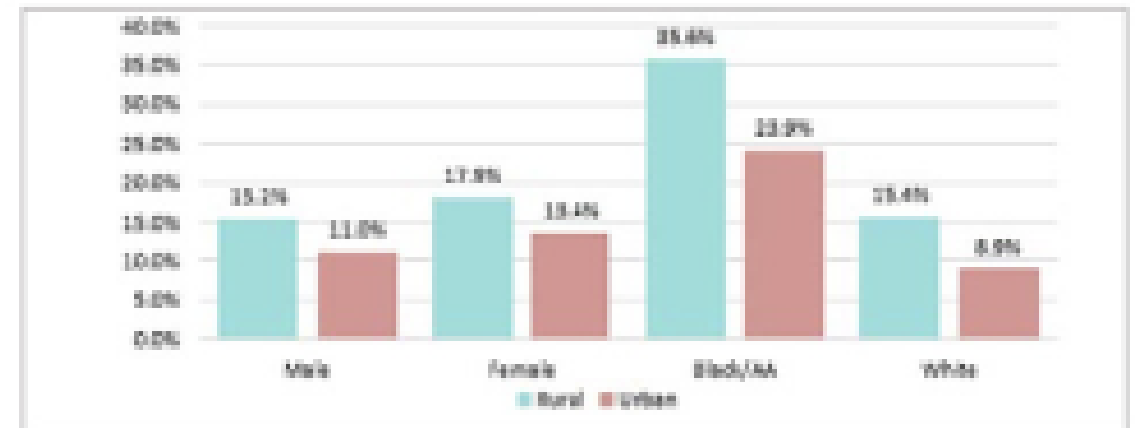
Average per capital income for all Missourians in 2021 was estimated at \$51,697

According to the USDA Economic Research Service<sup>6</sup>, with rural income estimated to be 22.6% lower at \$40,018.

Poverty Rates by Age Group  
Missouri, 2015-2019



Poverty rates by Sex and Race  
Missouri, 2015-2019



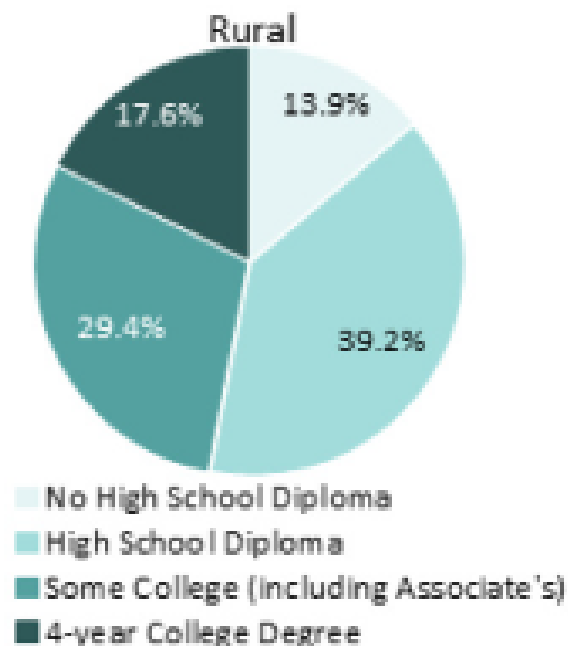
Source: United States Census Bureau. American Community Survey 5 Year Estimates. Table S1701.

# Findings - Education

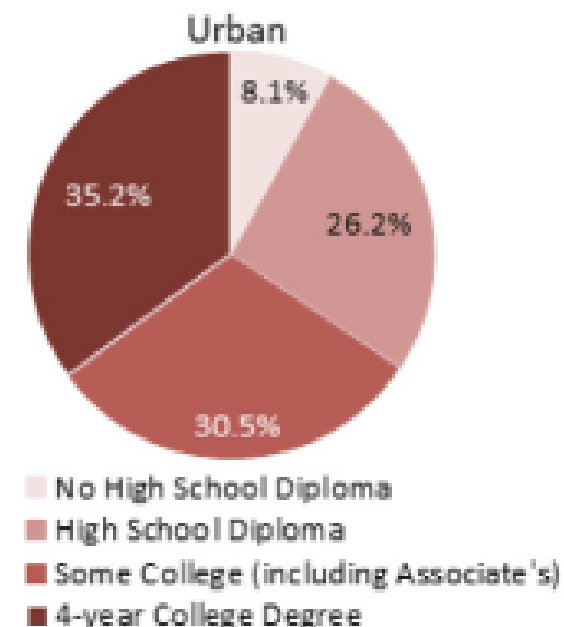
Rural counties account for the lowest localized rates of high school graduation

Wayne (76.2%) and Dunklin (76.3%) are counties having the (two) lowest high school graduation rates in the State

Educational Attainment for Adults 25+ Missouri, 2015-2019



Educational Attainment for Adults 25+ Missouri, 2015-2019





# Findings - Housing

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Housing Assistance Council data identifies approximately 32% of Missouri's housing units as being located within a rural or small-town community, or an estimated 925,974 housing units.

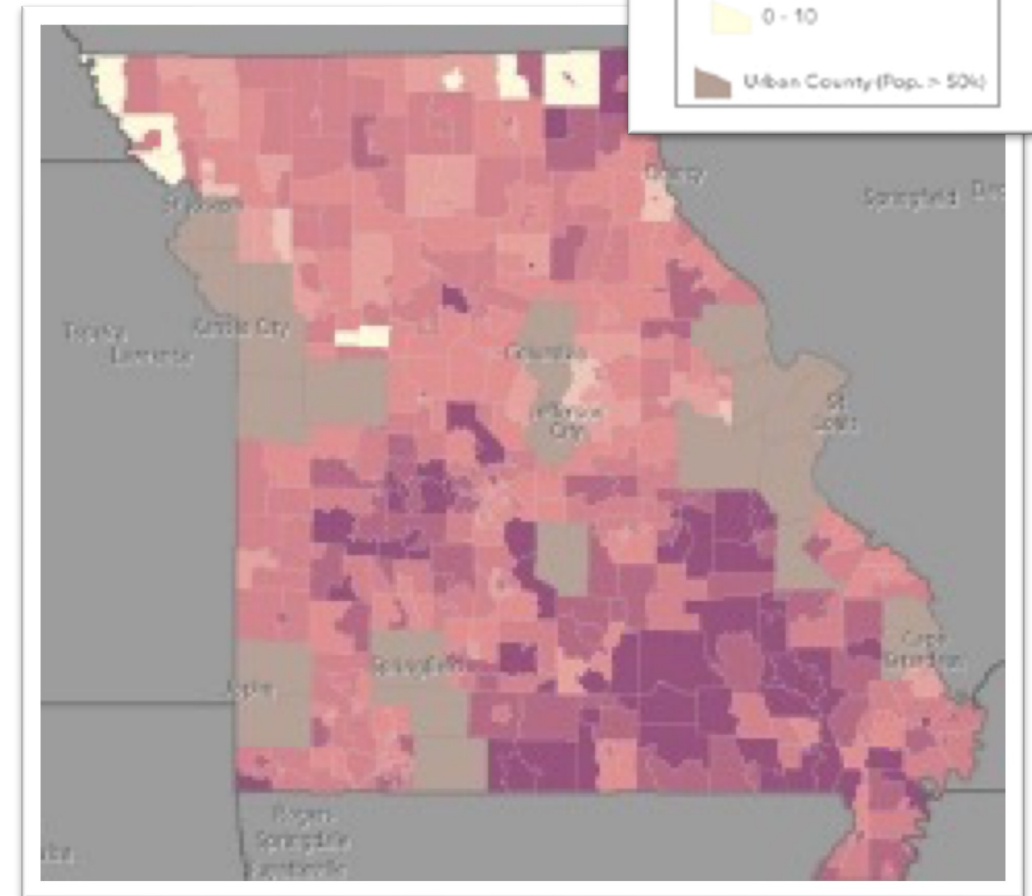
Just 2.3% of all rural and small-town housing units have been constructed since 2010, with nearly 46.6% of units valued at less than \$99,999, compared to the U.S. average of 23.6%.

Housing preservation and the development of more affordable housing stock continues to be a pressing issue for rural communities.

# Findings - Broadband

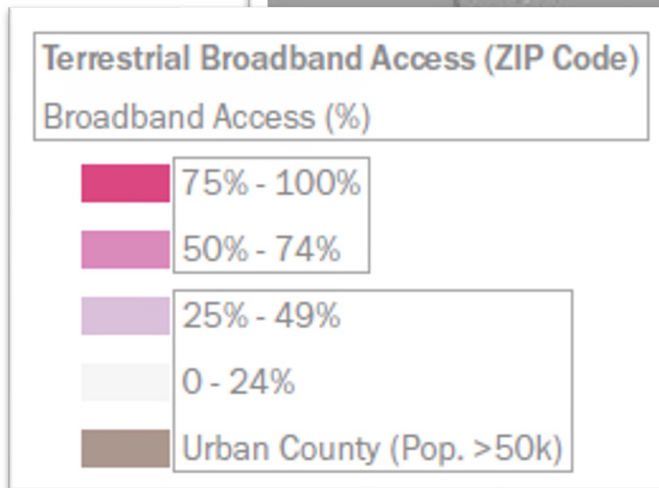
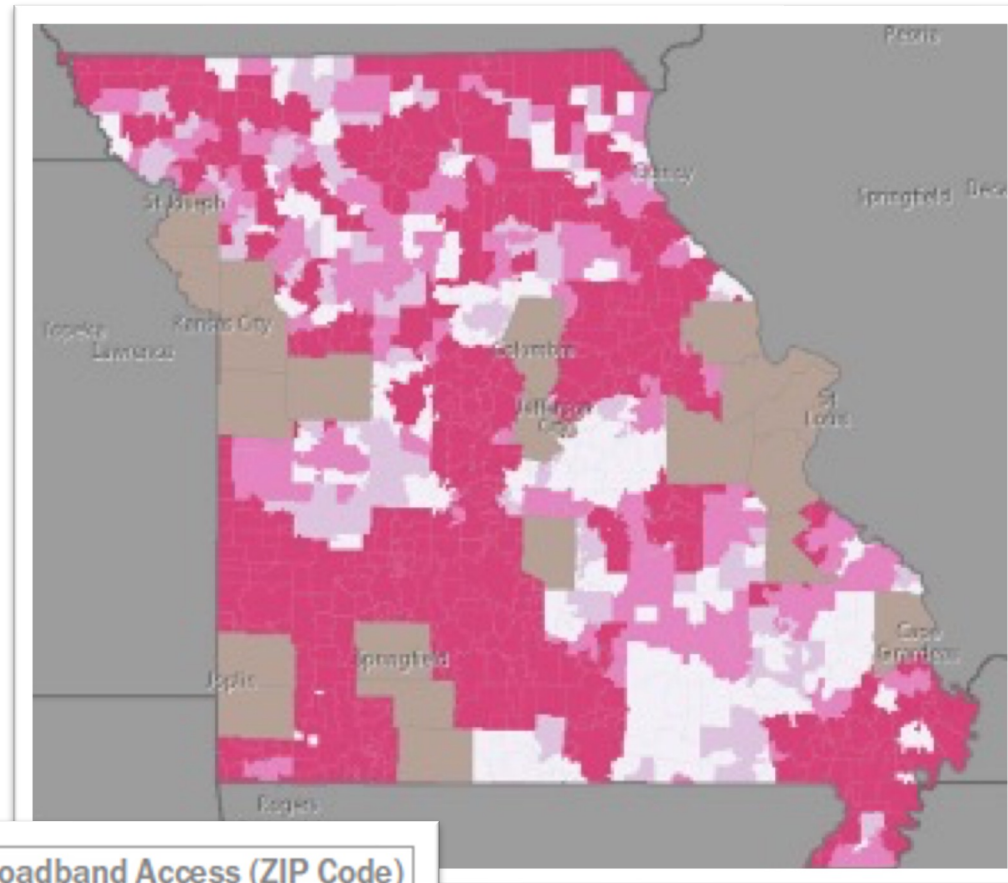
Digital Divide Index (DDI) in Rural Missouri presents a composite visualization of broadband availability and uptake by household via a weighted estimate of internet adoption across the U.S. population.

Rural census tracts in Southern Missouri experience the greatest “digital divide” under this measure; dark pink areas show the greatest opportunity and need to increase digital literacy/skilling and expand broadband infrastructure.



# Findings - Broadband

Terrestrial broadband access of at least 25Mbps download/3Mbps upload is available for most ZIP Codes in rural Southwest Missouri, while Ozarks region experiences 24% broadband coverage or less.



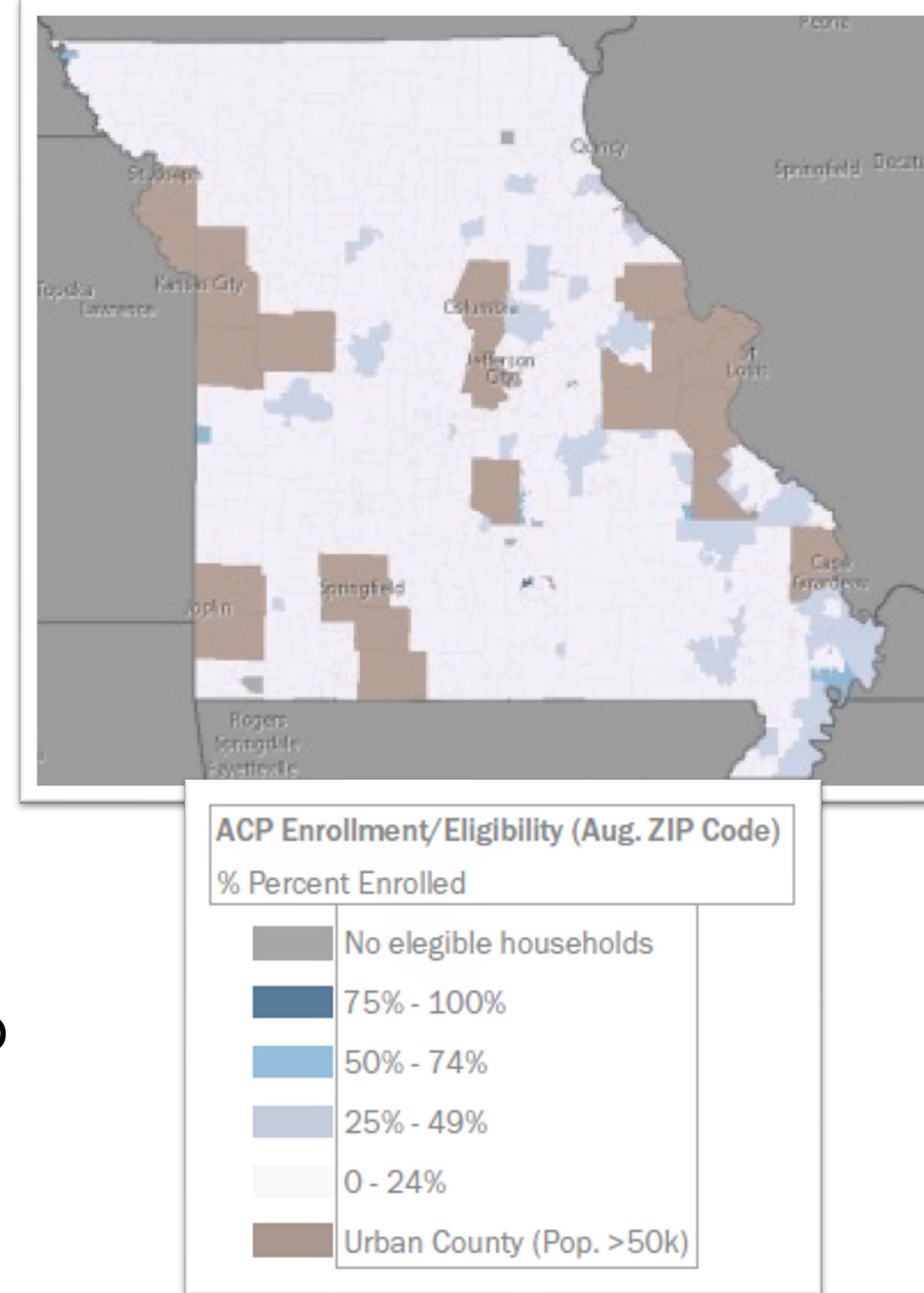


# Findings - Broadband

Many rural residents lack access to broadband services due to high internet/service provider costs.

Affordable Connectivity Program (ACP) and Enrollment in Rural Missouri. The ACP is a federal program, administered by the FCC, that provides subsidies to qualifying households for broadband access.

Though the ACP program seeks to mitigate this divide, many eligible rural Missouri households do not participate in the ACP, which suggests a need for more substantial outreach and mobilization around digital access issues.



# Findings – Small Business

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Rural communities see this shift in employment differently than urban dwellers: while self-employed workers in cities may have transitioned to on-demand opportunities and the “gig economy,” rural workers shifting employment are more likely to reflect necessity – pursuing self-employment and entrepreneurship as a response to the loss and absence of manufacturing and large employer jobs.

Housing Assistance Council data (through 2017) demonstrate the importance of small business to rural communities – revealing a 72% higher rate of self-employment when compared to the rest of the state.

# Findings – Access to Capital

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March 2020 to March 2021, Missouri banks reported \$2.2 billion in loans made to small businesses, with new lending of small business loans estimated to comprise \$2.0 billion of the total.

Within rural communities, home loans represent an important structural resource, given that small business owners and nascent entrepreneurs disproportionately tap home equity as a source of startup, inventory and working capital.





# Findings – Workforce

State-wide Missouri mean wage of \$51,390 across all occupations

Nearly 10% of positions (265,540) reporting salaries over \$100,000.

Rural and small-town employment continues to be led largely by manufacturing and agricultural employers

The possibility for future income gains in those communities as the U.S. continues to experience a substantial post-pandemic re-shoring of manufacturing industry.



# Findings – Philanthropic Funding

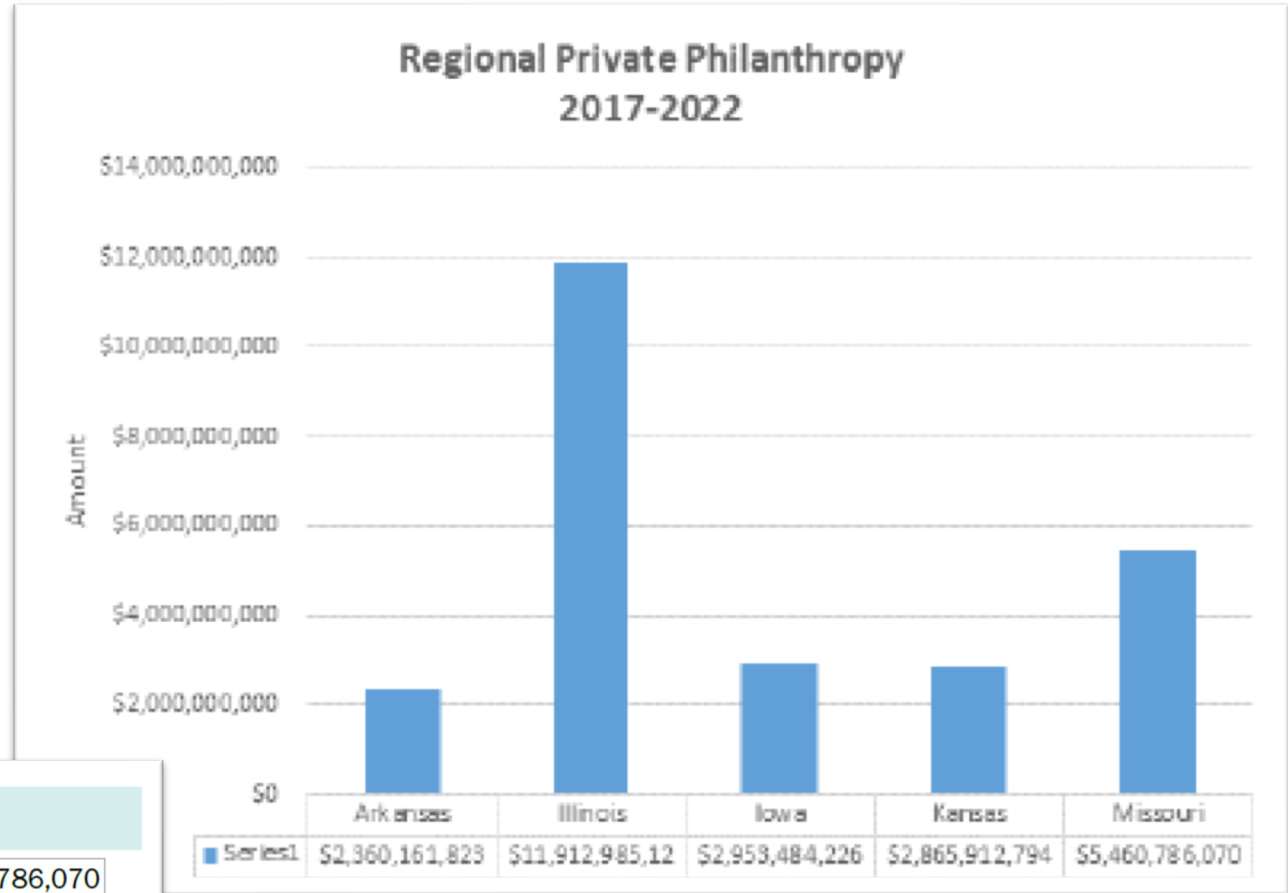
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- In Missouri, individual philanthropic giving is significant and represents 44% of all giving, but majority of the giving is concentrated in urban areas.
- Dearth of rural philanthropic investment

*(Source: Center for Civic Research and Innovation - CCRI)*

# Findings – Philanthropic Funding

According to the Foundation Directory, Missouri philanthropic giving totaled over \$5B between 2017-2022 - higher than adjacent states, but less than Illinois (this data is not adjusted for population).



Statewide Giving Totals (Rural and Urban 2017-2022)	
Missouri	\$5,460,786,070
Arkansas	\$2,360,161,823
Iowa	\$2,953,484,226
Kansas	\$2,865,912,794
Illinois	\$11,912,985,125

Source: Foundation Directory

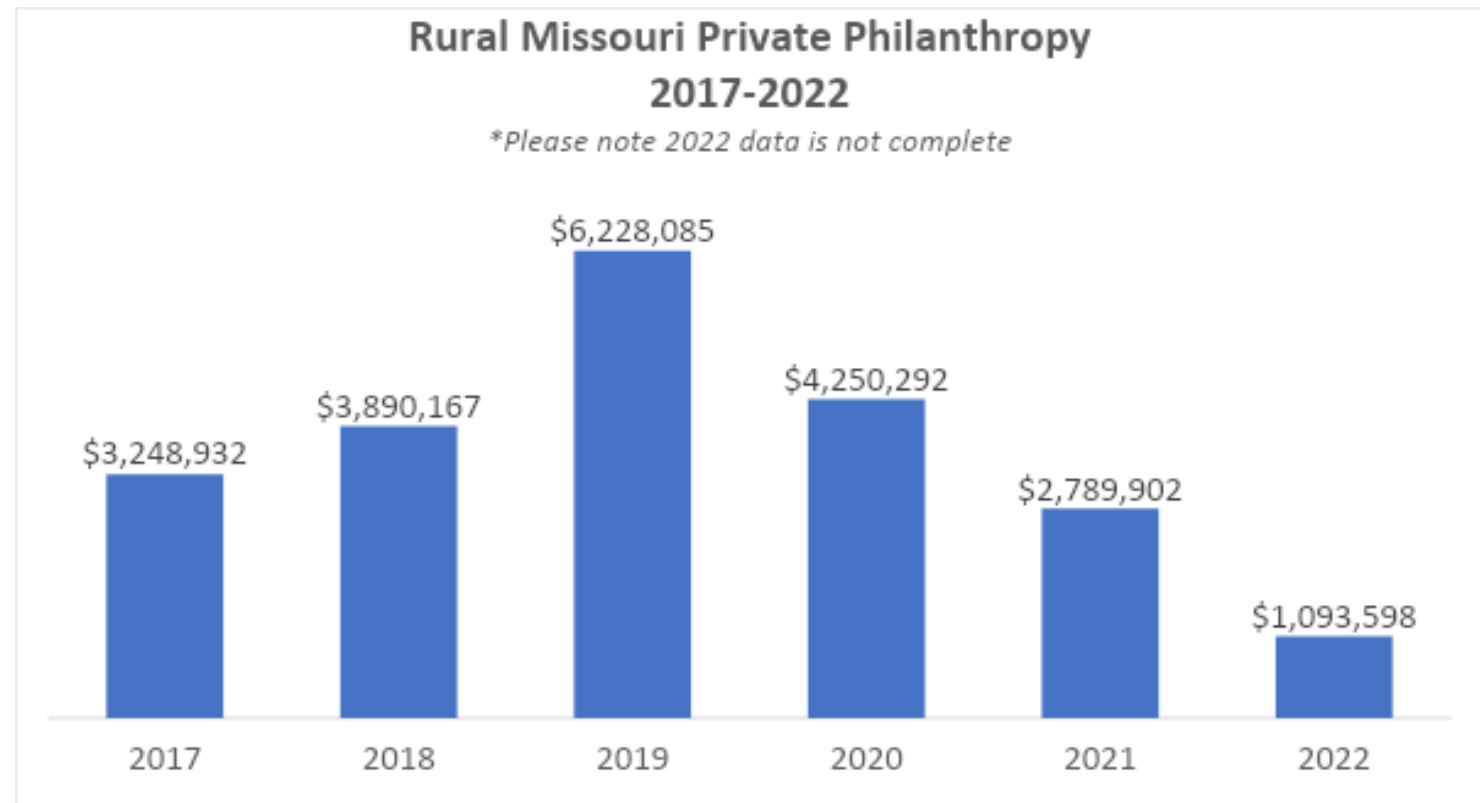


# Findings – Philanthropic Funding

Though Missouri foundation giving is quite strong compared to adjacent states, rural communities within Missouri receive far less than more urbanized centers.

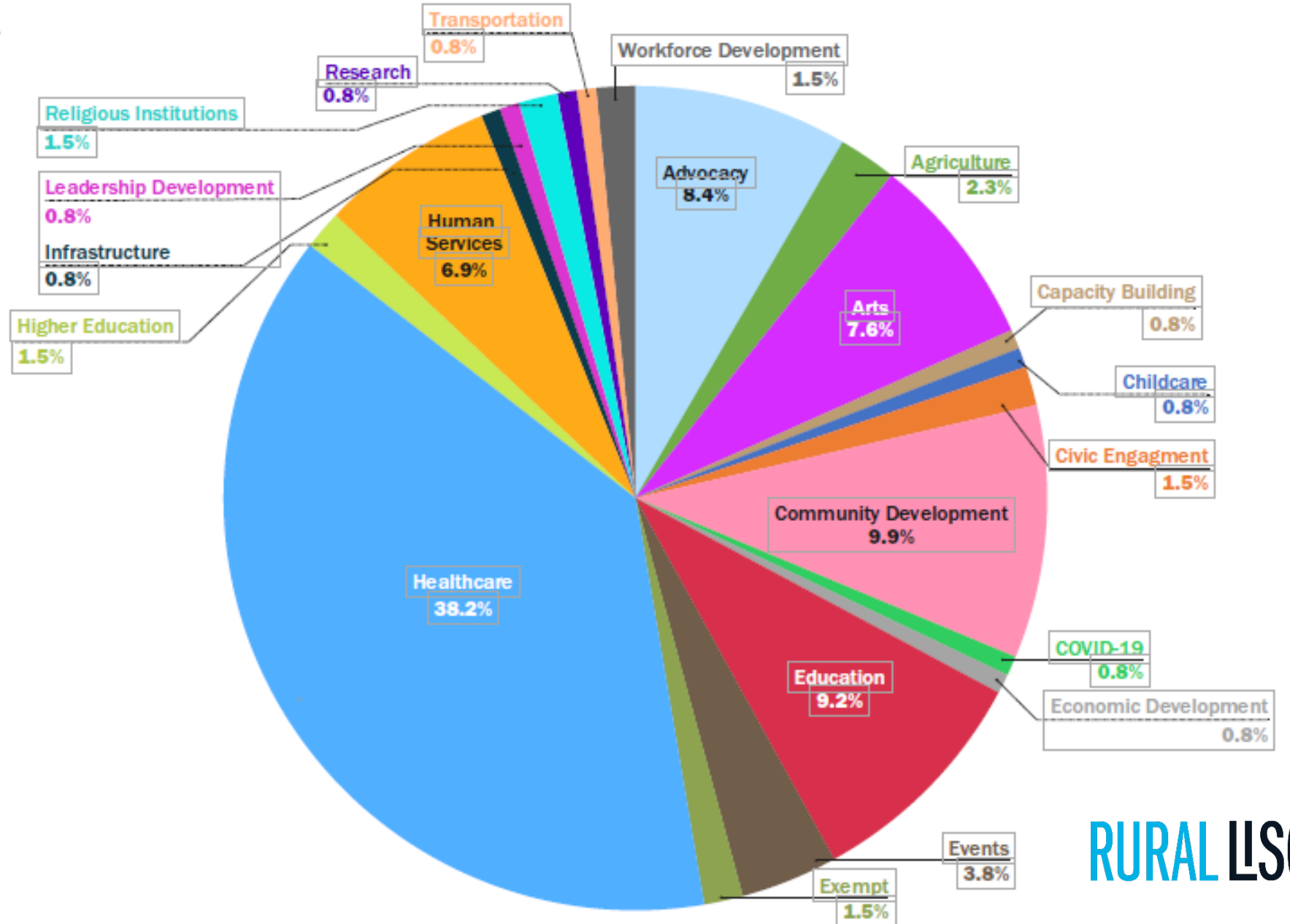
Between 2017-2022, Missouri foundations gave ~\$5B in private philanthropic investment. Of this total investment, only ~\$21M supported projects in rural Missouri.

Source: Grantsmanship Center



# Rural Missouri Private Philanthropy 2017-2022

## Findings – Philanthropic Funding



# Findings – Philanthropic Funding Opportunity

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- Though there is limited rural philanthropic investment, a recent report prepared by CCRI estimates that if just 5% of the 10-year transfer of wealth opportunity were to be captured by local non-profit organizations, such as community foundations, those organizations would realize over \$7.67 Billion in opportunity.
- Potential for rural investment IF there were a plan and corresponding systems alignment

*(Source: Center for Civic Research and Innovation - CCRI)*

***How Do We Get There?***



# Recommendations – Short-term Actions (Summary)

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Year 1

Create a Rural Collaborative

Year 2

Achieve Localized Scale

Years 2-5+

Develop a Statewide Rural Investment Entity to Guide and Leverage Future Growth

Years 3+

Undertake Rural Investment Advocacy

# Recommendations – Short-term Actions

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Year 1

Create a Rural Collaborative

Problem

Rural Missouri Suffers from a Fractured Ecosystem

Solution

Focus on a Systems Approach: Create a Rural Collaborative that Aligns Philanthropic Investment Opportunities around a Collective Vision that Supports High-impact Eco Dev Projects.

# Recommendations – Short-term Actions

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Year 2

Achieve Localized Scale

**Problem**

Rural communities struggle with a lack of capacity and leverage. They are often unable to organize smaller investment pools into larger opportunities needed to achieve scale and impact.

**Solution**

Create a Rural Matching Fund Account



# Recommendations – Short + Longer Term Actions

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Years 2-5+

Develop a Statewide Rural Investment Entity to Guide and Leverage Future Growth

Problem

Missouri lacks a statewide vehicle to help leverage public and private capital, and corresponding programs, for rural investment. There is no (nonpublic) entity guiding the deployment of capital and programs in a strategic way.

Solution

Create a statewide entity to assist with attracting, and deploying resources to rural communities. Consider a P3 or CDFI structure.

# Recommendations – Short + Longer Term Actions

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Year 3-5+

Undertake Rural Investment Advocacy

**Problem**

Missouri lacks regional awareness of rural conditions and limited rural advocacy, resulting in public policy implications.

**Solution**

Create a State Rural Advisory Council (embedded within a State agency) to focus and guide public-sector rural investment in coordination with the Rural Collaborative (P3).

# Final Thoughts – Stakeholder Analysis

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- Stakeholder feedback revealed that there exists consensus and desire for a common rural investment approach that better allows stakeholders to convene and collaborate around shared ideas, challenges, and specific programmatic investment opportunities.
- Philanthropy is in a unique position to help guide multi-sector collaboration around a rural investment vision, project prioritization and resource deployment.
- Report is intended to simply serve as a catalyst for more intentional rural investment and resource alignment.



**Questions? Comments?**

## Contact

Caitlin Cain,

LISC Vice President/Rural LISC Director

C 504.343.9585

E [ccain@lisc.org](mailto:ccain@lisc.org)