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Title

Where do Community Foundations locate? Examining Community Needs and Resources for Redistribution

Abstract

With a growing nonprofit sector, community-based efforts have become a key collaborator in service delivery and resource redistribution from the haves to the have-nots among local citizens (Rose-Ackerman, 1996; Ostrower, 1997; Hardin, 2015). Despite their potential for promoting redistribution and place-based change, systematic efforts to explain locational presence of community foundations or nonprofits across communities have been surprisingly low, with prior studies that are often limited in small sample size and not representative. Particularly, the presence of community foundation in the area signifies collective community effort in resource redistribution for improving local wellbeing. Given their potential contribution to community welfare, why did community foundations arise in some communities, and but not in others? More precisely, what are the factors that drive their locational choices and their prevalence in communities?

Location is an important but often neglected aspect in the literature of nonprofit scholarship. To a large degree, location signifies where member resources with particular demographic characteristics would originate (Bielefeld, et al., 1997). More importantly, by examining their locations at the national level, we might discover meaningful patterns that inform the presence or absence as well as the prevalence of such bottom-up collective efforts. We thus argue that the existence of community foundations is a function of community demand (or needs) and community resources to fulfill the demand (Ben-Ner and Van Hoomissen, 1991; DiMaggio and Anheier, 1990): To what extent and in what ways are their presence driven by the need-based demand for community change and the resource-based supply of dollars and non-monetary wealth that help fund such efforts?

We attempt to address this question by considering both demand-side and supply-side factors. Given the multidimensionality of community needs and resources, this study is a modest attempt
to generate a non-exhaustive list of need-based and resource-based factors to predict the presence and prevalence of community foundations. Specifically, drawing from the literature, we focus on resource-based factors, namely (1) Median Household Income, (2) Homeownership Rate, (3) Social Capital, (4) Percentage of Population Having Bachelor Degree Or Higher, (5) and Religiosity, need-based factors, namely (6) Poverty Rate, (7) Gini Index, (8) Unemployment Rate, (9) Vacancy Rate (10) Ethnic Diversity, (11) Crime Rate, (12) Old-Age Dependency Ratio (13) Children Dependency Ratio, (14) Disability Rate, (15) Uninsured Rate, as well as ecological factor such as (16) Urbanity to predict the presence and the number of community foundations if there is at least one. Using a zero-inflated negative binomial model, this study analyzes population data of 3,130 U.S. counties and county-equivalents as well as 3,130 community foundations in the U.S.

This study has important implications for public governance and community development. At the local level, a better appreciation of the underlying community characteristics would enhance our understandings of what promote and inhibit community-based collective action to redistribute resources and improve the well-being of members. Gaining the insights in collective action at the national level can catalyze bottom-up redistributive effort to reduce disparity in other communities and identify potential impasses that systematically discourage such efforts.

**Keyword**

Community foundations, place-based, collective action, resource redistribution