

CURA**reporter**

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Changing Patterns of Grantmaking: The Philanthropy Project in Retrospect

by Jon Pratt



The Philanthropy Project was a three year effort to reform philanthropy in Minnesota. Based on the results of three research reports and a comprehensive evaluation of the project it appears to have succeeded despite violating two time honored taboos: "Don't Look a Gift Horse in the Mouth" and "Don't Bite the Hand That Feeds You."

In 1982 a group of nonprofit staff and fundraisers began meeting informally to discuss how hard it was for smaller nonprofit organizations, especially those that served disadvantaged people, to get funding from foundations and corporations. The 1981 federal budget cuts added a tone of urgency. These discussions continued in several different forums for a year and a half.

Eventually there was virtually unanimous agreement that local foundations needed some form of "watchdog" organization. There was also virtually unanimous concern about retributions from the foundations that supported many of the participants' organizations. Finally it was decided that the subject warranted putting together a project and if twenty or thirty non-profit organizations signed up there would at least be solace if not safety in numbers. The Philanthropy Project was formed in July of 1983.

A Strategy Evolves

A key question faced by the organizers of the project was choice of strategy, "style" to some. How do smaller nonprofits best influence a group of institutions that do not want to be influenced and are beyond traditional mechanisms of accountability? Foundations are not subject to governmental oversight, they are not voted in, and they are not susceptible to boycotts or to other traditional consumer initiatives. How does a group of smaller nonprofits influence insti-

In This Issue

Changing Patterns of Grantmaking . . .	1
New Conflict Project	6
Will Farmland Survive?	7
1986 CURA Publications and Order Form	11

The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, religion, color, sex, national origin, handicap, age, veteran status, or sexual orientation.

tutions whose resources of money, influence, and tradition far exceed their own? The question became the most acute for those who were supported to varying degrees by the foundations they were wanting to change.

Foundations have assumed a greater measure of importance in Minnesota than in other areas because of their greater concentration here and the larger size of the nonprofit sector. The Urban Institute study *The Twin Cities Nonprofit Sector in a Time of Government Retrenchment* (Urban Institute Press 1984), showed that the Twin Cities has nearly double the amount of per capita nonprofit expenditures—excluding hospitals and colleges—when compared with other cities of a comparable size. Minneapolis-St. Paul ranks only behind New York City and San Francisco in the amount of per capita grants made by foundations.

The Philanthropy Project's initiators were from organizations with proven fundraising ability as well as smaller organizations not supported by the foundations. A crucial early meeting in January 1983 at the Center for Urban and Regional Affairs brought out the essence of the debate over strategy and tactics. At this meeting representatives of seven foundations and seven of the nonprofit organizations discussed the concept of the project and explored the potential for financial support of the project from the foundations the project was seeking to influence. The problem identified was a tendency on the part of the larger foundations to fund the larger, traditional quality-of-life institutions such as theaters, orchestras, colleges, and museums, to the exclusion of smaller organizations serving disadvantaged groups. The reasons for this pattern of giving were not totally clear nor one-sided. Donor interest, better contacts and fundraising skills among the larger institutions, the grantmaking process itself, and the lack of visibility of smaller nonprofits were all involved.

The organizers of the project felt strongly that the credibility of the effort necessitated a separate, community-based, membership organization. Also, given the lack of overview data, the project would have to create a research component to help define the problem and provide a baseline from which progress could be measured.

However, at this meeting several funders sharply questioned the need for a separate organization, particularly a membership organization, and disagreed with the need for research. Increased communication and proposals identifying areas of unmet need were recommended as substitutes.

Individual discussions followed and a compromise evolved. The project would be community-based, with an elected board, but would sunset in three years (a position also strongly supported by several of the project's organizers). The project would emphasize increased communication of the smaller nonprofits with foundation staff. An advisory committee was formed, drawn from the staffs of foundations and corporate giving programs.

Despite their differences with the Project's initial decisions, seven corporations (Honeywell; Northern States Power; General Mills; Pillsbury; St. Paul Companies; Lyman Lumber; and Piper, Jaffrey, and Hopwood) made grants to support the Philanthropy Project in the first year. CURA also provided office space, a half-time research assistant, and the services of support staff.

The Education Component

The project began "grantmaker education" and "peer education" activities. "Peer education" evolved into a series of breakfast workshops on topics suggested by members. An average of thirty-five people attended on such topics as "Introduction to Corporate Fundraising," "Religious Funding Sources," "Making the Case for Funding Advocacy," and "Fifty Foundations: A Detailed Course on Grants and Process." The informal contact at these workshops between experienced fundraisers and those just starting was a valuable if unplanned contribution to the project's eventual success. (The project, which began as an association of 23 nonprofit organizations, ended with 130 dues-paying nonprofits as members.)

"Grantmaker education" involved the direct contact of nonprofits with foundation and corporate staff and trustees. The project's first major public events were to sponsor three tours for donors to inner-city neighborhoods in Minneapolis and St. Paul. For each event the project chartered a bus and took thirty to forty participants to hear from the executive directors of nonprofit organizations representing and serving low income neighborhoods, women, racial minorities, and other disadvantaged constituencies. The goal of the tours was to increase the visibility of these organizations and to present a positive argument for increasing funding to benefit the disadvantaged.

Building a Research Base

Education of grantmakers also occurred in the interactions between the project and the foundations with regard to the project's research. These discussions and the relationships that developed were an effective if unwitting means of presenting the project's agenda and increasing the foundations' awareness of who was benefiting from their grants.

The research process evolved into the activity that crystallized the project in several ways. The research forced the board of the project, first, to develop a common definition of who the disadvantaged were and, then, to persuade the foundations that the definition was a fair one. Are the disadvantaged all those that have a tough time raising money (such as peace, environmental, and advocacy organizations)? What about groups working on literacy, economic development, alternative education, development of the arts, and chemical dependency? Within the project the issue was focused on the question "Is it organizations or people who are 'the disadvantaged'?"

The debate on the definition of the disadvantaged involved the full board of the project, including representatives of member organizations such as the Minnesota Institute on Black Chemical Abuse, Community Clinic Consortium, Neighborhood Justice Center, Sabathani Community Center, Hispanic Ministries, Hunger Action Coalition, Common Space Mutual Housing Association, and the Project for Pride in Living. After a great deal of discussion, the project settled on a definition that focused on constituency groups systematically denied equal access to society's resources—low income, women, racial minorities, handicapped, senior citizens, and illiterate people.

Next, the project's definition had to be applied against a massive list of grantees. The research was important because the goal of increasing grantmaking for the disadvantaged was a relative one, and needed to be measured. The project's research process, used three times for reports on grantmaking in 1982, 1984, and 1985, was to:

1. obtain a list of grants from each of the largest foundations,
2. categorize the grants by beneficiary, based on the project's definition and available information about each grant's purpose and the constituency of each grantee,
3. send initial categorization to foundations for verification,
4. finalize data and compute overall findings.

Each year the foundations involved became increasingly familiar with the research process, increasingly helpful in the completion of the research, and increasingly interested in the results. The first year data could be secured from only thirty-three

Cover photo: Emma Aguirre studies English with Bobbie Jacobson in pre-vocational English classes, part of the education and employment program sponsored by CLUES (Chicanos Latinos Unidos En Servicios). CLUES is an alternative service organization serving the Chicano-Latino community in St. Paul. Grants to alternative service organizations declined slightly between 1984 and 1985.



Women working out at the St. Paul YWCA. Traditional service organizations, like the Y, received three-fourths of the monies going to the disadvantaged in Minnesota. Monies for traditional service increased between 1984 and 1985.

of the largest forty; the third year included data from all forty. Several foundations altered their grant tracking computer programs to include the Philanthropy Project's criteria, and more grantseekers were being asked the question of who was benefiting from their services. This increased awareness of who was benefiting introduced a new variable for measuring philanthropy. To the measure of who gave how much for what activity it added the question "to whom?"

From the beginning the project emphasized that it could not answer who actually benefited from foundation grants. This would have involved evaluating each grant recipient's programs and would have led to questions far beyond the resources of the project. Who the *intended* beneficiaries were was a far simpler question, though not without its own difficulties. In general the project assumed an intent to benefit disadvantaged people when the grant was made to an organization or program whose primary purpose was to benefit one or more of the constituencies the project had defined as disadvantaged.

The project maintained that grants to organizations serving a group that might include disadvantaged members—a grant to a co-ed college's building fund is an example—would not be counted unless the terms of the grant specifically targeted one or more of the constituencies the project included in its definition of disadvantaged. This excluded some grants that partially benefited disadvantaged people, but was compensated for by the inclusive interpre-

tation given in defining disadvantaged constituencies. No attempt was made to judge, for example, whether particular women's organizations were serving "disadvantaged" women; all grants to all women's organizations were included.

Publicizing the Results

The first time the Philanthropy Project released its report, in 1984, the foundations were not individually identified with the results. The project was trying to strike a balance between public advocacy and private diplomacy. Studies with similar goals had been conducted previously in San Diego, Denver, Portland, and Washington D.C., but with little dialogue or follow-up. Trying to avoid the "big burp" strategy of indictment and probable alienation, the project eased into public disclosure of research results in the hopes of establishing an accepted research design and keeping the lines of communication open.

Research results were shared individually with each foundation, while the overall percentage of grants intended to benefit disadvantaged people was made public. Twenty-eight percent of all grants made in 1982 by the thirty-three largest foundations in Minnesota were intended to benefit the disadvantaged.

After the research was completed, staff and board members of the Philanthropy Project met with twenty-two of the thirty-three foundations studied to make a presentation on the results for that foundation and to discuss the project's recommenda-

tions. These presentations provided a very direct dialogue on the issues raised by the project. In many of these meetings the extensive media coverage of the Philanthropy Project was mentioned, suggesting that this was at least a factor in the amount of interest many of the foundations had in the project's work. In the final year of the project, a communications consultant was hired to further improve media coverage of philanthropy in general and of the project's work in particular.

The second year's research discovered that the percentage of grants for the disadvantaged had risen slightly to 30.1 percent, and for the first time each foundation's name was published with their individual performance. Again, presentations and meetings with foundations followed the report. (An early goal of the project had been to reach trustees of foundations, but with just five exceptions these presentations involved only foundation staff.)

The third time the research was done, in 1986 for grants made in 1985, was the first survey of grants made after the release of the initial Philanthropy Project report in late 1984. The percentage of grants to benefit disadvantaged people had increased to 38.1 percent. The results were released at the project's concluding conference in November 1986, attended by 150 foundation and nonprofit representatives. The results were page one news in both the Minneapolis and St. Paul newspapers the day of the conference. The news articles included the project's results for each of the forty foundations studied, in a table drawn from the project's final report (Table 1).*

To what extent was this increase in the percentage due to the work of the Philanthropy Project? That, indeed, is the \$14.7 million question (the increase in 1985 grants to the disadvantaged from what 28 percent would have been to the actual 38 percent figure).

Evaluation

The Philanthropy Project Board decided in the fall of 1985 to do an extensive project evaluation to address two questions: Did the project accomplish its purposes? Were there tasks that should be continued after the project closed at the end of 1986? To conduct this evaluation the project contracted with Karl Mathiasen from the Management Assistance Group, a Washington, D.C. firm having extensive consulting experience with nonprofits as well as principals who have had extensive service on foundation boards.

To gauge the impact of the Philanthropy Project, Mathiasen interviewed fourteen foundation executives and corporate-giving officers, and seven trustees and members

* Copies of the final report (*Minnesota Philanthropy and Disadvantaged People*) are available for \$7.50 from Minnesota Council of Nonprofits, 330 Humphrey Center, 301 19th Avenue South, Minneapolis, MN 55455.

of corporate distribution committees. Seventy-six leaders of member organizations of the Philanthropy Project were also interviewed. In each of the interviews questions were asked about nine areas in which the project could have had an impact. The results are summarized in Figure 1.

The quality of the project's research was highly rated, and the project's interaction with foundations was judged by both the nonprofit community and the foundation and corporate-giving community to have affected foundation and corporate-giving to the disadvantaged. Of the fourteen foundation and corporate-giving executives interviewed, nine thought the project had helped their foundation and corporate-giving work, and almost all indicated that the project had caused them to think differently about the amount of their support for the disadvantaged.

Of the nonprofit executives surveyed, 85 percent believed that the project had changed *attitudes* within foundations, while 57 percent of the foundation executives saw such a change. Over 70 percent of the nonprofits interviewed thought that the project's work had changed the *behavior* of foundations either a lot (12 percent) or moderately (60 percent), while 64 percent of the foundation executives interviewed believed there was some change in foundation behavior.

Ninety-seven percent of the nonprofits surveyed wanted monitoring of foundation activity to continue, and 80 percent hoped that advocacy for the disadvantaged would continue beyond the life of the project. All fourteen of the grantmaking executives believed that someone should continue the research and monitoring activity that the project had begun and five believed that advocacy on behalf of the disadvantaged was also required.

The Philanthropy Project's style was judged to be "very effective" by nine of the thirteen executives who answered this question, and the remaining four described it as "somewhat effective." The foundation executives described the project as an advocacy organization whose style was "persuasive" (nine), whose approach was "cautious enough" (eight), and whose efforts served as a prod, needle, or burr (seven).

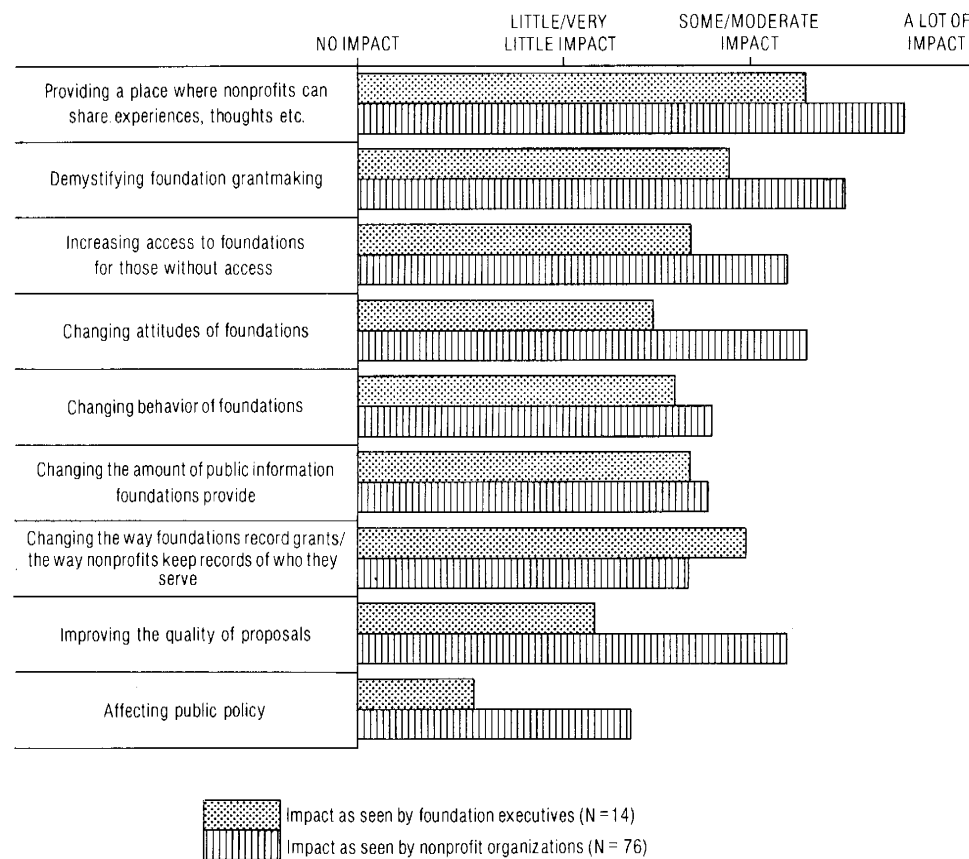
It would appear that the project was successful in maintaining the ear of the foundations while attempting to gently twist their arm. There was no retaliation against project members—to the contrary, organizations identified with the project were increasingly successful in their fundraising. (A comparison of the 1983 and 1985 fundraising by twenty-eight members of the project showed that while the number of proposals submitted increased by only 2 percent, site visits by foundation staff went up 52 percent, the amount applied for increased 97 percent, and the amount received increased 126 percent.)

The goal of the Philanthropy Project had

Table 1. SUMMARY OF REPORTS ON 1982, 1984, AND 1985 GRANTMAKING

	1982 Grants	1984 Grants	1985 Grants
Number of foundations in study	33	40	40
Total dollar amount of grants analyzed	\$118,080,395	\$124,066,091	\$145,965,363
Amount to disadvantaged	\$ 33,377,511	\$ 37,347,408	\$ 55,623,346
Percent to disadvantaged	28.0	30.1	38.1
Percent to women	3.1	5.5	6.5
Percent to racial minorities	6.8	6.3	11.1
Percent to low income, handicapped, senior citizens	18.3	18.4	20.5
Percent to Twin Cities	72.7	64.5	62.3
Percent to greater Minnesota	9.7	14.0	10.8
Percent to other states	17.5	21.5	26.5

**Figure 1. THE IMPACT OF THE PHILANTHROPY PROJECT
As Seen by Foundation Executives and Nonprofit Organizations**



been to increase the percentage of grantmaking that benefited disadvantaged people, and that increase took place among most of the foundations studied. Of the thirty-three foundations that were in both

the 1984 and 1985 studies, nineteen had increased their funding to the disadvantaged by 3 percent or more in 1985; seven had reduced it 3 percent or more; and seven had less than a 3 percent change either way.

Nonprofits assigned more credit to the Philanthropy Project for this change than did foundations. Some foundations stated that they were going to make the change in any event, and that the Philanthropy Project was just one factor among many, including the federal retrenchment in social spending. (The federal retrenchment had also been the strongest argument used by the project to explain why funds to benefit poor people should be increased.)

Media coverage of the project's research results clearly contributed to the change in the giving climate. While the tours, report recommendations, and individual presentations established a needed dialogue about grantmaking, for most foundations it was public disclosure of the rankings that did the most to put the disadvantaged on the agenda. When the second report's specific foundation results were released, the definitions and research design were well enough accepted that reactions were not to whether the right question was being asked, but to what was the appropriate portion for the disadvantaged? With the final report's publication, both major Twin Cities newspapers editorialized that the shift in funding was necessary and in the right direction.

What Next?

Responsibility for the changes will remain arguable. What is agreed, however, is that the question "Who benefits from foundation grants" is increasingly asked of foundations, who in turn are recognizing the importance of an accurate and informed answer. It is also agreed that many nonprofits serving the disadvantaged have enhanced their fundraising abilities and self-confidence through the Philanthropy Project's work.

Nevertheless, the increase in foundation funding has not managed to halt a deterioration in the quality of life for many of the disadvantaged directly affected by the cutbacks in government funding. A point made by many foundations soon after the first round of federal budget cuts in 1981 was that 4 billion foundation dollars nationally could not make up for \$200 billion in federal social cuts.

What seems to have happened in Minnesota is that most of the increase in grants to benefit disadvantaged people has gone to larger traditional service organizations. There is no indication that foundations or the nonprofits have developed a strategy that acknowledges their inability to make up for the federal cutbacks.

A small part of such a strategy, for example, would be shifting more dollars to advocacy organizations. The Philanthropy Project has urged this from its beginning with little success—grants for advocacy actually declined from 1984 to 1985. Nonprofit organizations themselves are beginning to recognize the need for a stronger and more effective advocacy voice both for themselves and for the constituencies they serve. The foundations will, it is hoped, be responsive to this development.

There is an increasing appreciation of the need for nonprofits to get involved in the debate over the role of government and governmental dollars. Nonprofit organizations need to communicate more effectively than they have in the past, and add to the business climate agenda of How fast is the economy growing? the question Who is benefiting?

Government is the only potential source of funding with sufficient resources to address adequately the needs of many of the disadvantaged, and it is the largest single source of revenue for nonprofits. Much as attention in the past three years has been paid to foundation funding, so an effort needs to be made now to examine in greater detail government funding that is intended to benefit particular disadvantaged constituencies. "Who benefits?" will continue to be asked of foundation funding; it should also be asked of many government funding programs.

To begin this discussion, and to address other needs of the nonprofit sector, a larger coalition of nonprofit organizations is being assembled as the successor to the Philanthropy Project. The Minnesota Council of Nonprofits will hold its founding meeting in the spring of this year.



The Alliance for the Mentally Ill of Minnesota (formerly Mental Health Advocates) is a grass roots organization working for better living conditions, programs, and services for the mentally ill in Minnesota. Advocacy organizations, like the alliance, received the smallest percent of monies going to the disadvantaged. Grants to advocacy groups declined between 1984 and 1985.

Jon Pratt was the director of the Philanthropy Project and is the executive director of the Minnesota Council of Nonprofits. For five years Pratt covered the midwest region for the Youth Project, a national foundation that provides seed grants and technical assistance to grass roots community organizations. Previously he was attorney/lobbyist for the Minnesota Public Interest Research Group, and he now serves on several nonprofit boards.

New Conflict Project Builds Theory

by John Clark

Handling conflict is a pervasive concern in modern society as it undoubtedly has been throughout human history. Formal or informal techniques for managing conflict (or resolving it or even making use of it) are used in a host of circumstances. Beginning with the practice of law (rule making), and on through various procedures for resolving inter-personal, intra- and inter-group differences and disputes, the reality is that conflicting claims for material and non-material goods are an important part of the social landscape.

Recently, greater attention has been given to developing more effective and efficient ways of responding to conflict than we have commonly practiced. This includes disputing parties addressing their differences through neutral third-party assistance without giving up their decision-making options to outsiders such as judges, arbiters, or other formally empowered officers. In fact, new occupations (such as mediation or negotiation) are emerging that seek to provide neutral facilitation services when conflict arises, so that disputing parties can reach an accommodation with their differences on essentially their own terms. Such practices appear to be growing rapidly, handling conflicts that might otherwise go into the legal system or that might receive no attention at all because of a reluctance to expose the issues to "outside" scrutiny.

The new Conflict Project, housed in the Humphrey Center, has been established in CURA to develop systematic information about conflicts and disputes. How do conflicts develop and why? How are conflicts handled? What are the consequences of handling them in various ways? What are effective intervention strategies and techniques?

Whereas most attention, to date, has been on doing something about the destructive or disruptive aspects of conflicts and disputes, less attention has been given to understanding the nature of conflicts, their consequences, and how they can best be resolved. Developing a knowledge base about social conflicts and disputes and about responses to conflict is the central concern of the Conflict Project.

The Conflict Project is one of eight study centers located in major universities across the country and partially funded by the Hewlett Foundation. Other centers are located at Harvard, Michigan, Rutgers, Wisconsin, Hawaii, Syracuse, and Northwestern. Core funding from Hewlett and from the University of Minnesota's central administration serve as a stimulus for pro-

gramming and funding involving the wider University and the community.

Initially, the Conflict Project will focus on two spheres of influence: 1) the faculty of the University and 2) a wider community

consortium of interests. The Conflict Consortium, which is in its formative stages, will include the University, state government, community mediation organizations, peace groups, private practitioners of mediation, business or corporate mediators, and other colleges and universities in the region. Its major purpose will be to encourage interactions among its members that will be mutually beneficial, so that scholars will learn from practitioners and practitioners from scholars as an understanding of conflict grows.

In response to a brief questionnaire, ap-

Seed Grant Awards for Conflict Theory Building

Paul Eilefson
Department of Forest Resources

"The Use of Conflict Resolution Techniques in the Implementation of Natural Resources Policy, Especially in Regard to Forests."

Luther Gerlach
Department of Anthropology

"Global Conflict Management Regarding Preventing and/or Adapting to the Human-Induced Greenhouse Effect."

Gullermina Jasso
Department of Sociology

"Emergence, Severity, and Resolution of Conflicts Between Two Subgroups of a Collectivity and Between Two Collectivities."

Samuel Kozlov
Department of Political Science

"On the Evolution of Major Operative Norms Independent of Government and Other Legal Decisions."

Robert Leik
Department of Sociology

"Theoretical/Mathematical Modeling of the Strategy of Timing in Negotiation."

Geoffrey Maruyama and Renee Peteman
Department of Educational Psychology

"Minority and Majority Influence on the Controversy Structure Within Cooperative Learning Groups."

Barbara Nelson and Sara Evans
Humphrey Institute and Department of History

"Ad Hoc Comparable Worth Committees as Conflict Resolution Arenas."

Marshall Scott Poole and Gerardine DeSanctis
Department of Speech-Communication and Department of Management Sciences

"Conflict Management in Computerized Group Decision Making."

Richard Sykes
Department of Speech-Communications

"Conflict Resolution in Hostage-Taking Circumstances."

Mark Umbreit
School of Social Work

"The Meanings of Fairness to Offenders Who Have Participated in Mediation."

Charles Walcott
Department of Political Science

"Application of Organizational Governance Theory to the Evolution of Policy-Making and Conflict Resolving Structures within the American President's Staff."

Joel Weinsheimer and Nancy Kohn
Department of English and Center for Humanistic Studies

"Law, Discourse, Power and Practice."

proximately 145 faculty at the University have indicated some interest in the activities of the Conflict Project. An advisory committee of leading University scholars and administrators has been established to help set project policy. They are:

- Mario F. Bognanno, professor and director of the Department of Industrial Relations,
- Arthur Caplan, director designate of the Biomedical Ethics Center,
- Allen D. Glenn, professor and associate dean of the College of Education,
- Royce Hanson, professor and associate dean of the Humphrey Institute of Public Affairs,
- Samuel Krislov, professor in the Department of Political Science,
- Barbara J. Nelson, associate professor in the Humphrey Institute of Public Affairs,
- Robert A. Stein, dean of the Law School,
- John Taborn, associate professor in the Department of Afro-American and African Studies,
- Andrew H. Van de Ven, professor and director of the Department of Strategic Management and Organizations, and
- Joyce A. Walker, assistant professor in the Center for Youth Development and Research, Agricultural Extension Service, and 4-H.

With the advice of a faculty review committee, about \$40,000 has been awarded in twelve seed grants to faculty in twelve departments to stimulate theory building about conflict (see Seed Grant Awards).

Several study groups or "working seminars" are being constructed at the University to help develop theory assessments, generate research proposals, facilitate cross-disciplinary communication, initiate interaction with persons in the Conflict Consortium, train graduate students, and support integrative seminars. Faculty with similar interests are being linked for these theory development groups. In addition to the small study groups a campus-wide "integrative seminar" will begin winter quarter. Presentations or demonstrations will be given on selected topics using both local and national speakers. The seminars will be designed for cross-disciplinary enrichment and will be open to persons outside the University community as well. "Utilization seminars" will present a third level of interaction. They will be seminars held periodically as an arena for faculty, students, and others to address conflict issues with portions of the community. They will give University people an opportunity to reach out with research "products" that they have developed into particular community groups where they may be useful.

The Conflict Project is also working with prospective members of the Minnesota Conflict Consortium in planning realistic

and useful activities for all concerned. For example, the Project is cooperating with the state government's Office of Dispute Resolution in its efforts to develop an alternative dispute resolution process as a commonly-used tool for settling disputes between individuals and units of state government. Additionally, the project has assisted the coming together of community-based mediation organizations from throughout the state for ongoing programs concerning the kind of services they provide. Quarterly conferences on theory-building are being held with the sister projects at other universities. Efforts are just beginning to establish mutually useful relations with individuals and groups interested in conflict and its resolution on a local and regional basis. Readers interested in becoming involved with the Conflict Project should contact John Clark, director, at (612) 625-0362.

Success for the Conflict Project will be

judged on two basic criteria: 1) the quality and quantity of appropriate theory that is stimulated by the project and 2) the impact that the project's existence has on the handling of conflict and disputes. Neither are easy matters to measure.

John Clark is a professor of sociology on the University of Minnesota's Twin Cities campus. He teaches and conducts research on rule making and rule breaking (including administrative, civil and criminal law), social control organizations and operations, employee relations in work organizations, and cross-country comparisons of how rule violations and conflicts are handled. This summer he will make his fifth study trip to the People's Republic of China. He is president of the Midwest Sociological Society.

Will Farmland Survive the Farm Crisis? The Winona County Data

by Thomas Anding, John Gilkeson, and Kevin Kajer

The current farm crisis is changing the shape of agriculture and of the family farm. In the spring of 1986 CURA, working with the Land Stewardship Project, conducted a mail survey of farmers in Winona County. Its aim was to assess how the current economic crisis in agriculture is affecting soil and water conservation practices, farm ownership patterns, and farm operations in the rolling, dairy country of southeastern Minnesota—country that is highly susceptible to soil erosion and groundwater contamination. The survey touched on a number of issues including land tenure, land use, agricultural practices, conservation practices, and crop and livestock patterns. A questionnaire addressing these issues was sent to all rural residents in Winona County, but replies were sought from the farmers in that county. Names and addresses were obtained from public records in Winona County.

Questionnaires were mailed to 1,250 rural residents. Approximately 48 percent of the estimated 1,037 farmers in that group returned completed surveys (489 farmers in all). The surveys were coded by township (see map). The highest response rates were in Dresbach (70 percent) and Mount Vernon (63 percent) townships, while the lowest response rate was in Winona Township (23 percent) an area where the percentage of rural residents who are farmers is quite low.

Farmers and Farm Size

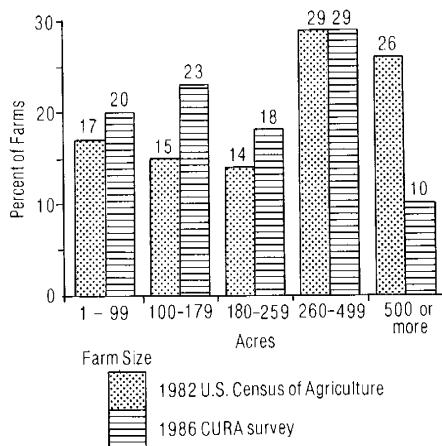
Ninety-seven percent of the farmers returning questionnaires were men and 3 percent women. Nearly 72 percent were older than forty, and 39 percent older than fifty-five. As a group they averaged twenty-seven years of farming experience, with twenty-two years of experience on the farm that they were operating at the time the CURA survey was conducted.

The farms represented were diverse, but for the most part they were family operations. The average farm size in this survey was just under 250 acres and 62 percent of the farms were smaller than 260 acres. To get an idea of how representative the sample was, we compared these figures with the U.S. Census of Agriculture for 1982. The census reported that 46 percent of Winona County farms were 260 acres or less, indicating that the CURA sample somewhat overrepresented smaller farms (Figure 1).

Land Tenure

Approximately 40 percent of the farmers in the CURA sample rented land from someone else in 1985. The average size of rented parcels was 179 acres, but 70 percent of the rented parcels were this size or smaller. Only 2 percent of all the farmers reported renting land but not owning any land

Figure 1. FARM SIZE, A COMPARISON OF THE CURA SURVEY WITH THE U.S. CENSUS



themselves. In the last five years rented acreage had increased for 40 percent of those who rented, while land ownership had increased for only 11 percent.

Who did the farmers rent land from? Three out of four rented land from relatives, other farmers, retired farmers, or a combination of these three. Just over 10 percent rented from a corporation or government body. Lease lengths were generally for one year (67 percent), though some ran for two or three years (16 percent), and some for over three years (16 percent). Nearly 90 percent paid their rent in cash rather than crop sharing.

A number of lease agreements specifically addressed such issues as land use, soil conservation, crop rotation, fertilizer use, and herbicide and insecticide use.

More than a third of the leases mentioned soil conservation, a third mentioned crop rotation, and more than a fourth mentioned land use, while nearly one in four stated the crops to be grown, one in eight specified fertilizer use, and again one in eight specified insecticide or herbicide use.

Farm Sales

The farmers were asked about their gross sales in 1985. Just over 42 percent reported gross sales between \$20,000 and \$100,000. Twenty-nine percent reported sales of more than \$100,000 and the same percent reported sales of less than \$20,000 (see Figure 2).

Land Use and Crops

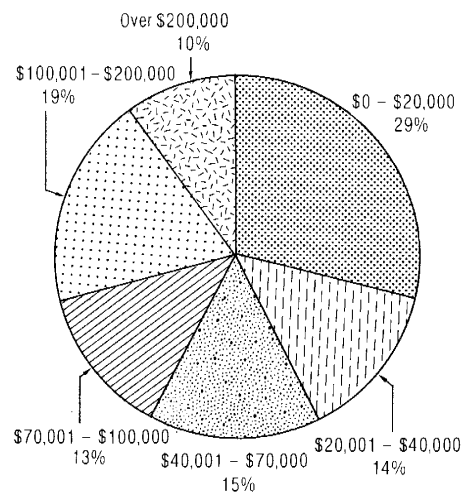
Corn, soybeans, and small grains were grown on just over 40 percent of the owned acreage reported in the survey. Hay and pasture took another 36 percent. On rented acreage, crops of corn, soybeans and small grains were larger. They covered just over 48 percent of the rented lands, while hay and pasture covered 35 percent.

Corn was grown by 81 percent of the farmers in the survey. Small grains were grown by 66 percent and 20 percent grew soybeans. The average crop acreage, however, was moderate. Average crop sizes were: seventy-eight acres in corn, thirty-six acres in soybeans, and thirty-four acres in small grains.

Livestock

Most of the farmers raised livestock as well. Eighty-five percent raised either dairy cattle, beef cattle, or hogs: half had dairy cattle, a third, beef cattle, and a fifth, hogs. Again, we found that livestock operations were

Figure 2. GROSS FARM SALES, 1985



generally small. Operations with less than 100 animals made up 55 percent of the dairy herds, 79 percent of the beef herds, and 56 percent of the swine herds (see Figures 3-5).

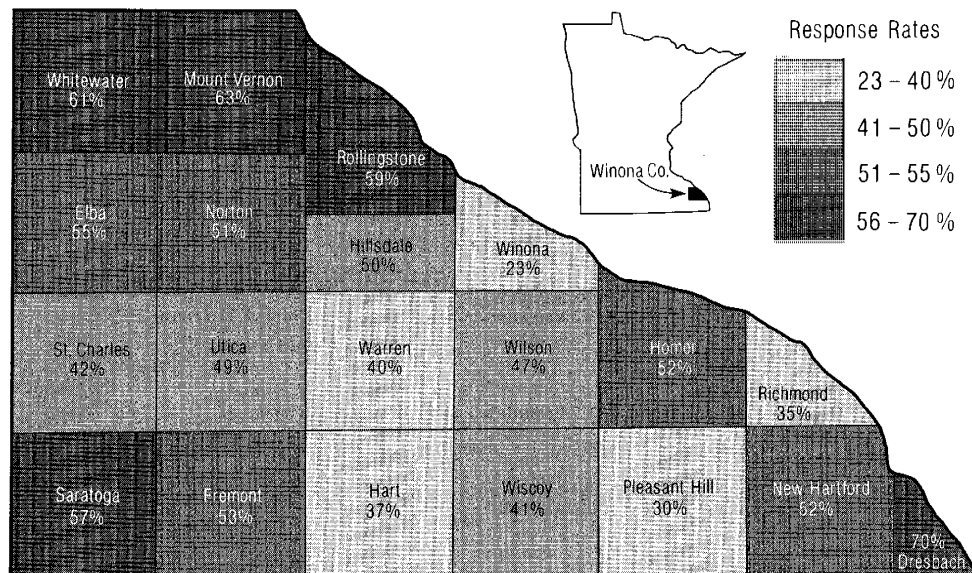
Chemicals and Fertilizers

Chemical fertilizers were used primarily on corn. Farmers renting land were more likely to apply chemical fertilizer than those who owned the land they grew corn on. Approximately 75 percent of the farmers growing corn on their own land, and 84 percent of those renting corn acres, applied chemical fertilizers. But, almost all corn acres were chemically fertilized (90 percent of the owned corn acres and 97 percent of the rented corn acres). Rates of application did not vary appreciably between rented and owned land. Corn growers applied an average of 122 pounds of nitrogen, 58 pounds of phosphorus, and 109 pounds of potash to their corn acreage. An average of \$14.60 per acre was spent on chemical fertilizers.

Manure was used as a fertilizer by three out of four farmers. They fertilized an average of fifty-one acres per year with manure and it made up, on average, about 47 percent of the total amount of fertilizer they used. Sixteen percent reported using only manure as a fertilizer. The farmers handled manure in a variety of ways. Some (a fifth) stored a portion of the manure their animals produced in a lagoon or pit, some (a half) stored manure in a pile, and most (90 percent) spread some portion of the manure on their crops as it was generated.

The use of herbicides and insecticides was a widespread practice. Just over 73 percent of the farmers reported using at least one herbicide or insecticide. Farmers that used these chemicals spent, on an average, \$6.10 per acre on them. The most widely used herbicides were Atrazine (82 percent), Lasso (69 percent), and Bladex

FARMERS RESPONDING TO THE WINONA COUNTY SURVEY (by township)



Figures 3-5. ANIMALS IN LIVESTOCK OPERATIONS, 1985

Figure 3. DAIRY CATTLE

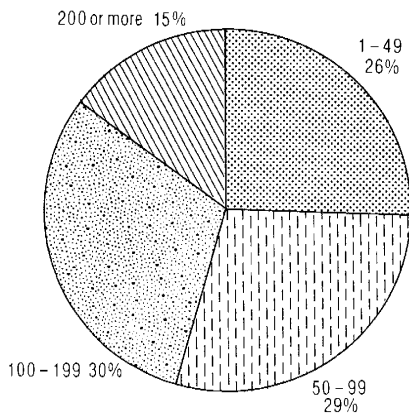


Figure 4. BEEF CATTLE

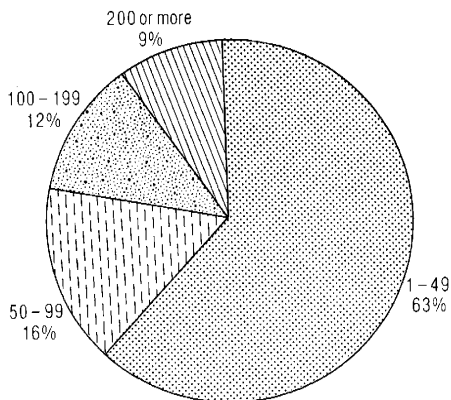
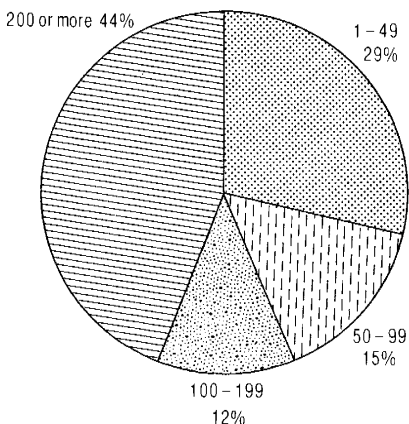


Figure 5. HOGS



(42 percent); while Counter (41 percent), Dyfonate (30 percent), and Furadan (24 percent) were the most widely used insecticides.

Conservation Practices

Approximately 30 percent of the farmers surveyed had a written farm conservation plan, and about six in ten of these plans were fully implemented. However, these numbers may not accurately reflect the extent to which conservation practices are used. Eighty percent of the farm owners reported that they keep an average of 133 acres in a rotation that includes a year or more of hay, sod, or pasture. Among the farmers who rented cropland, 70 percent had an average of 113 acres in such a rotation. Figure 6 indicates the use of other conservation practices.

Despite the widespread use of these conservation practices, the survey results indicate that the most common techniques, with the exception of reduced tillage, are used more often on owned land than on rented land (Figure 7).

Soil Erosion and Water Quality

The farmers were asked to what extent they believed soil and water erosion were problems on their own farms and in the county as a whole. Consistently, they believed soil erosion was a more serious problem in the county than on their own farm (Figure 8). More than 80 percent believed that soil erosion in the county was a serious or moderate problem, while only 17 percent believed it to be a serious or moderate problem on their own farm. Eighty-four percent reported that soil erosion on their farm was slight or no problem at all.

Similarly, 60 percent of the farmers felt that there were serious or moderate water quality problems in the county, but only 23 percent felt that water quality was a serious or moderate problem on their own farm. More than three-fourths of the farmers have had their water tested, and of those who had water quality problems (17 percent), high levels of nitrates were the predominate problem (for 77 percent).

Farmers were polled about their attitudes toward a number of soil erosion and water quality issues. They showed a high degree of concern for controlling soil erosion and preventing water quality problems (Figure 9).

The statement that "Erosion control is necessary to maintain soil productivity," had only 2 percent in disagreement, while one that "Soil and water conservation cost more than they are worth," found 79 percent in disagreement. On a number of statements farmers were more divided, yet only 22 percent disagreed with "Public land use controls are a good way to protect natural resources in the county" and only 29 percent disagreed with "Economics is the most significant barrier to conservation."

Figure 6. CONSERVATION PRACTICES USED IN 1985 (in percents)

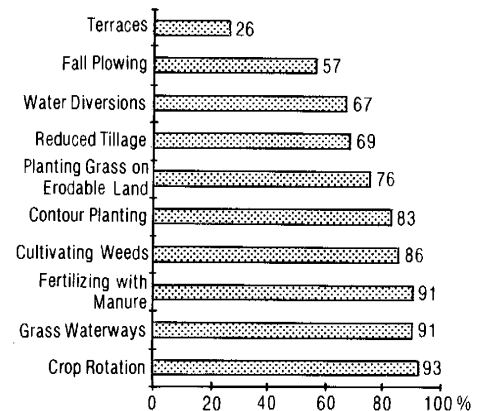


Figure 7. CONSERVATION PRACTICES ON OWNED AND RENTED LAND (in percents)

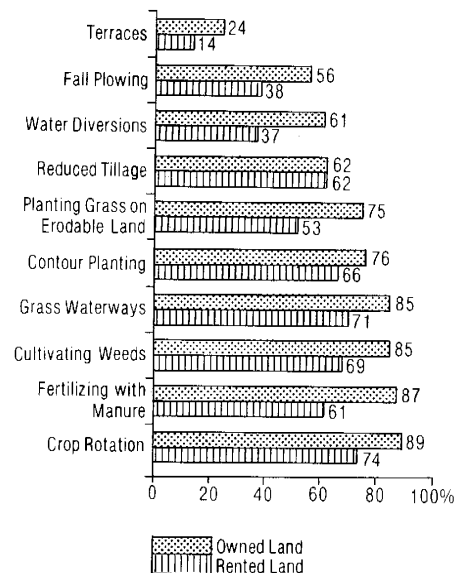
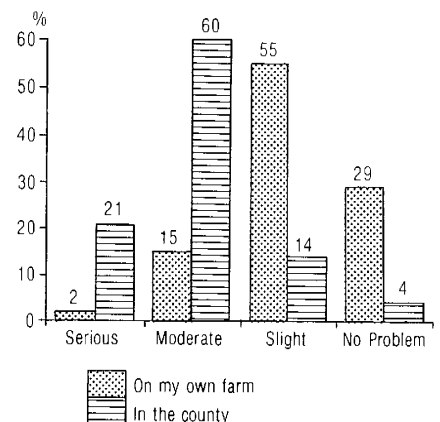


Figure 8. PERCEPTIONS OF THE EXTENT OF SOIL EROSION (in percents)



The Land Stewardship Project

The Land Stewardship Project has been working since 1982 toward creating the ideal that one day we, as a nation, will hold our country's farmland in the same high regard we now reserve for our national parks and wilderness areas, and that every farmer and land owner will strive to leave the land in better shape than when he or she received it. As a nonprofit education program, the project works to foster a sound stewardship ethic toward farmland and to create public policy changes that will lead to the development of a sustainable agricultural system.

The project has been conducting programs in high-erosion counties in the Upper Midwest designed to increase public awareness about the problems of soil and water degradation and farmland loss to development. While various state and federal conservation agencies concentrate primarily on providing technical advice and cost-share monies, the project focuses on values and ethical issues

around the care and use of agricultural resources.

With the support of foundations, church denominations, state humanities councils, and individuals, the Land Stewardship Project has conducted programs and follow-up activities in more than seventy counties in Minnesota, Iowa, Nebraska, and the Dakotas. In addition, in several of these counties, the project has established land stewardship groups, composed of local farmers and concerned citizens. These groups work within their communities to bring about an increased understanding of the need for better stewardship and to promote the adoption of local policies that will protect soil and water resources.

Winona County was chosen for a model stewardship program. A three-year commitment, which began in January 1985, is designed to transform Winona County into a model of soil and water stewardship for the rest of the Midwest.

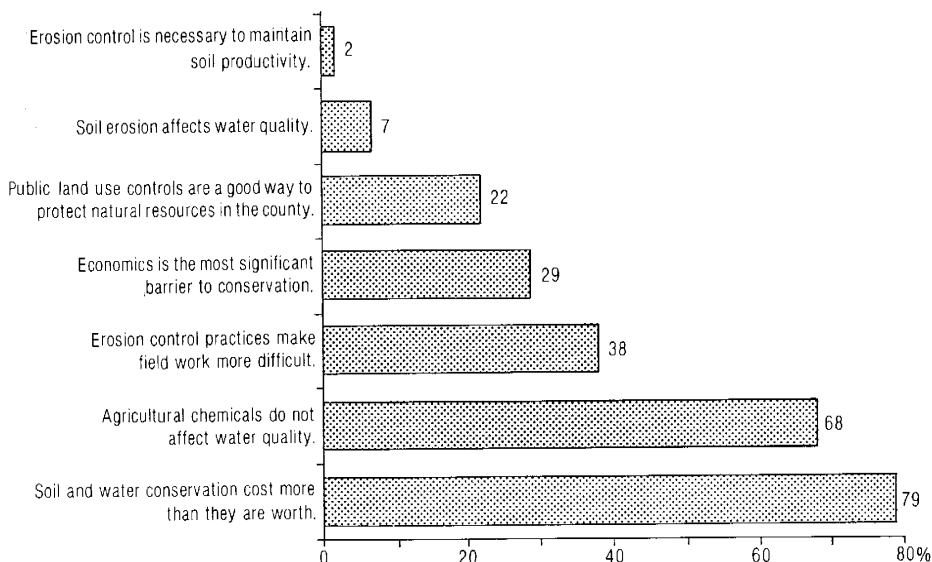
Changes in Farm Practices

Farmers reported a wide variety of changes in their farming practices over the last five years, and a number that were significant. Despite the economic difficulties they were facing, conservation efforts had been significantly increased. Only 2 percent of the

farmers reported decreasing their conservation efforts, while 50 percent had increased such efforts. Participation in state and federal conservation programs had increased for approximately 25 percent of the farmers, and decreased for only 9 percent.

Use of fertilizers had been reduced in the last five years by nearly one-third of the

Figure 9. ATTITUDES TOWARD SOIL EROSION AND WATER QUALITY ISSUES (percent disagreeing with each statement)



farmers, though one-sixth reported increasing their use of fertilizers. Use of pesticides had been decreased by one in four farmers, while only one in fourteen reported increased use of these chemicals.

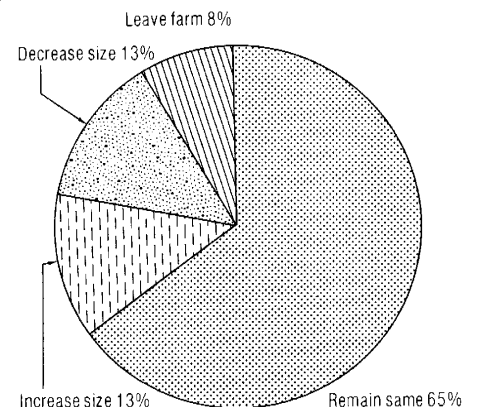
Future Trends

Were these farmers anticipating changing their operations in the next five years? Nearly two-thirds planned to maintain their current level of operations, while almost equal numbers (13 percent) planned to either increase or decrease the size of their operations, and 8 percent planned to leave farming (Figure 10).

The survey data suggest several inferences about future farm operations in Winona County. The median age of farmers should continue to rise. Nearly 40 percent of the CURA sample were over age fifty-five, while less than 1 percent were under twenty-five.

Farm size is likely to increase. Over half of the farmers planning to expand in the next five years had gross sales of more than \$100,000, while half of those planning to

Figure 10. CHANGES PLANNED IN FARM OPERATIONS IN NEXT FIVE YEARS



decrease operations had gross sales of \$40,000 or less in 1985. Of those who plan on decreasing operations, 68 percent own small parcels (260 acres or less). And among those who plan to leave farming, 42 percent own even smaller parcels (between 40 and 179 acres). Two out of three of the farmers who purchased land in the last five years had gross sales of more than \$100,000.

More land will be rented out in the future, and it will be rented by the larger farm operators. The survey showed that farmers renting land were likely to already own substantial parcels of land and to earn substantial income from that land. More than half of those who rented land owned over 260 acres themselves, and 60 percent had

continued on page 12

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gross sales of more than \$100,000. On the other hand, 80 percent of those who reported renting more land to others grossed \$40,000 or less. Farmers that rented additional land in the last five years were three times more likely to be planning to increase their operations in the next five years when compared with farmers not renting at all.

The survey does indicate some cause for concern. The results show that conservation practices are used more often on land farmed by its owner than on rented land. The possible increasing reliance on rented land may mean that there will be di-

minished use of conservation practices in Winona County in the future.

The attitudes of those surveyed toward the variety of statements about conservation indicate a favorable climate for local initiatives to protect soil and water and to establish land use control. However, these farmers' differing perceptions of the extent of soil erosion and water quality problems in the county as compared with their own farms, may indicate that they favor such measures primarily in principle, and that the implementation of such initiative will be greeted with caution.

Thomas Anding is the associate director of CURA and is responsible for a series of projects dealing with environmental issues in Minnesota. John Gilkeson and Kevin Kajer are both graduate students in the Humphrey Institute of Public Affairs. They have been working with CURA as environmental research assistants. Kevin Kajer has recently left CURA to become a fiscal analyst for the Minnesota House of Representatives. John Gilkeson continues with CURA, where he is involved with conducting similar surveys in two southeastern Minnesota watersheds.



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The Center for Urban and Regional Affairs was established to help make the University of Minnesota more responsive to the needs of the larger community and to increase the constructive interaction between faculty and students, on the one hand, and those dealing directly with major public problems, on the other hand.

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- what CURA projects are doing
- related programs and projects in the University
- related programs in other Minnesota colleges and universities, and
- actions outside the educational establishment which affect our plans and programs.

Comments and contributions are welcome. Thomas M. Scott, director; Thomas L. Anding, associate director; William J. Craig, assistant director; Judith H. Weir, editor.

CURA

University of Minnesota
330 Hubert H. Humphrey Center
301 19th Avenue South
Minneapolis, MN 55455

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