
Montana Community Foundation

2024 Otto Bremer Trust Community Responsive Fund

At the request of the Montana Community Foundation (MCF), Headwaters Economics conducted an independent analysis of the 2024 Otto Bremer Trust Community Responsive Fund administered by MCF. MCF's goal is to understand what socioeconomic and/or local capacity barriers may be limiting access to philanthropic funding in Montana. The analysis focused on three primary sets of questions:

1. **Successful versus unsuccessful proposals:** What is the geographic distribution of successful versus unsuccessful proposals? How do applicants compare in terms of socioeconomic characteristics?
2. **Communities that did not apply:** Are there counties that did not submit any funding requests? If so, do they share common characteristics?
3. **Capacity:** How did low-capacity counties perform compared to high-capacity counties?

The following analysis included data from the Community Responsive Fund proposals submitted to MCF and additional datasets about underserved communities and capacity.¹

Key findings

- **There is high demand for Otto Bremer Trust's funding.** MCF received 413 pre-applications totaling more than \$21.3 million in funding requests. 36 proposals were funded (9% selection rate).
- **MCF succeeded at targeting rural and tribal communities.** 58% of the selected applicants were from communities with 10,000 people or less. 28% of selected proposals directly benefit Native Americans.
- **Lower-capacity counties were prioritized by MCF's selection processes.** While low-capacity counties submitted fewer proposals than high-capacity counties, they were more than twice as likely to be selected.
- **However, some places struggled to access the program.** MCF did not fund any proposals from the state's northcentral or northwestern regions. They also did not receive any funding requests from seven counties, all of which are rural, remote, and low capacity.

Background

In 2024, the Montana Community Foundation (MCF) was awarded \$1.5 million from the Otto Bremer Trust to distribute to nonprofit organizations that provide direct services to Montana communities in four categories: basic needs, community asset building, health and wellbeing, and restorative and emergency response. Organizations could use the grant funding for project, program, and/or operational expenses, making it uniquely flexible. Grant awards were between \$10,000 and \$75,000.

MCF staff developed a phased application process and tailored their outreach to encourage proposals from rural and tribal communities. Headwaters Economics provided data on socioeconomic vulnerabilities and capacity to

¹ MCF was originally interested in using the proposals to assess needs across Montana. However, the researchers recommend MCF conduct a broader statewide assessment to ensure findings are not influenced by the parameters of a single funding opportunity.

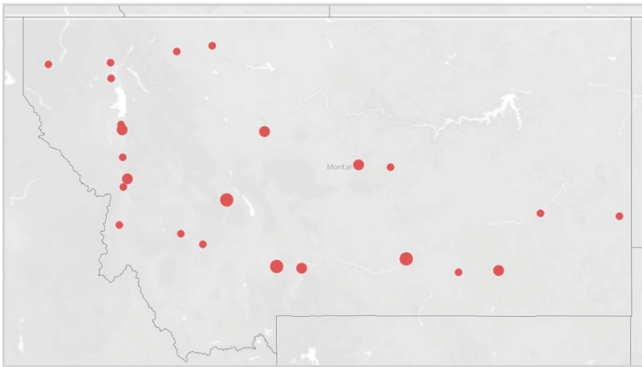
help MCF target rural, vulnerable, and disadvantaged communities. MCF received pre-applications from 413 organizations. Of these, 70 were invited to submit full applications, which were then evaluated by external review committees made up of experts from across the state. In June 2024, MCF announced that 36 organizations from across Montana were selected for Otto Bremer Trust Community Responsive Fund awards.

1. Successful and unsuccessful proposals

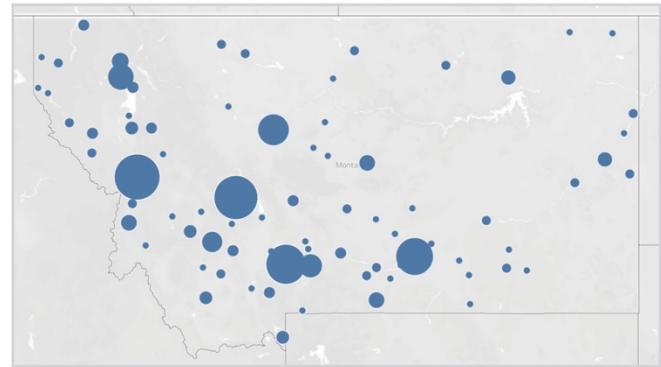
MCF received 413 proposals that totaled more than \$21.3 million in funding for the Otto Bremer Trust opportunity. Due to funding availability, 36 proposals were selected from 19 counties – a 9% selection rate. This demonstrates high demand for this type of funding and a strong interest in both MCF and the Otto Bremer Trust.

The maps below highlight the geographic distributions of the proposals with the left map indicating funded proposals and the right map indicating proposals that were not funded.² The larger the dot, the higher the number of proposals received from that location. *Note: Four applicants located from outside of Montana also requested funding. They were not selected and are not included this analysis.*

Successful Proposals



Unsuccessful Proposals



Counties with Successful Proposals			
County (# of selected proposals)	Total Funding	County (# of selected proposals)	Total Funding
1. Gallatin (3)	\$175,000	11. Ravalli (1)	\$55,000
2. Yellowstone (3)	\$172,000	12. Fallon (1)	\$50,000
3. Missoula (3)	\$155,000	13. Silver Bow (1)	\$50,000
4. Flathead (2)	\$126,000	14. Fergus (2)	\$27,000
5. Rosebud (2)	\$125,000	15. Petroleum (1)	\$25,000
6. Lake (4)	\$125,000	16. Deer Lodge (1)	\$25,000
7. Lewis & Clark (3)	\$110,000	17. Big Horn (1)	\$15,000
8. Cascade (2)	\$95,000	18. Custer (1)	\$10,000
9. Glacier (2)	\$85,000	19. Lincoln (1)	\$10,000
10. Park (2)	\$65,000	Total	\$1,500,000

² Applicants were mapped by their organization city. Many of the applicants serve a geography that is broader than this location, which is not represented in the maps.

There are stark differences between the pool of proposals that were successful and those that were not. Successful proposals were more likely to be rural, from low-income communities (median income of less than 80% of state median income), and have higher rates of poverty for families. Rural communities (fewer than 10,000 people) collectively received 51% of the grant’s total funding. Successful proposals were also more likely to indicate that they serve Native Americans when compared to unsuccessful applicants, 28% versus 3%, respectively.

Successful Proposals (36)	58% Of applicants were from communities with <10,000 people	28% Of applicants directly serve Native American communities	42% Of applicants were from low-income communities (based on median income)	14% Avg. poverty rate for families in applicant’s community
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Unsuccessful Proposals (373)	42% Of applicants were from communities with <10,000 people	3% Of applicants directly serve Native American communities	20% Of applicants were from low-income communities (based on median income)	8% Avg. poverty rate for families in applicant’s community
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There are notable geographic gaps in the funded proposals. MCF received far fewer applications from eastern Montana and did not select any proposals from the state’s northcentral or northeastern regions.

2. Counties with no proposals

MCF did not receive any proposals from the following seven counties: Blaine, Carter, Garfield, Liberty, McCone, Powder River, and Roosevelt. Notably, each of these counties is considered a low-capacity community (see Appendix A). As demonstrated below, they are also rural, remote, and have socioeconomic characteristics that suggest economic struggles. Roosevelt County and Blaine County have large portions of tribal reservation lands. These seven counties have high needs but are struggling to access philanthropic resources. To reach communities in these counties, MCF can consider doing more relationship building and targeting them in future funding opportunities.

County	Population	Pop. Density (people/mi ²)	Avg. time to 50,000+ city	Families in poverty	Broadband access
Blaine	7,030	1.7	161 mins	16%	79%
Carter	1,332	0.4	122 mins	11%	82%
Garfield	976	0.2	165 mins	8%	92%
Liberty	1,993	1.4	129 mins	19%	68%
McCone	1,746	0.7	211 mins	1%	84%
Powder River	1,773	0.5	154 mins	9%	76%
Roosevelt	10,799	4.6	247 mins	25%	68%

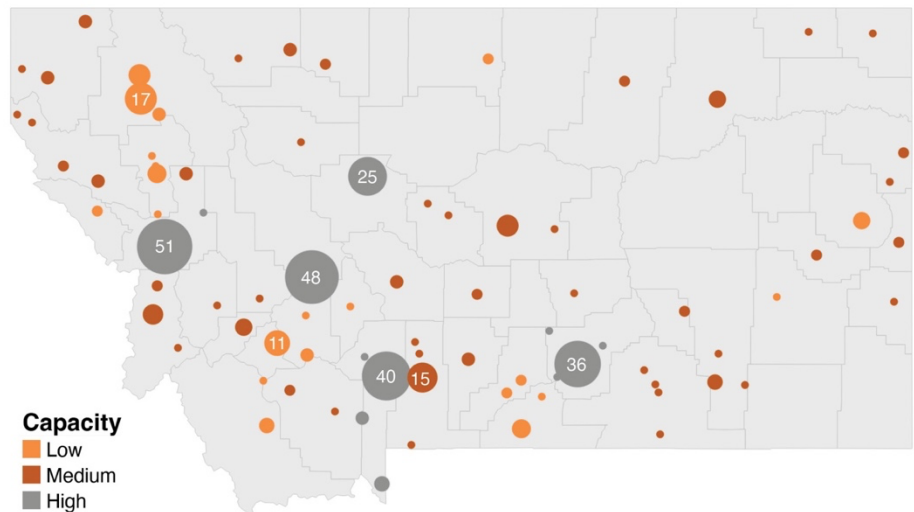
Sources: U.S. Census Bureau, [American Community Survey](#), 2022; U.S. Census Bureau, [TIGER files](#), 2021.

3. Capacity barriers

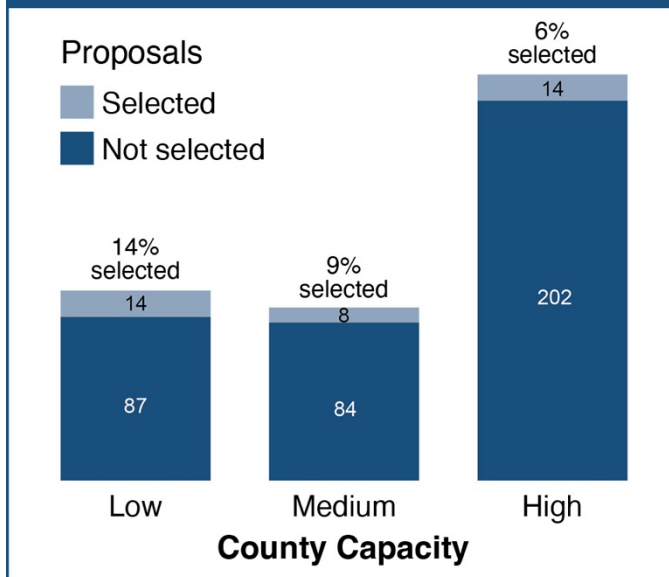
Many rural and disadvantaged communities do not have the capacity—the staffing, tax base, and expertise—to effectively plan, fund, build, and maintain critical resilience projects. Lower-capacity places are often the places most in need of these investments and the least able to access funding opportunities. Headwaters Economics developed the **Rural Capacity Index** to identify places with low capacity (see Appendix A).

County capacity influenced the number of proposals submitted to MCF

The map to the right illustrates the 409 Montana-based submissions to the Otto Bremer Trust Community Responsive Fund. The larger the dot, the more proposals originated from that community. The dots are colored based on whether the applicant is in a low-, medium-, or high-capacity county, as defined by the Rural Capacity Index.



Low-capacity counties submitted fewer proposals but were twice as likely to be funded.



Most of Montana’s counties (68%) have low-capacity (see Appendix A). However, 52% of all proposals submitted to MCF came from Montana’s five high-capacity counties: Gallatin, Missoula, Yellowstone, Lewis and Clark, and Cascade Counties. In comparison, 22% of submissions came from medium-capacity counties and 24% came from low-capacity counties.

While MCF received fewer proposals from low-capacity counties, they were over **twice as likely to be selected** when compared to high-capacity counties. The selection rate for low-capacity counties was 14% versus 6% for high-capacity counties. MCF was thus successful at prioritizing lower-capacity and rural communities in the selection process.

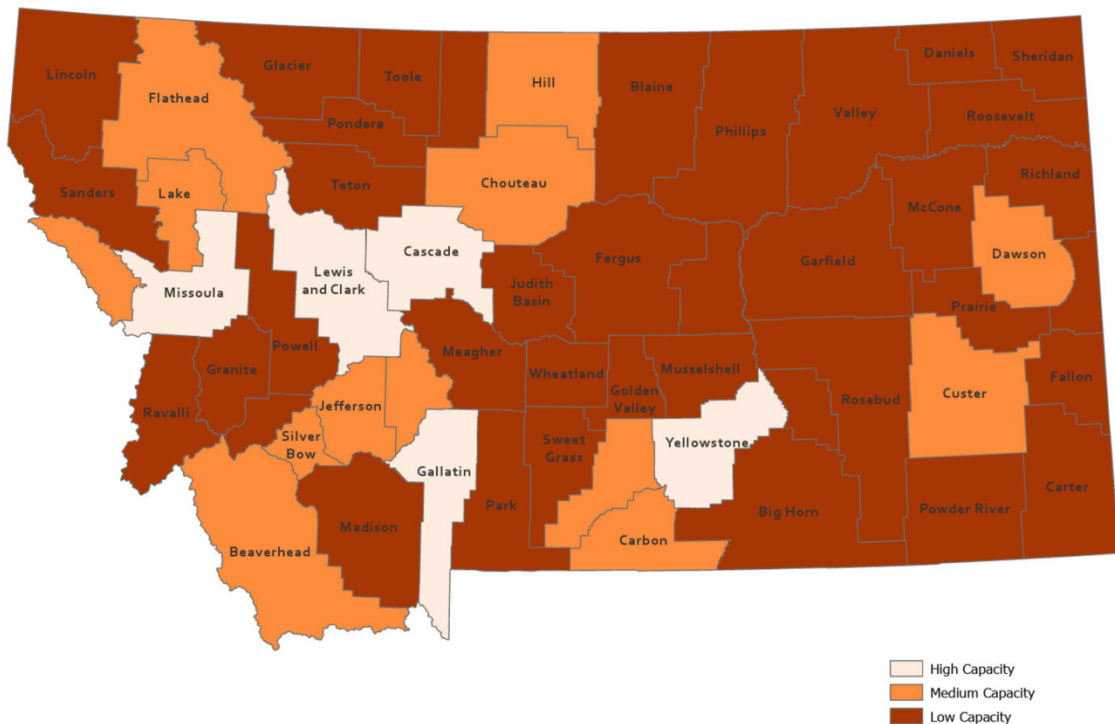
Notably, there are 87 proposals from low-capacity counties that were not funded this year and could benefit from new rounds of funding or alternative grant opportunities.

Appendix A. Rural Capacity Index

Headwaters Economics developed the Rural Capacity Index to identify communities with limited capacity – the staffing, resources, and expertise – to apply for funding, fulfill complex reporting requirements, and design, build, and maintain infrastructure projects over the long term. The Index is based on 12 variables that can function as proxies for community capacity. The variables incorporate metrics related to four categories of capacity: local government staff and expertise, institutional capacity, economic opportunity, and education and engagement.

The Rural Capacity Index is a free, interactive data tool available online (with a full explanation of methodology) at <https://headwaterseconomics.org/equity/rural-capacity-map/>. Below is the Rural Capacity Map for Montana.

Rural Capacity Index: Montana



Rural Montana is at risk of being left behind

According to Headwaters Economics' Rural Capacity Index, **68% of Montana counties have low capacity.** Montana's rural counties have multiple factors that diminish their capacity, including long driving distances between communities, limited access to key personnel (contractors, engineers, planners), low population densities and population loss, lack of broadband access, and volatile economies that create unpredictable revenue for local governments. Additionally, many infrastructure projects are more expensive per capita for rural Montanans due to the large spaces that must be covered and fewer people to share the costs, creating often-insurmountable challenges for funding projects. Unrestricted and flexible funding, from public and private sources, is thus key for helping rural communities invest in capacity building and critical resilience projects.

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About Headwaters Economics

Headwaters Economics is an independent, nonprofit research group whose mission is to improve community development and land management decisions.



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