

Doing Economic Development Differently: WealthWorks Principles



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Goals of a Wealth Building Framework



#1 – **Build wealth**, broadly defined, and aspire to do no harm.

#2 – Root wealth in local people, places and firms through **local ownership, control and influence**.



#3 – Build **lasting livelihoods** by intentionally including people and firms on the economic margins.

How is wealth typically defined?



Wealth is **not just money.**

Wealth is the **reservoir of all assets** that can contribute to the well-being of people, places or economies.

Wealth Components: Eight Capitals

Intellectual	• Knowledge and innovation
Human	• Skills, education, health
Social	• Trust and relationships
Natural	• Productive Natural resources
Built	• Infrastructure
Political	• Influence on decision makers and shapers
Financial	• Savings and investment
Cultural	• Traditions, customs and ways of doing

All are required to grow and sustain a healthy economy!

#2: Ownership Makes Wealth Stick

Capitals that are “owned” locally build wealth

- Local ownership is the **anchor** that helps wealth and **change** stick.
- Broad-based ownership benefits more people.
- Benefits – e.g., income, know-how, better technology – flowing from local ownership of capitals can be re-invested and re-circulated locally, enriching many.
- Local ownership increases the chances of preserving local jobs.
- Community investment is community ownership.



#3: Build Lasting Livelihoods



Intentional inclusion means more people have “Lasting livelihoods” ...

- Ability to overcome vulnerability, maintain dignity and control, take risks to seize opportunities.
- People at the margins are **earning (and saving!) more**.
- They have **improved skills** to qualify for **higher-paying jobs** and to **build their careers**.
- They are putting something aside for the future, e.g., **building assets**, so they are more resilient.
- **The economy overall is stronger, as all resources are brought to bear and less drain on supportive systems.**

Wealth Building Blocks

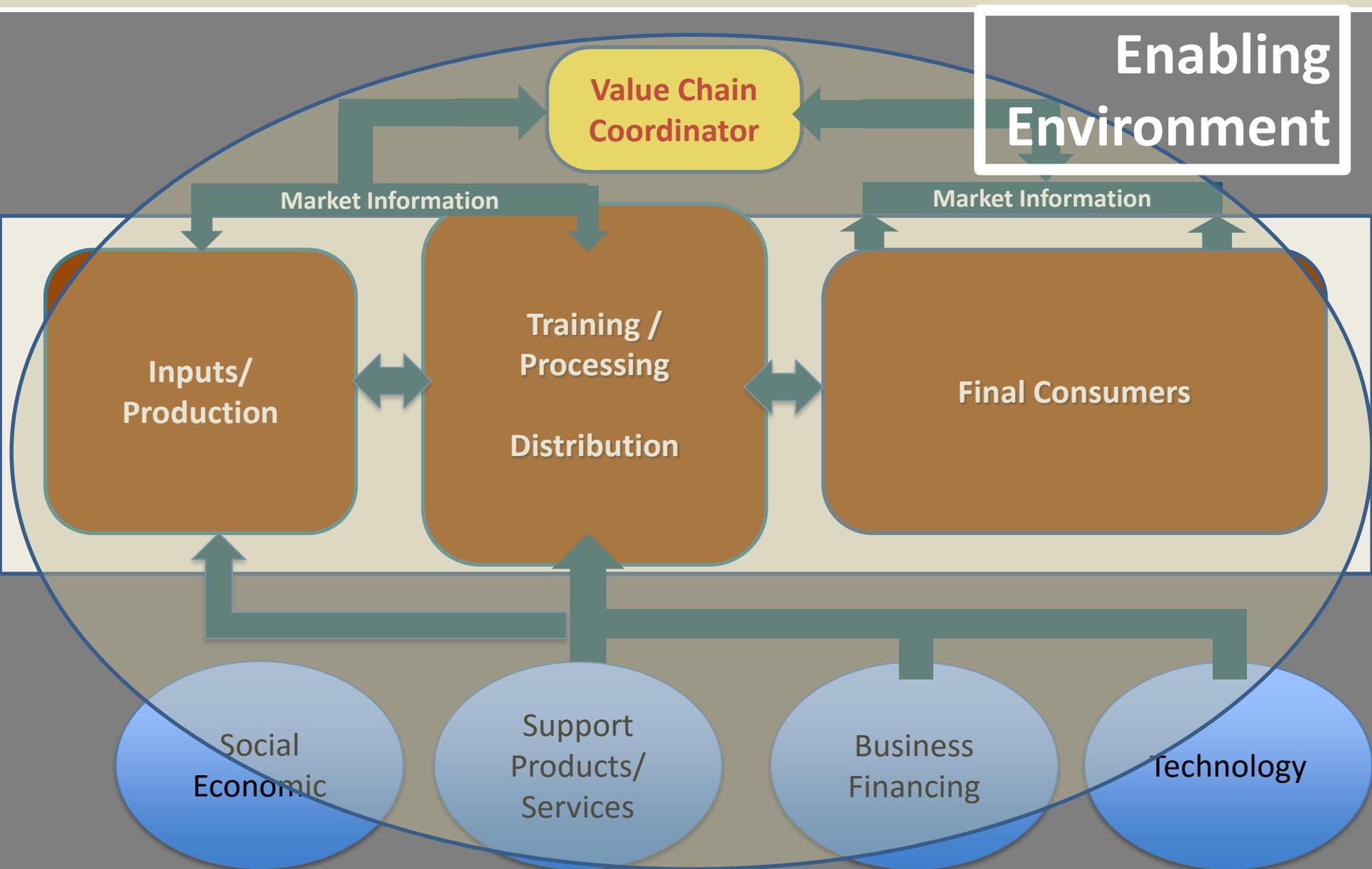
- Work is about **Systemic Change** – this is about using a full picture to identify leverage, and then focusing on those tipping points for lasting change.
- Build **deep collaborations**
 - Planning
 - Implementation
 - Problem solving
 - Across private / public sectors
- Identify **individual-interest** of each collaborator
- Think **regionally** – wealth building opportunities may be **anchored in place** but bring new resources into community



How: Strategies for Wealth Building

- Choose market opportunities with the greatest “wealth-building” **potential**
- **Use the wealth matrix to find underutilized assets and measure change**
- Connect community assets to real **market demand**
 - Start by serving local demand – it may be more flexible
 - Find regional customers / demand partners to bring initiative to scale
- Map process and partners from input to end customer (**value chain** is a great tool)
- Identify **gaps** – create opportunities for new entrepreneurs

Wealth Building Value Chains



Illustrative Results

- 160 homes receive energy efficiency upgrades, at a total cost of \$1.3 million, saving \$225,000 in one year (policy now in place for 1,000/year)
- Over 4 years, 80% increase in number of wholesale buyers, and increase of over 258% in value of purchases in Central Appalachia Local Food value chains
- Over 4 years, increase of over 199% in gross revenue to agricultural producers
- Over 2 years, increase of 48% in number of jobs in the local food system
- Development of new mortgage product for energy efficient homes, resulting in 85 HERS rated, affordable housing units delivered in 2014
- Development of new appraisal and certification practices to capture value of HERS units; 150 HERS certified inspectors/appraisers trained