

Rural Wealth Creation through the Community Capitals Model

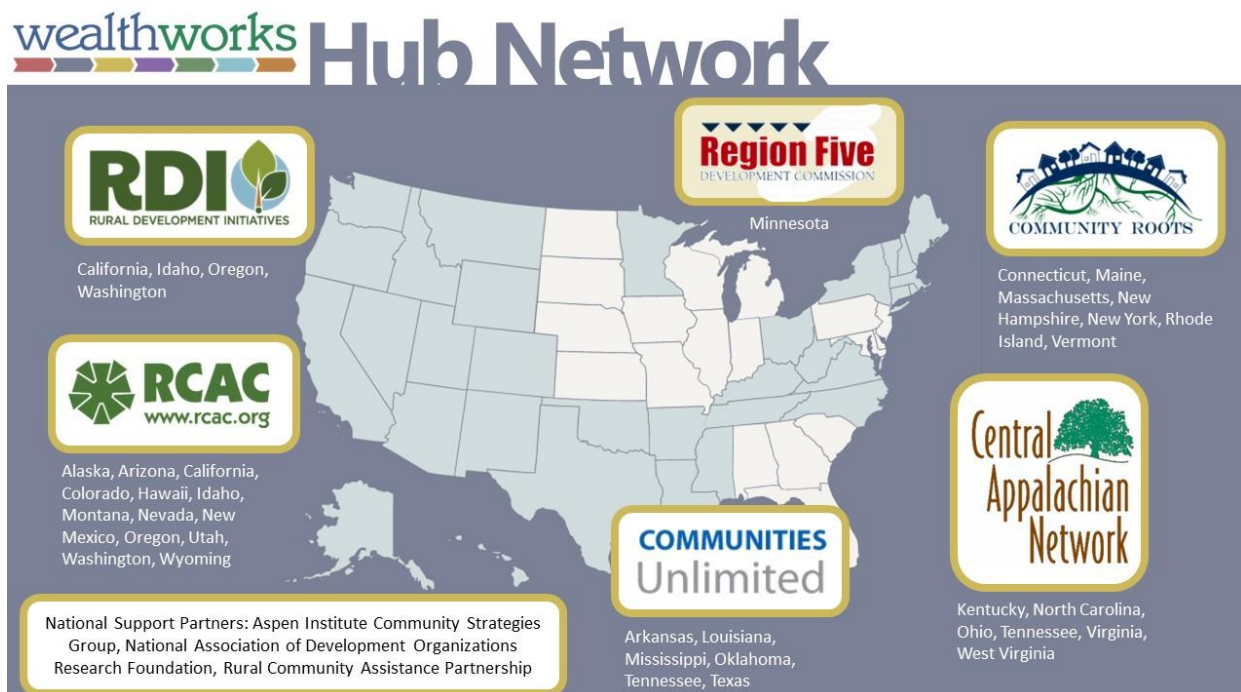
Final Project Report | April 2019



The United States Department of Agriculture (USDA) Rural Development (RD) provided support for the project *Rural Wealth Creation through the Community Capitals Model* from March 2017 – February 2019. This two-year project involved a network of partners that conducted training workshops, peer learning events, and coaching and outreach.

Six of these project partners served as WealthWorks Regional Hub organizations, providing coaching services to communities and stakeholders within their service area, while the remaining two conducted communications and outreach, assisted with planning and delivering events and written deliverables, and one partner provided support with communication and project management among partners. Project partners and their roles included:

- Region Five Development Commission (contract prime, WealthWorks Hub)
- Central Appalachian Network (WealthWorks Hub)
- Community Roots (WealthWorks Hub)
- Communities Unlimited (WealthWorks Hub)
- Rural Community Assistance Corporation (WealthWorks Hub)
- Rural Development Initiatives (WealthWorks Hub)
- National Association of Development Organizations (NADO) Research Foundation (project management support, outreach partner)
- Aspen Institute Community Strategies Group (outreach partner)



The Rural Wealth Creation Approach

Rural wealth creation, often also called WealthWorks, is an approach to community and economic development that has the ability to generate significant impact in rural communities and regions. WealthWorks applies a distinctive lens to asset-based development, as described below, but it draws from other methodologies and is often used together with other economic development and community development approaches. This can include rural entrepreneurship, economic gardening, collective impact, distributed leadership, and other models used for development and for organizing partners.

Regions using the WealthWorks framework identify products or services developed from regional assets or underutilized resources that have increased economic potential because they meet real market demand. Stakeholders identify and map out the existing and potential partnerships that connect to that economic sector, including partners that represent economic demand (consumers and enterprises that interact with consumers), as well as the entities involved in producing a variety of inputs, potential investors, and organizations that provide outside support or the policy framework for the sector. These *demand partners*, *transactional partners*, *investors*, and *support partners* make up a *value chain*, in which economic value is added to regional products and partners hold some community values in common. These partners are often led by a *coordinator*, who holds those commonly held values and convenes partners. Value chains benefit from having a *coach*, such as a WealthWorks Hub or other partners that can provide help such as technical assistance, data analysis, identifying potential funding sources, and general guidance based on experience and observation of the WealthWorks network.

Together, the partners work to build multiple forms of Community Capital, while harming none of the capitals. The Community Capitals framework defines eight varieties of assets that may exist within a region:

- Built Capital: the stock of fully functioning constructed infrastructure
- Financial Capital: the stock of unencumbered monetary assets invested in other forms of capital or financial instruments
- Individual Capital: the stock of skills and physical and mental healthiness of people in region
- Intellectual Capital: the stock of knowledge, innovation, and creativity or imagination in a region
- Natural Capital: the stock of unimpaired environmental assets (e.g., air, water, land, flora, fauna) in a region
- Political Capital: the stock of power and goodwill held by individuals, groups, and/or organizations that can be held, spent, or shared to achieve desired ends
- Social Capital: the stock of trust, relationships, and networks that support civil society
- Cultural Capital: the stock of practices that reflect values and identity rooted in place, class, or ethnicity

WealthWorks value chains practice intentional inclusion of low-income individuals, racial, ethnic, or religious minorities, and others who may not have been part of the economic development planning and implementation process before. WealthWorks value chains seek to build wealth locally, including by encouraging growth and investment in locally owned and controlled enterprises and institutions. These two principles of inclusion and local ownership and control help to improve livelihoods and generate financial and other wealth that is rooted in place. Additional information on the framework, case studies, and how-to videos and resources are available at www.WealthWorks.org.

Project Work Completed

The WealthWorks Hub organizations and outreach partners together accomplished several key tasks, including delivering training workshops, providing a forum for peer exchange, and conducting coaching and outreach to community and economic development practitioners and the public.



Photos courtesy NADO Research Foundation

Task 1: Conduct Workshops

Over the course of the two-year project, the WealthWorks Hub partners, with assistance from outreach partners, delivered six workshops providing training in the WealthWorks approach to rural community and economic development to make the framework understandable and applicable to a variety of audiences. These workshops included:

- “Doing Transportation and Economic Development Differently,” held at the NADO National Regional Transportation Conference, Denver, Colorado, June 2017
- “The WealthWorks Toolkit – A Strategy for Success in Economic and Community Development in Rural America,” held at the Rural LISC Seminar, Big Sky, Montana, August 2017
- “WealthWorks Training: Rural Ecosystem” at the Business Alliance for a Living Local Economy (BALLE) Leadership Summit, Asilomar, California, November 2017
- “The WealthWorks Toolkit: Value Chains in Small Towns and Rural Communities,” held at the New Partners for Smart Growth Conference, San Francisco, California, February 2018
- “WealthWorks Toolkit: A Strategy for Success in Economic and Community Development in Rural America,” held at the Rural Community Assistance Partnership (RCAP) National Conference, New Orleans, Louisiana, April 2018
- “Transforming Rural Economies with the WealthWorks Approach: Stories from the Field,” held at the Regards to Rural Conference, Portland, OR, May 2018

Through these six workshops, a total of approximately 470 individuals became familiar with the eight forms of Community Capital and principles of how to use WealthWorks in rural economic development. These workshops were held in conjunction with longer conferences and events, so additional attendees who were not in the WealthWorks-specific sessions might have still had some exposure to information, networking conversations, and session materials posted to conference websites. For each of these conference sessions, WealthWorks Hubs shared information with their USDA RD contacts within their regions or in the states where the conferences were held. Where attendance was possible, RD staff were invited to participate as a speaker to discuss how USDA grant and loan programs can support value chains and rural economic development more generally.

Task 2: National Learning Summits

Project partners organized and attended two WealthWorks National Learning Summits:

- Big Sky, Montana, August 2017, in conjunction with the Rural LISC Conference
- Portland, Oregon, May 2018, in conjunction with the Regards to Rural Conference

The national learning summits were attended by one or more representatives from the six WealthWorks Hub organizations, two support partner organizations (NADO Research Foundation and the Aspen Institute), representatives from four value chains per year that received travel stipends through the project budget, and additional value chain representatives and other WealthWorks practitioners. Each year, 25 – 30 individuals attended the National Learning Summit.

The National Learning Summits included presentations by most of the individuals in attendance on value chains that they coordinate or coach. The presentations included a description of the product or sector they are working in, top challenges, and most important assets. The presentations set the stage for participants to engage in deep peer learning and discussion.



Photo courtesy NADO Research Foundation

Some of the key themes that emerged from the learning event discussions included:

- The role of a value chain coordinator, serving as a “bumblebee” that touches each of the value chain partners
- The importance of measuring progress and telling stories to reinforce the value chain approach and build on successes
- Staying focused on the demand for the products and services produced through the value chain
- Developing partnerships, and evaluating partnerships for aligned priorities and “fit”
- Underutilized resources exist in every community and could range from waste streams to human capital, institutions, or infrastructure that have not been activated or put into use toward a desired outcome



Photo courtesy Joe Klementovich

- Systems thinking is critical for rural development, economic development, and long-term recovery and resilience; the coordinator must be in a position to see the system, rather than focusing on individual partners or projects
- Changing systems takes time, but it is time well spent
- Rural wealth creation has opportunities to connect to placemaking, and residents often express demand for quality of place

National Learning Summit participants expressed interest in continued opportunities for peer learning through future events if possible, as well as through a WealthWorks Community Google Group administered by one of the project partners and through quarterly peer learning calls conducted through this project.

Task 3: Rural Wealth Creation Coaching and Outreach

Over the course of the project, the WealthWorks Hub organizations provided coaching on rural wealth creation and value chain development to approximately 30 value chains or regions. These entities are found across the country in states or

professional networks where the Hub organizations operate, and they are working in a variety of sectors, including food and agriculture, tourism, creative placemaking, fishing, forestry, textiles, and energy. Some regions' work spans multiple sectors, and some are assessing options for demand-driven economic development. Many are working to incorporate rural wealth creation principles—such as the Community Capitals, systems thinking, local ownership and control, and inclusion—into organizational processes, as well as in work occurring in specific sectors.

Coaching activities have included helping communities and regions identify potential sectors to work in, making recommendations for assessing demand in those sectors, facilitating stakeholder mapping, providing value chain meeting preparation, facilitating value chain meetings and training partners in rural wealth creation, giving advice and guidance on next steps and potential funding sources to advance value chain work, integrating people new to value chain work into the WealthWorks peer network, and other assistance as needed.

“The information I found most useful [in a regional value chain workshop] was writing down assets we already have in order to identify the gaps we still need to fill.”

WealthWorks coaching participant



Ines Polonius @InesPolonius · Feb 27
 #WealthWorks training today in the Missouri Ozark Foothills with @OzarksMy at Ozark Vitality to explore a 5 county tourism value chain. @CommunitiesU because #RuralMatters



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WealthWorks Hubs and outreach partners also regularly included information about rural wealth creation on their organization websites and in newsletters and social media posts. In addition, the Aspen Institute Community Strategies Group has maintained the www.WealthWorks.org website and added resources as needed, including an [evaluation framework](#) produced by the NADO Research Foundation in collaboration with the project partners to propose indicators of progress using

the eight forms of Community Capital, as well as phases of value chain development. The Aspen Institute Community Strategies Group also added eight new case studies produced by the NADO Research Foundation to the website. The case studies include:

- [Education Amplifies Arts and Crafts Value Chain \(Alabama\)](#)
- [Growing the Local Food Economy through the Mid-South Food LINC Value Chain \(Arkansas, Mississippi, and Tennessee\)](#)
- [Entrepreneurship and Building Strength from the Center \(Montana\)](#)
- [Human-powered Recreation Brings Partners Together \(New Hampshire\)](#)
- [Cooperative Model Brings People Together \(New Mexico\)](#)
- [Employee Ownership Pays Off \(North Carolina\)](#)
- [Lifting All Boats in Northwest Oregon](#)
- [Marketing Scales up Regional Food Systems \(Ohio\)](#)



Photo courtesy Rural Action

Country
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Project Accomplishments

Many regions receiving coaching through this project began at “stage zero,” having little or no information about rural wealth creation prior to receiving coaching. Developing value chains is typically long-term work. Receiving coaching from organizations and individuals with experience constructing value chains and delivering training has resulted in brand new value chains being formed and new products explored for wealth-building potential. Some regions that received coaching were already familiar with the rural wealth creation approach, but coaching allowed them to expand their work or conduct it more effectively, as well as to consider new ideas and ways to measure progress. These regions that had already created value chains became more mature in their use of the economic development framework.

Although it is impossible to create a controlled experiment to test the results of coaching, by looking back over time at regions exposed to rural wealth creation with and without coaching, Hub organizations observed faster value chain development progress in regions receiving coaching.



Photo courtesy Los de Mora Local Growers' Cooperative

With rural wealth creation's emphasis on building the forms of Community Capital, the project partners have noted the impacts of their work in similar ways:

- **Built Capital:** through coaching, project partners guided value chain stakeholders' analysis of existing built assets, identification of priority infrastructure gaps, and recommended potential funding sources or strategies for built projects that advance value chain objectives
- **Financial Capital:** value chain stakeholder mapping facilitated by WealthWorks Hub organizations helped value chains to identify potential investors
- **Individual Capital:** training provided to coordinators increased their skills
- **Intellectual Capital:** the stock of knowledge was increased through coaching and the production of new resources such as case studies and the evaluation framework; innovation and creativity were sparked by peer learning through the National Learning Summits, peer learning phone calls, and regular project partner phone calls
- **Natural Capital:** coaching included diverting waste streams, exploring nature tourism and outdoor recreation, and support for working lands and waterfronts, with a desired goal of preventing environmental degradation through responsible use of local resources
- **Political Capital:** organizations partnering on this project have updated their own ways of operating to address building broad-based community impacts, increasing attention to inclusion, and promotion of local ownership and control of assets, so that rural wealth creation becomes a framework for action beyond the deliverables produced in this project; project partners have had many opportunities to deliver additional workshops and outreach, extending the work of this project

- Social Capital: the WealthWorks Hubs and outreach partners have built trust relationships that provided a strong base for sharing information, providing critical feedback, developing new ways of thinking, and referring external partners for coaching or other support; peer learning events build social capital in the WealthWorks network of practitioners around the country, and support for value chain coordination builds social capital among businesses and organizations in communities and regions
- Cultural Capital: coaching has provided regions with strategies to enhance cultural capital by investing in sectors that are significant to community identity, and value chains have celebrated the identity, arts, and foodways of many cultural backgrounds (including majority and minority populations in regions) through special events and ongoing programs

Project Challenges and Opportunities

The *Rural Wealth Creation through the Community Capitals Model* project opened up challenges for project partners but also provided opportunities and noteworthy practices.

Managing Demand for Information and Coaching

The project was initially proposed in response to demand for rural development capacity building that WealthWorks Hub organizations and outreach partners experienced. This demand was often in the form of receiving unsolicited outreach asking for advice in value chain development related to sectors or program areas that a project partner has experience in or asking for training. Demand already existed and grew over the course of the two years, but for some regions, demand was inconsistent and required effort to build. Partners took on new roles to become WealthWorks Hubs, assisting communities outside of their traditional service area or doing work that differed in some ways from their other day-to-day work or organizational identity.

Demand for capacity building in rural wealth creation increased beyond the scope of the project. Project partners were invited to give many more presentations and workshops than called for in the scope of work for the project; these presentations were generally provided without dedicated funding, in order to continue to build demand for coaching services and to build intellectual capital for doing economic development differently among practitioners. Many of these additional presentations occurred at events with the potential to grow the professional network, including the Business Alliance for a Living Local Economy (BALLE), National Rural Economic Developers Association (NREDA), Rural RISE entrepreneurship summit in 2018, National Association of Development Organizations (more in-depth workshop on economic development district approaches to using rural wealth creation and on broad community impacts than has been provided in other venues), and other events state, regional, and national events. The American Planning Association's Economic Development Division also requested and published newsletter content related to the project.



Photo courtesy Carolina Textile District

The project also created demand for intellectual capital in new areas. The original project scope included development of an evaluation framework, as an intellectual capital need that had been identified in advance. However, project partners realized a challenge in evaluating outcomes of coaching (rather than outputs of the number of value chains coached or number of communication events). This led the project partners to include a value chain typology in the evaluation framework, documenting how value chains move from beginning stages through assessment, construction, implementation, evaluation, replication/scale, and sustainability/institutionalization. This typology represents an opportunity for future refinement, to understand how value chains might inhabit more than one location in the typology at one time, how replicating success with new lines of work might move a value chain backward to assessing or constructing again, and what steps and coaching services help value chains to mark a shift into a more mature phase.

One WealthWorks Hub organization took on additional self-evaluation, including a series of qualitative questions to consider regularly while delivering coaching. The following questions could be used to evaluate institutionalization of the rural wealth creation approach in organization structures and programming, beyond coaching:

- Have the efforts to strengthen value chains through coaching improved the organization's coaching delivery?
- Does the work engage people with low incomes, diverse populations, and people who previously had not been at the table?
- Has the value chain coaching emphasis on building inclusive economies influenced the way the organization works? How?
- Did delivery of value chain coaching have any other impact on programming that supports the region's economy? How?
- Has the organization transferred knowledge to deliver coaching about the rural wealth creation approach to colleagues in the field?
- As a value chain coaching provider, what opportunities exist in the next 12 months? In the next five years?

Other new ideas were developed through dialogue, presentations, and training workshops, for instance: integrating wealth creation concepts in regional planning processes, developing a new rural of WealthWorks "scouts" that can identify sectors in communities and regions that may be well positioned for growth into value chains, and analyzing relationships between value chains in different but intersecting economic sectors. These practical issues might be worthy of focus in future work conducted by partners in this project or others. Project partners also sought and utilized additional outside resources to develop products and ideas that benefited this project, including a series of WealthWorks in Practice videos developed by Rural Development Initiatives and its partners.

Managing Partnerships

Partnership among so many different organizations presented both challenges and opportunities. Six WealthWorks Hub organizations and two other national organizations were the partners who participated in the project contract and developed project deliverables. Each partner was able to leverage its skills and the existing social capital in its professional networks to amplify the impact of the project and communicate opportunities for peer learning and to market written products. Additional outside organizations supported the effort through meeting facilitation, providing spaces to conduct events such as workshops and the two national learning summits, and sharing information and building ideas with the project partners.

Having a large number of partners required a significant amount of coordination, including frequent group phone calls and emails to ensure progress was being made on deliverables. For each national learning summit, for example, the project partners divided overall event planning into more discrete tasks that were conducted by pairs or small groups, who developed agendas, created training content, and marketed to attendees. For a project with many deliverables and partners, it was helpful to designate one partner to provide project management support and assist with tracking progress on each of the deliverables and with each partner. A secondary effect of frequent coordination, however, was building stronger social capital and intellectual capital as partners discussed methods for coaching and shared resources.

Building in funding and time for peer learning, so that project partners could meet in person with other practitioners, was an important and very effective aspect of the project. Funding provided in the coaching task was primarily staff time, though, which for some project partners required additional resources to pay for travel to value chain locations, meeting expenses, and materials. Future coaching efforts might benefit from having additional funding that is flexible enough to be used for coaching time and other expenses as appropriate to the coaching services that are delivered. Future efforts would also benefit from devoting additional resources to the co-production of deliverables to more partners.

Future Opportunities

The *Rural Wealth Creation through the Community Capitals Model* project demonstrated that there is a need from communities and regions, and from businesses, governments, and nonprofits, for coaching support on using WealthWorks to build broad community impacts over time. Future opportunities to provide coaching and technical assistance would be beneficial to existing WealthWorks network members and to regions seeking to add rural wealth creation as a new approach to community economic development. As coaching and technical assistance delivery evolves over time, so will the mechanisms for delivering and evaluating coaching. There is a high demand for peer learning and networking, particularly for in-person events such as the National Learning Summits conducted in this project.

Rural wealth creation is adaptable to many different community contexts and economic sectors. Future work should continue to bring storytelling to the WealthWorks network to present lessons learned that might apply universally, as well as cases that require more specific interventions, where the methodology to identify the intervention might be applicable elsewhere even if the intervention itself may not be.

Future exploration of the rural wealth creation framework might bring about a better understanding of elements necessary for success for rural value chains to market to urban areas or to their own and other

rural areas. Financing for value chains is an issue that needs additional work, to understand which federal and state programs work well to support value chain efforts, which might be suited to local investment or private sector investment, and where to find capital that is patient, with an understanding of the long timeframes needed to develop value chains and build economies that mitigate cycles of economic extraction. Additional work would be desirable on integrating WealthWorks principles into the activities of various stakeholders, including social enterprises, local governments, regional development organizations, support organizations, and others.



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