

Doing Economic Development Differently

The Design Principles

#39260



Design Principles Unite Us

- Many organizations have been doing economic development **differently**....
- Expands upon **asset-based community development**
- Rooting Opportunity Conference seeks to highlight **successes** and inspire
- Stories demonstrate **similar principles** from different sources, using different names
- Indicator that **our time is now** to change how country thinks about economic development

Goals of a Wealth Building Framework



#1 – **Create 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.

Key Concept

Wealth Components: Eight Capitals

Intellectual

- Knowledge and innovation

Individual

- Skills, education, health

Social

- Trust and relationships

Natural

- Natural resources

Built

- Infrastructure

Political

- Influence on decision makers and shapers

Financial

- Savings and investment

Cultural

- Traditions, customs and ways of doing

**Assessment
Design
Measurement**

All are required to grow and sustain a healthy economy!

#2: Ownership Makes Wealth Stick

Capitals that are “owned” locally build wealth

- 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.
- Local ownership is the **anchor** that helps wealth stick.
- Local ownership allows **change** to stick.



#3: Build Lasting Livelihoods



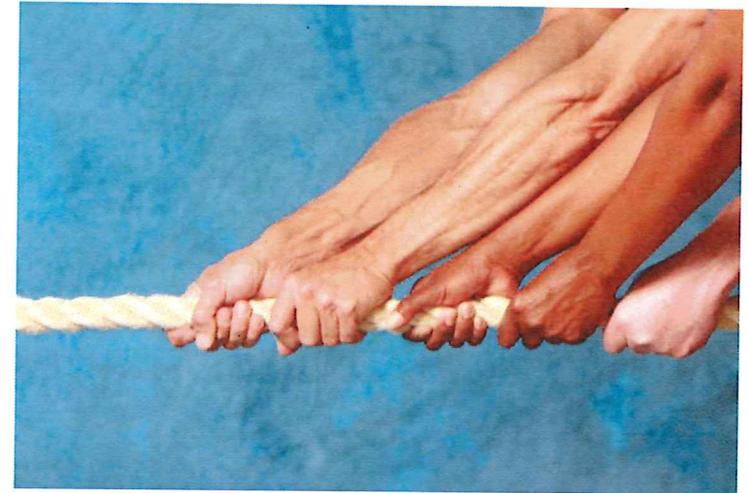
“Lasting livelihoods” means...

- 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.



Wealth Building Blocks

- Work is about **Systemic Change** – this is not project work!
- Focus on tackling **root causes** to really transform your regional economy
- Building **deep collaborations**
 - Planning
 - Implementation
 - Problem solving
 - Across private / public sectors.
- Identify **self-interest** of each collaborator
- Think **regionally** – wealth building opportunities may be **anchored in place** but bring new resources into community

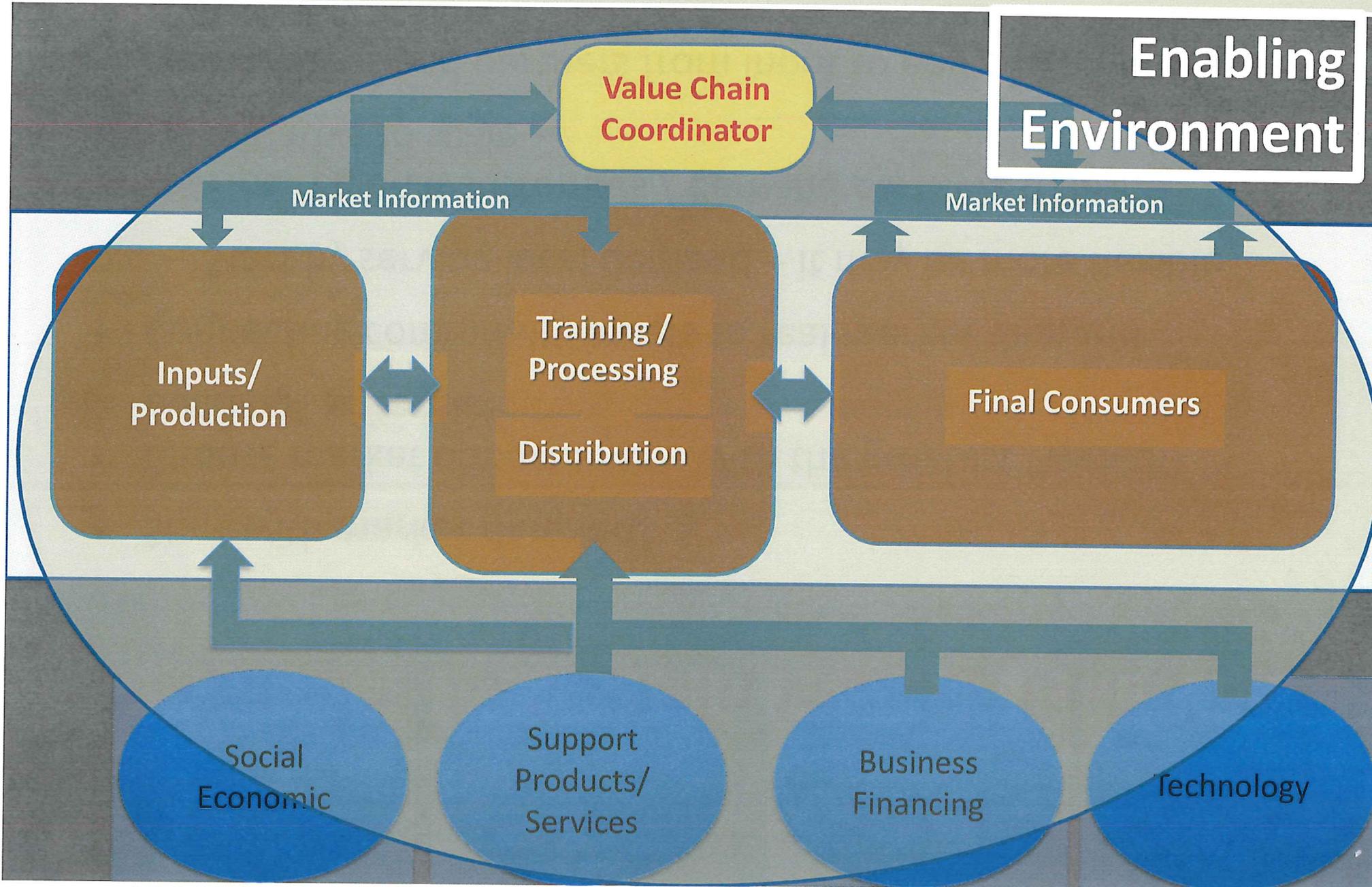




Strategies to Sustain Wealth Building

- Start with **market demand!**
- Choose market opportunities with the greatest “wealth-building” **potential**
- Connecting 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 the **gaps** – create opportunities for new entrepreneurs

Wealth Building Value Chains

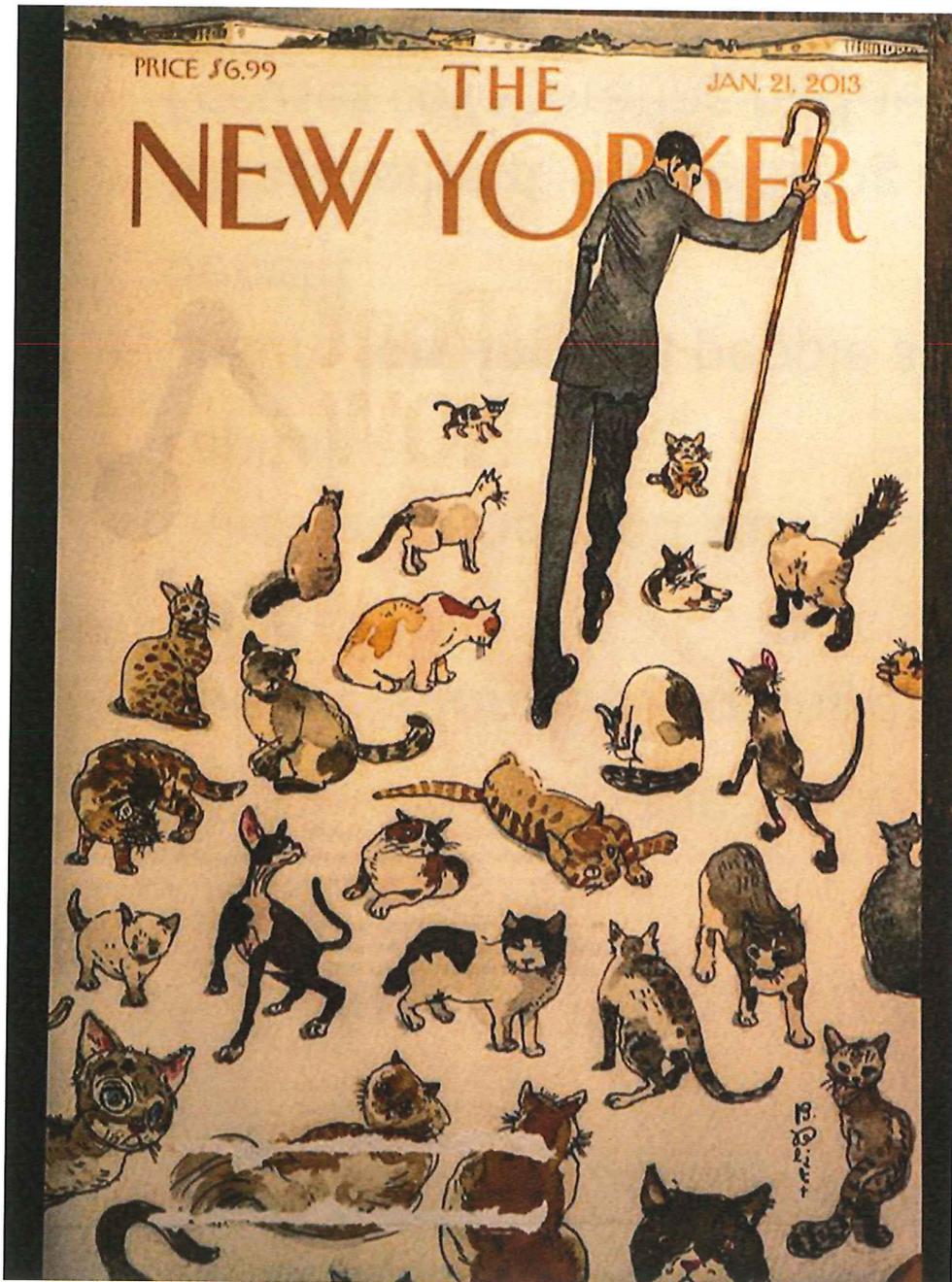




The Intermediary / Coordinator

Value chains do not self-organize.

- Hold and steward the **vision and values** of the value chain
- Build **relationships** among and between partners in the value chain
- Guide activities and partnerships to build **multiple** forms of capital
- Ensure **low-income** people and places participate and benefit
- **Measurement** – developing clear measures early on. Focuses collaborating partners and strengthens impacts



Conclusion:

Economic development dollars need to flow equally to traditional economic development as to wealth building strategies

as the ones highlighted here.....