A New Way Forward for Rural America:
A Wealth Creation Approach to Economic Development
Introductions and Burning Questions

Brief review of Wealth Creation in Rural America (rationale, approach, participants, background materials)

Review of application materials with questions and answers as we go

Next steps
The way it’s been

RURAL AMERICA

- NATURAL RESOURCES
- LABOR FORCE
- AGRICULT. BOUNTY
- YOUTH
- COMMUNITY DETERIORATION
- ENVIRONMENTAL DEGRADATION
We’re at a historic crossroads

Continued loss of wealth

Innovation and Renewal
Our intent is to have a positive impact on high-poverty communities in rural America by using a systems approach to wealth creation.
Wealth Creation Working Group Members

Shanna Ratner            Yellow Wood Associates
Nancy Stark                 CFED
Deborah Markley        RUPRI Center for Rural Entrepreneurship
Stuart Rosenfeld  Regional Technology Strategies
Dan Broun                            RTS
Chris Beacham  RTS
Jason Bailey  MACED
Justin Maxson  MACED
John Berdes              ShoreBank Enterprise Cascadia
Hal Hamilton            Sustainable Food Lab
Susan Sweitzer         Sustainable Food Lab
Amy Glasmeier          MIT
Pat Scruggs            Scruggs & Associates LLC
Marjorie Kelly        Tellus Institute
Eric Palola            National Wildlife Federation
Mikki Sager                              The Conservation Fund
Wayne Fawbush                          Ford Foundation
“Creating wealth that sticks is rarely an intentional goal, even when we define wealth broadly.”
A multi-faceted approach

- Ability to be economically competitive
- Shared regional values
- Social inclusion
- Environmental health
Based on systems thinking.

- views problems
- within a larger system
- in which solutions
- can have unintended consequences
- and unforeseen benefits
A focus on wealth, not just the flow of income.
Six types of community wealth

- Built capital
- Natural capital
- Individual capital
- Financial capital
- Social capital
- Intellectual capital
Seven guiding principles

- **A systems approach is essential**
- **Engaging diverse groups creates opportunities**
- **Value Proposition must be clear**
- **New ownership/control models can help**
- **The baseline must be clear**
- **Policy change is needed**
- **Change must be institutionalized**
Application Guidelines
Central Appalachia, FY 2010

Looking for partners willing to develop a systems approach to poverty reduction in rural America.
Based on three questions

Does a systems approach focused on wealth creation improve a community’s ability to use its resources and create new wealth in the aggregate that helps all rural residents gain assets and improve their lives in a given region?

Can a systems approach to economic development provide simultaneous benefits across multiple categories of wealth to enhance individual and community well-being?

What is the evolving nature of the urban-rural relationship and how can low-wealth rural producers of public and private goods and services offer value propositions to urban areas in a manner that causes the wealth to stick in rural areas?
Question 1.

Does a systems approach focused on wealth creation improve a community’s ability to use its resources and create new wealth in the aggregate that helps all rural residents gain assets and improve their lives in a given region?

Use a Wealth Creation Evaluation Tool to:

1. measure consequences
2. develop a common language through an understanding of the six forms of wealth
3. create a shared vision based on shared outcomes
4. take into consideration collaborative opportunities that can magnify the impact
5. create a real time feedback process that can judge progress and adapt best practices
## The wealth matrix

<table>
<thead>
<tr>
<th>Type of Wealth</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>How will your strategy impact the stock of skills and physical and mental healthiness of people in a region?</td>
</tr>
<tr>
<td>Social</td>
<td>How will your strategy impact the stock of trust, relationships, and networks that support civil society?</td>
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<tr>
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<td>Financial</td>
<td>How will your strategy impact the stock of unencumbered monetary assets at the individual and community level?</td>
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## A sample matrix

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<tr>
<td><strong>Individual</strong></td>
<td>• Improved diets, better health, and reduced incidence of obesity</td>
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| **Social**     | • Re-establish connections between farmers & residents.  
                  • Increased appreciation for the land & sustainable farming practices |
| **Intellectual** | • New knowledge of food systems, production & distribution options  
                      • Creative new approaches to meeting local needs |
| **Natural**    | • Soil fertility restored and erosion stopped.  
                  • Pesticide use reduced |
| **Built**      | • Expand food processing capacity & co-locate with biomass plants  
                      • Establish commercial compost facilities to replace imported fertilizer |
| **Financial**  | • Reduce the outflow of money for imported food and farm inputs  
                      • Enhanced multiplier effects from re-invigorated vendor network  
                      • Increased local multipliers from co-ops vs. supermarkets  
                      • Savings from improved health |
Can a systems approach to economic development provide simultaneous benefits across multiple categories of wealth to enhance individual and community well-being?

Will your strategies simultaneously:

1. improve economic viability
2. improve environmental health
3. improve social inclusion and
4. increase local control of wealth

At minimum, there must be safeguards in place to assure that no harm is done in any of these areas as a result of development interventions.
What is the evolving nature of the urban-rural relationship and how can low-wealth rural producers of public and private goods and services offer value propositions to urban areas in a manner that causes the wealth to stick in rural areas?

For regions to be truly sustainable, a positive synergy between rural and urban, low-wealth and higher-wealth areas must be established and maintained.
Ground rules for potential grantees

Proposals must at minimum identify:

1. The most important environmental conditions
2. The most important social conditions
3. The economic base of the region

Proposals also include at a minimum:

1. An intervention/proposal built around a clear value proposition or opportunity.
2. A comprehensive framework for rural wealth creation that considers the six indicators of wealth in low-wealth rural regions.
3. Identification of activities and partners/participants necessary to achieve the outcomes
4. A lead institution or set of institutions located within the region
5. A commitment to contribute to the learning of the Wealth Creation learning group.
Proposal Format

1. Description of the analysis including the need/challenge and opportunities for creating wealth, key issues and actors
2. Brief history of efforts to address the need/challenge and opportunity
3. List of the interested parties/key partners in proposed intervention, their relationships, and history of working together, if any
4. Description of a wealth creation approach and how this is the same or different from past approaches
5. Desired outcomes and baseline measures of the six wealth indicators
6. Plan of work that includes partners’ roles and responsibilities
7. Plan to share learning within the region and/or coordinate with other wealth creation initiatives
8. Commitment and resources allocated to share learning with the Wealth Creation Working Group
9. Qualifications and contact information for partners
10. Budget
11. Time Line
Additional grant proposal information

1. Proposal not to exceed 15 pages double spaces (12 Point font), not including qualifications, budget and time line.

2. The Foundation will consider both single and multi-year grants. Multi-year grants will be dependent on annual results.

3. Year one grants may include feasibility work as well as implementation.

4. Grants are anticipated to be in the range of $250,000 - $400,000 a year.

For more information on Ford’s Wealth Creation in Rural Communities initiative:

www.yellowwood.org/wealthcreation.aspx
Application

1. What is the name and location of your project?

2. What is the main problem or opportunity you hope to address?

3. What is the main goal or condition your project is intended to achieve? If there is more than one, say so succinctly.

4. What is the strategy your project is using? What will you actually do?

5. What are the key assumptions behind your strategy?

6-11. How will your strategy or strategies directly impact each of the six forms of wealth?

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12. How do the impacts on different forms of wealth reinforce each other and create positive change?

13. How do investments in each form of wealth generate “income” or “earnings” over time?

14. How will you measure the baseline conditions for each form of wealth you expect to impact? How will you measure progress?
Selection criteria for grantees

1. Demonstrated regional value proposition that illustrates the need and opportunity.

2. Potential to create meaningful livelihood opportunities for low-income residents.

3. Track record of exploring new approaches and learning in central Appalachia.

4. Willingness to contribute to a learning community.

5. Composition of partners willing to collaborate within a wealth creation framework.
Selection criteria for grantees

6. Demonstrated capacity to incorporate measures and a learning approach to evaluation.


8. The degree to which multiple categories of wealth can be impacted.

9. Reasonableness of the budget for the project.

10. Explanation of the time frame for achievement of the stated outcomes.
We believe a systems approach to rural development will not only work at the community level, among practitioners, but will also make resource providers more effective by focusing our work on common goals.
FOR MORE INFORMATION

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