

Seven Forms of Wealth Continuum

Objective: This tool was designed to allow anyone interested in the wealth creation approach to assess the work they are already doing to see how that work is or is not impacting the seven forms of wealth.

INDIVIDUAL CAPITAL is the stock of skills and physical and mental healthiness of people in a region. Investments in human capital include spending on skill development (e.g. literacy, numeracy, computer literacy, technical skills, etc.) and health maintenance and improvement. Earnings from investments in human capital include psychic and physical energy for productive engagement and capacity to use and apply existing knowledge and internalize new knowledge to increase productivity.

What is your impact on the stock of skills, physical and mental health of people?

-3	A significant and lasting negative impact on individual capital (exploitation)
-2	Creates significant new barriers to positive and equitable impacts on individual capital
-1	A slightly negative impact on individual capital
0	No discernible impact – neither creates nor removes barriers or opportunities
+1	A slightly positive impact with no new barriers, but no alleviation of existing barriers
+2	Builds the stocks of individual health and skills in parts of an existing organization or community and/or removes existing barriers
+3	Intentionally creates new opportunities for individual wealth creation on a systemic institutionalized basis

SOCIAL CAPITAL is the stock of trust, relationships, and networks that support civil society. There are two forms of social capital; bridging and bonding. Investments in bridging social capital are those that lead to unprecedented conversations, shared experiences, and connections between otherwise unconnected individuals and groups. Investments in bonding social capital are those that strengthen relationships within groups. For example, sponsoring a town-wide festival could be seen as an investment in bonding social capital for town residents. Earnings from investment in social capital include improved health outcomes, educational outcomes, and reduced transaction costs, among others. Culture is an aspect of social capital that bonds groups together. Culture influences the way resources are distributed, the collective sense of what is possible, and creates opportunities and obstacles related to wealth creation. We want to understand how to use social capital to value cultures and build bridges between cultures for the greater good. It is important to include an analysis of the impact of culture on wealth creation opportunities in the analysis of social capital.

How do you impact the stock of trust, relationships, and networks that support civil society?

-3	A significant and lasting negative impact on social capital (sowing distrust)
-2	Creates significant new barriers to positive and equitable impacts on social capital
-1	A slightly negative impact on social capital
0	No discernible impact – neither creates nor removes barriers or opportunities
+1	A slightly positive impact with no new barriers, but no alleviation of existing barriers
+2	Builds the stocks of social capital in parts of an existing organization or community and/or removes existing barriers
+3	Intentionally creates new opportunities to build social capital on a systemic institutionalized basis

INTELLECTUAL CAPITAL is the stock of knowledge, innovation, and creativity or imagination in a region. Imagination is what allows us to create new knowledge and discover new ways of relating. Investment in intellectual capital is through research and development and support for activities that engage the imagination, as well as diffusion of new knowledge and applications. Earnings from intellectual capital include inventions, new discoveries, new knowledge, and new ways of seeing.

How do you impact the stock of knowledge, innovation and creativity?

-3	A significant and lasting negative impact on intellectual capital (restricting development of new ideas)
-2	Creates significant new barriers to positive and equitable impacts on intellectual capital (restricting the flow of new ideas)
-1	A slightly negative impact on intellectual capital
0	No discernible impact – neither creates nor removes barriers or opportunities
+1	A slightly positive impact with no new barriers, but no alleviation of existing barriers
+2	Builds the stocks of intellectual capital in parts of an existing organization or community and/or removes existing barriers
+3	Intentionally creates new opportunities to build intellectual capital on a systemic institutionalized basis

NATURAL CAPITAL is the stock of unimpaired environmental assets (e.g. air, water, land, flora, fauna, etc.) in a region. Natural capital is defined as having three major components: 1) non-renewable resources such as oil and minerals that are extracted from ecosystems, 2) renewable resources such as fish, wood, and drinking water that are produced and maintained by the processes and functions of ecosystems, 3) environmental services such as maintenance of the quality of the atmosphere, climate, operation of the hydrological cycle including flood controls and drinking water supply, waste assimilation, recycling of nutrients, generation of soils, pollination of crops, and the maintenance of a vast genetic library. Investments in natural capital include restoration and maintenance. Earnings or income includes a sustainable supply of raw materials and environmental services. Natural capital and its systems are essential for life. People can destroy, degrade, impair and/or restore natural capital but cannot create it.

How do you impact the stock of unimpaired environmental assets?

-3	A significant and lasting negative impact on natural capital (degradation)
-2	Creates significant new barriers to positive and equitable impacts on natural capital
-1	A slightly negative impact on natural capital
0	No discernible impact – neither creates nor removes barriers or opportunities
+1	A slightly positive impact with no new barriers, but no alleviation of existing barriers
+2	Builds the stocks of natural capital in parts of an existing organization or community and/or removes existing barriers
+3	Intentionally creates new opportunities to build natural capital on a systemic institutionalized basis

BUILT CAPITAL is the stock of fully functioning constructed infrastructure. Built capital includes buildings, sewer treatment plants, manufacturing and processing plants, energy, transportation, communications infrastructure, technology and other built assets. Investment in physical capital is in construction, renovation, and maintenance. Physical capital depreciates with use and requires ongoing investment to maintain its value. The income or earnings generated by physical capital exist only in relation to its use. For example, sewer and water treatment plants contribute to human capital (health). Schools contribute to human capital (skill development) and social capital (if they are used as community gathering places) and may contribute to natural capital (if they include natural areas that are maintained or protected by the school).

How do you impact the stock of fully functioning constructed infrastructure?

-3	A significant and lasting negative impact on built capital (deterioration)
-2	Creates significant new barriers to positive and equitable impacts on built capital
-1	A slightly negative impact on built capital
0	No discernible impact – neither creates nor removes barriers or opportunities
+1	A slightly positive impact with no new barriers, but no alleviation of existing barriers
+2	Builds the stocks of built capital in parts of an existing organization or community and/or removes existing barriers
+3	Intentionally creates new opportunities for improved built capital on a systemic institutionalized basis

POLITICAL CAPITAL is the stock of power and goodwill held by individuals, groups, and/or organizations that can be held, spent or shared to achieve desired ends. Political capital is evidenced by the ability of an individual or a group to influence the distribution of resources within a social unit, including helping set the agenda of what resources are available. Investments in political capital are made through inclusive organizing that includes information gathering and dissemination, and increasing voice, access to and inclusion among decision-makers. Engaging players throughout a given value chain for mutual self-interest can build political capital. Earnings from investments in political capital include increased influence in decision making, increased access to and control over other forms of capital, and the ability to engage in reciprocal relationships, among others. Political capital can affect how rural areas are viewed in a regional context. Regions where political capital is equitably distributed or shared are typically characterized by leadership that is broad, deep and diverse; that uses research-based evidence to inform decisions; and that welcomes questions, open discussion, public involvement and help from the outside.

How do you impact the stock of power and goodwill held by individuals, groups, and/or organizations?

-3	A significant and lasting negative impact on political capital (silencing diverse voices)
-2	Creates significant new barriers to positive and equitable impacts on political capital
-1	A slightly negative impact on political capital
0	No discernible impact – neither creates nor removes barriers or opportunities
+1	A slightly positive impact with no new barriers, but no alleviation of existing barriers
+2	Builds the stocks of political capital in parts of an existing organization or community and/or removes existing barriers
+3	Intentionally creates new opportunities to build political capital on a systemic institutionalized basis

FINANCIAL CAPITAL is the stock of unencumbered monetary assets invested in other forms of capital or financial instruments. Financial capital, if well-managed, generates monetary returns that can be used for further investment or consumption. For example, financial capital can be invested in land protection through outright purchase or purchase of easements. Public financial capital can be accumulated in a variety of ways including building budget surpluses by collecting more in tax revenues than is spent on services, borrowing through bonding, and charging fees for public services over and above the real cost of services. “Rainy day funds” are an example of public stewardship of financial capital, designed to help society weather risks and uncertainties. In addition, through the growth of the non profit sector, private philanthropic capital is often tapped for investment in other forms of capital that yield public goods, for example, preventive health care programs to increase individual capital. Stewardship of financial capital implies responsible investment to generate added income as well as elimination of unnecessary cost or waste in providing public goods and services. In creating wealth, we strive to invest financial capital in ways to increase and improve the quality of the other five forms.

How do you impact the stock of unencumbered monetary assets?

-3	A significant and lasting negative impact on financial capital (creating disincentives to save)
-2	Creates significant new barriers to positive and equitable impacts on financial capital
-1	A slightly negative impact on financial capital
0	No discernible impact – neither creates nor removes barriers or opportunities
+1	A slightly positive impact with no new barriers, but no alleviation of existing barriers
+2	Builds the stocks of financial capital in parts of an existing organization or community and/or removes existing barriers
+3	Intentionally creates new opportunities to build financial capital and improve its distribution on a systemic institutionalized basis