Wealth Creation

Keeping Wealth Close to Home:

How Economic Development Districts Can Promote Local Prosperity

NADO Research Foundation

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May 2025 // NADO Research Foundation

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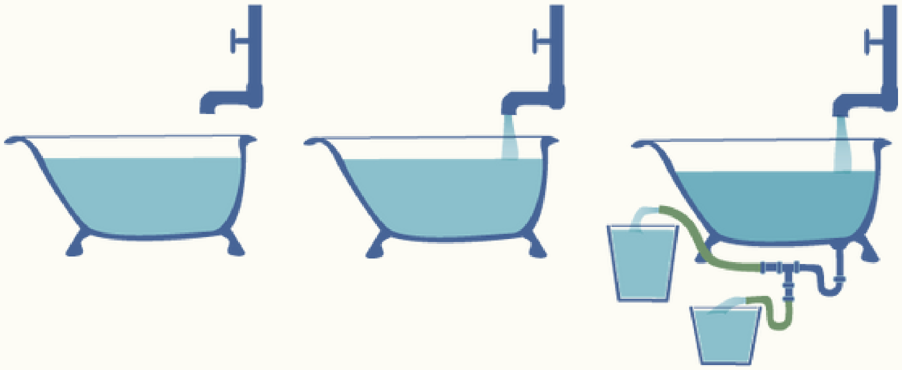
One of the key principles of wealth creation, in addition to creating multiple forms of wealth, is keeping wealth local through structures of local or regional ownership and control. This is to ensure that a region's wealth stays in place and circulates throughout the region, allowing people, organizations, and communities to make decisions about how it is used and invested over time.

Wealth is the stock of each of the capitals (social, intellectual, individual, built, natural, financial, political and cultural). It may help to imagine the stock of any one of these eight capitals in your region as the water in a bathtub and then to think about anything that might happen to change the level or qualities of that stock of water. To build that stock of water (or capital), it's important to pay attention to a few things:

- **Stock of Capital - Quantity and Quality:** The amount of water currently in the bathtub represents the stock of capital. This is the accumulated wealth or resources in a given system—like a community's savings, infrastructure, or investments. Just as the water in the tub is a fixed amount at any given time, the stock of capital is the value of assets, businesses, or resources present in an economy or community in terms of quantity and quality.
- **Flow In:** The **water flowing into the bathtub** represents new investments, savings, or income coming into the economy. This could be money earned from work, profits from businesses, or external investments that add to the local economy's capital. In the analogy, this is like turning on the faucet—adding water to the tub.
- **Flow Out:** The **water flowing out** of the bathtub represents capital that leaves the community or economy. This could be profits sent to external investors, money spent on imports, or wealth that moves out of the local system due to things like large corporations taking profits elsewhere, or money flowing to foreign markets. In the analogy, this is like the drain—water leaving the tub.



The goal is to keep more water flowing in than out to increase the amount of water (capital) in the tub (economy). If more water flows out than in, the water level decreases, just like if too much wealth is drained from an economy without enough new investments or income coming in, the overall capital of the community or economy decreases. This analogy helps explain how local economies work to retain and build wealth through investments, savings, and careful management of resources.

Key to understanding this dynamic is undertaking an asset inventory to understand the region's assets as well as the asset flows in and out of the region. Growing your regional economy starts with knowing what you have and plugging any leaks from the region. This is the first step to keeping wealth local. For a basic asset inventory tool, visit the NADO wealth creation site.

The Challenge of Economic Leakage

A focus on keeping wealth local can also buck the trends in wealth leakages from rural places. Leakage can be a significant concern as money and resources often flow out of these communities to larger urban centers. For example, the growth of online shopping and larger chain stores has increased economic leakage from rural areas and away from locally-owned businesses. Rural economies often depend on exporting raw materials or agricultural products, with limited local processing or value addition, reducing the potential for money to circulate locally. Rural businesses often purchase inventory, equipment and supplies from non-local suppliers due to limited local options. In tourism-heavy rural areas, accommodations, restaurants and attractions may be owned by external corporations, meaning profits from the largest economic sectors are flowing out of the community. The trends continue with health and education spending, outmigration of youth and labor force, estate transfers, closures of local banks and credit unions, the decline of local manufacturing, and the energy flowing out of rural regions.

Keeping wealth local helps prevent economic leakage by ensuring that money generated within a community stays in the community, thereby boosting local economic growth and sustainability. Here's how this works:

1. **Circulating Money Locally** - When individuals and businesses spend money locally—such as shopping at small businesses, hiring local contractors, or using local services— it increases the multiplier effect. This means each dollar spent locally generates additional economic activity within the community.
2. **Supporting Local Businesses** - Local businesses are more likely to source goods, services, and labor from within the community, creating jobs and further stimulating the local economy. They also tend to reinvest in their communities through donations, sponsorships, and local partnerships.
3. **Building Resilience** - Local ownership of assets, such as businesses, housing, and infrastructure, fosters economic resilience. When wealth stays within the community, it's easier to respond to economic challenges or downturns because local resources and decision-making power remain intact.
4. **Encouraging Entrepreneurship** - Communities that focus on local wealth retention often foster entrepreneurial ecosystems, creating more opportunities for innovation and employment. Local entrepreneurs are more likely to invest in and prioritize local needs and opportunities, further enhancing economic growth.
5. **Reducing Dependency on External Markets** - When wealth is retained locally, communities are less vulnerable to economic disruptions caused by external factors, such as corporate relocations, supply chain issues, or global market fluctuations.

The Benefits of Keeping Wealth Local

Increasing local ownership and control of wealth has a variety of potential benefits:

1. Reinvests and circulates its benefits locally or regionally.
2. Brings people to the decision-making table and gives them a stronger voice as they have more at stake.
3. Creates better communication and collaboration.
4. Lays the foundation for future investment and decreases risk.

In rural areas, keeping wealth local is even more important, for a variety of reasons:

- New small businesses are major contributors to new jobs.
- Local businesses recirculate a greater share of every dollar in the local economy, as they purchase supplies locally and invest in their employees.
- Locally owned businesses employ more people per unit of sales and retain more employees during economic downturns.
- In regions with higher levels of locally owned businesses, there is higher income growth and lower levels of poverty. Locally owned businesses often hire more local residents, contributing to higher employment rates within the community. A larger portion of money spent at local businesses stays within the community, circulating through other local businesses. And local business owners are often more invested in the well-being of their community.
- A community's level of social capital, civic engagement, and well-being is positively related to the share of its economy held by local businesses.

Supporting local businesses is a key part of a broader economic development strategy that balances nurturing homegrown enterprises with attracting and growing larger businesses. Together, these efforts create a more resilient, diverse, and sustainable economy.

Mechanisms for Keeping Wealth Local

Several key mechanisms can help communities retain and circulate wealth locally, fostering stronger, more resilient economies. These mechanisms focus on empowering local businesses, building infrastructure that benefits the community, and ensuring that profits and investments stay within the local economy.

LOCAL OWNERSHIP AND SUPPORT FOR SMALL BUSINESSES

- Locally owned businesses tend to reinvest profits into the community by sourcing locally, employing local workers, and contributing to community development. Supporting small businesses helps create a more resilient and self-sustaining local economy. Mechanisms include:
  - **Promoting local business development through grants, loans, and tax incentives.** In rural areas like Lanesboro, Minnesota, small business incubators help artisans, food producers, and small shops flourish, keeping more wealth within the region.
  - **Encouraging "buy local" campaigns** that educate residents about the benefits of spending within the community. Rural communities in Vermont have emphasized supporting locally owned businesses, such as farms, general stores, and craft shops. Many towns run “buy local” campaigns like the Vermont Fresh Network, which connects local farmers with restaurants and consumers. These initiatives encourage residents to support local entrepreneurs, reinvesting profits within the community.
  - **Building cooperative business models** where employees or community members have ownership stakes. See examples below under Worker Cooperatives.

COMMUNITY-BASED INVESTMENT FUNDS

- These funds pool local capital to invest in local projects, small businesses, or infrastructure. By offering investment opportunities to residents, they ensure that returns stay within the community rather than flowing out to external investors. Mechanisms include:
  - Establishing **Community Development Financial Institutions (CDFIs)** that provide affordable financing to local businesses. A resource for establishing a CDFI is the CDFI Fund.
  - Setting up **community investment trusts** or **crowdfunding platforms** where locals can invest in housing, business developments, or green infrastructure. Community investment trusts are often part of CDFIs. Detroit Soup in Michigan is a community-based micro-crowdfunding initiative; community members gather at a dinner event, donate $5-10 at the door and listen to local entrepreneurs, artists and activists pitch community improvement projects. Attendees vote on the best idea and the winner takes home the pooled donations to fund their project. It's funded hundreds of grassroots projects, from urban gardens to local business startups. Other examples include **ioby** (In Our Backyards, which allows neighborhoods to crowdfund local projects), GoFundMe Local Campaigns, and Barnraiser (crowdfunding platform for food and agriculture projects).
  - Using **local stock exchanges** or cooperative investment platforms to match local investors with local businesses. An example that is not quite a stock exchange but a stock offering is in Powell, Wyoming. In 1999, when the community of 5,200 lost its general store and failed to lure a big-box store to take its place, residents decided to build their own general store. They secured the funds to get what they called The Mercantile up and running from a small stock issue. Formally, you had to be a Wyoming resident to buy and sell the stock, but effectively shares were sold only to members and the community. "The Merc" started selling stock door to door, for $500 a share. After $325,000 was raised from 328 investors, the store opened in July 2002. The store made money from the beginning and cleared $500,000 in sales in the first year. It's now a tourist destination and has inspired other communities to replicate the model – Washakie Wear in Worland, Wyoming; Our Store in Torrington, Wyoming; and the Garnet Mercantile in Ely, Nevada.
  - North Dakota operates the Bank of North Dakota, a **public bank** that invests in local infrastructure and small business development, keeping wealth circulating within the state. Although North Dakota is largely rural, the bank supports agricultural businesses, local entrepreneurs, and infrastructure projects, providing accessible financing that might not otherwise be available from larger national banks. Public banks may be useful partners for EDDs.
  - Slow Money movement in areas like **Wisconsin** and **Colorado** helps local investors fund sustainable agricultural businesses, ensuring that rural wealth stays local and promotes regional food systems.

WORKER COOPERATIVES AND EMPLOYEE OWNERSHIP

- Support cooperative development and worker ownership as tools to build more inclusive, resilient economies. Cooperatives, whether worker-owned, consumer-owned or producer-owned, allow communities to retain local control over economic resources while distributing wealth more equitably. These businesses distribute profits among employees, keeping wealth within the community while fostering greater economic democracy and stability. Mechanisms include:
  - Supporting the formation of **worker cooperatives** through technical assistance and legal support. Organic Valley, a farmer-owned cooperative based in rural Wisconsin, is one of the largest organic food cooperatives in the U.S. It allows small family farms to collectively market and sell their products, keeping profits within the farming community. The cooperative model also fosters local job creation and retains agricultural wealth within the rural economy. Southern Grassroots Economies Project in Appalachia promotes cooperative ownership structures in industries like farming, manufacturing, and crafts, ensuring that profits stay within local communities.
  - **Providing tax incentives or funding to transition traditional businesses into employee-owned enterprises** through Employee Stock Ownership Plans (ESOPs).

Cooperative Rideshares
In 2024, a new, local competitor to rideshare services like Uber and Lyft launched in the state of Colorado called Drivers Coop Colorado. Every driver is part-owner in the cooperative. It is the first community-led rideshare app that has been developed by a community organization in the US. The goals are:

1. Increase the wages of drivers by having 80% of the fare money go directly to them.
2. Reduce the price of fares for riders by eliminating the overhead that comes from a traditional business.
3. Provide rides to often-marginalized communities like the elderly, disabled, and previous incarcerated.

Currently, there are 250 drivers under Drivers Coop Colorado, but over 1,600 in the application process.

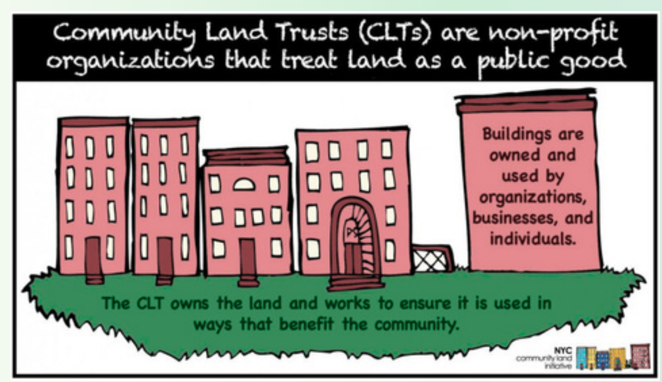
The Industrial Commons (TIC) in North Carolina jumpstarts community-owned cooperatives and transforms the local community. Informed by their own experiences as leaders from the factory floor, TIC develops community-owned manufacturing enterprises and programs that address business resiliency, worker agency, and environmental issues.

LOCAL PROCUREMENT POLICIES

- Government and institutional procurement policies that prioritize local suppliers keep a significant portion of public and private spending within the community. By directing contracts for goods and services to local businesses, wealth circulates locally rather than leaking out to external companies. Mechanisms include:
  - Implementing **local procurement ordinances** for city, county, and school district contracts. In many rural areas, school districts have adopted Farm-to-School programs that prioritize purchasing food from local farmers. For example, in states like Montana and Iowa, rural school cafeterias source local produce and meat, keeping procurement dollars circulating within the community while supporting local agriculture.
  - Creating a **local business registry** that makes it easier for institutions to find and prioritize local suppliers. Maine's Local Procurement Law encourages rural towns to buy goods and services locally, from construction projects to maintenance, benefiting small businesses in the region.
  - **Setting percentage goals for local businesses** in large public or private contracts (e.g., in construction or public services), where local governments are provided a certain percentage of contracting funds per project.

COMMUNITY LAND TRUSTS (CLTS)

- CLTs keep land in community control, ensuring that housing, commercial spaces, and local infrastructure remain affordable and accessible for future generations. By preventing land speculation and gentrification, CLTs help keep wealth and control over assets within the community. Mechanisms include:
  - **Setting up CLTs** to acquire and manage land for affordable housing, local business spaces, or community farms. In rural Wyoming, the **Jackson Hole Community Land Trust** helps maintain affordability in an otherwise expensive rural area. The CLT keeps land in the hands of the community, allowing local residents to access affordable housing and preventing the outflow of wealth through speculative real estate sales to external buyers. As the largest CLT in North America, Champlain Housing Trust in Vermont has created thousands of affordable homes and rental units in the Burlington area, receiving widespread acclaim for its long-term commitment to affordable housing and for fostering homeownership opportunities for low- to moderate-income families.
  - **Structuring leases to retain community control** and ensure affordability for low- and middle-income residents.



SUSTAINABLE AND INCLUSIVE INFRASTRUCTURE DEVELOPMENT

- Investing in local or regional infrastructure (built capital) that prioritizes community needs - such as renewable energy, transportation, affordable housing, and broadband - can create long-term financial wealth for the community by reducing outflows of money for energy, housing, and commuting costs. Mechanisms include:
  - **Building affordable, mixed-use housing developments** that cater to the community's needs while providing local jobs during construction and maintenance.
  - **Resident-owned mobile home parks** for those who have bought their housing from a mobile home park owner to run it themselves as a tenant-owned limited-equity cooperative. Resident-Owned Communities (ROC-USA) empowers manufactured home communities nationwide through cooperative resident ownership.
  - **Ensuring public transport connects local neighborhoods to economic hubs**, reducing commuting costs and keeping spending local.
  - **Considering municipally owned broadband or utilities**. In rural areas of Minnesota, cooperative energy systems like Federated Rural Electric Association have been established to manage and distribute locally produced renewable energy. By keeping energy production and management local, these cooperatives reduce energy costs and keep energy-related wealth within the rural communities. The Blandin Foundation in rural Minnesota funds broadband infrastructure, ensuring that small towns stay connected and allow local businesses to thrive in the digital economy without needing to move to urban centers.

Municipally Owned Broadband Networks
There are more than 400 municipal broadband networks in operation today, serving more than 700 communities. A third of those networks provide high-speed Internet access to nearly every address in the communities where they are located. Utah's UTOPIA Fiber serves 22 different communities. UTOPIA Fiber, also known as Utah Telecommunication Open Infrastructure Agency, is an open-access fiber-optic network that was founded by 11 Utah cities in 2004 with the mission to bring fiber-optic connection to every resident and business in their communities. Since its inception in 2004, UTOPIA Fiber has expanded to include 20 Utah cities and 3 operational partners.

In Vermont, new public partnerships between more than 200 communities will see an explosion of publicly owned infrastructure there. A Communications Union District (CUD) is an organization made up of two or more towns that join to create a municipal entity that builds communications infrastructure together. The state of Vermont is covered by CUDs. While CUDs are unique to Vermont, similar cooperative or regional broadband initiatives exist in other states, aiming to expand broadband access, especially in rural or underserved areas. Municipal networks are often rural and mostly small. The average community served is just 16,000 people. Almost a quarter of the tracked networks offer 10 gigabit-per-second service (Gbps), and many operate low-cost plans to help households facing economic challenges.

LOCAL CURRENCIES OR TIME BANKS

- These systems encourage spending and resource exchange within a defined area, preventing money from flowing out to national or multinational corporations. Mechanisms include:
  - Developing **local currencies** that can only be used at local businesses, incentivizing residents to shop locally. In rural western Massachusetts, the **BerkShares** local currency is used in small towns throughout the Berkshire region. Locals can exchange U.S. dollars for BerkShares, which are accepted at participating local businesses. This initiative encourages residents to shop locally, keeping wealth in the region.
  - Creating **time banks**, where residents exchange services (e.g., babysitting, home repairs) based on hours worked, rather than money, building a strong, localized exchange network. The New River Valley Timebank is a neighbor-to-neighbor network where you can share your skills and services.

ANCHOR INSTITUTIONS AND COMMUNITY WEALTH BUILDING

- Large anchor institutions like hospitals, universities, and local governments can play a key role in keeping wealth local by prioritizing local hiring, procurement, and investment. Mechanisms include:
  - Encouraging anchor institutions to **hire locally**, particularly from disadvantaged communities, to ensure local residents benefit from employment opportunities. In Kentucky and West Virginia, rural hospitals and small colleges serve as anchor institutions by committing to hire locally, procure goods and services from local businesses, and invest in the community. Programs like Appalachian Regional Healthcare work with local suppliers to keep wealth in the region while improving healthcare access for rural residents. **The Evergreen Cooperatives** model is being adapted in rural regions to create worker-owned businesses that serve local hospitals, schools, and municipal contracts, ensuring that wealth remains in the rural economy.
  - Partnering with anchor institutions to invest in **local real estate, health initiatives, and infrastructure** that directly benefit the surrounding communities.
  - Establishing community benefit agreements (CBAs) with large development projects to ensure they generate local jobs, affordable housing, and reinvestment into the community.

The Cleveland Model

One of the most well-known examples of EDD support for shared ownership models is the "Cleveland Model" in Ohio, where a network of worker cooperatives was developed with support from local EDDs, nonprofit organizations, and anchor institutions. This initiative has demonstrated the potential of shared ownership to revitalize economically distressed areas by creating jobs and keeping wealth within the community. Click here to learn more about the Evergreen Cooperatives.

PUBLIC BANKING AND LOCAL CREDIT UNIONS

- These entities reinvest deposits into local businesses, infrastructure, and community projects, keeping financial resources circulating within the local economy. Mechanisms include:
  - Creating **public banks** that finance local infrastructure, small business loans, and green energy projects with low-interest rates.
  - Promoting the use of **local credit unions** as an alternative to large commercial banks, which often take deposits out of the community. Many rural areas in Iowa and other midwestern states have robust credit unions that specifically serve the agricultural community. These local credit unions provide financing for farm operations, small businesses, and infrastructure development, ensuring that deposits stay local and are reinvested into the rural economy. **Self-Help Credit Union** in North Carolina provides loans to small businesses and rural agricultural cooperatives, keeping wealth in low-income and underserved rural communities.
  - Establishing **partnerships between public banks and local governments** to provide affordable financing for local developments.

LOCAL AND REGIONAL FOOD SYSTEMS AND AGRICULTURAL COOPERATIVES

- Developing local food systems helps communities retain wealth by supporting local farmers, reducing dependencies on imported goods, and ensuring that food dollars remain in the region. Mechanisms include:
  - Encouraging the growth of **farmers' markets, community-supported agriculture (CSA)** programs, and **urban agriculture** initiatives.
  - Forming **agricultural cooperatives** that allow local farmers to pool resources for distribution, marketing, and equipment purchases, reducing costs and increasing local sales. In the Black Dirt Region of New York, farmers have come together to form agricultural cooperatives that allow them to collectively market and distribute produce to regional and urban markets. These cooperatives help retain wealth in rural farming communities by giving small farmers access to larger markets and shared resources. The Federation of Southern Cooperatives in the rural South works with small farmers to develop agricultural cooperatives that provide marketing, technical assistance, and shared resources to keep wealth in farming communities.
  - Creating **local food hubs** that connect local producers with schools, restaurants, and institutions, ensuring local sourcing.

These mechanisms help communities build wealth from within and keep it there. By retaining and recirculating money locally, these strategies foster stronger, more resilient economies that benefit all residents. In rural areas, keeping wealth local is particularly important for maintaining economic stability and resilience. Many rural communities have successfully implemented the mechanisms discussed, often tailoring them to fit their unique needs and resources.

EDDs Can Advance Shared Ownership Models for Economic Growth

Economic Development Districts (EDDs) can play a significant role in supporting the above-mentioned shared ownership models.These approaches all have the potential to promote growth and long-term community stability. EDDs can support shared ownership models by doing what they do best:

1. **Technical Assistance and Capacity Building.** EDDs can provide technical assistance to businesses and organizations looking to transition to shared ownership models, offering workshops, training, and resources on how to set up cooperatives or ESOPs. EDDs can assist in creating business plans, governance structures, and legal frameworks tailored for shared ownership models, while helping organizations understand the regulatory and financial aspects of these transitions.
2. **Access to Funding and Financial Tools.** EDDs can help cooperatives and community-owned businesses access public and private funding by offering grants, low-interest loans, or connecting businesses to Community Development Financial Institutions (CDFIs) and other social investment sources.
3. **Facilitating Collaboration and Networks.** EDDs can help form networks of cooperatives and shared ownership businesses to foster collaboration, peer learning, and resource sharing. These networks provide mutual support, facilitate bulk purchasing, and offer shared marketing or advocacy efforts. EDDs engage with communities to raise awareness about the benefits of shared ownership and how it can lead to more sustainable and inclusive economic growth. They also help communities organize and launch cooperative enterprises.
4. **Supporting Business Incubators, Coworking Spaces, and Workforce Development Programs.** EDDs can offer assistance in business incubation, coworking, and workforce development to create opportunities for businesses and workers to stay in the region.
5. **Supporting Business Transitions.** EDDs can assist in business succession planning by encouraging retiring business owners to transition their companies into shared ownership models, such as ESOPs or worker cooperatives. This helps keep local businesses in operation and under community control, preserving jobs and economic activity.
6. **Research and Data Collection.** EDDs can conduct or commission research on the economic and social impacts of shared ownership models to build evidence of their benefits. This data can be used to inform policy development and attract investment in cooperatives or community-owned enterprises.
7. **Supporting Important Local and Regional Economic Sectors.** By bringing players in a sector together, EDDs can create social capital, identify challenges, and help to solve problems the sector may be facing, making the sector more likely to stay in the region.

How EDDs are Supporting Locally Owned Businesses on the Ground

EDDs can help strengthen local economies, retain wealth within communities, and help create stable jobs by supporting locally owned businesses. [BG1] Below are a few examples from across the country of how EDDs are leveraging their resources and expertise to support local economies:

Southeast Conference - The Southeast Conference in Alaska aims to strengthen the economic foundation of small, locally owned businesses to ensure the sustainability of local economies, particularly in isolated communities where dependence on outside companies is high. The Southeast Conference provides support for locally owned businesses in rural and remote areas of Alaska, focusing on sectors such as tourism, fisheries, and local crafts. It offers technical assistance, access to capital, and training programs tailored to the needs of small businesses.

Southwestern Pennsylvania Commission (SPC) - SPC supports locally owned businesses by providing grant funding, technical assistance, and access to entrepreneurial resources. It has specific programs aimed at rural economic development, which include helping local farmers and small-scale manufacturers expand their operations. SPC works to boost local economies by helping small businesses and locally owned enterprises grow, especially in areas where traditional industries have declined. Its focus is on diversifying the local economy and creating resilient, community-centered businesses.

Northern Vermont Development Association (NVDA) - NVDA supports locally owned businesses in agriculture, forestry, and tourism, offering a range of resources including business planning assistance, grants, and workforce training.NVDA works with small, local entrepreneurs to expand local market opportunities and access to capital. NVDA aims to strengthen the rural economy by fostering locally owned businesses that create local jobs and retain wealth within the community. It focuses on sectors vital to the region’s economy, ensuring that local businesses remain competitive in a changing market.

Greater Portland Council of Governments (GPCOG) - GPCOG in Maine supports local entrepreneurship and small businesses through its economic development programs, offering resources such as low-interest loans, technical assistance, and market development support. It also supports local agriculture and small-scale food production businesses. GPCOG focuses on creating a vibrant, locally based economy by empowering small business owners and fostering local entrepreneurship. By supporting locally owned businesses, GPCOG aims to keep wealth within the region and reduce reliance on larger corporations.

Northwest Michigan Council of Governments (NWMCOG) - NWMCOG provides resources to small and locally owned businesses, particularly in the areas of agriculture, tourism, and manufacturing. Its programs include access to capital, workforce

development, networking, and business planning services, specifically aimed at locally owned enterprises. NWMCOG aims to promote a diversified local economy by supporting businesses that are deeply embedded in the region. Its programs focus on keeping wealth and jobs within the local economy and enhancing the long-term sustainability of small businesses. Programs such as incubators and business development services help entrepreneurs launch and grow businesses that remain locally owned. In the agriculture sector, for example, the district supports local food initiatives that encourage farm-to-market businesses to remain locally controlled.

Northwest Regional Planning Commission (NRPC) - Located in Wisconsin, the NRPC has implemented programs to encourage local ownership in small businesses through grant programs and access to technical assistance. The district helps connect entrepreneurs with capital and resources to grow their businesses, with a focus on local job creation and ownership. Initiatives such as revolving loan funds (RLFs) support locally owned enterprises in various sectors, including agriculture, manufacturing, and tourism.

Southwest Colorado Council of Governments (SWCCOG) - This EDD works closely with local businesses and cooperatives to promote sustainable economic growth in the region. SWCCOG has a focus on supporting small-scale, locally owned businesses, particularly in industries like tourism, agriculture, and outdoor recreation. It also collaborates with local governments and nonprofits to ensure infrastructure projects are designed to support local business and ownership. Its Job Growth Tax Incentive provides a state income tax credit to businesses that create jobs that would otherwise not occur in Colorado without this program. Job Training Grant Programs, including the Colorado First and Existing Industry [BG1] grants, help fund customized training to help established Colorado companies and nonprofits remain competitive in their industry, adapt to new tech, and prevent layoffs. The Rural Jump-Start Zone program is a tax relief program for new businesses and new hires who locate into certain designated areas called Jump-Start zones.

These EDDs emphasize the importance of locally owned businesses and organizations in creating resilient, self-sustaining economies. Their efforts reflect a growing recognition that local ownership helps reduce income inequality, retains wealth within communities, and fosters long-term economic growth. EDDs play a vital role in supporting local ownership by fostering entrepreneurship, providing technical assistance and access to capital, advocating for supportive policies, fostering collaboration, promoting sustainable economic growth, and implementing infrastructure projects designed to sustain locally owned businesses. These efforts aim to build resilient economies where communities have greater control over their economic futures.

Keeping Wealth Local in the CEDS

Many EDDs have incorporated strategies for keeping wealth local into their Comprehensive Economic Development Strategies (CEDS).The following are examples of goals and action items identified in the CEDS that encourage strategies for rooting wealth locally:

Beartooth Resource Conservation & Development Area, Inc. (Montana):

- Continue to support cooperative business development in the region, including housing cooperative development and investment cooperative development.
- Remain aware of the Montana Cooperative Development Center's activities involving housing cooperatives as a potential option.

Mission West Community Development Partners (Montana):

- Support professional development of Mission Mountain Food Enterprise Center (MMFEC) staff to be able to provide cooperative development technical assistance and education.
- Build capacity and resources in developing cooperative projects through broad collaborations, partnerships and cooperative development networks.
- Provide Technical Assistance and support to emerging and existing cooperative development projects that improve the economic conditions of the region through workshops and one-on-one facilitation.
- Provide technical expertise and assistance to support cooperative to cooperative collaboration.
- Research models for cooperatives to address growth areas and develop organizational capacity to provide cooperative development services in growth areas. Specifically cooperative solutions to affordable housing.
- Research, collect and disseminate principles, facts and technical knowledge related to cooperative business development.
- Research models for cooperatives to address growth areas and develop organizational capacity to provide cooperative development services in growth areas. Specifically cooperative solutions to affordable housing.
- Provide business and cooperative development Technical Assistance for new and expanding food businesses through one-on-one consultations, workshops and grant writing

Clearwater Economic Development Association (Idaho):

- Identify and aggregate anchor institutions (industry, education, libraries, and healthcare) for collaborative opportunities

Gulf Coast Economic Development District (Texas):

- Support the development of small business, technology, manufacturing, and innovation incubators through partnerships between local governments, chambers of commerce, economic development corporations, universities, and/or other community anchor institutions to foster the development of locally owned enterprises.
- Support small business and innovation incubators through partnerships between community anchor institutions to foster the development of locally owned enterprises. Outputs: Coordination with local colleges and Workforce Solutions, technical assistance for grants

Wrapping Up:

- *Keeping wealth local* is a useful lens for EDDs to consider its economic development strategies, focusing efforts on building local and regional ownership opportunities, rather than relying on recruitment from the outside alone. A well-rounded economic strategy includes a variety of sub-strategies focused on keeping wealth local, entrepreneurship, recruitment, and retention.
- Opportunities to apply mechanisms for keeping wealth local are many, permeating various parts of the economy, including infrastructure, housing, workforce development, economic development, and more. Asset inventory is the first step to understanding opportunities for keeping wealth local.
- Keeping wealth local circulates money locally, supports local businesses, builds resilience, encourages entrepreneurship, and reduces dependency on external markets.

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Economic Development District
Community of Practice

For more information about wealth creation, visit nado.org/eddcop or contact Melissa Levy, Regional Development Researcher/Wealth Creation Specialist at mlevy@nado.org.

This resource is offered through the Economic Development District Community of Practice (EDD CoP), managed by the NADO Research Foundation to build the capacity of the national network of EDDs. To learn more, visit: www.nado.org/EDDCoP. The EDD CoP is made possible through an award from the U.S. Economic Development Administration, U.S. Department of Commerce (ED22HDQ3070106). The statements, findings, conclusions, and recommendations in this resource are those of the author(s) and do not necessarily reflect the views of the U.S. Economic Development Administration or the U.S. Department of Commerce.