Wealth Creation

Wealth creation is an approach to economic development that connects a region's assets to market demand in ways that build rooted wealth for local people, places and firms. It brings together a range of public, private and non-profit sector partners who have self-interest in the outcomes and an openness to discovering shared or common interests.

Multiple Forms of Wealth

A region's wealth is made up of stocks of eight capitals, meaning the quantity and quality of the components of those capitals in the region. These are Individual (skills and health), intellectual (knowledge, creativity and innovation), social (trust and relationships), cultural (traditions, ways of doing), natural (natural resources), built (physical and information infrastructure), political (voice and power), and financial (monetary resources).

Economic Development Districts (EDDs)

can use wealth creation in a variety of ways, including:

1. **Focus on capitals.** The entry point for wealth creation is using eight capitals to understand the variety of assets a community or region has. There are many ways to gather this information, including an asset inventory, a SWOT analysis (or alternatives), and ways of measuring progress and understanding outcomes.

2. **Sector specific approaches.** EDDs have brought players in an industry sector together to figure out pathways to "coopetition," or ways of cooperating that rise above competition to benefit the sector and the region as a whole.

3. **Building value chains in sectors.** This is about bringing partners together around an industry sector, mapping out the value chain system, determining where the gaps lie and strategizing collaboratively about how to fill them.

Local Ownership and Control

Local ownership and control is about "making wealth stick." Wealth creation is about making sure a region's capitals stay in place and that people, organizations and communities in the region can make decisions about how they are used and invested.

Improved Livelihoods for Everyone

Wealth creation is ultimately about improving lives. Improving livelihoods for those on the economic and social margins is good economic strategy. As they move toward and enter the economic mainstream, everyone does better. People, places or firms achieving lasting livelihoods when they increase upward mobility, increase resilience and increase future prospects.

Value Chain Development

A wealth creation value chain is a network of people, businesses, institutions, and non-profits who collaborate to meet market demand for specific products or services – each advancing individual self-interest while together creating greater local wealth. Value chains build multiple forms of wealth, keep that wealth local and build lasting livelihoods.

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

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EDD CoP
Economic Development District Community of Practice

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8 FORMS OF WEALTH
THE CAPITALS & DEFINITIONS

INDIVIDUAL
Skills, understanding, physical health and mental wellness in a region's people

INTELLECTUAL
Knowledge, resourcefulness, creativity and innovation in a region's people, institutions, organizations and sectors

SOCIAL
Trust, relationships and networks in a region's population

CULTURAL
Traditions, customs, ways of doing, and world views in a region's population

NATURAL
Natural resources—for example, water, land, air, plants and animals—in a region's places

BUILT
Constructed infrastructure—for example, buildings, sewer systems, broadband, roads—in a region's places

POLITICAL
Goodwill, influence and power that people, organizations and institutions in the region can exercise in decision-making

FINANCIAL
Monetary resources available in the region for investment in the region