Wealth Creation in Rural Communities

PHASE ONE REPORTS

Formulating a Sustainable Economic Development Process for Rural America

Interim Report

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> *"It's a new day for rural America. For years, lucrative enterprise and dynamic communities have been the domain of urban areas. But today, converging factors – new values for traditional rural assets, new technologies, new long-term investment strategies, and new entrepreneurs – have positioned rural areas to chart their own paths to prosperity. These factors allow rural communities to increase and compound their wealth by making investments of enduring value." (Sierra Business Council, 2003)*[i]

Introduction

The premise of this project is that low-wealth rural communities can increase wealth, broadly defined, through the use of a triple bottom line approach to development. Experience suggests that development focused solely on economic outcomes often results in depreciation of both environmental and social assets. A balanced approach to development – what we are calling triple bottom line development - benefits the economy, the environment and social inclusion simultaneously.

Practitioners engaged in cluster-based strategies, value chains, entrepreneurship development, and triple bottom line community development financing were selected to undertake this work because they each offer a proven contrast to more conventional and less systemic approaches to rural economic development. We understood from the start that these practitioners represent approaches that are necessary, but not sufficient, to achieve our goal.

We have completed the first two phases of this work. Phase One is an assessment of existing practice. Phase Two is a place-based regional learning experience. While we still have a long way to go and many unanswered questions, we believe there is value in sharing what we have learned from the very first phases of our work.

Lessons Learned So Far

Triple bottom line work is essentially and inherently place-based. Every place has a unique natural resource endowment, culture, and economic history that relate the two. We must be attuned to the way successive economic restructurings have shaped and re-shaped relationships among people and between people and the unique natural resource endowments of place for better and for worse. Given the negative impacts on our environment of much past economic development, triple bottom line work often has a restorative element with benefits for and beyond individual communities. This means practitioners need to understand the particulars of place and shape interventions tailored to them.

Looking at a region and sector from a triple bottom line perspective yields new insights. It doesn't matter where you begin; with the environment, social inclusion, or the economy. If you look carefully enough, you will find connections among all three. For example, if the issue is lack of affordable housing, the way the issue is solved can impact the environment through housing location, site and building design, materials, energy and water efficiency, etc.; social inclusion through who is hired to construct the housing and who is able to afford it when it is available; and the economy through increasing labor availability for businesses, strengthening the local tax base, and building assets for homeowners. Thinking through the connections can yield insights into new and unexpected opportunities and create common ground among people whose concerns were previously perceived to be unrelated.

Value propositions exist at many different scales. For example, within a state, region, and community with an active forest products sector, there may be a local value proposition that improves returns to forestland owners through better forest management, certification, and/or carbon credits. At the regional level, there may be a value proposition for manufacturers that receive raw and processed wood products whereby certified management and chain of custody options increase the value of the final product. At the state level, the entire wood products industry and sector may be currently undervalued and could be returning significantly more to the state in terms of employment opportunities, environmental services, tax revenues, and increased local multipliers with strategic investments in management, coordination and innovation. Finally, there may be a global value proposition if there is international demand for the region's wood basket. Value propositions provide a unifying thread for regional development that aligns rural assets to rural, suburban, and urban needs without exploitation. Interventions should be formed around clearly articulated value propositions. Value propositions are most powerful when the value is clearly recognized by the giver and the receiver. For example, when urban consumers recognize the value of well-managed forests in supplying not only timber and fiber, but also clean air, flood control, and wildlife habitat, they are more appreciative of the investments made by rural landowners in sustainable forest management because they can see themselves as direct beneficiaries.

Underutilized material and financial resources (waste) exist in rural America. Reducing material waste and financial leakage can create wealth that sticks. For example, roughly 30% of food becomes waste as it moves through the value chain process from production to processing to distribution to consumption. Waste reduction and recovery lowers costs and creates new product opportunities. The amount of interest rural households spend on credit card payments often exceeds local tax payments and low wealth households are often victims of predatory lending practices that drain away savings opportunities. Looking with new eyes at opportunities to reduce, eliminate, and/or transform material and financial waste into resource is a tool for triple bottom line work. Investment does not always have to come from outside. Working better with what we already have can make a big difference in our capacity to save and increase wealth.

There are at least three ways to engage in work directed at triple bottom line and wealth creation outcomes. The first is to respond when opportunities arise. For example, when a community, a cluster, an entrepreneur or a buyer approaches a practitioner with a triple bottom line or wealth creating project, there is an opportunity to add value. The second way is to incentivize or encourage behavior change that results in triple bottom line outcomes and wealth creation. For example, agricultural producers could be incented to adopt soil and water conserving measures and/or to provide an ownership share to farmworkers. The third and perhaps most innovative approach is to design and create new market opportunities that are inherently triple bottom line wealth creating. This may involve creating new markets where none currently exist or connecting enterprises and communities to existing but not currently accessed markets. It may also involve creating programs from scratch that meet triple bottom line wealth creating criteria. For example, Shorebank Enterprise Cascadia intentionally designed their septic system loan program so that every loan made would have economic, environmental and social impacts simultaneously. The program preserves water quality and the local economic conditions of the shellfish industry, provides opportunities for area septic installers and inspectors, and targets low income people through reduced-rate loans. As it turns out, since correcting septic system problems increases the value of homes, it has wealth creation impacts also.

Current practice is not intentional about creating wealth that sticks. As a first step, being intentional about creating wealth requires understanding the difference between spending and investing; recognizing the reality of asset depreciation and the continual need for reinvestment; and accepting the need for a shift from a consumption-oriented society fueled by debt to one that saves and invests as well as consumes. As seen in the sample measures above, we are mostly focused on activities like starting new businesses, creating jobs, renovating buildings or marketing tourist attractions and less (if at all) on the wealth forming (or depleting) implications of these activities. We lack a common vocabulary and conceptual framework for community wealth. We have barely begun to explore the connections between building individual and community assets. We have much to learn about the structures and arrangements that support community wealth and enable its effective governance for ongoing community benefit.

Self-interest extends beyond the economic bottom line. While improved economic returns or profitability is one hook for changing behavior, it is not the only actionable component of self-interest. Contrary to popular belief, most small businesses are <u>not</u> profit maximizers. We need to expand our willingness to consider other forms of perceived self-interest in, for example, reducing social tensions, improving quality of life, and protecting or enhancing the environment as other hooks that can and do engage people in place. Recognizing a wider set of self-interests broadens the entry point for conversation about the triple bottom line.

Self-interest and community interest need to be realigned with one another. This work is only possible when there are synergies between self-interest and community interest. For example, in a conventional value chain, the producers tend to bear a disproportionate share of the risk. If there is a drought, or if dockworkers go on strike and the product spoils, producers take the loss. In a healthy value chain, there is recognition by the buyers that by sharing risk and providing insurances to producers, the integrity of the value chain can be maintained over the long term, thus saving buyers the cost of finding new suppliers every time a crisis occurs and giving producers a more stable livelihood.

Existing governance structures are not well-suited to a triple bottom line approach. Environmental/ecological services do not respect political boundaries any more than do economic and social activities. Many of the institutional governance structures created during the industrial age need to be re-imagined to support a triple bottom line world. Watersheds or labor sheds appear to be more relevant to triple bottom line development than political boundaries. Many issues facing rural communities can best be addressed regionally, yet many existing organizations that attempt to align interests within a regional context lack governmental authority and accountability. There is no effective forum for regional governance that engages rural, urban, and suburban areas in identifying common interests. As we proceed with our work, we hope to gain insights into requirements and models for effective governance that supports triple bottom line wealth creation outcomes for rural communities.

Creating wealth requires thinking long term. It isn't enough to just get a new business started; it's equally important to know how to keep the assets of business local and serving the local good when the business owner is ready to retire or when the business grows and is acquired by an absentee owner. Similarly, if the community is to benefit, it isn't enough to develop skills in general; skill development must enhance the competitiveness of existing businesses. Whose skills are developed matters also; if it is the skills of a highly mobile labor force and there is no effort to increase their connection to place, the investment may not stick.

We need measures to help us focus, share, learn and adjust. The effective use of measures in rural development is still young, but the power of measurement to define, focus, and engage participants is beginning to be recognized. Measures can help us understand the big picture, establish realistic expectations for our own work, and show the progress we are making. Measurement illustrates intention – "we treasure what we measure." Measures can also create transparency and accountability and provide information to keep us on track. Measurement is a creative process; there is no one set of measures suited to all situations. It is not specific measures so much as the tools and processes of measurement that need to be more widely understood and adopted.

A triple bottom line approach is not as foreign to practitioners in the field as we might think. More people than we may realize are already thinking in terms of a triple bottom line without the conceptual framework to name it or the tools to make it work on the ground. In every place, there are likely to be opportunities to respond, encourage, and/or create interventions using a triple bottom line approach with the intention of creating wealth that sticks. There is a need, however, to help people see the economy, the environment, and social inclusion as inter-related parts of a system within which triple bottom line outcomes can be intentionally created.

Intentionality matters. If practitioners are focused on only one or two aspects of the triple bottom line, they may undermine the rest in an effort to achieve results. Even if other aspects of the triple bottom line are not undermined, opportunities to strengthen them are likely to be missed. Therefore, intentionally defining outcomes to include economic, environmental and social inclusion components creates opportunities for synergies that would otherwise be missed.

You do what you know. To achieve triple bottom line outcomes, you need people engaged in an intervention from the start who have a variety of perspectives encompassing knowledge and experience with environmental and social inclusion as well as economic conditions and issues.

Language matters. Some people respond better to the term "stewardship" than to the terminology "triple bottom line." At this point, we have not found an equivalent phrase to help convey what we mean by wealth and wealth creation. In general, however, tight definitions may be a barrier to getting the right people to engage. It is important to find the language and values that resonate with different participants. It works best to begin with defining a shared goal and then work with interested parties to figure out how to get there. There is a difference, however, between language we use in the field to get the work done and language we use among ourselves as practitioners. Here it would be helpful to develop common language and shared understanding with respect to both the triple bottom line and making wealth stick. In communities grieving from a loss of wealth at the hands of "environmentalists," "regulators," and/or "big business," finding common language that doesn't inflame or divide is a special challenge.

Inclusive engagement is essential. No single organization can do this work. It requires bringing together people, organizations, institutions, and perspectives that often have not seen themselves as having shared goals. Initially, this work is about finding the right people who are open to new ideas and willing to take some risks. It is more important to find the right people within any given organization than to engage the organization's leadership at the start. The process of creating new relationships doesn't happen on its own. Skilled and intentional facilitation is required. Relationships are built most strongly through shared experience and through experiential learning about conditions outside one's own comfort zone. Collaboration is easier said than done. We still have a great deal to learn about accountability in collaboration.

Personal experience is transformative in understanding the challenges of place and in building value chain relationships. Our reality is defined in large measure by our experiences. As a result, we each understand only a small slice of reality. The experience of the Food Lab with value chain work suggests people need to be involved in experiential learning to truly grasp realities throughout the value chain and to begin to understand how their decisions affect others in the chain. Personal experience is transformative. Through personal experience, people take on a sense of ownership and commitment to changing the system. We believe this may be true for other aspects of triple bottom line development also. We have much to learn about how to illuminate the intersections of social, environmental and economic opportunities so that people with diverse interests can identify common ground.

Conclusion

While there remains a great deal of work to be done in this area, here are a few guiding questions we think may help practitioners frame their work to achieve in triple bottom line wealth creation outcomes.

1. What are the most important environmental conditions (positive and negative) and effects of conditions that need to be addressed in your place?
2. What are the most important social conditions (skills, health, relationships) that need to be addressed to make progress toward social inclusion?
3. What is the economic base of the region and what markets does it serve? How effectively does it serve regional markets? What new or emerging markets could it serve? (The more complete your understanding of markets and market forces, the more opportunities you will be able to identify.)
4. What are the value propositions that can be articulated by addressing some aspects of environmental and social conditions simultaneously? How can end-users be engaged in supporting these value propositions?
5. What are the dominant ideas (sometimes myths or mindsets) that need to be changed to make progress? What are the relationships that need to be built or refreshed to establish shared goals and alignment among all contributors to the value chain?
6. How does your theory of change address the triple bottom line? Does it result in creating wealth that sticks? If not, what can you do differently?

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Introduction

The premise of this project is that low-wealth rural communities can increase their wealth, broadly defined, through the use of a triple bottom line approach to development. Experience suggests that development focused solely on conventional economic outcomes can result in depreciation of both environmental and social assets. A balanced approach to development – what we are calling triple bottom line development - benefits the economy, the environment and social inclusion simultaneously.

Less than a year ago, practitioners engaged in cluster-based development strategies, value chain development, entrepreneurship development, and community development financing came together to form the Triple Bottom Line (TBL) Working Group. Together, we've explored how existing practice impacts wealth and the triple bottom line. We've also begun to imagine how practice might change if it were intentional about increasing wealth across a triple bottom line. We are not seeking a model that can be replicated (even reproduction isn't replication), because each human being and each human community is unique. Therein lies our resilience. Rather, we are seeking a set of principles, best practices, and examples of measurable outcomes that can frame a series of demonstration projects in the field. We believe this approach has potential for illuminating the shared self interest of a variety of people with social, environmental and economic concerns and bringing them together in new and rewarding collaborative partnerships with long-term benefits for persistently low-wealth rural areas.

We are developing a TBL approach that can be used to create new value propositions for low-wealth rural areas whose resources contribute (and can contribute more) to the well-being of larger and more urban regions and diverse economies. "A new alliance between rural and urban people and places has enormous potential to catalyze better ideas. It is increasingly clear that not only are the fates of rural and urban people and places linked, these links grow stronger as globalization, deindustrialization, suburbanization, and climate change accelerate."[iii] One such value proposition derives from the fact that rural communities are well positioned to be society's environmental stewards. Rural areas have low concentrations of people but high concentrations of natural resources. As a society, we are increasingly concerned with where we will go to get safe food, clean water, carbon sequestration, renewable energy, clean air, and a wide variety of other natural resource products and services. We are recognizing the fragility of the global economy and environment and the limits of market systems and efficiency. We need to learn how to meet our economic needs and wants without destroying our environment and society in the process. Rural communities can be innovators, demonstrating to their regions and the world the value in a non-exploitive approach to development – one that sees and realizes development opportunities that protect and enhance place, people, and profit <u>at the same time</u>.

A triple bottom line approach is ultimately successful when wealth sticks in low-wealth places. Wealth sticks when individuals and communities own or control assets, which means they substantially influence investment, re-investment, and distribution of the income from investment, which works ultimately to the betterment of the household and the community. When rural businesses succeed only to be acquired by large companies and relocated, wealth leaves the community and doesn't stick. When communities provide tax incentives to attract big box stores that siphon the community's income to shareholders outside the community and leave when the tax incentives run out, wealth again doesn't stick. When renewable energy assets are developed by absentee owners with energy sold over the grid to the highest bidder and profits returned to distant shareholders, once more wealth doesn't stick.

According to a recent study by the New Rules Project, "The federal government, states, and rural communities should redesign policies to encourage a highly decentralized and dispersed renewable energy industry that is significantly locally owned. Doing so would multiply the number of rural areas that benefit from burgeoning renewable energy industries, and would create a sustainable asset whose wealth and revenue will largely remain in the revived local communities and regions."[1]

We are engaged in learning how low-wealth areas can attract and aggregate internal and external investment in various forms of individual (especially for low-wealth individuals) and collective or community wealth, and structure, own, and/or control those investments to provide ongoing returns to the community. Toward that end, we want to understand how investments in various forms of individual and collective or community wealth strengthen one another and what kinds of structures exist and/or can be created to build on existing assets and make wealth stick in persistently low-wealth places. Our goal is to contribute to thinking and practice that illuminate new potential for integrating low-wealth rural communities into the larger regional, state, national, and global economy in ways that build place-based wealth and increase local resilience over time. Ultimately, we want to change old ways of thinking and doing on the ground and validate new ways of thinking and doing where they already exist so that development is for keeps.

We have completed the first two phases of this work. Phase One is an assessment of existing practice. Phase Two is a place-based regional learning experience. While we still have a long way to go and many unanswered questions, we believe there is value in sharing what we have learned from the very first phases of our work.

Why This Approach

Cluster-based strategies, value chains, entrepreneurship development, and triple bottom line community development financing were selected because they each offer a proven contrast to more conventional and less systemic approaches to rural economic development. We understood from the start that these are necessary elements of a TBL wealth creating rural development strategy, but are not sufficient to achieve our goal. Part of our work has been to identify what else may be needed. We know, for example, that education and workforce development are key ingredients. We also recognize that these four focus on economic development; as this exploration continues, we hope to integrate perspectives from community organizing and social justice and environmental protection practitioners. The work accomplished to date is a small but important step on a much longer road.

Entrepreneurship development is about supporting and growing existing local talent in the private and public sectors to create and grow enterprises that generate economic (as well as environmental and social) outcomes. (In contrast to a business attraction framework.) Nancy Stark, Laura Arce, and Ida Rademacher of CFED and Deborah Markley of the RUPRI Center for Rural Entrepreneurship led the research related to entrepreneurship development. (See www.RUPRI.org and www.CFED.org for more information.)

Cluster strategies support and strengthen existing relationships among similar and complementary businesses with their service providers and look for opportunities to achieve economies of scale and opportunities to intervene to generate economic, environmental, and equitable outcomes. (In contrast to support for individual businesses irrespective of their relationships with one another.) Stuart Rosenfeld, Chris Beacham and Dan Broun led the research related to cluster analysis. (See www.rtssainc.org and www.competitiveness.org for more information.

Value Chains build relationships among all players in the value chain from production through distribution, wholesale, retail to consumption regardless of their physical location in relation to one another to generate economic (as well as environmental and social) outcomes. (In contrast to value-added approaches which focus no a portion of the value chain and are supply, not demand, driven.) Hal Hamilton, Susan Sweitzer and Don Seville of The Food Lab and Monica Gelinas of Karp Resources led the research related to demand-driven value chains. (See www.sustainablefoodlab.org for more information.)

Community Development Financing as practiced by the Triple Bottom Line Collaborative (TBLC) provides financial services to promote or advance triple bottom line outcomes. (In contrast to the rest of the financial services sector that is assumed to focus exclusively on financial profitability.) Jason Bailey and Justin Maxson of MACED, John Berdes of ShoreBank Enterprise Cascadia and Susan Hammond of Four Directions – all members of the TBLC – led the research related to community development financing. (See www.maced.org, www.sbpac.com, and www.fourdirectionsmaine.org for more information.)

Mankato: Wireless Technologies

Mankato, a small city of 30,000 people located in south central Minnesota, is the center of a diverse cluster of activities related to wireless technologies. The cluster is composed of two regional wireless service providers, Midwest Wireless and HickoryTech (spun out of the local telephone company), several mid-sized manufacturers of electronic components for wireless and communications technologies (including both locally and nonlocally owned firms), and the Institute for Wireless Education, based out of Minnesota State University – Mankato and South Central Technical College, which provides basic and advanced informational training about wireless technologies to major wireless companies such as Nokia, AT&T, and Lucent. Mankato's historical base of knowledge relating to wireless technologies traces back to E.F. Johnson, a manufacturer of two-way radio systems founded in the nearby town of Waseca in 1923. The presence of E.F. Johnson cultivated a strong base of local knowledge in radio frequency technologies among engineers and technicians employed by the firm. As the company's fortunes waned in the 1970s and early 1980s, a number of entrepreneurial E.F. Johnson employees struck out on their own to form new companies, including several that offer engineering and contract manufacturing for wireless and communications technology components. [1]

We hypothesized that these four frameworks (which often overlap in practice) could be integrated to offer a more complete and compelling analysis of TBL opportunity than any one of them taken alone. Clusters or potential clusters (a concentration of firms in related sectors or related parts of the same sector) exist in many rural areas, though one often has to look beyond published statistics to see them. Their presence defines a potential comparative advantage that can be realized by sharing information, connecting to new markets, benefiting from shared programs like workforce training or research and development, etc. Most clusters have deep historic roots in a given place. Clusters provide a lens for understanding the economic landscape.

Every firm is part of a value chain, though very few are in relationship with buyers and sellers throughout the chain in which they participate. Demand-based value chain development is about bringing all parts of a value chain into relationship with one another and creating structures that spread risk and reward equitably along the entire chain to increase its resilience and stability to the benefit of all concerned. Often, the demand for products extends well beyond the region of production. Value chains can bridge the urban/rural and high wealth/low wealth divides and create a rationale for increased investment in rural/low wealth parts of larger regions. Strong value chains, if related to clusters, have the potential to build sectors as well as individual firms.

Swanton Farms, a large organic fruit and vegetable grower and aggregator working with unionized labor began implementing a unique Employee Stock Ownership Plan in 2005. The contracts with a Whole Foods supplier have allowed Swanton owners to award stock bonuses to a core group of key employees based on their individual contribution as well as on their group's success in meeting performance goals. Over time, this group is expected to own a substantial part of the business. The business pays for worker health insurance, pension, and other benefits, as well as providing low-cost housing. Swanton markets strawberries, ollaliberries, artichokes, broccoli, and cauliflower from Coastways Ranch, Wilder Ranch, Davenport Field, Laguna Ranch and Swanton Farms in retail supermarkets and 7 regional farmers markets. The CEO is a member of a growers Business and Entrepreneurship Group where the success of this model is being closely watched.

Entrepreneurs are business owners who create and seek to grow their businesses. Entrepreneurship development gives entrepreneurs the skills and support they need to grow profitably. Entrepreneurship development as a best practice transforms the skills and practices of entrepreneurs rather than simply providing services. It is one thing to simply provide an entrepreneur with a business plan; it is another to help an entrepreneur become financially literate. And, entrepreneurship extends into both the private and public sectors, with social or civic entrepreneurs creating value in their communities.

Wawokiye Business Institute (WBI) was implemented by the native CDFIs that are part of the Oweesta Collaborative Entrepreneurial Development System. The WBI uses a business coaching model with rural entrepreneurs; supplemented by a coaches' coach and a mentor network. The coaching model (when incorporated with the other services offered by the Native CDFIs and Collaborative partners), seeks to address key individual barriers such as lack of financial literacy, lack of business skills, and lack of access to capital.

Growth requires investment in many forms of capital. Financing of investments that allow entrepreneurs within clusters to meet the demands of value chains, create new value chains, and respond to changes in market demand facilitates economic prosperity. Responsible financing is a necessary ingredient for business establishment and growth, and we think innovative financing that shapes, supports, and rewards triple bottom line thinking can encourage the outcomes we are after. The Ford Foundation wants to test the hypothesis that, by combining these four components, it will be possible to generate new investment in low wealth/low population areas at a scale which will increase their adaptive capacity over time.

Phase One: Assessing Current Practice

The first phase of our work was an assessment of existing programs, projects, and/or policies that change behavior on the ground. We wanted to understand what is happening in the field today and what has happened historically that speaks to triple bottom lines and making wealth stick in light of our objective of increasing individual and collective (community) ownership of wealth in persistently poor places in rural America by employing a triple bottom line (TBL) approach to development.. While these practices were understood to have varying degrees of impact on the triple bottom line (see below), we focused on practices that did not have a negative impact on any of the three elements of the triple bottom line. These are the triple bottom line standards we used to assess work in the field:

Social Inclusion

1. Creates new barriers; increases isolation (-)
2. Neither creates nor removes barriers – no impact on social inclusion (0)
3. Blocks new barriers but doesn't alleviate existing barriers (+)
4. Removes existing barriers; reduces isolation within parts of an existing organization or institution or community (++)
5. Intentionally creates new opportunities for inclusion on a systemic, institutionalized basis (+++)

The Need for Social Inclusion

Despite public policy measures to the contrary, many have long recognized that poverty is not a function of income but of isolation and exclusion. In a recent study of concentrated poverty in America, the Federal Reserve/Brookings Institution found "Sometimes the isolation had human causes, such as construction of highways and railroads. Other times it had natural causes. For example, rural communities like Martin County and the Blackfeet Reservation, already remote from population centers, were further cut off by mountains. In still other cases, segregation caused the isolation…minorities ended up being cut off from the economic development going on around them."[1] Other examples of isolation associated with poverty and/or rurality - by the end of 2005, 24% of rural Americans had high speed internet connections at home compared with 39% of urban and suburban dwellers (Pew/Internet, 2006).[1] More than 1.6 [million?] rural households do not have cars, and research shows that communities lacking cars are characterized by persistent poverty (ERS, 2005).[1]

Isolation and exclusion are often associated with abuses of power, class, and race and/or ill conceived policies that prevent poor individuals and poor communities from accumulating or retaining wealth. Beyond issues of access to infrastructure, issues of power, class, and race often disenfranchise low-wealth individuals from having a role in decision-making that affects their future. We see social inclusion as a transformational step that is necessary, but not sufficient,to move low-wealth individuals and regions out of poverty (improved education and workforce development, for example, are also crucial).Social inclusion is not about providing services or subsidies to low-wealth individuals or regions, and it is not about tokenism. It is about building bridges between individuals and regions of low-wealth and individuals and regions of greater wealth for mutual economic benefit. It is about the integration of low-wealth people and regions into the larger society in ways that reward, rather than exploit, rural people and resources. Who needs to be included will vary depending on the history, culture, and demographics of a place. While others often use "equity" as one of the triple bottom lines, social inclusion is used here as a more actionable step toward equity.

Environmental Impact

1. Degrades natural resources; reduces ecosystem service capacity; depends entirely on non-renewable resources (-)
2. Neither degrades nor remediates natural resources – no impact on natural resources (0)
3. Prevents further degradation of natural resources but does not remediate (+)
4. Remediates natural resource degradation; enhances ecosystem service capacity; relies at least partially on renewable resources (++)
5. Intentionally enhances stewardship of healthy resources for the long term on a systemic, institutionalized basis – creates and protects natural capital. (+++)

Economic Impact

1. Reduces wealth (asset) creation potential; contributes to impoverishment of individuals and communities (-)
2. Neither contributes to impoverishment nor helps build assets – economically neutral (0)
3. Prevents additional economic exploitation but does not alleviate existing barriers to wealth (asset) creation (+)
4. Helps remove existing barriers to wealth (asset) creation; helps build individual and community assets (++)
5. Creates new approaches to building individual and community wealth (assets) on a systemic, institutionalized basis (+++)

We wanted to know the extent to which current and historic projects, programs and/or policies have contributed positively or negatively to wealth creation, maintenance, or destruction. We defined wealth or assets broadly to include:

Intellectual capital as 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, being, and doing.

Individual capital as 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.

Social capital as the stock of trust, relationships, and networks that support civil society and economies. 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. Taking residents on a study tour or sending youth away to school creates bridging social capital. Earnings from investment in social capital include improved health outcomes, access to employment opportunities, educational outcomes, expanded markets, and new ideas among others.

Natural capital as the stock of unimpaired environmental assets (e.g. air, water, land, flora, fauna, etc.) in a region. Natural capital is defined by Fikret Berkes and Carl Folke 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.

Built capital as 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).

Financial capital as 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.

Institutionalized Change
When we use the term "institutionalize," we have in mind changes in the system that do not depend on the beneficence of a single individual or a small group of individuals but are codified, enforced, and enforceable on and by entire organizations, be they for-profit, non-profit or government. Most significant innovations in the rural community economic development field begin as one-off experiments. These are invaluable in moving the field forward. However, a successful one-off experiment does not meet our criteria for "institutionalized." When principles of a one-off experiment become widely adopted as enforceable policy by any of a variety of organizations, that is when we would acknowledge a degree of institutionalization. For example, when a single buyer in a large business decides to experiment with the value chain approach to doing business by building mutually beneficial relationships throughout the value chain, that is a very important one-off. When, as a result of this experimentation, the entire company adopts a policy requiring this approach to all its supply chain relationships, that's institutionalization. When a single community initiative experiments with a forestland ownership structure that offers investment opportunities to low-wealth households, that is an exciting innovation. At the point where investment opportunities for low-wealth individuals become a way of doing business and an accepted part of many land conservation deals nationwide, that is institutionalization. The Supreme Court ruling on school desegregation is a classic example of institutionalization, but, as with all things, there are degrees. We expect to continue to refine our understanding of what it means to "institutionalize" a triple bottom line approach to development. We discovered very few practitioners that are thinking in terms of what it would take to institutionalize progress made through their efforts. For most, they consider their work "institutionalized" if there are policies in place that govern their particular intervention.

Assessment Findings

Each group of practitioners carried out an independent assessment of current and historic interventions programs and practices designed to answer the following questions:

- To what extent are practitioners in the field already working toward, achieving, or concerned about triple bottom line impacts?
- Is current work in the field increasing individual or collective ownership or control of wealth?
- How do we know – what kinds of measures are in use to track changes in ownership of wealth or triple bottom line impacts?
- What are the best practices that seem to contribute to triple bottom line and wealth creation outcomes?

Each assessment included cases from around the country. A list of the on the ground work included in each assessment appears in the Appendix to this report. The complete assessment reports are available as separate publications at each of the participating organizations' websites and at www.yellowwood.org.

To what extent are practitioners in the field already working toward, achieving, or concerned about triple bottom line impacts?

Cluster analysis, value chains, and entrepreneurship development are most closely aligned with the economic bottom line. However, practitioners in the field sometimes pay attention to several aspects of social inclusion such as: outreach to underserved entrepreneurs (women, youth, minorities, immigrants, low income); connecting isolated rural entrepreneurs with one another through cluster-based development; and connecting small scale producers with one another and with buyers along the entire value chain. The Triple Bottom Line Collaborative of community development finance institutions addresses social inclusion through support for institutions that serve low income areas or minority groups or direct assistance to low income entrepreneurs and/or households.

In contrast, the environmental leg of the TBL, with the exception of projects financed by the TBLC, rarely merits explicit attention within any of the other three frameworks or, indeed, within the field of community development finance outside the TBLC. Exceptions to this occur when a project is inherently "green" in some respect, but this is the exception, not the rule.

Here are examples of TBL impacts identified or inferred by practitioners:

SAMPLE ECONOMIC IMPACTS

Entrepreneurship	Value Chains	Cluster Analysis	TBLC Financing
# of businesses started	% of farmers who replant	New products developed	# jobs created or retained
Volume of sales	Changes in farmer income over time	Access to new markets	$ leveraged
Regional brand established	Services provided to members	Higher wages	Reduction in carrying cost
Increase in skills	Volume of sales	# of jobs created or retained	Increased asset value

SAMPLE SOCIAL INCLUSION IMPACTS

Entrepreneurship	Value Chains	Cluster Analysis	TBLC Financing
Increase in women, low-income, minority, micro, youth entrepreneurs	Revenues generated from new market access opportunities for smallholders, women, excluded groups	Entry level employment opportunities for people with limited education	Entry level jobs for low income people
Increase in number of service providers collaborating	Increased consumption of fresh vegetables by schoolchildren	Training for marginalized citizens	Affordable housing
Increase in referrals among service providers	Increased farm worker longevity in the community	Internships and expanded employment opportunities for lowest achieving population	Increased local ownership
Increase in entrepreneurs networking or mentoring	Increased opportunities for new/returning farmers	More open cluster organizations	Expanded women and minority business ownership

SAMPLE ENVIRONMENTAL IMPACTS

Entrepreneurship	Value Chains	Cluster Analysis	TBLC Financing
Mostly not considered	Keeping land in production vs. development	Mostly not recognized – some negative	Acres protected
More efficient use of energy than if there were many separate facilities	Reduced food miles = lower GHG	Value assigned to industry established green standard	Shift to renewable energy
Sustainable harvesting of wood products	Reduced use of organic phosphates	Reduced energy consumption	Improved forest health
Promotes smart growth	Reduced chemicals of all kinds	Cluster investment in public infrastructure	Riparian zone protected

Based on the findings of these assessments, doing rural community economic development within a triple bottom line framework will require new thinking about who to include in the process of identifying problems and opportunities and how to design and implement interventions that, at the very least, do no harm to any of the three bottom lines. Interestingly, members of the working group came away from the assessment process believing that programs or practices in all areas, while not currently designed to achieve explicit TBL outcomes, could be so designed. Several practitioners that contributed to these assessments expressed interest in learning how to do development using a triple bottom line approach.

Is current work in the field increasing individual or collective ownership or control of wealth?
Generally speaking, creating wealth and making it stick is not an explicit or well understood goal of rural development interventions. Over the first five years of their work with grantees, the National Rural Funders' Collaborative found "most grantee partners did not explicitly articulate their work in terms of poverty reduction strategies or outcomes."[iv] Both researchers and practitioners struggled with definitions and measures of wealth creation. The practitioners we reached focus on the number of jobs created, the number of businesses started or retained, and the amount of income earned rather than the extent to which any of these activities contribute to an increase in any of the six forms of wealth. Even in the financial sphere, an increase in income does not necessarily translate into an increase in financial assets. That transformation is only made possible through savings. There are exceptions, as in increasing the asset value of locally-owned assets, but very few interventions tie concerns with any of the three triple bottom lines to increasing place-based ownership or control of individual and collective assets. When practitioners were asked to think of their work in terms of the types of wealth or assets it contributes to, many made common but nevertheless heroic assumptions. For example, "Loans should help increase incomes for businesses and employees that should translate to permanent financial capital," is a heroic assumption that may or may not be realized as is "Preservation of natural environment through nature tourism." Without appropriate safeguards, nature tourism is as likely to degrade natural resources as to preserve them. As practitioners become better equipped to define triple bottom line wealth creating outcomes and measure the impacts of their work over time, we would expect to better understand how individual income and wealth creation translate into broader community wealth.

How do practitioners describe wealth-related impacts?
Here are some examples given by practitioners of wealth being created through entrepreneurship development and TBLC financing. Examples for value chains came from The Food Lab and the examples for Cluster Strategies came from the Cluster Strategies workshop.

INTELLECTUAL ASSETS

Entrepreneurship	Value Chains	Clusters Analysis	TBLC Financing
Built pool of knowledge about innovative practices in community development	Quantity and quality of shared information	Stemming out-migration of the brightest youth	Broader awareness of economic opportunities in solving regional problems systemically
Created learning laboratories for preservation-based development in the region	Shared capacity to imagine and co-design improvements	Supporting new ideas	New understanding and awareness of green ideas and the economic and environmental opportunities in them
Transforming individual farmer knowledge into "community property" through sharing strategy for standards compliance		Creating amenities that attract talent	Stronger understanding of continuous improvement model within organization – now being applied to other areas

INDIVIDUAL ASSETS

Entrepreneurship	Value Chains	Clusters Analysis	TBLC Financing
Increased skills for entrepreneurs	Skills of management, entrepreneurship, working with conflict, negotiation and team building	Reducing spending on consumption and increasing it on experiences	Skills to do energy efficiency improvements
Increased hope for the future being developed in and passed on by youth		Increasing levels of education among all segments of the population	Grant and technical assistance helping build owner's and company's
Increased pride of craft associated with selling to an expanded market		Improvements in educational system	Much better able to understand financials and do financial management, which helps them in interactions with bankers

SOCIAL ASSETS

Entrepreneurship	Value Chains	Clusters Analysis	TBLC Financing
Building relationships between youth and community elders	Quality of trust and commitment among stakeholders in a chain	Increased diversity in cluster organizations	New, positive working relationships built between various aspects of public, private and nonprofit sectors
Creation of a broader, more diverse leadership pool	First name relationships among transactional players along the supply chains that are significant to the well-being of place	More frequent connections to other regions	New relationships between housing directors and different entities from the project
Creation of networks	Confidence with which players at different places in supply chains can call upon one another to solve a problem or create an innovation	Increased networking and formation of formal business networks	Low/moderate income landowners are building an asset
Building coaching relationships based on trust		Increased workforce experiences for low income people	Helping create a micro neighborhood in this community

NATURAL ASSETS

Entrepreneurship	Value Chains	Clusters Analysis	TBLC Financing
Increased use of local produce	Biodiversity and habitat in landscape	Changes in the quality of the resource base	Improvements in forest health and prevention of future degradation
Expanded use of organic or sustainable processes	Quality of water through watershed and outflow to oceans	Number of companies adopting sustainable practices	Salmon run protected through riparian zone restoration
Preservation of unique regional assets through regional branding	No damage from toxics	Reductions in material consumption	Reduced waste stream
Preservation of natural environment through nature tourism	Low carbon footprint from economic activities	Reduced energy consumption	Eliminating/remediating a toxic space

BUILT ASSETS

Entrepreneurship	Value Chains	Clusters Analysis	TBLC Financing
Creation of a kitchen incubator	Brands owned, managed or developed by source communities	Amount of building restoration versus new construction	Improved housing
Restoration, rehabilitation and reuse of historic properties	Proportion of built capital owned or managed by producers or source communities	Networks to share transportation in movement of goods	New septic systems installed
Expansion of water treatment facility to keep up with business expansion		Shared facilities	Refurbishing a building
Expanded infrastructure at community college			Converting naval base building to warehouse

FINANCIAL ASSETS

Entrepreneurship	Value Chains	Clusters Analysis	TBLC Financing
Increased financial investments by entrepreneurs	Household savings available for reinvestment in the enterprise	Changes in charitable giving to community	Ability for owners to better leverage their asset (housing) for other financial investment
Creation of grant and loan pools to assist business clients	Association reserves available for reinvestment in aggregation, post-harvest handling, etc.	State tax revenues generated	Loans should help increase incomes for businesses and employees that should translate to permanent financial capital
Capturing wealth transfer through community foundations	Access to capital by households, small and mid-sized enterprises, associations, aggregators	Value of exports	Moving from rental to ownership is helping family build equity
Enhancing performance of existing CDFIs through entrepreneurship education and coaching		Growth of locally owned businesses and amount of consumer spending that stays local	Significant operational savings

Are there any patterns in the relationship of interventions to impacts?
We discovered interesting patterns in the types of wealth creation different frameworks seem to focus on. While these findings are preliminary, it looks like there may be real complementarities here as well as opportunities to diversify wealth creation through intentional practice. Value Chains, Clusters, and Entrepreneurship Development interventions primarily impact intellectual, individual, and social capital assets, while TBLC financing and technical assistance primarily impacts natural, built, and financial capital assets.

Furthermore, there appears to be an order in which the capitals are created, with investment in some areas being a precondition for investment in others. There is some evidence that ***intellectual*** capital comes first in the form of new ideas and/or new understandings and the ability to conceive new possibilities. Innovation begins with new ideas. It is then followed by ***individual*** capital in the form of new or improved skills or better health which is often developed in concert with ***social*** capital or trust and networks between similar and dissimilar people and organizations. Some degree of social, individual, and intellectual capital typically precedes investment in ***built***, ***natural,*** or ***financial*** capital. Entrepreneurship development, value chain development and, to a lesser extent, clusters invest in types of wealth that are often precursors to the types of wealth in which financial institutions typically invest. As with the triple bottom line, the types of wealth created through economic development interventions may have more to do with intention than any inherent limiting factor in any given framework. An integrated development approach recognizes the need for investment in all types of assets and recognizes, supports, and strengthens the synergies between investments in various forms of assets. Interventions that make wealth stick require multi-faceted investments. There are rural development practitioners in the United States who are starting to think about how to create wealth that sticks in their communities, but early work in this area, such as Policy Link's Equitable Development Toolkit and the Democracy Collaborative's work with Community Wealth Building Roundtables, is largely urban focused within a regional context.

"Current federal incentives largely enable a highly centralized and absentee owned renewable energy industry concentrated in relatively few states. The federal government, states, and rural communities should redesign these policies to encourage a highly decentralized and dispersed renewable energy industry that is significantly locally owned. Doing so would…create a sustainable asset whose wealth and revenue will largely remain in revived local communities and regions."[v]

How do we know what kinds of measures are in use to track changes in ownership of wealth or triple bottom line impacts?
On the whole, the assessments confirmed that we are not very good at measuring the impacts of our work on <u>any</u> of the triple bottom lines, even the economic where we have arguably been at this the longest. Most programs or projects have not established baseline measures related to their goals before they act so they have little idea at the end of the day of what they have actually achieved. Practitioners are still struggling with the difference between activities and outcomes or impacts and tend to count what they do, not what they achieve. A true outcome approach to measurement asks what was achieved from the perspective of the beneficiary rather than the intervener – and even fewer interventions do this.

When baseline measures are established, they are often limited to the scope of a given intervention – for example, how many entrepreneurs who have received services from us are still in business one year later? – rather than the big picture of the overall rate of business start-ups and failures in a given region. The majority of practitioners have been acculturated to view measurement as an expensive burden imposed by funders that does not contribute to success, rather than as a crucial navigational component that helps improve the likelihood of achieving meaningful outcomes while creating transparency and accountability.

There are some promising exceptions. For example, the HomeTown Competitiveness (HTC) program, a combined effort by the RUPRI Center for Rural Entrepreneurship, Heartland Center for Leadership Development, and the Nebraska Community Foundation, has developed a methodology for creating scenarios for intergenerational wealth transfer for states and counties. These estimates are used to create benchmarks for individual communities that mobilize to create community endowments. To illustrate, if a community's estimated 10-year intergenerational wealth transfer is $140 million and they capture 5% or $7 million for a community endowment, the payout per year would be $350,000 (at 5%). HTC helps communities organize to reach out to residents to provide assistance in estate planning and encourage a give back approach to the community. This approach has resulted in significant endowment creation at the local level. It provides a mechanism to capture a small share of existing wealth for shared community benefit rather than allowing wealth created in and by the community to leave when left entirely to heirs who no longer live there.

Another example of measurement that creates accountability comes from the Annie E. Casey Foundation's Connecting People to Jobs: Neighborhood Workforce Pipelines project which seeks to connect people in tough inner city neighborhoods with jobs outside the neighborhoods and keep them employed over time. Practitioners began by calculating the employment rate (number of employed people divided by number of adults 16-64) for the city, the county, and the neighborhood. The neighborhood's rate was significantly lower than the city or the county. They then determined the number of people who needed to be placed in jobs each year for the next five years to achieve parity with the city and the county. For example, they needed to employ 464 people a year for five years to achieve parity with the city employment rate. No single program could do that alone, so it became a shared goal of a number of partners, creating accountability and opportunities for mid-course corrections. The ultimate goal was stable employment leading to asset accumulation and homeownership.

The Triple Bottom Line Collaborative has developed a set of screening measures that assist them in determining whether or not a given loan meets triple bottom line criteria. Use of these measures is still in the early stages and outcomes are not validated at this time. The Sierra Nevada Wealth Index was developed by the Sierra Business Council "to help business leaders and policy makers understand the assets that sustain our region. The Index describes the social, natural and financial capital, which are the foundation of the Sierra Nevada's economy and thereby provides an integrated understanding of our region's wealth." The Index is not directly tied to goals, interventions and related specific outcomes.

Since current practice is generally not focused on creating, restoring, and maintaining wealth and making it stick in low-wealth rural places, it is not surprising that there is little shared understanding of what we mean by wealth broadly defined and there are few measures of wealth in use. One of our challenges going forward will be to illustrate practical and compelling measures of development of individual and collective assets across multiple categories of wealth as well as to provide a process through which practitioners in the field can derive meaningful measures suited to the uniqueness of their place and the challenges they intend to tackle.

What are the best practices that seem to contribute to triple bottom line and wealth creation outcomes?

Intentionality matters. If practitioners are focused on only one or two aspects of the triple bottom line, they may undermine the rest in an effort to achieve results. Even if other aspects of the triple bottom line are not undermined, opportunities to strengthen them are likely to be missed. Therefore, intentionally defining outcomes to include economic, environmental and social inclusion components creates opportunities for synergies that would otherwise be missed.

You do what you know. To achieve triple bottom line outcomes, you need people engaged in an intervention from the start who have a variety of perspectives encompassing knowledge and experience with environmental and social inclusion as well as economic conditions and issues.

Inclusive engagement is essential. No single organization can do this work. It requires bringing together people, organizations, institutions, and perspectives that often have not seen themselves as having shared goals. Initially, this work is about finding the right people who are open to new ideas and willing to take some risks. It is more important to find the right people within any given organization than to engage the organization's leadership at the start. The process of creating new relationships doesn't happen on its own. Skilled and intentional facilitation is required. Relationships are built most strongly through shared experience and through experiential learning about conditions outside one's own comfort zone. A number of successful interventions are based in unlikely partnerships across the private, nonprofit and public sectors that align economic interest with public social and environmental goals. They address the collisions between social, environmental and economic issues with market-based solutions that lead to "win-win-win" advances. Collaboration is easier said than done. We still have a great deal to learn about accountability in collaboration.

Language matters. Some people respond better to the term "stewardship" than to the terminology "triple bottom line." At this point, we have not found an equivalent phrase to help convey what we mean by wealth and wealth creation. In general, however, tight definitions may be a barrier to getting the right people to engage. It is important to find the language and values that resonate with different participants. It works best to begin with defining a shared goal and then work with interested parties to figure out how to get there. There is a difference however, between language we use in the field to get the work done and language we use among ourselves as practitioners. Here it would be helpful to develop common language and shared understanding with respect to both the triple bottom line and making wealth stick. Finding common language may be a particular challenge in communities that have experienced exploitation and loss of wealth whether at the hands of environmentalists, regulators, big business or others.

There are at least three ways to engage in work directed at triple bottom line and wealth creation outcomes. The first is to respond when opportunities arise. For example, when a community, a cluster, an entrepreneur or a buyer approaches a practitioner with a triple bottom line wealth creating project, there is an opportunity to add value. Sometimes, practitioners may be able to help clients recognize inherent triple bottom line or wealth creation opportunities that are being overlooked. For example, a retailer or brand manufacturer might have at one time assumed that the boundaries of their social responsibility lay only within their own operations. Now they have come to realize they are being held responsible for labor conditions, poverty among producers, or resource degradation. A practitioner might find an opportunity to partner with the retailer or manufacturer to identify their full range of impacts on workers, suppliers, communities, and natural resources, and facilitate value chain engagement that improves conditions throughout the chain and beyond. The second way is to incentivize or encourage behavior change that results in triple bottom line wealth creation. For example, agricultural producers could be incented to adopt soil and water conserving measures and/or to provide an ownership share to farm workers. The third and perhaps most innovative approach is to design and create new market opportunities that are inherently triple bottom line wealth creating. This may involve creating new markets where none currently exist or connecting enterprises and communities to existing but not currently accessed markets. "Green" markets are starting to provide an alternative to traditional commodity production. It may also involve creating programs from scratch that meet triple bottom line wealth creating criteria. For example, ShoreBank Enterprise Cascadia intentionally designed their septic system loan program so that every loan made would have economic, environmental and social impacts simultaneously. The program preserves water quality and the local economic conditions of the shellfish industry, provides opportunities for area septic installers and inspectors, and targets low income people through reduced-rate loans. As it turns out, since correcting septic system problems increases the value of homes, it has wealth creation impacts also.

Self-interest and community interest need to be realigned with one another. This work is only possible when there are synergies between self-interest and community interest. For example, in a conventional value chain, the producers tend to bear a disproportionate share of the risk. If there is a drought, or if dockworkers go on strike and the product spoils, producers take the loss. In a healthy value chain, there is recognition by the buyers that by sharing risk and providing insurances to producers, the integrity of the value chain can be maintained over the long term, thus saving buyers the cost of finding new suppliers every time a crisis occurs and giving producers a more stable livelihood. Alternative non-bank capital can be used to take and manage risk exposure along the chain.

Creating wealth that sticks requires thinking long term. It isn't enough to just get a new business started; it's equally important to know how to keep the assets of business local and serving the local good when the business owner is ready to retire or when the business grows and is acquired by an absentee owner. Similarly, if the community is to benefit, it isn't enough to develop skills in general; skill development must enhance the competitiveness of existing businesses. Whose skills are developed matters also; if it is the skills of a highly mobile labor force and there is no effort to increase their connection to place, the investment may not stick.

Phase Two: Working Together in the Field

After meeting to share and discuss the results of the assessments of current practices in entrepreneurship development, value chains, cluster analysis and TBLC financing, participants in this process decided to organize a joint place-based exploration of the forest products industry in eastern Kentucky. The purpose was to see what could be gained by bringing the unique perspectives of members of the working group together in one low-wealth rural place to consider a single sector within a triple bottom line context. The focus was on integrating the knowledge and experience of participating researchers, learning together and going deeper in thinking about what triple bottom line development might mean in a specific place. This work was intended from the beginning as an exploration, not as a comprehensive study of issues and opportunities in eastern Kentucky's forest products industry. Indeed, none of the researchers were forest industry experts. Nonetheless, given the orientation of the participating researchers, one result was a short paper for local participants in the site visit describing what was learned and holding a mirror up to the sector. This appears to have had some value as, "Nobody has taken that broad of a view of the sector in our state and written it down."

The group prepared for the two and a half day site visit by gathering information on Kentucky's wood products sector, companies, related institutions, service providers, and policies and by completing telephone interviews with key informants to gather background information and identify potential local participants in the site visit. They also developed a series of questions to use in focus group and interview settings that reflected the range of considerations and insights stemming from each of the four frameworks.

During the site visit, researchers conducted a focus group with landowners and foresters, team interviews with several secondary wood products companies, a focus group with representatives from community colleges, workforce training programs, industry associations, a community development financial institution, a chamber of commerce, and a small business development center, and team interviews with two primary processors as well as two debriefing sessions. Researchers also participated in tours of secondary and primary processing facilities. The group did not meet with loggers or employees of primary or secondary firms.

The activity was presented to local participants as follows:

"We are carrying out a Ford Foundation research project on economic development related to the forests and wood industry in this region. The foundation puts a lot of money into rural development around the country and wants to understand how to use it better. This project involves learning more about what communities and businesses in this important sector in a place like Laurel and Pulaski Counties see as the opportunities and challenges to their success. So, we're interested in finding primary and secondary wood products companies in those counties that might be willing to give us a little time to share their thoughts on those issues."

Fortunately, there was sufficient interest and willingness among local participants to provide ample food for thought. Researchers were pleasantly surprised to discover how many people were already thinking about environmental issues from both landowners' and processors' perspectives, though not about the triple bottom line or wealth creation.

This exercise revealed the potential power of looking at a particular place and sector from a triple bottom line wealth creation perspective. By stepping back and looking at the entire value chain in the industry from landowners to secondary product producers and their customers, it was possible to identify what appear to be key leverage points for win-win solutions in approximately three areas – condition of the resource base, market intelligence, and workforce development - all of which are interconnected within a triple bottom line framework and have wealth creation potential. More work is needed to determine if these three elements are useful starting points in general, or simply worked well in Kentucky.

Condition of the resource base. Kentucky has a substantial hardwood resource that has experienced disinvestment through high grading and lack of adequate management. Kentucky's forestland is overwhelmingly privately-owned, most often in small plots that are held by families. Southeast Kentucky has the highest percentage of forested acres and the fewest acres involved in management. Absentee owners are also prevalent and lack a personal relationship to the land – their ownership is most often associated with coal mining, for which the trees are cleared in the case of strip mining or mountaintop removal (and only sometimes harvested and sold). But some landowners have a profoundly personal connection to their land and a deep commitment to its legacy. The land has been in their family for generations – "It's in my soul to grow wood. I care what I leave to my children and grandchildren." According to the Kentucky Woodland Owners Association, forest land that has not been managed is only 25 percent as productive as it could be. However, those who are managing their land are doing so for more than the economic benefits, because you "can't afford to grow a tree from an economic standpoint." "I really believe in trying to grow good timber – not for money but for the good of the country, the good of the people down the road." When management plans are developed, they often are not implemented because of the cost associated with them. Many landowners see property taxes as a challenge, and the long timeline to grow valuable trees (80 years) forces many landowners to harvest unsustainably to generate quick cash. Arson and timber theft also continue to be issues.

Demand is growing for certified wood products for use in construction, paper, furniture, and a variety of goods from the woods. In addition, demand is growing for well-managed forest land to serve as carbon sinks to offset carbon emissions and reduce the rate of global warming. The State of Kentucky itself has recognized the value of green building and is requiring LEED standards for new public construction. The preferred wood for LEED projects is certified by the Forest Stewardship Council (FSC). However, there is virtually no wood growing in Kentucky today with FSC certification. This is one example of a disconnect in the regional value chain. Demand for certified wood is strongest in Europe. Without an inventory of certified logs from sustainably managed forests, Kentucky primary and secondary producers cannot compete in these markets and an important basis for strengthening the international value chain is lost. As for carbon credits, the current program penalizes the cutting of trees for forest products which actually reduces the incentive for forest landowners to manage forests for multiple benefits. Harvesting trees is an integral part of sustainable forest management and forest restoration and provides inputs used by manufacturers. An alternative suggestion is to offer carbon credits for the replacement of fossil fuels with wood fuels. Triple bottom line thinking is needed to connect the links in the value chain in ways that produce economic, environmental and social benefits and create wealth that sticks. As the situation stands, as one local participant put it, "We're exporting our wealth."

Figuring out how to aggregate land so that owners can collectively manage (with the help of a professional forester) and then certify (by sharing the cost) their forest lands appears to be a critical first step in moving toward a more sustainable forest resource. This approach speaks to social inclusion by addressing the needs of small landowners, the environment by improving the health of the forest land base, and the economy by improving forest productivity. It creates value chain opportunities that otherwise would not exist and forges connections that allow landowners to benefit from the value of their forest asset base.

Market intelligence. Best practices in value chain development are demand driven. Opportunities for value chain development are limited when there is a lack of intelligence about market trends, consumer preferences, and buyer needs. In Kentucky, we were unable to find information on who the major buyers are of Kentucky wood products. Kentucky's wood products industry is diffuse and comprised of many small players; from an abundance of landowners to many small logging operations, primary processors of various sizes and secondary processors of various sizes. Identifying and serving profitable markets is a challenge throughout the industry. Market information is not evenly communicated or understood. For example, some firms have found strong markets for residuals like sawdust and shavings while others are still taking them to the landfill. Most firms are not in contact with end users and are not aware of shifts in market demand until well after they have occurred. A concerted effort to provide market intelligence sector-wide for the full range of goods and services that can be provided by the forest industry would likely open up many new opportunities for entrepreneurship and cluster development. The full range of goods and services would include solid wood products, energy, recreation, non-timber products, environmental services, forest restoration, etc. Many forests are capable of generating multiple benefits to landowners, industry, and society.

Workforce development. There are significant workforce challenges and training gaps in the wood products industry. Many in this sector report trouble finding both skilled and unskilled labor. At the unskilled level, pay is fairly low and some companies do not provide health insurance; there is high turnover and too many people cannot pass drug tests. Companies report problems with basic math skills and reliability. There are some training opportunities for higher-skilled jobs that are utilized by companies through industry associations and University of Kentucky Extension. However, there was once a forestry tech program at Hazard Community College that provided hands-on production skills and was viewed by some as successful, but has been eliminated. Some industries have hired immigrant workers, but a large wood products industry in London/Somerset was recently raided by immigration officials and 12 undocumented workers were deported. Others used to hire immigrants but no longer do because they lack the capacity to inspect papers to insure legality and protect themselves from lawsuits and reputation risk. Women are also under-represented in the industry. It is important to note that these labor force issues do not reflect any input from employees of these firms; a more thorough understanding of these issues would require interviews with workers, young and old, to get their sense of this sector as a source of employment and career advancement.

Members of the industry feel too much attention has been given to high tech jobs in computer programming at the expense of the kinds of jobs available in forest products, many of which rely on increasingly complex technologies. If education were aligned to support opportunities in a valued and valuable industry, it would likely look very different than it does today. "There's a whole kind of cultural and educational shift that needs to happen around the honor and dignity of working in this industry. It is not held up as a successful track to go on." The industry is in the midst of a generational shift and with that shift there is likely to be even greater use of a wide variety of technologies at every stage in the value chain, including lumber sorting and decision-support tools. With respect to the furniture industry, a subset of the forestry sector, a paper from the US Forest Service Northeastern Research Station suggests that innovation will be the key to retooling an internationally competitive industry that takes advantage of proximity to market, adopts modern technology to customize design and includes all the stakeholders – companies, industry associations, governmental agencies, as well as educational and research institutions in retooling and reinvention.[vi] (We would add landowners, loggers, and foresters to this list.)

Existing value chains are also problematic for loggers. The average age of loggers is increasing, and costs for fuel and workers compensation have been escalating so that fewer and fewer loggers can afford to support employees. Instead, loggers work independently and sometimes illegally to avoid insurance costs. If the value chain is not restructured to allow loggers a fair return for risk and a reasonable cost for insurance, it will become more and more difficult to implement sustainable forest management.

All three of these areas - improving the condition of the resource, improving market intelligence, and improving workforce opportunities - address underutilized resources which, with appropriate investment, have the potential to yield significant returns. Investments make most sense within the context of value chain development where all parties along the chain are in relationship with one another to identify and implement solutions that are mutually beneficial. While there are associations serving the interests of various segments, there is no mechanism to bring parties from all aspects of the value chain together to identify and implement mutually beneficial solutions to increase the value of the sector as a whole. At the same time, the State of Kentucky has disinvested in the sector over time, laying off state foresters and closing its wood products competitiveness corporation, failing to recognize its potential as a driver of triple bottom line development with the potential to increase the value of assets for landowners, communities, and businesses throughout the state. A value-chain based group or groups that represent a wide range of interests including consumers, landowners, loggers, foresters, primary and secondary processors, aggregators, dealers, and retailers that finds common ground will be in a powerful position to influence policy and re-engage the state in support of the industry.

Lessons Learned So Far

Triple bottom line work is essentially and inherently place-based. Every place has a unique natural resource endowment, culture, and economic history that relate the two. We must be attuned to the way successive economic restructurings have shaped and re-shaped relationships among and between people and the unique natural resource endowments of place for better and for worse. Given the negative impacts on our environment of much past economic development, triple bottom line work often has a restorative element with benefits for and beyond individual communities. This means practitioners need to understand the particulars of place and shape interventions tailored to them.

Looking at a region and sector from multiple perspectives yields new insights. It doesn't matter where you begin; with the environment, social inclusion, or the economy. If you look carefully enough, you will find connections among all three. For example, if the issue is lack of affordable housing, the way the issue is solved can impact the environment through housing location, site and building design, materials, energy and water efficiency, etc.; social inclusion through who is hired to construct the housing and who is able to afford it when it is available; and the economy through increasing labor availability for businesses, strengthening the local tax base, and building assets for homeowners. Thinking through the connections can yield insights into new and unexpected opportunities and create common ground among people whose concerns were previously perceived to be unrelated.

Value propositions exist at many different scales. In our Kentucky experience, for example, there is the value proposition at the local level about increasing the returns to forestland owners through better forest management, certification, and/or carbon credits. At the regional level, there is a value proposition for recipients of raw and processed wood products from eastern Kentucky whereby certified management and chain of custody options increase the value of the final product. Within the State of Kentucky, there is a value proposition that the entire wood products industry and sector is currently undervalued and could be returning significantly more to the state in terms of employment opportunities, environmental services, tax revenues, and increased local multipliers with strategic investments in management, coordination and innovation. Finally, there is a global value proposition since Kentucky grows hardwood that is in limited supply on a worldwide basis. Value propositions provide a unifying thread for regional development that aligns rural assets to rural, suburban, and urban needs without exploitation. Interventions should be formed around clearly articulated value propositions. Value propositions are most powerful when the value is clearly recognized by the giver and the receiver.

Underutilized material and financial resources (waste) exist in rural America. Reducing material waste and financial leakage can create wealth that sticks. For example, roughly 30% of food becomes waste as it moves through the value chain process from production to processing to distribution to consumption. Waste reduction and recovery lowers costs and creates new product opportunities. The amount of interest rural households spend on credit card payments often exceeds local tax payments and low wealth households are often victims of predatory lending practices that drain away savings opportunities. Looking with new eyes at opportunities to reduce, eliminate, and/or transform material and financial waste into resource is a tool for triple bottom line work. Investment does not always have to come from outside. Working better with what we already have can make a big difference in our capacity to save and increase wealth.

Self-interest extends beyond the economic bottom line. While improved economic returns or profitability is one hook for changing behavior, it is not the only actionable component of self-interest. Contrary to popular belief, most small businesses are <u>not</u> profit maximizers. We need to expand our willingness to consider other forms of perceived self-interest in, for example, reducing social tensions, improving quality of life, and protecting or enhancing the environment as other hooks that can and do engage people in place. Recognizing a wider set of self-interests broadens the entry point for conversation about the triple bottom line.

Existing governance structures are not well-suited to a triple bottom line approach. Environmental/ecological services do not respect political boundaries any more than do economic and social activities. "Sheds" whether watersheds or labor sheds appear to be more relevant than political boundaries. Many issues facing rural communities are sufficiently complex or at a scale that can best be addressed regionally. As a result, there are increasing numbers of ad hoc organizations that attempt to align interests within a regional context, but they rarely have governmental authority. Information and authority within and across the triple bottom lines is fragmented at different scales and levels of hierarchy, making it difficult to measure the status of triple bottom lines. Many of the institutional governance structures created during the industrial age need to be re-imagined to support a triple bottom line world. In Europe, the concept of subsidiarity has been developed by the EU to mean taking important decisions at the lowest and most efficient level so as to encourage more direct involvement of the persons usually affected.[vii] Horizontal collaboration, while often important in building consensus, must be linked to centers of power and decision-making to effect real change in regional capacity. Ideally, rural people should be engaged in urban governance and vice versa to promote recognition that rural and urban areas form one system. We need more information about structures (legal, organizational, etc.) that allow communities to own and/or control wealth and make decisions regarding investment and reinvestment of earnings. As we proceed with our work, we hope to gain insights into requirements and models for effective governance that supports triple bottom line wealth creation outcomes for rural communities.

Personal experience is transformative in understanding the challenges of place and in building value chain relationships. Our reality is defined in large measure by our experiences. As a result, we each understand only a small slice of reality. The experience of the Food Lab with value chain work suggests people need to be involved in experiential learning to truly grasp realities throughout the value chain and to begin to understand how their decisions affect others in the chain. Personal experience is transformative. Through personal experience, people take on a sense of ownership and commitment to changing the system. We believe this may be true for other aspects of triple bottom line development also. We have much to learn about how to illuminate the intersections of social, environmental and economic opportunities so that people with diverse interests can identify common ground.

Current practice is often not intentional about creating wealth that sticks. As a first step, being intentional about creating wealth requires understanding the difference between spending and investing; recognizing the reality of asset depreciation and the continual need for reinvestment, and accepting the need for a shift from a consumption-oriented society fueled by debt to one that saves and invests as well as consumes. As seen in the sample measures above, we are mostly focused on activities like starting new businesses, creating jobs, renovating buildings or marketing tourist attractions and less (if at all) on the wealth forming (or depleting) implications of these activities. We lack a common vocabulary and conceptual framework for community wealth. We have barely begun to explore the connections between building individual and community assets. We have much to learn about the structures and arrangements that support community wealth and enable its effective governance for ongoing community benefit.

We need measures to help us focus, share, learn and adjust. The effective use of measures in rural development is still young, but the power of measurement to define, focus, and engage participants is beginning to be recognized. Measures can help us understand the big picture, establish realistic expectations for our own work, and show the progress we are making. Measurement illustrates intention – "we treasure what we measure." Measures can also create transparency and accountability and provide information to keep us on track. Measurement is a creative process; there is no one set of measures suited to all situations. It is not specific measures so much as the tools and processes of measurement that need to be more widely understood and adopted.

A triple bottom line approach is not as foreign to practitioners in the field as we might think. More people than we may realize are already thinking in terms of a triple bottom line without the conceptual framework to name it or the tools to make it work on the ground. In every place, there are likely to be opportunities to respond, encourage, and/or create interventions using a triple bottom line approach with the intention of creating wealth that sticks, but first we need to be able to help people see the connections between the economy, the environment, and social inclusion and get out from under the siloed issue by issue interventions that lack a systems perspective.

Conclusion

While there remains a great deal of work to be done in this area, here are a few guiding questions we think may help practitioners frame their work to achieve triple bottom line wealth creation outcomes.

7. What are the most important environmental conditions (positive and negative) and effects of conditions that need to be addressed in your place?
8. What are the most important social conditions (skills, health, relationships) that need to be addressed to make progress toward social inclusion?
9. What is the economic base of the region and what markets does it serve? How effectively does it serve regional markets? What new or emerging markets could it serve? (The more complete your understanding of markets and market forces, the more opportunities you will be able to identify.)

10. What are the value propositions that can be articulated by addressing some aspects of environmental and social conditions simultaneously? How can end-users be engaged in supporting these value propositions?
11. What are the dominant ideas (sometimes myths or mindsets) that need to be changed to make progress? What are the relationships that need to be built or refreshed to establish shared goals and alignment among all contributors to the value chain?
12. How does your theory of change address the triple bottom line? Does it result in creating wealth that sticks? If not, what can you do differently?

Next Steps

We expect the next steps in this work to involve:

1. Exploring and defining a variety of mechanisms that can be used to make wealth stick including, but not limited to: mission controlled architecture (how to sell a business and still keep its mission in place); community benefit agreements (e.g. fair exchange); community endowments; municipal ownership of businesses; employee ownership; and land trusts.
2. Developing sample goals, indicators, and measures related to wealth creation in each of the six wealth categories.
3. Expanding the dialogue to include additional perspectives on triple bottom line wealth creating development.

APPENDIX

TBLC Community Development Finance Assessment Description
The Triple Bottom Line Collaborative (TBLC) was initiated by Coastal Enterprises, Inc. and ShoreBank Enterprises Cascadia to promote triple bottom line lending practices among community development finance institutions. By 2008, the TBLC had grown to include 9 community development finance institutions committed to learning to use capital investment in combination with other strategies to achieve triple bottom line outcomes in particular places or regions. The TBLC selected ten interventions to include in the assessment. Most of these interventions predate the creation of the TBLC which began in 2006. Each intervention was analyzed in terms of its impact on the economy, the environment, social inclusion and the six forms of wealth.

Triple Bottom Line Collaborative Interventions
ShoreBank Enterprise Cascadia Septic Loan Program – provides income sensitive loans at 100% of cost of replacing or upgrading a septic system; creates business opportunities in septic industry while improving water quality and increasing value of homes – WA
Coastal Enterprises, Inc. Farms for the Future – provides farmers with business planning assistance and grants to implement plans in exchange for farmland protection agreements. – ME
Four Directions Development Corporation Energy Efficient Home Loan Program – combines energy audits with loans for energy improvements; includes an education component to raise awareness of green building needs and opportunities. – ME
Montana Community Development Corporation Smallwood Utilization Network – a network of wood products businesses, industry suppliers, researchers and government agencies that collaborate on projects to develop more uses, more processing alternatives and more market channels for small diameter wood and wood manufacturing residues; includes targeted project financing. – MT
Mountain Association for Community Economic Development (MACED) Forest Opportunities Initiative Carbon Credit Program – aggregates carbon offsets through the Chicago Climate Exchange for forest landowners; includes loans to reduce costs of inventory and certification.-KY
ShoreBank Enterprise Cascadia Fenter-Faring Compass Rose Farm Deal – purchase of easements used to fund property improvements, establish an organic farm that supplies a local food co-op, restore riparian zone, and prepare forest management plans. – WA
Northern Initiatives War Memorial Lean Project – introduced lean manufacturing principles to War Memorial Hospital resulting in cost and time savings, improved employee satisfaction, less waste, and more time to spend with low-income patients. – MI
Coastal Enterprises Inc. Look's Gourmet Deal – business assistance and financing for company using all natural and then sustainably certified seafood products. – ME
Natural Capital Investment Fund Renick Millworks Deal – working capital and technical assistance to company that uses salvaged/recycled lumber, generates renewable energy, provides entry level jobs, and obtained Forest Stewardship Council (FSC) chain of custody certification. – WV
Northern Initiatives Garden Bouquet Deal – loan for green building renovation in revitalizing neighborhood for business specializing in locally grown organic flowers. - MI

Healthy Value Chains Assessment Description
The Food Lab, whose work focuses on agricultural value chains, included twelve examples of agricultural value chains in the United States in their assessment. The assessment identified features of healthy value chains, practices to avoid in a value chain, and process innovations and structural innovations that promote healthy value chains.

Value Chain Interventions
Appalachian Harvest - aggregates organic produce to supply major groceries – VA,TN
Look Gourmet Foods - cannery sourcing regionally with certified brands – ME
Carrot supply for NYC schools - substitutes local for imported carrots; stimulating local supply –NY
Chipotle sourcing of natural pork - connects niche producers to high volume buyers – Midwest
CH Robinson – brokers regional, local and underutilized products through advanced sales – AR, MS, AL, MN, NY
FIELD – improves product quality, profitability and worker income through farmworker engagement – CA, OR
MACED carbon trading – aggregates and sells forest environmental services from small forest landowners – KY
Louisville Metro – develops markets for conversion from tobacco to vegetables for small farmers – KY
Red Tomato – creates markets through branding and product development – New England States
Swanton Berries – builds worker equity into business model – CA
DelCabo Farms – business collaborates with workers to build worker skills – CA, MX

Entrepreneurship Development Assessment Description
The Entrepreneurship Development team from CFED and the Center for Rural Entrepreneurship worked with an advisory group and identified 17 interventions included in their assessment.

Entrepreneurial Development Interventions
Advantage Valley Entrepreneurial League System – WV, OH, KY
Shared-use Kitchen Incubator for Food Sector Entrepreneurs – SE OH
Sustainable Wood Operation and Sustainable Agriculture Brand – VA, TN
Heritage Tourism-Based Entrepreneurship Development Through Regional Flavor Brand – AR
Capacity Building Through HomeTown Competitiveness – NE
Capacity Building Through Good Work – NC
Cenla Entrepreneurial League System (ELS) – LA
Community Progress Initiative – WI
Greenstone Group – MN, WI
GROW Nebraska – NE
Natural Capital Investment Fund – WV, NC, VA, TN
NC Natural Hog Farmers Growers Association – NC
North Iowa Area Community College's John Pappajohn Entrepreneurial Center – IA
Regional Flavor – CO, NY, OH, AR, MN, NE
Wawokiye Business Institute – SD, WY
WESST Corporation – NM
4H EntrepreneurShip Investigation (ESI) - NE

Cluster Strategies Assessment Description

The Cluster Strategies assessment included a review of 49 rural clusters and a two-day workshop with participants from around the world to explore the relationship of cluster analysis to triple bottom line and wealth creation outcomes.

	Cluster	Place	Origin
1	Log homes	Bitterroot Valley, MT	1930s
2	Wireless tech	Southeast MN	1923
3	Heavy lift copters	Southern OR	1970s
4	Motion furniture	Northeast MS	1948
5	Artisan cheese	Vermont	1800s
6	Carpets	Dalton, GA	1800s
7	Chairs	Udine, IT	900s
8	Houseboats	Lake Cumberland, KY	1953
9	Recr. Vehicles	Lane County, OR	1968
10	Ceramics	Salzkammergut, AU	1500s
11	Wind energy	Southern MN	1990s
12	Automotive	Northern AL	1993
13	Metal manuf.	Western MN	1980s
14	Lace	Lustenau, AU	1200s
15	Wine	Yadkin Valley, NC	1990s
16	Wine	Walla Walla, WA	1950
17	Ceramic tiles	Sassuolo, IT	1200s
18	Defense electr.	Panhandle of FL	1970s
19	Plastics	Berkshires, MA	1930s
20	Toys	Ibi, SP	1910
21	Mobile Comm.	No. Jutland, DK	1948
22	Casinos	Tunica County, MS	1990s
23	Furniture	Lahti, FI	1920s
24	Leather & crafts	Sheridan, WY	1800s
25	Handcrafts	Toe River Valley, NC	1929
26	Marine	Coastal ME	1970
27	Electronics	So. Jutland, DK	1933
28	Plastics	No Central MA	1800s
29	Paper	Fox River Valley, WI	1850s
30	Knives	Maniago, IT	1600s
31	Theater	Branson, MO	1950
32	Seafood	Nelson, NZ	1970s
33	Hosiery	Catawba Valley, NC	1930s
34	Pencils	Middle Tennessee	1894
35	Hosiery	Castel Goffredo, IT	1920s
36	Eyeglasses	Belluno, IT	1400s
37	Biosciences	Bozeman, MT	1928
38	Marine	Eastern NC	1870s

39	Wind farms	Western TX	1994
40	Coalbed Methane	Gillette, WY	1990s
41	Pottery	Mata Ortiz, Mexico	1976
42	Shoes	Sinos Valley, Brazil	1940s
43	Mining	Sudbury, Canada	1883
44	Folk Art	San Luis Valley, CO	1970s
45	Ceramics	Seagrove, NC	1800s
46	Visual Arts	Salt Spring Island, Canada	1990s
47	Food Processing	Athens, OH	1990s
48	Renewable Energy	Northern IA	1996
49	Catfish Farming	Mississippi Delta, MS	1965
50	Books & Graphic Arts	Montolieu, France	1989

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