



## Champion Report

Theme Area: CORE TEAM UPDATE

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### Observations of Resilient Region wealth building:

#### Built

#### Financial

\$150K awarded from the Northwest Area Foundation for Sprout social enterprise and Distributed Leadership Model deeper Dive.

Crowdfunding work through Region Five.

#### Individual

#### Intellectual

The new Agrotourism website crafted by the UofM and mainted by R5DC.

#### Natural

#### Political

Good Food Access Fund policy development for financing and technical assistance of food access delivery points.

#### Social

Bridging social capital through new networks having new convesations and share experiances:

New video's under production for: Crowdfunding, Sprout Food Hub and the Resilient Region Deeper Dive.

## Defining Wealth: Eight Forms of Wealth (in summary)<sup>1</sup>

**Built Capital** is the stock of fully functioning constructed infrastructure.

**Financial capital** is the stock of unencumbered monetary assets invested in other forms of capital or financial instruments.

**Individual capital** is the stock of skills and physical and mental healthiness of people in region.

**Intellectual capital** is the stock of knowledge, innovation, and creativity or imagination in a region.

**Natural capital** is the stock of unimpaired environmental assets (e.g. air, water, land, flora, fauna, etc.) in a region.

**Political capital** is the stock of power and goodwill held by individuals, groups, and/or organizations that can be held, spent or shared to achieve desired ends.

**Social capital** is the stock of trust, relationships, and networks that support civil society.

**Cultural capital** is the stock of practices that reflect values and identity rooted in place, class, and/or ethnicity.

## Wealth Works Framework: Seven Forms of Wealth Continuum:<sup>2</sup>

**Built Capital** is the stock of fully functioning constructed infrastructure. Built capital includes buildings, sewer treatment plants, manufacturing and processing plants, energy, transportation, communications infrastructure, technology and other built assets. Investments 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 exists on in relation to its use. For example, sewer and water treatment plants contribute to human capital (health). Schools contributed to human capital (skill development) and social capital (if they are used as community gathering places) and many contribute to natural capital (if they include natural areas that are maintained or protected by the school).

**Financial Capital** is the stock of unencumbered monetary assets invested in other forms of capital or financial instruments. Financial capital, if well-managed, generates monetary returns that can be used for further investment or consumption. For example, financial capital can be invested in land protection through outright purchase or purchase of easements. Public financial capital can be accumulated in a variety of ways including building budget surpluses by collection more in tax revenue than is spent on services, borrowing through bonding, and charging fees or 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 investments in other forms of capital that yield public goods, for example, preventive health care programs to increase individual capital. Stewardship of financial capital implies responsible investment to generate added income as well as elimination of unnecessary cost or waste in providing public goods and services. In creating wealth, we strive to invest financial capital in ways to increase and improve the quality of the other five forms.

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<sup>1</sup> *Wealthworks Training Handout*. (Summer 2014). Yellow Wood Associates, Inc.

<sup>2</sup> *HUD Sustainable Communities Capacity Building Workshop: Fostering Partnerships in Rural Areas and Smaller Places*. (May 2012). Yellow Wood Associates, Inc.

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

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

**Natural Capital** is the stock of unimpaired environmental assets (e.g. air, water, land, flora, fauna, etc.) in a region. Natural capital is defined as having three major components: 1) non-renewable resources such as oil and minerals that are extracted from ecosystems, 2) renewable resources such as fish, wood, and drinking water that are produced and maintained by the processes and functions of ecosystems, 3) environmental services such as maintenance of the quality of the atmosphere, climate, operation of the hydrological cycle including flood controls and drinking water supply, waste assimilation, recycling of nutrients, generation of soils, pollination of crops, and the maintenance of 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 connect create it.

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

**Social Capital** is the stock of trust, relationships, and networks that support civil society. There are two forms of social capital: **bridging and bonding**. Investments in bridging social capital are those that lead to **unprecedented conversations, shared experiences, and connections** between **otherwise unconnected individuals and groups**. For example, sponsoring a town-wide festival could be seen as an investment in bonding social capital for town residents. Earnings from investment in social capital include improved health outcomes, educational outcomes, and reduced transaction costs, among others.

**Cultural Capital** is the stock of practices that reflect values and identity rooted in place, class and/or ethnicity. **Cultural capital influences the way in which individuals and groups define and access other forms of capital.** Cultural capital includes the dynamics of who we know and feel comfortable with, what heritages are valued, collaboration across races, ethnicities and generations etc. Investments in cultural capital create or sustain the values, traditions, beliefs, and/or language that become the currency to leverage other types of capital. Investments in cultural capital could include support for venues to showcase cultural achievements, programs to preserve and pass on cultural knowledge and skills and support for cultural transformations among other things. "Income" from investments in cultural capital may include increase "by in" into institutional rules and shared norms or behavior, strengthened social capital and increased access to other capitals through increased visibility and appreciation of cultural attributes and through cultural transformation, e.g. acquisition of language skills.

**We have not included cultural capital in the wealth matrix as a separate form of wealth to be measured because cultural value is expressed through the values, behaviors and ownership pattern associated the other seven forms of wealth. Where specific aspects of culture are critical to wealth creation they can be defined and measured in relation to other aspects of wealth.**

**For example, if a language or a craft is a critical form of wealth for a community it can be defined and measured as a form of individual, intellectual and/or social capital. If shared savings in an existing or desired cultural norm, it can be measured as part of financial capital.**