

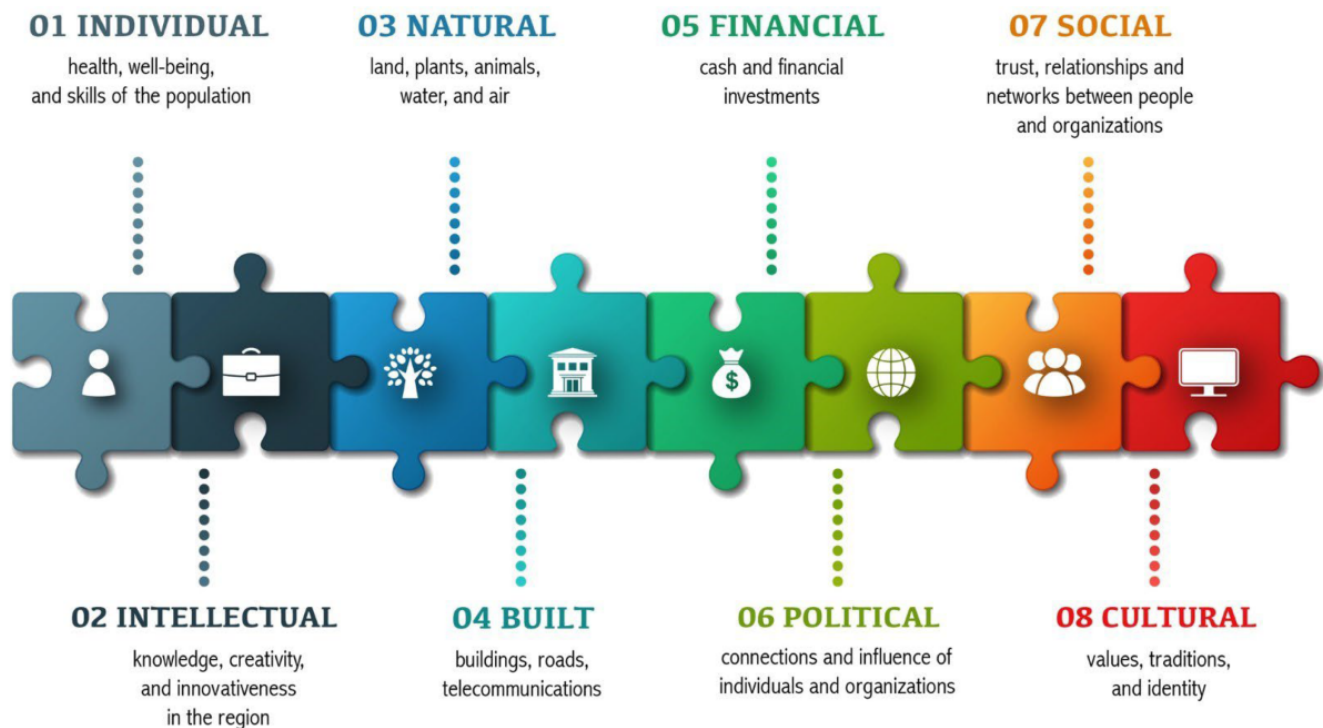
# Using a Wealth Creation Approach to Support Rural Economic Development

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As a result of the COVID pandemic, small, rural communities are more interested than ever in exploring ways to improve their resilience to disruptions. Practicing a wealth creation approach can help these areas to be more resilient.

## Assets and Community Capitals

The foundation of the wealth creation framework is the recognition that all communities and regions have assets on which to build. The wealth creation framework, as introduced by [WealthWorks](#) and its network, begins with understanding and inventorying assets, using eight capitals.



Communities can use these capitals to inventory assets, design strategies, and measure impacts.

## Case Study: Genesee Valley, New York

New York's [Genesee Valley](#) shows how a region can be successful in building an outdoor recreation economy using a wealth creation approach. Every year, over 700,000 visitors pass through the Genesee Valley region to visit one of New York's top destinations – [Letchworth State Park](#), often called the “Grand Canyon of the East.” As “gateways” to the park, communities in the Valley play an important role in providing a quality visitor experience, which ultimately leads to improving life for local residents and fueling economic growth by making these communities more attractive to potential employees and businesses.

The Genesee Valley has a variety of assets on which to build. The Valley's location is a significant asset; it is within a 30-minute to two-hour drive to the major urban centers of [Rochester](#) and [Buffalo](#) and serves as a gateway to Niagara Falls and Toronto to the north, the Finger Lakes wine country region to the east, Ellicottville's Holiday Valley Ski Resort to the west, and the Pennsylvania Wilds to the south. Linked together by Letchworth State Park and

the Genesee River, the surrounding area features rivers, lakes, forests, waterfalls, wetlands, and rolling hills – significant natural capital on which to build nature- and adventure-based recreation offerings. There is also the area's rich culture and heritage (built and cultural capital) through its many historic villages and towns.

Letchworth Gateway Villages (LGV) is the organization behind the work in the Genesee Valley. Their partners include regional planning and development organizations, county governments, municipal governments, small businesses, land managers, and others.

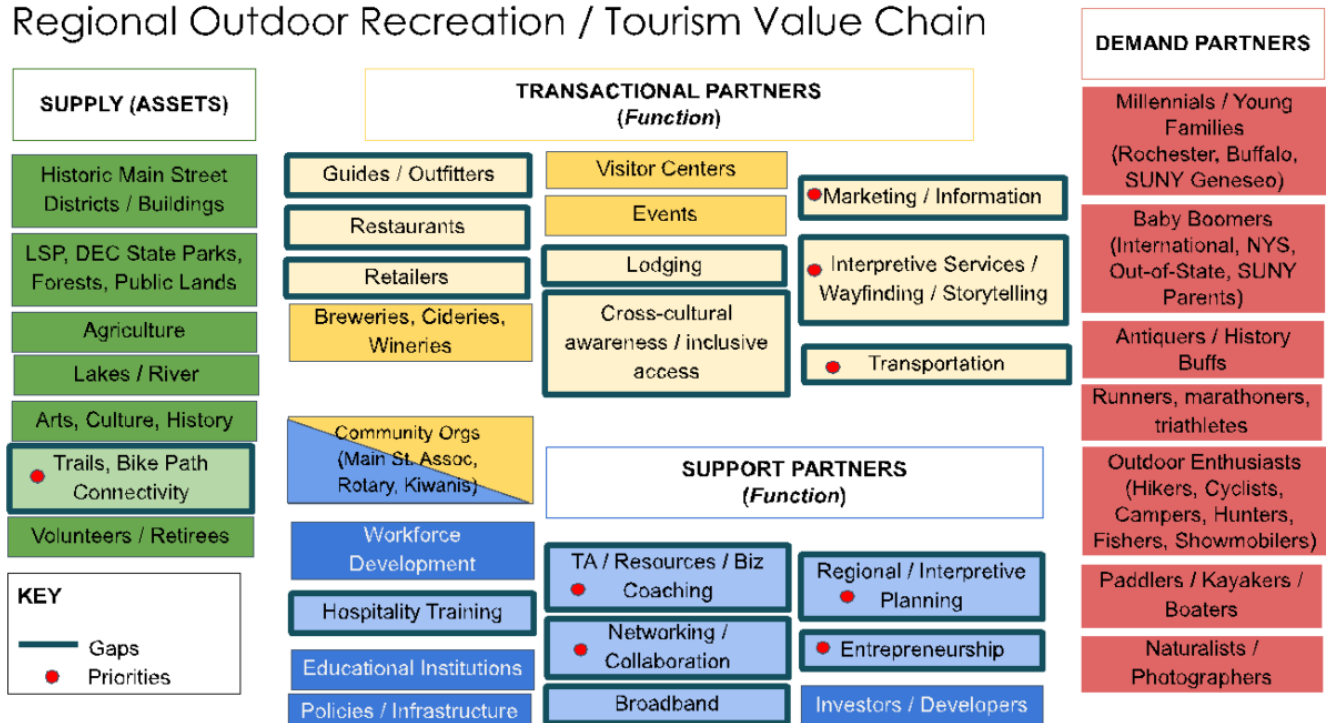
COVID-19 led to [increased market demand](#) for [off-the-beaten-path experiences](#) to rural places. Rural areas like the Genesee Valley are poised to capitalize on their assets, including agricultural economies, abundant nature, historic districts, innovative arts and culture, and the artisan food/craft beverage scene.

## Value Chain

One key tool used in the wealth creation approach is the [value chain](#). A typical supply chain pushes product to market, using a supply-driven approach. A wealth creation value chain, however, uses a demand-driven approach, producing products/services in response to market demand. There are three primary types of partners in a value chain. Demand partners are those that represent the demand side (the buyers). Transactional partners are those that actually touch the product/service – they may source, develop, produce, and distribute the product or service. Support partners provide the transactional partners with technical assistance, finance, training, and/or support.



Regional Outdoor Recreation / Tourism Value Chain



Many of the gaps identified in the value chain revolved around support for small businesses, such as technical assistance, resources, business coaching, and entrepreneurship.

The wealth creation planning process is ongoing, wherein a group maps a value chain, identifies the immediate gaps, and develops strategies with focused working groups that have a direct interest in addressing those priorities. Together, the Genesee Valley group developed priorities to begin addressing the most important gaps, focusing on trail connectivity, marketing/information, interpretive services/wayfinding/storytelling, transportation, business support, networking, and entrepreneurship.

## Wealth Creation Principles

There is no one way to undertake wealth-based economic development; however, the following three key principles can help guide the process.

1. **Consider multiple forms of capital.** The wealth creation approach focuses on identifying and building eight forms of community capital. A community inventories these assets to better understand what it has to build on and leverage, which can be done using a wealth-based SWOT (strengths, weaknesses, opportunities and threats) analysis.
2. **Create local ownership and control.** Structures of local ownership and control help keep wealth local, ensuring that people, firms, organizations, and communities can make decisions about how assets are used and invested in the future.
3. **Improve livelihoods for everyone.** This work is in the pursuit of creating improved livelihoods for everyone, especially those on the economic margins.

## Wealth Creation: Step by Step

Though the wealth creation process may look different and move at a different pace across communities and regions, there are fundamental steps to be followed:

## **Inventory**

- Identify the assets and capitals you have to work with.
- Perform a SWOT analysis.

## **Understand Market Demand**

- Based on the assets, what sectors make sense to explore?
- What is the demand for the product/service in that sector?
- Choose market opportunities with the greatest “wealth-building” potential.

## **Connect Community Assets to Real Market Demand**

- Start by considering local demand.
- Find regional customers/demand partners to bring the initiative to scale.

## **Map the Process and Partners from Input to End Customer**

- Use the value chain mapping process.
- Engage a variety of key partners in whose interest it is to be involved.

## **Identify the Gaps**

- Filling these are your priority strategies.

- Gaps present great opportunities for entrepreneurs looking to start new businesses where there is clear demand.

Once priorities were identified in the Genesee Valley, several working groups began to strategize around them. The outcomes have been impressive.

- [Letchworth Gateway Villages](#) (LGV) built [a network of 70 partners across the Genesee Valley](#). The network secured nearly \$1.2 million in federal resources.
- LGV is working with municipalities to establish a network of Trail Town hubs along the Genesee Valley Greenway and Genesee River corridor, aiming to boost outdoor tourism, create more resilient communities, and support the region's post-COVID recovery.
- A digital trail-mapping project will connect cyclists, paddlers, equestrians, hikers, and other outdoor enthusiasts with rural communities along the 200+ miles of trails, blueways, and cycling routes within the Valley.
- [LGV](#) has partnered with [Digital Main Street](#), an innovative online learning platform specifically designed for small businesses and start-ups aspiring to go digital. As Digital Main Street's first US partner, LGV will be able to scale one-on-one coaching support to more businesses in the Genesee Valley region.
- [LGV](#) and its partners are also working with local organizations, businesses, and residents to [map the best travel experiences, stories, and sites in the Genesee Valley region](#).
- LGV is helping to establish a Rural Innovation Institute at the nearby State University of New York at Geneseo. The institute will create new, high-skilled jobs to support emerging market opportunities in historic preservation, agro-tourism, downtown revitalization, and the digital economy.
- The [Landmark Society](#), whose work is focused on protecting the unique architectural heritage of the region, recently decided to focus its efforts on the rural Genesee Valley.

## Looking Forward

The Genesee Valley has many government entities, nonprofits, and businesses all seeking the same kinds of outcomes connected to their recreation economy – recreationists and tourists spending more money in the region, new businesses serving the recreation economy, visitors deciding to become residents, and better quality of life and economic opportunities for residents. The value for the region in using a wealth creation approach was better understanding the assets available to them and connecting those assets to market demand. The social capital, built by developing relationships among a wide variety of partners, was then used to consider ways of jointly building on the region's assets in a way that benefits the partners and the region as a whole.

*[Community Roots](#) is a woman-owned consulting firm specializing in rural wealth-based community and economic development.*