

Annex III

Principles for a Successful Community Wealth Building Strategy

By Gar Alperovitz

1. Take the time to identify and inventory the existing assets of your community. Build upon and leverage what you have.
2. Focus on building local equity in everything you do. Ownership matters.
3. Concentrate economic strategy on increasing the local circulation of goods and services (i.e., increase local multipliers through greater local purchasing).
4. Work with existing anchor institutions (universities, hospitals, churches, museums, public utilities) to support your economic development strategy.
5. Leverage locally available funding, particularly from community and local foundations, anchor institutions, and existing city and chamber of commerce business development programs. Channel local economic development resources to support wealth-building efforts.
6. Implement a systematic local-preference procurement policy from all major institutions (especially hospitals, universities, local government, utilities, and major corporations).
7. Begin a “buy local” campaign for households and small businesses.
8. Deal with the succession problem in family-owned businesses by providing technical assistance for retiring owners, on the model used by Kent State’s Ohio Employee Ownership Center, to sell their businesses to their workers through pension financed employee stock ownership plans (ESOPs).
9. Work across silos to produce new synergies and multi-sector strategies. Build community awareness of the need for a comprehensive local community wealth building/internal development/bootstrap/build-on-what-you-have approach.
10. Expand CDC capacity to generate income (especially property management, but other business development too). Encourage CDCs to maintain a broad focus (including advocacy), so that housing is but one aspect of their community-building work.
11. Develop land trusts early on to provide permanent low and moderate-income housing, both to stabilize neighborhoods in the short term and in anticipation of gentrification problems that are likely to arise as economic development succeeds.

12. Attack efforts that strip assets away from communities or otherwise have wealth-reducing effects (e.g. predatory lending).
13. Expand use of IDAs, earned income tax credits, and other related mechanisms that assist low and moderate-income individuals to save and acquire wealth.
14. Develop investment opportunities for low-income people by fostering their ability to obtain shared-equity housing or buy shares in community-owned enterprises like the Market Creek Plaza project in southeast San Diego.
15. Work across the asset development continuum to devise mechanisms that integrate individual or family asset accumulation with community wealth building strategies.