

Introduction to Community Wealth Building—and a quick guide on possible careers

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NASCO Institute

Ann Arbor, Michigan

November 9, 2014

The Democracy Collaborative

Promoting innovations to rebuild community wealth and enhance vital and equitable local economies

Field Building

To create a “Community Wealth” movement:

- C-W.org
- CWB Roundtable
- Learning/Action Lab
- Policy Development
- Key Partnerships
- Conferences

Research

Build knowledge for the field:

- Reports
- Articles
- Case Studies
- Books
- Metrics & Indicators

Advisory

Develop community wealth building strategies in local communities (with City governments, local philanthropy, anchors):

- Cleveland, OH
- Atlanta, GA
- Washington, DC
- Pittsburgh, PA
- Amarillo, TX
- Jacksonville, FL
- New Orleans, LA

Next System

Expand network of scholars & activists:

- Conferences (Harvard, MIT)
- Commissioned Research
- Next System Book

What is Community Wealth Building?

A new approach to community development that **creates economic prosperity by democratizing wealth and ownership**. Key facets of this approach include:

- promote broader ownership of capital
- anchor jobs locally
- stop the leakage of dollars from communities
- support individual and family asset/wealth building
- reinforce stewardship
- generate revenues to finance public services
- enhance local economic stability
- leverage anchor institutions for community benefit

CONTINUUM OF WEALTH-BUILDING STRATEGIES

INDIVIDUAL



COMMUNITY



GOVERNMENT



BROADENING OWNERSHIP OVER ASSETS AND CAPITAL



Family Wealth Building	Shared Equity	Community/Worker Ownership	Public Ownership or Investment
Individual Development Accounts	Community Land Trusts	Anchor institutions (eds, meds, churches, museums, libraries)	Municipal enterprise
Microenterprise	Limited Equity Cooperatives	ESOPs or worker cooperatives	State & local venture investments
Family Self-Sufficiency Program	Deed restriction (inclusionary zoning)	Credit unions	Public pension fund ETIs (economically targeted investments)
"Baby Bonds" & child savings accounts	Mixed ownership (Market Creek)	Community corporations	Public leases: land & transit development
Earned Income Tax Credit volunteer assistance programs	Program-Related Investments	CDC or CDFI direct ownership	Stock warrants in exchange for granting tax breaks (fair exchange)
Alternatives to predatory lending	CDC/CDFI equity investments or joint ventures	Social enterprises	Trustee ownership (e.g., Alaska Permanent Fund)
Nonprofit financial education programs	Community benefits agreements	Commons-based enterprises (e.g., Wikipedia, Creative Commons licenses)	



What is a CDC?

- **Community development corporations** are locally based non-profits that promote investment in **low and moderate income communities**. (Many funding programs require that income group served be at 80% of median income or below).
- Over 51% of board are community residents.
- Founded as part of civil rights movement, goal is to allow low-income residents to exert economic control over their communities.
- From practically no CDCs 40 years ago, there are now 4,600 today. CDCs produce over 86,000 units of affordable housing a year, as well as developing retail, commercial, and community facilities.

What is a CDFI?

- **Community development financial institutions** include credit unions, loan funds, banks, and venture capital firms that finance development in low-income communities.
- Many CDFIs were founded as part of civil rights movement to combat red-lining.
- Mainly, but not exclusively, non-profit.
- Loan volume has climbed from \$2 billion in 1999 to over \$60 billion today.
- CDFIs have helped finance over 137,000 jobs and over 121,000 units of affordable housing since their founding.
- Although not certified as such by the government, the Kagawa Fund is effectively a miniature CDFI.

What is a community land trust?

- Non-profit in operation. Board typically consists of one-third residents, one-third non-resident community members, and one-third government officials (although some land trusts structure board differently).
- Most commonly “shared equity” – residents have 99-year lease but land is held by trust, with gain in value split—for instance, residents may get 25% of the equity gain while the other 75% of the gain is held by the trust (but some trusts hold 100% of equity gain, much like group-equity NASCO co-ops).
- Limits on individual equity gains ensure affordability for future residents by keeping prices down, thus making the housing “permanently affordable.”
- In 30 years, number of households in community land trusts has increased from 0 to over 6,000.

National Community Groups

- **CDCs:** LISC (Local Initiatives Support Corporation), Enterprise Community Partners & NeighborWorks act as *intermediaries* that funnel dollars either from banks and private donors (LISC & Enterprise) or the federal government (NeighborWorks) to local CDCs.
- **CDFIs:** Opportunity Finance Network represents banks & loan funds . The National Federation of Community of Community Development Credit Unions (Natfed) represents low-income community credit unions.
- **Land Trusts:** The National Community Land Trust Network is the lead support organization.
- **Community Organizing:** Leading networks include the Center for Community Change (CCC), Direct Action for Research & Training (DART), Gamaliel, Industrial Areas Foundation (IAF), National People's Action (NPA), and People Improving Communities through Organizing (PICO).

What do co-ops, CDCs, CDFIs, and land trusts have in common?

- All facilitate or provide affordable housing (and many other services) to communities.
- All rely on principles of community self-determination.
- All confront a market environment that is largely unfriendly to community-driven enterprise.

Community Resources - Berkeley area

- **Network of Bay Area Worker Cooperatives,**
www.nobawc.org

Berkeley is part of one of the nation's largest networks of worker-owned cooperatives, including the Cheese Board on Shattuck Avenue.

- **Prospera**
www.prosperacoops.org

Prospera incubates worker co-ops, with a focus on working with Latina women. To date, Propsera co-ops provide 100 jobs in co-op businesses engaged in eco-friendly housecleaning. Prospera's latest endeavor is a co-op that will operate in the food industry.

Community Resources - Davis region

- **Davis Food Co-op**, www.davisfood.coop

One of the larger food co-ops in the country with over 16,000 member households.

- **Mutual Housing California:**
<http://www.mutualhousing.com>

Mutual Housing California (formerly the Sacramento Mutual Housing Association) develops affordable multifamily housing. Former staff include former NASCO staffer Eric Guetschoff.

California Center for Cooperative Development
<http://cccd.coop>

CCCD is a 501(c)3 nonprofit that promotes and supports cooperative development statewide

Community Resources - Austin

- **Cooperation Texas**, <http://cooperationtexas.coop/>
Founded in October 2009 in response to growing economic inequality Cooperation Texas is an Austin-based non-profit committed to the creation of sustainable jobs through the development, support and promotion of worker-owned cooperatives and has helped launch 3 start-up co-ops so far.
- **Wheatsville Food Co-op**, <http://wheatsville.coop>
Founded in 1976 with the assistance of student housing co-ops in Austin, Wheatsville today has over 15,000 members, over 18 million in sales, and maintains a commitment to help other community groups as it was once helped itself.

Community Resources - Ann Arbor/Detroit

- **Boggs Center**, www.boggscenter.org

The Boggs Center focuses on helping grassroots leaders rebuild communities from the ground up.

- **Center for Community-Based Enterprise (C2BE)**

<http://c2be.org>

C2BE is a nonprofit that aims to build a technical assistance network to develop community-based enterprises in Detroit and the metro region.

- **Detroit Black Community Food Security Network**

<http://detroitblackfoodsecurity.org>

The Black Food Security network runs the 7-acre D-town urban farm and seeks to develop a retail food co-op

Community Resources - Madison

- **Common Wealth Development**

www.cwd.org

Founded in 1980, CWD is a community development organization that develops and manages affordable housing, provides a gallery for arts, owns two business incubator sites, and runs youth programs.

- **Credit Union National Association (CUNA)**

www.cuna.coop

Based in Madison, CUNA is the national trade association of the U.S. credit union movement.

- **Willy Street Market**

www.willystreet.coop

With over 300 employees, more than 30,000 owners, and over \$38 million in annual sales, Willy Street is the fourth largest food co-op in the nation.

Educational Resources – National

- **COMM-ORG**, <http://comm-org.wisc.edu>
One of the most comprehensive sites on community organizing out there.
- **Highlander Research and Education Center**
www.highlandercenter.org
A civil rights organizing leader since 1932, in 2011 it helped launch the Southern Grassroots Economies Project (<http://sgeproject.org/coopecon/>) to develop co-ops in the South, with a focus on communities of color.
- **Midwest Academy**, www.midwestacademy.com
Provides training in direct action organizing. Trainings are held regionally throughout the United States.

Thank you!

For more information:
www.community-wealth.org

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