

The Answer

SHELTERFORCE

Q: What's the difference between community economic development and traditional economic development?

A: A lot!

(*In fact, they are so different that the Democracy Collaborative, which made the chart below, has coined the term "community wealth building" to set apart the truly community-oriented practitioners of economic development.)

	Community Economic Development/ Community Wealth Building	Traditional Economic Development
 Place	Develops under-utilized local assets of many kinds, for the benefit of local residents.	Aims to attract firms using incentives, which increases the tax burden on local residents.
 Ownership	Promotes local, broad-based ownership as the foundation of a thriving local economy.	Supports absentee and elite ownership, often harming locally owned family firms.
 Multipliers	Encourages institutional buy-local strategies to keep money circulating locally.	Pays less attention to whether money is leaking out of the community.
 Collaboration	Brings many players to the table: nonprofits, philanthropy, anchors, and cities.	Decision-making led primarily by government and the private sector, excluding local residents.
 Inclusion	Aims to create inclusive, living wage jobs that help all families enjoy economic security.	Key metric is the number of jobs created, with little regard for wages or who is hired.
 Workforce	Links training to employment and focuses on jobs for those with barriers to employment.	Relies on generalized training programs without focus on linkages to actual jobs.
 System	Develops institutions and supportive ecosystems to create a new normal of economic activity.	Accepts the status quo of wealth inequality, hoping benefits will trickle down.

Learn more in Democracy Collaborative's full report *Cities Building Community Wealth* (<http://democracycollaborative.org/cities>).

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