



## The Essential Components

### I. Evidence-based

**Asset & Challenges:** The plan is based upon a strong understanding of the region's current and/or emerging assets and challenges, as well as the demographic and economic features of the region.

**Comparative Advantage:** The plan's major strategies are intended to build on the region's comparative economic advantages, especially its key current and/or emerging economic clusters.

### II. Practical

**Focused:** The plan focuses upon a small number of goals. The collective set of goals appears to be well suited to the regional team's capacity (in terms of available resources, including but not limited to person-power, regional assets, and funds). (A good rule of thumb is a maximum of five goals for a group with substantial resources available for plan implementation.)

**Logical:** The plan is logical. Specifically, the plan's major strategies, taken together, are designed to achieve clearly stated regional goals.

**Targets:** The plan specifies measurable targets that must be met along the road to goal achievement.

**Time Periods:** The plan includes short-term (typically less than 1 year), medium-term (2-4 years), and long-term (5 years or longer) goals, which build together toward lasting economic improvements.

**Initial Tasks:** The plan specifies clear tasks to be completed and delineates the person(s) or groups responsible for completing these actions, at least for the short-term timeframe of the plan (the first 6-12 months). The Plan of Work template that your team completes as part of Module Eight can help you develop this component.

**Responsibility:** The plan specifies clearly which person or entity (such as a committee or a specific regional body) is responsible for assuring that the implementation of the plan continues beyond the initial 6-12-months short-term time period.

### III. Broadly Supported

**Broad Participation:** The plan is designed with input from actively engaged individuals (devoting 20 hours or more to SET planning) from a broad range of organizations and backgrounds. Substantial diversity of participation can be demonstrated across geography (participation from all the region's counties), across a broad array of sectors (such as business, education, government, economic development, non-profits), and across major demographic groups.

**Public Input:** Input on the plan is collected from the general public, including a range of other people and institutions not directly engaged in SET planning. Such input, collected through SET-sponsored meetings, focus/roundtable group meetings, on-line idea collection, or other appropriate venues, is used to revise and fine tune the plan based upon the feedback received from the general public.

**Buy-In:** The plan has buy-in from key decision-makers in the region, as demonstrated by (1) their direct participation in the planning process, (2) the involvement on the SET team of designated representatives with the authority or approval to act on behalf of the decision-makers, or (3) a clearly expressed commitment by the decision-makers to support the regional plan and its implementation strategies.

**Persuasive:** The plan is written and presented in a format that conveys information to interested citizens in a straightforward, non-technical manner. The plan helps persuade interested citizens who have not been actively engaged in the development of the plan of the value of pursuing a regional approach to economic development.

### IV. Focused on Regional Economic Development

**Economic Development Focus:** The plan is clearly focused on improving the economy. The plan makes clear how each of its strategies is intended to help produce, either directly or indirectly, improvements in the regional economy. The plan should not focus strictly on quality-of-life strategies. Rather, it must embrace strategies that are specifically designed to bring about direct improvements in the regional economy.

**Regional Development Focus:** The plan is clearly focused on regional economic benefits (as opposed to benefits for a specific town or county). However, the region might, for example, propose a strategy to upgrade five smaller historic Main Streets (perhaps one in each of a region's five counties) under a plan goal on enhancing a tourism cluster in the region. In this case, the strategy would clearly be regional in scope.

### V. Aligned with Regional Goals

**Consistent & Connected:** The plan is consistent with the region's overarching goals, strategies, and action steps are consistent with each other, and will help the region take positive steps toward the achievement of its regional outcomes. Logical ties can be seen that connect the actions to the strategies, and strategies to the goals, creating a well-connected package.



## Specific

What do you want to achieve?  
Where will you focus your efforts?

## Measurable

How do you plan to measure progress toward the goal?  
What is the end result and milestones along the way?

## Attainable

Do you have the resources to achieve the goal?  
What factors might prevent achieving these goals?

## Relevant

Is this important for your region?  
Does this matter or bring benefit to the region?

## Time Framed

When do you want to achieve your goal?  
What is the target date for accomplishing the goal?



Opportunity: \_\_\_\_\_

CAPITALS						
						
built	natural	human	social	cultural	financial	political
<i>Example: New amphitheater built</i>	<i>Example: New park built</i>	<i>Example: Every child completes preschool program</i>	<i>Example: New clubs form</i>	<i>Example: New cultural festival held</i>	<i>Example: New matching grant fund established</i>	<i>Example: City government funds greenway</i>

Based on "Figure 6. Mapping Assets by Community Capital" from Emery, Fey and Flora, 2006.  
 "Community Capitals Framework using Appreciative Inquiry," CD Practice, Community Development Society.



Opportunity:

CAPITALS						
						
built	natural	human	social	cultural	financial	political
<i>Example Greenway trails</i>	<i>Example Parks</i>	<i>Example Community College</i>	<i>Example Community clubs</i>	<i>Example Community festivals</i>	<i>Example Banks</i>	<i>Example Elected officials</i>

Based on "Figure 6. Mapping Assets by Community Capital" from Emery, Fey and Flora, 2006.  
 "Community Capitals Framework using Appreciative Inquiry," CD Practice, Community Development Society.

# PROMOTING COMMUNITY VITALITY & SUSTAINABILITY

## *The Community Capitals Framework*

### INTRODUCTION

One of the challenges that local leaders and citizens constantly face is finding a coherent way to address the variety of challenges facing their communities – be they urban, suburban, or rural in nature. In many respects, the intent of most community and economic development initiatives is to advance an area’s “quality of life.” But what does “quality of life” mean and how is it measured? Is it the presence of a strong local economy, sound local leadership, quality government services, top-notch public supported schools, great health care services, or other indicators? The simple answer is yes. In many respects, all of these represent traits that would be associated with a community deemed to have a high quality of life.

As such, the issue at hand is to find a framework that captures the multi-dimensional nature of community life. Most importantly, it has to be one that has been vetted in peer-reviewed scholarly journals and, as result of this process, found to be both scientifically and conceptually sound. Moreover, the framework had to be one that could guide the “on the ground” efforts of community and economic development practitioners.

With these important pre-conditions in mind, the perspective that one may find appealing is the Community Capitals Framework (CCF), a perspective developed and fine-tuned over a span of several years by Cornelia Butler Flora and Jan L. Flora from Iowa State University (2008). The Floras suggest that the lifeblood of any community can be linked to the presence and strength of seven community capitals, resources that can be invested or tapped for the purpose of promoting the long-term well-being of communities (Jacobs, 2011a).

The seven community capitals are natural, cultural, human, social, political, financial, and built. Strong and resilient communities strive for balanced investments in these seven capitals. If communities place too much emphasis on one or two of the capitals, they can end up suppressing the growth of the other community capitals, a condition that can damage the overall health of the community. For example, places that invest aggressively in built capital (through the pursuit of bricks and mortar type of facilities) may contribute to the decline of the community’s natural and cultural capitals, especially if such facilities are constructed in pristine areas or on lands that are part of the rich history of that locality.



natural



cultural



human



social



political



financial



built

*the issue at hand is to find a framework that captures the multi-dimensional nature of community life.*

# AN OVERVIEW OF THE SEVEN COMMUNITY CAPITALS

*We offer the following as a more extensive description of each of the seven capitals*



## NATURAL CAPITAL

Natural capital refers to “the landscape, air, water, soil, and biodiversity of both plants and animals” (Flora and Flora, 2008) – in other words, our environment. It is also referred to in the literature as “natural amenities” (McGranahan, 1999) – assets that are linked to a particular place, such as weather, geographic location, natural resources, and natural beauty (Emery and Flora 2006). Since people and the communities of which they are a part are embedded in the environment, one could argue that natural capital undergirds several of the other capitals. A healthy and functioning environment provides valuable ecosystem services, such as food, timber, wildlife habitat, flood control, and recreational opportunities, which are essential for human life. Moreover, people and their communities are unable to thrive in areas where natural capital is neglected and depleted.



## HUMAN CAPITAL

In its simplest form, human capital reflects the investments that people make in their education, on-the-job training, or health. Such activities translate into improved knowledge, skills, and health status for individuals – factors that increase their human capital stock. As stocks improve, productivity levels increase, resulting in higher earnings for these workers. Human capital also refers to efforts by individuals to enhance their interpersonal and leadership skills in hopes of strengthening their ability to become active contributing members to the civic health of their communities (Flora and Flora, 2008).

The benefits of human capital investments are not accrued solely to individuals. Communities with good shares of educated, healthy, and skilled workers also benefit, especially in their capacity to remain resilient during periods of economic uncertainty. Places with a good base of creative/knowledge-based workers, for example, tend to experience economic growth or stability. Why is that the case? Simply put, creative/knowledge-based workers serve as engines of innovation and entrepreneurial activities, actions that help create a good number of high paying jobs in communities and regions (Henderson and Abraham, 2005; Metcalfe and Ramlogan, 2005; Munnich and Schrock, 2003). Similarly, the expanding interest in STEM-related occupations (those associated with science, technology, engineering and mathematics) is due, in no small measure, to the fact that STEM-related jobs have outpaced non-STEM jobs by a factor of 3 to 1 in the U.S. over the span of the last decade (Langdon et al., 2011). But, communities that want to gain ground in terms of expanding their creative/knowledge or STEM-related sectors will be unable to do so without the presence of a sizable pool of workers with strong human capital credentials.



## CULTURAL CAPITAL

The concept of culture provides a frame of reference for understanding the fabric of community life. This fabric is often connected by a common language, symbols, gestures, beliefs, values, and resources. In a classic textbook definition, culture consists of the material and nonmaterial aspects of a way of life, which are shared and transmitted among members of a society (Rogers et al., 1988). Culture is viewed as a “tool kit of symbols, stories, rituals, even the world-view that shapes individuals” (Swidler, 1986). It includes the values and symbols reflected in clothing, music, industry, art, language, and customs. It also encompasses events, materials (paintings, books), festivals, museums, and other activities occurring in communities (Flora and Flora, 2008).

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## SOCIAL CAPITAL

Social capital represents the “glue” that holds a community together and whose presence can spur the type of economic growth that brings benefits to the entire community. In communities where good things are happening across the spectrum – in education, in job creation, in health care, in community services – a broad-based corps of civic-minded people and organizations is often in place to undergird these important activities. Social capital consists of “bonding” and “bridging” activities that occur within the local community setting, as well as “linkages” that tie community members to organizations and resources located outside the community (what is sometimes referred to as vertical connections). Bonding represents the strong interactions and ties that people have with family, friends, neighbors, and close work associates. Bridging reflects the linkages that individuals have with people and groups within the community with whom they have only limited interactions or with individuals and organizations outside of the locality. These types of relationships are what Granovetter (1973) labels as “weak ties” that can be accessed in times of need.

The third element, vertical linkages, offers an avenue for local people, organizations and communities to gain access to valuable resources and ideas from outside the community that can be used to support and guide local initiatives. According to Woolcock (2001), the presence of various combinations of bonding, bridging, and linking social capital can have positive impacts on the range of social and economic outcomes that are possible in communities.



## POLITICAL CAPITAL

There are several dimensions associated with the concept of political capital. The first relates to individuals who are in positions of power and influence in the community. As Flora and Flora (2008:145) note, it is “the ability to affect the distribution of both public and private resources within the community.” A second dimension has to do with the ability to gain access to individuals and organizations – the so-called power brokers or movers and shakers -- with the resources to influence important decisions (Flora et al., 2004). A third aspect of political capital refers to efforts that are made to develop new leadership in the community, and/or expand the engagement of citizens in discussions of important community matters through the use of various strategies, such as deliberation forums. By focusing on these various aspects of political capital, we can gain a better understanding of what people and groups are calling the shots in a community, and what groups are having little influence or role in shaping local decisions (Flora and Flora, 2008).

How can you determine the nature of political capital in your community? A good bit of it requires careful monitoring of how and by whom decisions are made in a community. For example, drawing upon a rich literature on community power, we know that when key decisions are made by only a handful of people, you tend to have an elite leadership structure in place in the community. On the other hand, if decisions tend to be dispersed across a variety of people and groups, depending on the issue being discussed or debated, then you may have the presence of a more pluralistic leadership structure (Aiken and Mott, 1970). Other hints of whether influence is shared or held tightly by a small group of elites is when you see (or fail to see) the launching of local leadership development programs, community/town-hall meetings, or public deliberation sessions, features of a community that suggest that local leaders are open to the involvement of a larger group of people weighing in, and actively taking part, in tackling important local issues.

# AN OVERVIEW OF THE SEVEN COMMUNITY CAPITALS

We offer the following as a more extensive description of each of the seven capitals



## FINANCIAL CAPITAL

Financial capital represents resources needed to fund the provision, construction, and implementation of a variety of programs, projects, and assets that advance the community's economic, social, and infrastructure development. A stable and vibrant community life depends on the availability of reliable financial capital institutions. These include community development banks, credit unions, loan funds, venture capital funds, and microenterprise loan funds. These entities serve as potential sources of a wide range of products and services, including housing, community facilities, small business loans, and other community services that can serve to revitalize economically distressed communities. Their primary role is to bring financial and business resources to communities in order to stimulate economic growth and foster a stable regional economy.

The availability of financial capital can contribute to wealth creation and to community economic development activities, especially in low- to moderate-income households or communities. Community development financial institutions (CDFIs), for example, can provide a wide range of financial products and services for people and communities that are often by-passed by traditional financial institutions. So too, can grant-making foundations whose activities are intended to address a wide array of local needs and opportunities.

*IS THERE A SUBSET OF COMMUNITY CAPITALS THAT SHOULD BE GIVEN PRIORITY ATTENTION OVER THE OTHER CAPITALS?*



## BUILT CAPITAL

Built capital (also referred to as the built environment) is the man-made infrastructure that supports human society – our roads, bridges, airports, water treatment facilities, buildings (factories, schools, offices, stores), communication technologies, and public places. The built environment also includes design factors and land uses, i.e., how our neighborhoods, communities, and cities are laid out. The built environment can have a significant impact on an individual's physical and mental well-being and on community life.

## CONNECTING THE CAPITALS

### THE SPIRALING-UP OF COMMUNITY CAPITALS

Table 1 (page 5) provides a synopsis of the seven capitals, noting how each is defined and examples of the type of assets that can be linked to each of the capitals. Most communities would find it very challenging to pursue simultaneous investments in the seven capitals. So, the question is this: "Is there a subset of community capitals that should be given priority attention over the other capitals?" The answer depends on the unique strengths and needs of each community. In other words, there is no one size fits all when it comes to which of the capitals should be given precedence over others in any community.

What we do know from community studies is that pursuing positive change in one type of capital can create opportunities for improvements in other community capitals (Emery and Flora, 2006). Assume for a moment that local leaders in a community have reached out to a diversity of people in the community, seeking their input on a new strategic blueprint for the community. The effort to touch base with more people has strengthened communications and dialogue between local leaders and residents. In fact, local leaders have decided to meet every three months with

**TABLE 1** The Seven Types of Community Capitals

	<i>DEFINITION</i>	<i>EXAMPLES</i>
 Natural	The quality and quantity of natural and environmental resources existing in a community.	Parks; lakes; rivers; wildlife; forestland; farm land; mountains; other natural resource features.
 Cultural	The values, norms, beliefs and traditions that people inherit from the family, school and community. Also includes material goods produced at a specific time and place (such as paintings, books) that have historical or cultural significance.	Cultural events/festivals; musical heritage, libraries; museums; multi-lingual populations; historical associations.
 Human	Attributes of individuals that provide them with the ability to earn a living, strengthen community, and otherwise contribute to community organizations, to their families, and to self-improvement (Flora et al. 2004). It includes access to education and knowledge development, training and skill building activities and efforts to build and expand local leadership.	Formal and informal educational institutions; workforce training programs; adult and youth leadership programs; lifelong learning activities.
 Social	Connections existing among people and organizations that help make things happen in the community. Includes close ties that build community cohesion (bonding) as well as weaker ties with local and outside people and organizations that help promote broad-based action on key matters (bridging).	Activities that build trust among people and groups of different races and ethnic backgrounds; citizen involvement in community discussions and events; community celebrations or parades; involvement in civic and service groups; organizations that link diversity of people and organizations together.
 Political	The ability to influence and enforce rules, regulations, and standards. Access to individuals and groups with the power to influence decisions. Participating in civic discourse on difficult public issues.	Elected and appointed government officials; citizen participation in issue forums; Congressional representatives and staffers; political organization leaders; voting rates in local, state and national elections.
 Financial	The variety of financial resources available to invest in local projects or economic development initiatives. Efforts to build wealth to support community development activities.	Community foundations; grants; micro-loan programs; revolving loan funds; community development financial institutions; banks.
 Built	Represents the infrastructure of the community – the basic set of facilities, services and physical structures needed by a community.	Broadband and other information technologies; utilities; water/sewer systems; roads/bridges; business parks/incubator facilities; hospitals/health care buildings; main street buildings; housing stock.

Sources: Flora and Flora (2008); Flora, Flora and Fey (2004); Jacobs (2011a, 2011b, 2011c, 2011d); Flage and Hauser-Lindstrom (2007); Emory, Fey and Flora (2006).

various neighborhood groups as a way to continue to secure input and feedback from local people. This activity has brought about positive changes in two capitals – political and social. Let's further assume that citizens urged local leaders to help retain and expand local businesses and to invest in new entrepreneurial ventures so that exciting new innovations could be seeded in the community. So, the local leaders ended up launching a new business retention/expansion program, focusing on improving the skill levels of business owners who were at risk of losing their business, an effort to improve the human capital skills of these individuals. Working with local banks and the community foundation, the local leaders were able to establish a small loan program designed to invest in new entrepreneurial ventures. The focus on entrepreneurship helped retain some of its best educated and creative workers in the community. In addition, the financial capital resources available to support local economic development activities were expanded. This story – which began with the need to build stronger political and social capital – created positive shifts in the human and financial capital assets of the community. This scenario highlights the spiraling up effect that can occur when you begin to invest in one of the community capitals. That is, when a community works to build assets in one of the capitals, this fosters the growth of other capital assets.

## CONCLUDING COMMENTS

In most communities, efforts to develop and sustain a strong, vibrant community are a long-term process. The community capitals framework offers local leaders, organizations and residents a deeper understanding of the multi-pronged approach that is needed if communities hope to create the foundation necessary for them to survive and thrive over the long-term. While it may appear overwhelming to give attention to all seven community capitals, the reality is that communities

should start by focusing on a smaller set of community capitals, and then give attention to the other capitals over time. Before you know it, the spiraling effect noted earlier in this document will begin to take hold, resulting in visible improvements in the community.

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