

# Appalachia



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*Turning Assets Into Opportunities*





# Section

# I:

## Defining Asset-Based Economic Development

Asset-Based Economic Development can be defined as a *strategy that builds on existing resources – natural, cultural and structural – to create valued products and services that can be sustained for local benefit.*

This economic development strategy is gaining prominence nationally because of a desire to minimize impact, maximize return and compete globally. Like other strategies, asset-based economic development focuses on the positive attributes of an area or business. What makes an asset-based strategy different is a broad and creative definition of “positive”. Turning liabilities into revenue generators or developing untapped natural and cultural resources into desired products and services are two major thrusts of the asset-based economic development process.

Asset-based economic development practices have been implemented in communities throughout Appalachia since the 1960s. Biddle and Biddle conducted one of the first studies of community-based capacity and asset development in 1965. Since then, individuals have demonstrated the long-term benefit of asset-based growth. Findings from the July 2004 *Evaluation of The Appalachian Regional Commission’s Community Capacity Building Projects* study, conducted by Westat, demonstrate some of the best practices and measurable results of asset-based development in the region. The following examples will hopefully educate and inspire others on how the development strategy can work for Appalachia.

# Asset:

useful and desirable thing or quality; a single item of ownership having exchange value

--Webster’s Dictionary



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# Important Considerations and Benefits

The key to asset-based economic development is focusing on what already exists, rather than inventing or building something new. The process requires innovation and leadership, as well as a vision for the future built by people with an understanding of their past and present. Taking *what is* and turning it into *what can be* is the foundation for this strategy.

Asset-based Economic Development is about taking what you already have and maximizing its potential.

-- Anne B. Pope, Federal Co-Chair, Appalachian Regional Commission



Optimally, asset-based economic development results in a high impact

for users and a low impact on assets. Designed as a holistic approach to growth, asset-based economic development balances preservation and promotion for enduring prosperity. To paraphrase, the goal is to *keep the goose that lays the golden egg healthy and productive*. Success in asset-based economic development depends on long-term investment and a building-block process rather than a “quick fix” approach.

To develop an economic strategy using local assets, several components must be in place. Quality and sustainable asset-based economic development requires innovation, leadership and financing. It also relies on the appropriate infrastructure and critical mass to attract and meet market demand. Finally, asset-based economic development must produce a local return on investment resulting in residents’ enhanced quality of life.

As the nation shifts from manufacturing to a more service-based economy, communities and businesses must offer value-added benefits for customers while guarding against overuse of assets and outside ownership. Keeping the tangible and intangible benefits *local* is important. Asset-based economic development is measured in the traditional ways: job creation, job retention, per capita income and tax revenues. There are also many indirect benefits of asset-based economic development: increased community pride, spruced up downtowns, traditions continued, former residents returning to the region, and new activities or public services for citizens.

The region’s natural, cultural and structural assets are its unique calling cards. No other region has the landscapes, the mountain music, craft traditions and industrial heritage of Appalachia. The hospitality, work ethic and can-do attitude of its residents represent a positive force for the region. These assets lure people from around the world to visit, and often stay, in the region. Now residents can use these distinctive assets to continue building and expanding their economic future. Read on to understand more about the rich tapestry of natural, cultural and structural assets of Appalachia and how they can become beacons for economic growth.

