

WealthWorks Northwest Evaluation

Evaluation of WealthWorks Northwest in Exploration & Construction Regions from 2014–2016

14 June 2017



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This evaluation was a collaborative effort of RDI and the Oregon State University Extension Service. Amy Hause, Rural Economic Vitality Consultant at RDI, is the lead author of the report and analyzed the data. Mallory Rahe, Extension Community Economist at Oregon State University Extension Service, edited the report. The evaluation design and data collection were a collaborative effort of Hause, Rahe, and Michael Coe, Evaluation Consultant to RDI.

1. Executive Summary

Purpose

In 2013, Rural Development Initiatives, in cooperation with its funding and delivery partners The Ford Family Foundation, Meyer Memorial Trust, Northwest Area Foundation, Oregon State University Extension Service, and University of Oregon's RARE program, launched WealthWorks Northwest (WWNW), a pilot program to introduce a new economic development approach to rural Oregon. This evaluation has been carried out to examine outcomes in six regions of Oregon that participated in the program from May of 2014 through December of 2016.

WealthWorks Northwest has conducted earlier evaluation work to examine the process of delivery and early results, but this evaluation is focused on medium and long term results related to the primary objectives: **1) increased awareness, understanding, and use of this new approach to economic development**, and **2) economic development and wealth-building outcomes**. This evaluation also explores challenges faced by the regions and individuals while they were involved in the program. Based on the results of the evaluation, we have developed a set of lessons learned (in Section 5 below) that are informing our thinking about the program moving forward.

It is important to keep in mind that many regions have carried out considerable foundational work that may still result in the types of midterm and long term results that show up in this report (wealth created, businesses benefitting, new jobs, benefit to low income individuals, etc.), but which have not yet come to fruition. This foundational work includes building social networks, investing in research, and bringing together wide groups of stakeholders and getting them excited about possibilities. Every region has very particular opportunities, constraints, paces of work, and resources to draw on, so results may take longer in some regions than in others. This report is therefore capturing the first midterm and long term "fruits" of the harvest, but we expect that more will come as time goes on.

The evaluation was conducted in January and February of 2017 through 17 one-on-one interviews with participants from each of the six regions, including people who played a coordinator role, entrepreneurs who were involved in the Exploration phase, and business owners who were recipients of business investment grants offered by the program. Two additional interviews with business owners were conducted in June of 2017.

Evaluation Findings

Highlights of the findings are outlined here, and further detail about these findings can be found in Section 4 of this document.

Introducing a New Approach

The evaluation found that the program resulted in positive changes to how economic development is viewed and carried out in the six regions. Key findings:

- All six regions are still actively working on their value chains or related work.
- Seven of eight people interviewed who played a coordinator role reported improvements in the way they work as a result of involvement in WealthWorks Northwest.
- All four entrepreneurs interviewed who participated in the Exploration phase reported that they view the role of business in development differently, and that they would consider being involved in further efforts to strengthen value chains.

“I use [the WealthWorks] capital terminology all of the time now. It may not be anything where I am thinking I am using WealthWorks at the time, but I am using the tenets and terminology.”

Economic Development & Wealth-Building Outcomes

The evaluation found significant economic development and wealth-building outcomes as a result of participation in the program. Key findings:

- Wealth increased across multiple capitals in all six regions.
- At least 25 businesses have benefitted as a result of the WealthWorks Northwest program (24 are small, locally-owned businesses).
- The WealthWorks Northwest program has resulted in approximately nine new jobs, with more anticipated in 2017.
- Low-income businesses and individuals have been involved in five of the six regions, but there is room for improvement.
- Low-income individuals have benefitted in five of six regions.

Challenges Experienced by Participants & Regions

The evaluation also identified challenges that participants and regions faced, as well as burdens that resulted from involvement with the program. Key findings:

- Regions experienced a range of both organizational and value chain challenges after Exploration ended.
- Eight of 17 interviewees reported some level of burden related to involvement in the program, but most of those said that the benefits of participating outweighed the burden.

Lessons Learned & the Way Forward

The findings of the evaluation have enabled us to develop a number of lessons learned that will help us shape the program and improve results as we move forward:

Lesson #1: Strategic small investments can have a big impact.

Lesson #2: The right businesses need to be engaged at the right time, in the right way, and with their self-interest in mind.

Lesson #3: There is potential to do more to engage people on the economic margins.

Lesson #4: Engagement needs to be steadfastly results-oriented.

Lesson #5: Leadership, entrepreneurial thinking, and organizational capacity can affect success and sustainability.

Lesson #6: Expectations and motivations around program benefits need to be carefully managed.

What are we doing differently going forward?

- More intentionally involving businesses by focusing on their self-interest and engaging them on their own terms.
- Partnering with communities to identify and seek funding for business investment grants.
- Building capacity and increasing focus on engaging people on the economic margins.
- Carefully considering how every engagement with a community group can result in value chain progress.
- Conducting a “readiness assessment” in collaboration with the applicant regions and working hand-in-hand with regions to apply for funding to support WealthWorks Northwest value chain work.
- Identifying and supporting involvement of individuals and organizations that will make the work locally sustainable.

2. Program Background

A New Model of Economic Development

In 2013, Rural Development Initiatives, in cooperation with its funding and delivery partners, launched WealthWorks Northwest (WWNW), a pilot program to introduce a new economic

development approach to rural Oregon. To date, WWNW has invested approximately \$1mil into education and implementation of the approach in multiple regions of Oregon and has recently expanded the educational work into Idaho. RDI is a member of a nationally growing community of practice that has adopted the WealthWorks framework as an alternative approach to rural development. This community of practice is developing, testing, and sharing results about the approach in different regions across the country.

WealthWorks Northwest is modeled on a framework developed in 2008 by the Ford Foundation (New York) with multiple partners, with the aim of doing economic development in a way that creates real wealth that remains rooted in struggling rural communities. This systems approach provides a bridge between community and economic development by focusing efforts on local business development and wealth creation through the strengthening of value chains while also involving economically marginalized people in all aspects of value chain development so that they become valued partners in more resilient rural communities.

Theory of Change

WealthWorks Northwest’s theory of change asserts that by customizing this proven approach to meet and leverage the existing assets, capacity, culture, and efforts unique to rural communities in the Pacific Northwest, and by bringing together a broad-based collaborative, we can make a strong and relatively rapid impact on the economic vitality of a rural region and create a systems model for prosperity development that can be brought to scale to help other rural regions in the Pacific Northwest.

Steps in the Process

From 2014–2016, the initiative consisted of three distinct phases called “Opportunity Summits, Exploration, and Construction,” and each successive phase offered a more intensive package of support for rural regions participating in the program. These phases unfolded as follows:



- Opportunity Summits: Four opportunity summits were held in different regions of Oregon in the spring of 2014 involving 135 participants, with a goal to introduce the WealthWorks Northwest concept and brainstorm potential value chains.
- Exploration: Eighteen regions applied, and out of those, six regions received “Exploration grants” in 2014 to research identified value chains in greater depth, including educational workshops and webinars, coaching, and technical assistance funds.
- Construction: All six regions applied for “Construction” funding in the fall of 2014, and one award was made to the team in Southwest Oregon, now called the Southwest Oregon Food System Collaborative (SWOFSC). This team received a two-year package of support including coaching, technical assistance, and business investment funds, as well as support for staffing. Other regions received some ongoing support in the form of coaching and business investment funds.
- RDI, in partnership with Oregon State University and the University of Idaho, expanded educational work into Idaho beginning in 2016. RDI is also carrying out an assessment in Eastern Oregon to explore the potential of a WealthWorks Northwest approach to developing the agritourism sector in the John Day River Territory.

WealthWorks Northwest Expectations & Goals

Because this program represents a new way of thinking about economic development and building wealth in rural areas, the expected outcomes of the WWNW pilot program were two-fold:

- **Increased Awareness, Understanding, and Use of This New Approach:** In the short term, we are aiming for an increase in the number of economic development practitioners, community members, and business owners who understand and can participate in a WealthWorks Northwest process.
- **Economic Development and Wealth-Building Outcomes:** In the medium and long term (after the duration of the initial two-year construction phase), we are aiming for increased incomes, jobs, creation and growth of businesses, and, ultimately, an overall increase in the stock of eight capitals and a reduction in poverty in regions that received support during these time periods.

Not surprisingly, the process of introducing this new systems approach to economic development has involved a steep learning curve for RDI staff and partners, and has required an adaptive management style of delivery that depends on “learning by doing” and refining and adapting in real time.

3. About the Evaluation

The Focus of This Evaluation

This evaluation focuses on the six regions that participated in Exploration and Construction from 2014 through the end of 2016. It does not address the regions that participated in Opportunity Summits but did not go on to the Exploration phase, additional work in Idaho, the work currently being done on agritourism, or ongoing work after December of 2016 in the six target regions.

Previous evaluation work has focused on the process of delivering the program and on short-term outcomes. This evaluation primarily examines outcomes, as opposed to process, and is the first evaluation of the anticipated medium- and long-term outcomes, including growth of businesses, job creation, and expanding all eight stocks of capital defined by the WealthWorks framework. As such, this evaluation complements previous work, particularly the “WealthWorks Northwest: The First Two Years, Outcomes and Insights 2014–2015” report from last year.

Evaluation Approach

Information was collected through 17 one-on-one interviews with participants from each of the six regions conducted in January and February of 2017. Our initial goal was to interview one person in a coordinator role and one business owner from each region who had participated in the Exploration phase, as well as all recipients of business grants. However, because business owners were not available in two regions, and because RDI had only recently distributed business grant awards to some recipients, the evaluation team ultimately interviewed the following:

- Eight people who played coordinator roles in the WealthWorks Northwest process representing all six regions
- Four entrepreneurs who were involved in the exploration process from four regions (Wheeler, Northeast Oregon, Central Oregon, and the South Coast), two of whom received business grants
- Five additional business grant recipients from Wheeler, North Coast, South Coast, and Central Oregon (two of those interviews took place in June 2017)

The evaluation team developed three different questionnaires for the three groups—the coordinators, entrepreneurs, and business grant recipients—though there was considerable overlap of questions in the three questionnaires (see Annex 1). The evaluation team decided to focus exclusively on collecting information through interviews as opposed to surveys, because with limited time and resources, one-on-one interviews yield more nuanced information.

Evaluation Limitations

There are some limitations to keep in mind with regard to the results:

1. Because of the small number of people interviewed, and the need for interviewees to rely on second-hand information to answer some questions (such as jobs created and forms of capital built), outcomes in some cases reflect estimates and personal perspectives. In addition, because we have only interviewed a selection of people involved in the process, there may very well be outcomes that are not captured by this report.
2. Each region has a specific context, set of challenges, access to resources, and different levels of capacity; therefore, care should be taken when making generalizations or making comparisons between regions.
3. Evaluation results are based on the self-reporting/perceptions of the interviewees. So, for example, when an interviewee reports that their work has improved as a result of learning to use a value chain approach, this is a subjective value statement not verified by others.

4. Evaluation Findings

This section is divided into three main categories: 1) introducing a new approach to economic development, 2) economic development and wealth-building outcomes, and 3) challenges experienced by participants and regions. These findings illustrate common themes, examine outcomes, and provide examples of how the program has worked in different contexts.

Introducing a New Approach to Economic Development

This section examines whether the new approach to economic development is still being used, and how it has impacted the approach and outlook of the people who have participated in the process.

Key Findings in This Section:

- **All six regions are still actively working on their value chains or related work.**
- **Seven of eight coordinators reported improvements in the way they work as a result of involvement in WealthWorks Northwest.**
- **All four entrepreneurs interviewed who participated in the Exploration phase reported that they view the role of business in development differently, and that they would consider being involved in further efforts to strengthen value chains.**

FINDING: All six regions are still actively working on their value chains or related work.

All six regions reported that they are still either working on their value chains, or on related work that grew out of the value chain work. All of the regions have changed over time, either in value chain focus or composition of the working group or both, and the regions have varying levels of work intensity and participation. Most of those interviewed in coordinator roles identified the work with the WealthWorks Northwest name and approach, but none of the entrepreneurs did. (In some cases, the entrepreneurs were not clear about or familiar with the difference between Rural Development Initiatives as an organization, the WealthWorks Northwest program, and WealthWorks as a philosophy, and simply identified the work by the value chain.)

Spinoff Work: An Example from Lake County

The Lake County team did not continue with the value chain development approach when they were not awarded the construction grant. However, with ongoing support from the Oregon Food Bank, which became involved with the region because of the Exploration work, they adjusted their focus to food access and nutrition. Some of the remaining funds were used to get an AmeriCorps worker to do a hands-on countywide food assessment. A FoodCorps worker position, who goes to all schools weekly to talk to kids about making better food choices, also resulted directly from this initiative. The team was also able to bring in the *Bountiful Baskets* program to the area to provide fresh food to seniors, shut-ins, and the community as a whole, but then the company closed, and the service is no longer available.

FINDING: Seven of eight coordinators reported improvements in the way they work as a result of involvement in WealthWorks Northwest.

Coordinators reported that their work is more systematic, that they think about building the eight forms of wealth, that they have broadened their ideas about who to involve, and that they are more intentional about engaging low-income and diverse populations.

- No coordinators had specifically used a value chain approach before participation in WealthWorks Northwest, but four had used similar approaches with different names. Seven reported that working with value chains had improved the way they work (made the work more systematic and/or broadened their vision), and the eighth reported that she had already been using a similar approach before, so WealthWorks Northwest made no impact.
- Seven reported that they were still thinking about the eight forms of wealth.
- All of the coordinators had previously been engaging low-income/diverse populations. Participation in WealthWorks Northwest did not change how four of them approached this

aspect of their work. Three said it had made them more intentional and/or heightened their awareness, and one answer was unclear.

- Coordinators reported other impacts, including taking a more holistic approach, broadening thinking about who needs to be involved, emphasis on collaboration, and using this approach to inform planning activities (one economic developer plans to use the WealthWorks Northwest framework when updating the district’s Comprehensive Economic Development Strategy—CEDS).

“I use [the WealthWorks] capital terminology all of the time now. It may not be anything where I am thinking I am using WealthWorks at the time, but I am using the tenets and terminology.”

“The value chain concept helped clarify and solidify what we were already doing – very enlightening. It made our work more organized and systematic, not one-off projects.”

FINDING: All four entrepreneurs interviewed who participated in the Exploration phase reported that they view the role of business in development differently, and that they would consider being involved in further efforts to strengthen value chains.

- All four entrepreneurs said they would consider being involved in further efforts to strengthen value chains, but two gave caveats: one around time, and the other around having the right people at the table.
- All four reported that participation affected the way they view businesses’ role in community development (strengthened the belief that cooperation is critical; made for a more sophisticated business person; greater understanding of what programs are available to support businesses).

“It strengthened what I already believed – the importance of collaboration and maintaining an attitude between potential competitors that it’s better to cooperate than compete – friends that collaborate rather than enemies that compete.”

Economic Development & Wealth-Building Outcomes

The three primary goals of WealthWorks are to 1) build wealth (in the form of eight stocks of capital), 2) root wealth in local people, places, and firms through local ownership, control and influence, and 3) build lasting livelihoods by intentionally including people and firms on the economic margins. Because five of the six regions only received support for a six-month Exploration phase with minimal support after, and because business investments were only recently made in the Construction region and three of the other regions, we did not anticipate finding substantial impact beyond building social capital. However, we found contributions toward all three of the goals and many forms of wealth across multiple regions.

Key Findings in This Section:

- **Wealth increased across multiple capitals in all six regions.**
- **At least 25 businesses have benefitted as a result of the WealthWorks Northwest program (24 are small, locally-owned businesses).**
- **The WealthWorks Northwest program has resulted in approximately nine new jobs, with more anticipated in 2017.**
- **Low-income businesses and individuals have been involved in five of the six regions, but there is room for improvement.**
- **Low-income individuals have benefitted in five of the six regions.**

FINDING: Wealth increased across multiple capitals in all six regions.

Interviewees from all six regions reported increases in at least two, and often more, forms of wealth. In interviews, the question was initially asked without reference to the forms of wealth, and then interviewers gave prompts about additional forms of wealth, but did not always give prompts for all eight forms of wealth. Based on what we know of the changes that took place in different regions, we believe that in some cases, forms of wealth were underreported and that the findings are a conservative reflection of the wealth built in the different regions. Answers to this question also reflect differences in the way individuals think. For example, one of the entrepreneurs who did not have much knowledge of the WealthWorks philosophy understood the idea of capitals quickly and could easily name examples, whereas other people who reported a stronger connection with the concept of the forms of wealth could not so readily name examples. There may also be differences in what people perceive as significant levels of wealth-building worth reporting, and interviewees may not be aware of all of the wealth that has been built.

Multiple forms of wealth increased in all regions, and **social capital** expanded in every region.

Reported Capitals	Regions					
	Central Oregon	Lake County	NE Oregon	North Coast	South Coast	Wheeler County
Social	○	○	○	○	○	○
Political	○	○		○		
Individual		○			○	○
Intellectual	○	○	○	○	○	
Financial	○			○	○	○
Built	○			○		
Natural	○				○	
Cultural					○	

The following are some specific examples of wealth-building reported by interviewees:

Social Capital: Lake County interviewed 64 local producers, many of whom became interested in involvement in local food issues. There is a much stronger network there now.

Intellectual & Built Capital: Information collected from farmers and buyers in Central Oregon has helped farmers make decisions about what crops and varieties to grow and where they can be grown, and has helped identify existing assets that can be used for storage solutions.

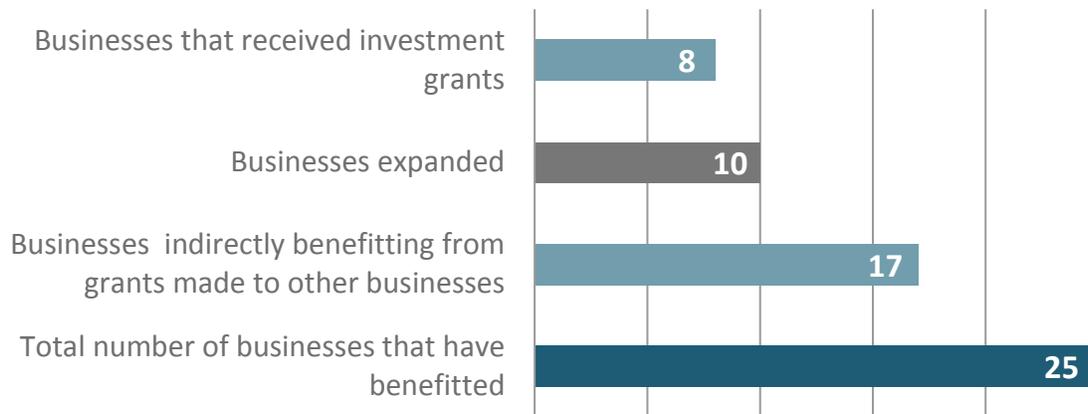
Intellectual Capital: In NE Oregon, seed experimentation by Oregon State University is yielding new information about varieties of barley that can be used for malting. In Lake County, a new Dollar Store opened after reviewing the AmeriCorps’ impact study produced as a result of the Exploration Phase.

Political Capital: Decision-makers in multiple regions have a heightened awareness of specific value chain efforts from involvement in, or presentations that came out of, the process.

Financial & Cultural Capital: This initiative has provided business planning support and funding for expansion of a traditional style fish market in the community of Bandon on the South Coast.

FINDING: At least 25 businesses have benefitted as a result of the WealthWorks Northwest program (24 are small, locally-owned businesses).

WealthWorks Northwest resulted in benefit to Twenty-Five businesses. Most of these either **benefited directly** from grants, or **benefitted indirectly** from grants made to other businesses.



Note: Some businesses are reflected in multiple lines, but the total counts each business only once. For example, one business received an investment grant, expanded, and also benefitted from an investment grant made to another business. This business is counted in each of the top three lines, but only once in the total. For breakdown by region, see annex 2.

- **A minimum of ten businesses have expanded, and one business started, but then closed. At least five of these are anticipated to expand further, and others are anticipated to be created or expand in the next 12 months.**
 - Seven of eight businesses that received business investment grants through the WWNW program have already expanded or are in the process of expanding (a total of eight businesses in four regions received business investment grants worth a total of \$90k). Interviewees reported that three other businesses have expanded as a result of research carried out during the Exploration phase (two businesses in Lake County added fruit and vegetable stands, and one farm in Central Oregon purchased land and altered its product line).

- **The WWNW Business investment grants have had a significant impact on five out of the six recipient businesses interviewed:**
 - **Use of Grants:** All six of the business grant recipients interviewed have been able to use their grants fully as intended. For four, the impact has met or exceeded expectations. The impact was not as great as expected for one business, and had not yet been achieved for another. (The former is a business that installed expanded storage for squash, but the squash crop was poor this year and the storage was not used to the extent anticipated. The latter business developed a software platform to link producers and buyers as planned, but does not yet have sufficient data about buyers to provide meaningful information to producers.)

- o **Increased Income: The business grants have already resulted in increased income for three of the six businesses** (one business by an estimated 60% or more, and another by 100%). Two more businesses predict it will have increased income in the coming year.
- o **Positive Change: The business grants have resulted in positive change for five of the six businesses that received them.** The grants enabled one business to embark on a path of growth, increased efficiency for one, and enabled significant business expansion for three of the businesses. The sixth business anticipates significant positive impact in the future, but for other businesses rather than his own. (This business is hosting software that will link producers to buyers, but there is not sufficient buyer data yet for the software to benefit producers yet.)
- o **Additional Benefit: Four of the businesses have seen other benefits in addition to those listed above:**
 - Building relationships by helping other businesses in non-financial ways through use of new infrastructure—two businesses
 - Leveraging other loan/grant—one business
 - Greater exposure and contacts with new buyers—two businesses
 - Peace of mind (through knowing that there is sufficient storage capacity)—one business
 - Quality of service/business efficiency—one business
- o **At least 17 businesses have benefitted indirectly (from other businesses receiving investment grants).** Two of these are also included in the ten businesses above that have expanded:
 - Seven boats (including seven captains and 14–21 crew) have greater access to infrastructure, increased selling options, better prices, and therefore greater income.
 - Three seafood trading and processing businesses have greater access to infrastructure (a hoist) to facilitate buying product.
 - One juniper mill has an increased source of lumber (this business also received a business grant and has therefore benefitted directly and indirectly).
 - Three farmers have greater access to storage space, and one of these has had increased access to information to help make decisions about what to grow and whether to buy or lease land.
 - Two fishing businesses are benefitting from waste removal (for production of compost).
 - A rural online grocery delivery service has increased business (the one business not locally owned).
 - An unknown quantity of truckers and loggers have benefitted from increased demand for their services.

- A technical assistance grant to one business resulted in the “legitimizing” of the business (bringing it into legal compliance, getting books in order to be able to apply for a loan, “changing from the shoe box to an official system”).
- The initiative has not benefitted the businesses of two entrepreneurs interviewed who were involved in the Exploration phase but did not receive business grants. One has been involved purely for community-focused reasons and did not expect to benefit, and the other was hoping for benefit but did not see any.
- We are aware that other businesses have likely benefitted from the WealthWorks Northwest program as well through connections provided to technical support for business plan development and a small loan program to fishermen.

The New Hoist

With a WealthWorks business grant, Tillamook Bay Seafoods, Inc., purchased a new hoist. It has had a significant impact not only for the business but also for other businesses in Garibaldi.

- The hoist has enabled the business to unload seafood that it purchases from local fishermen, and has also created another revenue stream for the business: charging a small fee to unload seafood for three other small seafood buyers who purchase seafood from local fishermen.
- The hoist has also stimulated cooperation among fishermen, Tillamook Bay Seafoods, and other buyers. There was a brief period during the peak of the 2017 crab season when buyers were going to lose 7 cents per pound because of a drop in the price of crab. The owners of Tillamook Bay Seafoods, who usually charge 10 cents per pound for use of the hoist, decided during this time to unload 14,000 pounds at no charge to the buyers. This enabled the buyers to continue to buy at a break-even cost, and the fishermen did not lose money and have to throw away their catch. The situation was tight, but they all worked together to get the product off the boats. This compromise in profit allowed fishermen and buyers to maintain good relationships all around. [In contrast, the one large buyer in the area was not able to offer that same type of arrangement to the fishermen it works with, so it stopped buying crab during that period and those fishermen were unable to sell their catch.]
- Some of the distributors that work with the crab buyers are now also interested in purchasing Tillamook Bay Seafoods’ clams.
- The business is also using the hoist to help local fishermen, for example by helping them get their boat engines out of the water for repair. The owners are happy that they can offer such a service in the community.

Indirect Benefit

One entrepreneur who was able to hire three people as a result of a small WWNW business grant told us this story: “Schwan’s delivery truck comes by every two weeks or so to take orders and deliver. I hadn’t purchased anything for a month and a half and apologized. The driver responded, ‘You have created so much more business for me it doesn’t matter. You hired so and so and so and so – they are buying half the truck!’ It has affected the local community. Those folks don’t travel much, so they spend the money locally.”

FINDING: The WealthWorks Northwest program has resulted in approximately nine new jobs, with more anticipated in 2017.

Job Creation	Regions						Total
	Central Oregon	Lake County	NE Oregon	North Coast	South Coast	Wheeler County	
Jobs created (temporary, full time, part time, and seasonal)	1 (estimated)	1 temp	0	2	2-3*	4-5*	8-10
Jobs created as a result of investment grants or other financial support through WealthWorks Northwest (a subset of the above line)				2	2-3*	4	8-9

* For some businesses, the support from WealthWorks contributed but was not solely responsible for the creation of new jobs. This is reflected in the ranges given for some of the categories above. In Central Oregon, one stakeholder thought that probably 1 FTE had been created (not in one position but throughout the industry through the increase in economic activity. This is not included in the total.

Interviewees estimated that between eight and ten jobs have been created. This does not include temporary jobs, internships, or AmeriCorps/FoodCorps positions. The jobs represent a mix of part-time, full-time, and seasonal work:

- Lake County: One six-month temporary position at a greenhouse plus AmeriCorps and FoodCorps positions (these are not included in the numbers above).
- Wheeler County: Four (a mix of full and part time). Three resulted from a business investment grant, and one resulted from a technical assistance grant. One interviewee speculated that the equivalent of one additional job has been created through improvements to the management of a business.
- North Coast: Two full-time/seasonal positions resulted from a business investment grant. A Resource Assistance for Rural Environments (RARE)/AmeriCorps position was also created for a year but is not included in the number above.

- Central: One interviewee speculated that the equivalent of a full-time job, as well as farm internships, may have been created through the work. These are not included in the total.
- South Coast: Interviewees reported that two positions have been created and one has been expanded as a result of business grants. One business reported that a business grant has contributed to but is not fully responsible for a new position. A temporary grant funded RARE/AmeriCorps position was also created for two years but is not included in the total.

Interviewees estimate that three to six more jobs will be created (in two regions) in addition to those listed above in the next 12 months.

FINDING: Low-income businesses and individuals have been involved in five of the six regions, but there is room for improvement.

- Involvement includes participating at listening sessions, conducting interviews as part of the Exploration process, and receiving business development and grant support. Forms of participation vary, but tend to be indirect and passive, as opposed to playing a more direct role in the value chain (such as starting or growing a business, or being involved on a regular basis in the regional value chain working group).
- While there were a number of low-income individuals and businesses involved, very few low-income women or minorities were involved (one minority has been involved in Lake County, and women have been involved in Lake, Central, and Wheeler Counties).

FINDING: Low-income individuals have benefitted in five of six regions.

- **The position of low-income individuals and businesses in the value chain has improved in four of six regions.** For example, positions have improved through increased sales of, and selling options for, seafood.
- **There are, or have been, new products or services for low-income individuals/businesses or other vulnerable groups in four regions,** though they are not all currently available, consistently available, or formalized:
 - Lake County: A fresh food basket program for seniors was temporarily available as an outgrowth of Exploration work, but has stopped. The group is trying to restart something similar;
 - Central: Gleaning for the food bank from local farms, and more local fresh food in schools;
 - South Coast: Access to financing through the Dreamsavers for low-income fishermen;
 - North Coast: The new hoist is being used to help local fishermen (such as pulling engines onto shore)

Low-income groups have benefitted in most regions.

Benefit to Low-income groups	# of Regions
Low-income individuals or businesses were involved	5
Their position in the value chain has improved	4
There are new products or services for low-income individuals	4

See Annex 2 for breakdown by region

Challenges Experienced by Participants & Regions

Interviews explored the challenges that participants and regions faced, as well as any burdens that resulted from involvement with the program.

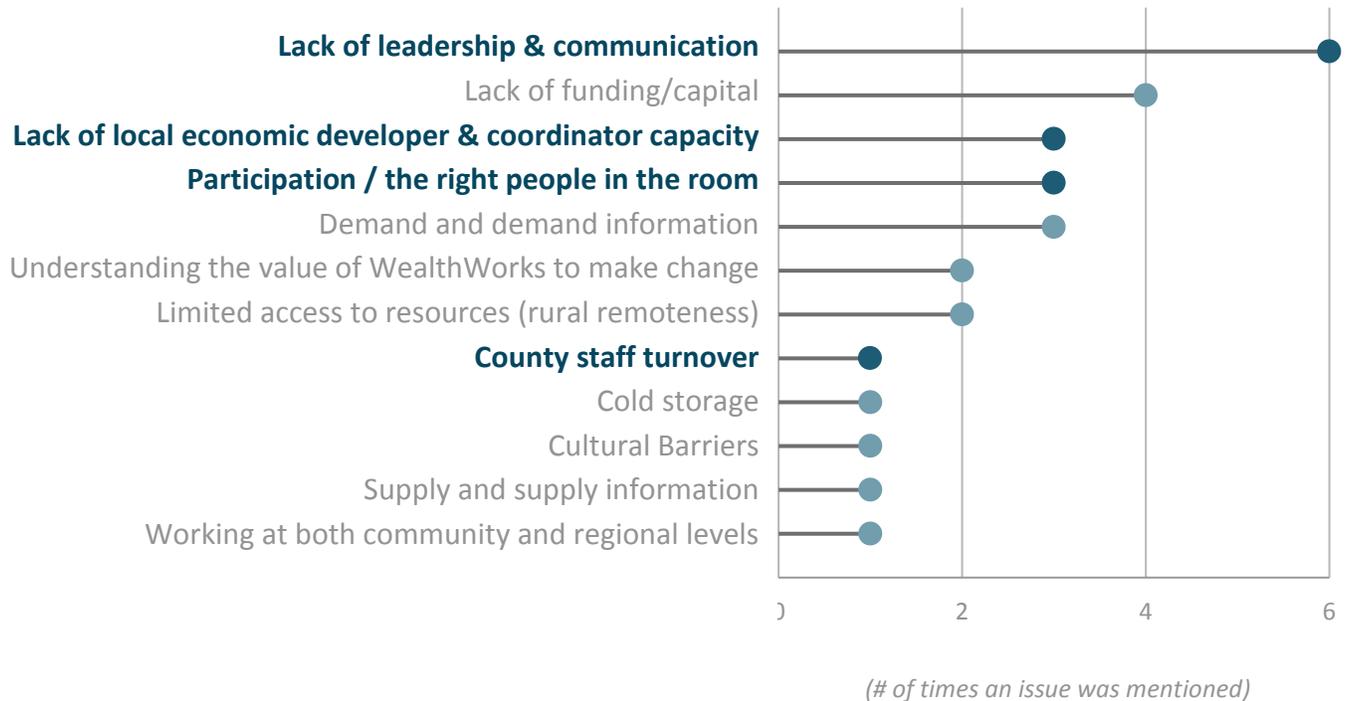
Key Findings in This Section:

- **Regions experienced a range of both organizational and value chain challenges after Exploration ended.**
- **Eight of 17 interviewees reported some level of burden related to involvement in the program, but most of those said that the benefits of participating outweighed the burden.**

FINDING: Regions experienced a mix of organizational and value chain challenges after the Exploration phase ended.

Interviewees reported a wide variety of challenges faced after the end of the Exploration phase, including issues related to value chains, and more general process issues. A common set of issues was related to leadership and capacity of coordinators, as well as turnover of staff in coordinator positions, that particularly affected the ability of some regions to maintain momentum after the Exploration phase. The chart below reflects the number of times a particular issue was mentioned.

Regions faced a variety of challenges, and **organizational challenges** were some of the most significant.



“Lack of direction was the biggest challenge...If there was a good leader with a defined set of achievable goals, we could have done something more.”

In addition to specific responses to the question about challenges faced after Exploration, all five of the regions that were not selected for construction expressed some level of frustration about expectations that had been built, or disappointment in not receiving support for the Construction phase. A number of interviewees talked about the money being a motivator, and that when the Construction award was made to another region, the motivation dissipated.

“There was an expectation for larger funding to come through, and when it didn’t, there was no real reason to keep going.”

FINDING: Eight of 17 interviewees reported some level of burden related to involvement in the program, but most of those said that the benefits of participating outweighed the burden.

Of the 17 interviewees, seven reported that involvement was not a burden, six reported that time/wasted time was a burden, two reported that being disappointed and misled was a burden, and one reported that miscommunications involving funding of a coordinator role caused some

management/financial challenges. Most people who reported a burden said that the benefits of participating outweighed the burden.

Two of the four entrepreneurs who participated in Exploration specifically noted the burden due to time taken away from their businesses. One noted that staff of agencies usually get paid to attend meetings, whereas they had to take time away from their businesses to participate.

“When I came over to [a meeting] – that was directly out of my pocket. That means I wasn’t here to see things, supervise, train, answer calls. And then my expenses, obviously I think that it is a worthy investment so I am happy to do it, but just to recognize from a private business perspective and think about how to balance it.”

5. Lessons Learned & the Way Forward

Lessons Learned

Lesson #1: Strategic small investments can have a big impact.

The business investment grants have been one of the most powerful tools the program has had for stimulating job creation, business expansion, benefitting businesses in a variety of ways, and contributing to multiple forms of wealth—and doing so quickly. Most of the jobs created, and over three quarters of the 23 businesses that have directly or indirectly benefitted, are a result of the program’s business investment grants. These investments also create excitement and motivation among a wider group of value chain players, and have encouraged more business owners to come to the table.

Our ability to target these investments strategically has depended on the careful value chain work started in the Exploration phase, which continued after that period in the four regions where businesses have received grants. This work enabled teams to identify leverage points for investment in order to have the widest possible ripple effect in the value chains. These investments seem to have a particularly strong effect on emerging or growing businesses that, without this type of support, would be unable to make critical investments or would be significantly delayed in making them. For example, a business investment grant of \$4,000 has enabled one entrepreneur to move from barely scraping by with just himself and a part time laborer, to getting on a path of growth with three full-time workers. It has transformed his mindset about the potential of his business.

“With [this investment], it changed the game – let’s go after this thing!”

Lesson #2: The right businesses need to be engaged at the right time, in the right way, and with their self-interest in mind.

How and when businesses are engaged needs to be driven by their self-interest, capacity, and priorities, so that they are enthusiastic rather than reluctant to be involved. Coordinators and coaches need to be aware of each business's self-interest, and flexible and creative in terms of how to involve businesses. For example, businesses do not need to attend lots of big meetings. Coordinators can talk to them one-on-one to understand their perspectives, and then engage them only in meetings that are of direct relevance to them. Also, business owners can be provided incentives such as networking opportunities, or at least relieved of some costs such as paying for transportation, and meetings can be arranged at times that are most convenient to them.

“There are farmers in every area who are curious, interested, progressive, and willing to try new things – they are out there – you need to identify them. They have to see an advantage to themselves.”

Lesson #3: There is potential to do more to engage people on the economic margins.

The program achieved success in both involving and benefitting low-income businesses and individuals, but there is room for improvement. For future expansion of the WWNW program, more women and minorities could be engaged through deliberate choice of both geographic regions and targeted value chains. In addition, more can be done with existing regions and value chains to involve people on the economic margins in a wider variety of ways, not only to benefit from the work, but to be front and center as co-creators in the work, playing diverse roles that include business ownership, analysis, and problem solving. This requires greater ongoing advocacy and capacity building of coordinators and other stakeholders around this topic, as well as diligence and intentionality at each step and decision point in the process of developing the value chain.

Lesson #4: Engagement needs to be steadfastly results-oriented.

Both businesses and coordinators expressed frustration at the amount of time required to attend meetings that they sometimes perceived to be unproductive and that the Exploration phase was heavy on theory rather than results. In retrospect, this is likely due to the fact that RDI and partner staff did not have previous experience with a systems approach like WealthWorks, and were “learning by doing” as they communicated about the program and supported regions for the first time to implement this new approach.

While a focus on the WealthWorks philosophy is appropriate and useful at events such as educational workshops, practical application with community groups needs to be steadfastly results-oriented.

Coordinators and coaches should ensure that engagement of all stakeholders is not too heavy on WealthWorks philosophy and process without showing continual concrete progress. Components of the WealthWorks approach and its vocabulary should be carefully deployed at the right time when it is most meaningful to the action at hand, as opposed to being presented as an abstract philosophy.

“It’s a personality type, someone who gets it who is self-motivated and who is outcome based not process based... [who can] get things accomplished.”

Lesson #5: Leadership, entrepreneurial thinking, and organizational capacity can affect success and sustainability.

Leadership, entrepreneurial thinking, and organizational capacity are important factors for success in developing a value chain. Most regions experienced changes in leadership and participation during or since the Exploration phase, particularly when Exploration ended. Those regions that had continuity in staffing and leadership, as well as significant involvement by entrepreneurs, struggled less to make headway than regions that depended heavily on volunteers, did not have paid staff, and/or did not have sufficient involvement of entrepreneurs.

For example, one region has a coordinator in a paid position who has been able to allocate time to develop the value chain since the Exploration phase ended, and an entrepreneur who is not involved on a day-to-day basis but provides direction and strategic hands-on support. This region has made more progress and been more sustainable than other regions where leadership is weak or continuity has been lost because coordinators have been volunteers, or economic development staff have turned over, and in regions where coordinators have not had much success getting entrepreneurs to the table.

Lesson #6: Expectations and motivations around program benefits need to be carefully managed.

Many people misunderstood the support available through the program, often mistaking the value of the support package (including coaching support and technical assistance) for cash that would be available to businesses. (This was despite RDI’s perception that the information was presented with great care so as not to build false expectations.) As a result, when cash was not available, a number of people were disappointed. In addition, when the Construction award went to one region, motivation waned in a number of the other regions, many people stopped participating in the work, and value chain efforts slowed down in some of those regions.

Based on previous process evaluation results, RDI has already changed its approach from a competitive proposal process to one focused on “readiness” as a selection criterion for engagement in a WealthWorks Northwest process. RDI is now aiming to tailor support very specifically to a region’s particular needs, to co-fundraise with regions to avoid misunderstandings about funds, and to support any communities and regions that have met an identified set of pre-conditions for success, as opposed to using a competitive application process for community selection.

The Way Forward

What are we doing differently going forward?

RDI plans to incorporate these findings into future efforts in a number of ways including the following:

- More intentionally involving businesses by focusing on their self-interest and engaging them on their own terms.
- Partnering with communities to identify and seek funding for business investment grants.
- Building capacity and increasing focus on engaging people on the economic margins.
- Carefully considering how every engagement with a community group can result in value chain progress.
- Conducting a “readiness assessment” in collaboration with the applicant regions and working hand-in-hand with regions to apply for funding to support WealthWorks Northwest value chain work.
- Identifying and supporting involvement of individuals and organizations that will make the work locally sustainable.

Annexes

Annex 1: Questionnaires

Questions for Coordinators

1. What was your involvement in the WealthWorks program in the XX region during the exploration phase of June–October 2014?
2. Do you still see yourself as the coordinator of this work?
3. Does the group still meet? How often? Are there more or fewer individuals or organizations involved (businesses, non profits, service providers, etc.)?
4. Is your region still actively working on the XX value chain today?
 - a. If not, why not, and when did work end?
 - b. If so, do you still identify this project with the WealthWorks name and philosophy? If not, why not? If so, how?

Questions about Impact:

In this next set of questions, I will be asking you to focus on the impact that the program has had in your region.

5. What are/were the main gaps/constraints/opportunities that surfaced during your work with the value chain? *Probe if appropriate: “Were gaps/constraints related to supply? To demand? Other?”*
6. What value chain research did you carry out to identify these gaps/constraints/opportunities?
7. Have any businesses been created, expanded, or purchased as a result of the value chain effort? If so, what specifically has happened?
 - Do you anticipate any of these types of changes in the next 12 months? If yes, what types of changes specifically?
8. Have any new jobs been created as a result of the value chain work? If so, what types of jobs and how many?
 - Do you anticipate any new jobs will be created in the next 12 months? If yes, what types and how many?
9. Have low-income businesses or individuals, or minorities been involved in the value chain work?
 - a. Were they or are they active participants in building the value chain?
 - b. Has their position in the value chain improved (such as through access to better markets, more work, increased income, or improved working conditions?)

- c. Has the value chain work resulted in increased access to new services or products for low-income individuals?
 - d. Are there any specific plans to support low-income businesses, landowners, employees, or individuals in the next 12 months?
10. Has the group been able to improve the functioning of the value chain in other ways?
(Prompt as needed: Such as through linking businesses to one another, changing the regulatory environment, leveraging funds/investments, improving support services (such as transportation/storage), increasing the pool of skilled workers, etc.)
11. Has this work resulted in greater benefit/wealth to the overall community/region? What kind of benefit/wealth?

Prompt as follows:

- a. “Have new relationships and networks been built? What kind? How many?” [Note – this refers to Social Capital]
 - b. “Has there been an increase in influence over decision-making and policies? How? What decisions or policies?” [Political Capital]
 - c. “Have people acquired or improved skills, or generally improved their health and well-being? What specifically?” [Individual Capital]
 - d. “Is there greater knowledge, creativity or innovation in the region? What specifically?” [Intellectual Capital]
 - e. “Has the work benefitted natural resources or the environment in the region? In what way?” [Natural Capital]
 - f. “Has there been increased investment in the region? What kind? What is the value of the investments?” [Financial Capital]
 - g. “Has the work supported or preserved valued assets, traditions or ways of doing things? What specifically?” [Cultural Capital]
 - h. “Have there been improvements in infrastructure? What specifically?” [Built Capital]
12. Do you anticipate that the work will result in any additional benefits/wealth to the community/region in the next 12 months?

Questions about Economic Development Approaches:

In this next set of questions, I will be asking you to focus on how WealthWorks has changed the way you practice economic development.

- 13. Before WWNW was first discussed at regional workshops in the spring of 2014, had you as an economic developer done value chain work or used a value chain approach for economic development work?
- 14. Do you think that the efforts to strengthen a value chain have improved the way you work? Would your organization use a value chain approach again in the future? Why or why not?

15. Do you still think about how economic development work will impact eight different capitals or forms of wealth? Did learning about the eight forms of wealth affect the way you approach economic development?
16. Before WWNW was first discussed at regional workshops in the spring of 2014, did your work engage with diverse populations (Latino, Native American, etc.) or people with low incomes? If so, how?
17. Has WealthWork's emphasis on building inclusive economies that work for diverse populations and people with low incomes influenced the way that you work? How?
18. Did participating in the WWNW program have any other impact on the way you think about the region's economy? If so, how?
19. Did participating in the WWNW project create any burdens for you in your position or for your organization?
20. What are the greatest challenges you face(d) with this work after the Exploration phase ended on Oct 31, 2014?
21. *(For regions still actively working on the value chain)* Which of the identified challenges do you plan to address in the next 12 months, and how?

Questions for Entrepreneurs Involved in the Exploration/Construction Phase

1. Have you been involved in the WealthWorks program in the _____ region? Since when? What has been your role? Are you still involved?
2. Is your region still actively working on the _____ value chain today?
 - a. If not, why not, and when did work end?
 - b. If so, do you still identify this project with the WealthWorks name and philosophy? If not, why? If so, how?

Questions about Impact:

For the rest of the questions, I will be asking you to focus on the impact that the program has had on your business and in your region.

3. Do you think that the efforts to strengthen the value chain have improved your business? If so, how?
4. Do you think the value chain work has benefitted other businesses or the sector as a whole? How?
(Through stronger business linkages, greater access to resources, better access to demand, improved support services (such as transportation/storage), etc.)

5. As a business owner, would you be involved in further efforts to strengthen value chains in the future? Why or why not?
6. Does your business create products or job opportunities for low-income individuals or diverse populations (Latino, Native American, etc.) in the community? What kind? How many?
7. Has your engagement with WealthWorks increased this in any way?
8. Did participating in the WWNW project affect the way you view businesses' role in community development? If so, how?
9. Has the value chain work in the region resulted in greater benefit/wealth to the overall community/region? What kind of benefit/wealth?

Prompt as follows:

- a. "Have new relationships and networks been built? What kind? How many?" [Note – this refers to Social Capital]
 - b. "Has there been an increase in influence over decision-making and policies? How? What decisions or policies?" [Political Capital]
 - c. "Have people acquired or improved skills, or generally improved their health and well-being? What specifically?" [Individual Capital]
 - d. "Is there greater knowledge, creativity or innovation in the region? What specifically?" [Intellectual Capital]
 - e. "Has the work benefitted natural resources or the environment in the region? In what way?" [Natural Capital]
 - f. "Has there been increased investment in the region? What kind? What is the value of the investments?" [Financial Capital]
 - g. "Has the work supported or preserved valued assets, traditions or ways of doing things? What specifically?" [Cultural Capital]
 - h. "Have there been improvements in infrastructure? What specifically?" [Built Capital]
10. Has participating in WWNW been a burden to your business in any way?
 11. What are the greatest challenges you face(d) with this work after the Exploration phase ended on Oct 31, 2014?
[If involvement began after the Exploration phase ended, then "What are the greatest challenges you face(d) with this work?"]
 12. *(For regions still actively working on the value chain)* Which of the identified challenges do you plan to address in the next 12 months, and how?

Questions for Entrepreneurs who Received Grants

1. What kind of business do you have? (Read their applications beforehand.)
2. How did you learn about the WealthWorks business investment grant program?
3. Were you aware of and involved in the efforts to strengthen the local 'X' economy in your region before you were approached about the grant opportunity?
4. Have you been able to use the investment grant as you had planned? (Read application in advance to ask specifics.)
5. Do you anticipate that the investment grant will change your business or has it already changed your business? How? (Operations, profit, number of employees, who you do business with, etc.)
6. Do you anticipate that the investment grant will result in (or has it already resulted in) increased income for your business? If you are comfortable doing so, would you mind quantifying this? (Perhaps a percentage of sales, for example, rather than a \$ figure)
7. Do you anticipate that there will be or have there already been any non-financial benefits to your business as a result of this investment grant? (New business linkages, easier access to services, increased visibility within the business community, etc.)
8. Do you anticipate that any other businesses will benefit or have already benefitted (financially or otherwise) as a result of this investment grant?
9. (Further probing from the above) Has the investment grant allowed you to provide any additional (products/ services) to low income people?
10. Have you hired anyone as a result of the investment grant? If so, was that person previously employed in the community?
11. Has the investment grant been (or will it be) a burden to you, your business, or anyone else in any way?

Annex 2: Data broken down by region

Benefitting Businesses by Region

Businesses Benefitted	Regions						TOTAL
	Central Oregon	Lake County	NE Oregon	North Coast	South Coast	Wheeler County	
Businesses that received investment grants	2	0	0	1	3	2	8
Businesses expanded (7 are also in the line above)	2+	2	0	1	3	2	10
Indirect Benefit: Businesses benefitting from grants made to other businesses (3 are also in the line above)	3	0	0	10	2	2+	15
Total that have benefitted (without double counting)	4+	2	0	11	5	3+	25

Low-income groups have benefitted in five of six regions.

Benefit to Low-income groups	Regions					
	Central Oregon	Lake County	NE Oregon	North Coast	South Coast	Wheeler County
Low-income individuals or businesses were involved	○	○		○	○	○
Their position in the value chain has improved	○			○	○	○
There are new products or services for low-income individuals	○	○		○	○	