

# Rural Development Beyond Jobs: A Comprehensive Wealth Approach

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Department of  
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# Places Where People Want to Live

- Think first about people
- Then place
- Place is where we want to be, where we want to live



# What is Wealth?

For people:

People understand that their individual well-being is not solely supported by their income or assets, but is enhanced by their family & friends, their community, their health, and their environment. Taken all together, this is what constitutes a person's "wealth" broadly defined.

# What is Wealth?

For Communities:

Financial wealth alone does not create community well-being and a high quality of life for residents. Non-economic factors, such as the beauty of a mountain, strong schools, community culture and history, or the strong social networks in a community, also make up its wealth and contribute to quality of life.

# Force Our Thinking and Action Into ...

- A definition of community wealth that is comprehensive, multi-faceted
- A development strategy focused on what makes *community* a vibrant, viable, attractive place to live
- Building off of the assets present in a community
- Building the *stock* of capitals in a community through strategies that both *retain assets locally* (net flows) and that *use one capital to build others*

# The Comprehensive Rural Wealth Framework (CRWF)



# Physical Capital

- Stock of “built” capital
- Includes buildings, roads, bridges, telecommunications
- Think Infrastructure



# Financial Capital

- Money and other liquid financial assets such as stock, bonds
- Net of financial liabilities
- Assets that can be converted into money

# Human Capital

- Productive capability of a population
- Education
- Skills and talents
- Health status

# Intellectual Capital

- ▶ Human knowledge, innovation, and ideas
- ▶ Embedded throughout a community, different from being embedded in individuals
- ▶ Intellectual property such as patents and copyrights, as well as “common knowledge” – think the heritage of a community

# Political Capital

- Stock of influence, power and goodwill
- Held by individuals, groups, and organizations
- Can be used to achieve specific goals

# Natural Capital

- Resources provided by Mother Nature
- Clean water, clean air, natural landscapes, forests, wildlife
- How we define place based on the natural capital

# Social Capital

- Stock of trust, relationships, and networks
- Can be held by individuals or groups and organizations
- Another element in how we all define place

# Cultural Capital

- ▶ Practices, values, and sense of identity embedded in a society
- ▶ Examples include works of art, architecture, places of cultural significance
- ▶ Includes beliefs, traditions, and practices that distinguish and identify groups of people and their values and identity

# Foundations for ACTION

- **Quality of life** is economic development
- Development begins with the **current community assets**
- Wealth is **interconnected across capitals**
- Decisions have **short-term** and **long-term** impacts



# ACTION

- ▶ Focus on assets and build on strongest capitals to create resilient and sustainable community
- ▶ Identify and emphasize synergy across capitals
- ▶ Pay heed to distribution of assets across households, groups, and organizations in the community – e.g., concentrating political capital (intentionally or unintentionally) has less benefit than making a broadly held community asset

# ACTION

- The stock of assets depends on how assets are used – is there flow into stock? Most if not all flows out? Are assets used in ways that benefit others in the community?
- Collective action and governance play major roles in wealth creation and retention – generator of human capital including education, health care services
- Assets may be owned locally or by outside entities – makes a difference in synergy across capitals

# Rewards for Hard Work

- Challenging to think in this framework
- Even more challenging to act and measure progress
- The reward is sustainable rural place that attracts people, who attract additional investments

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