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HUFFPOST

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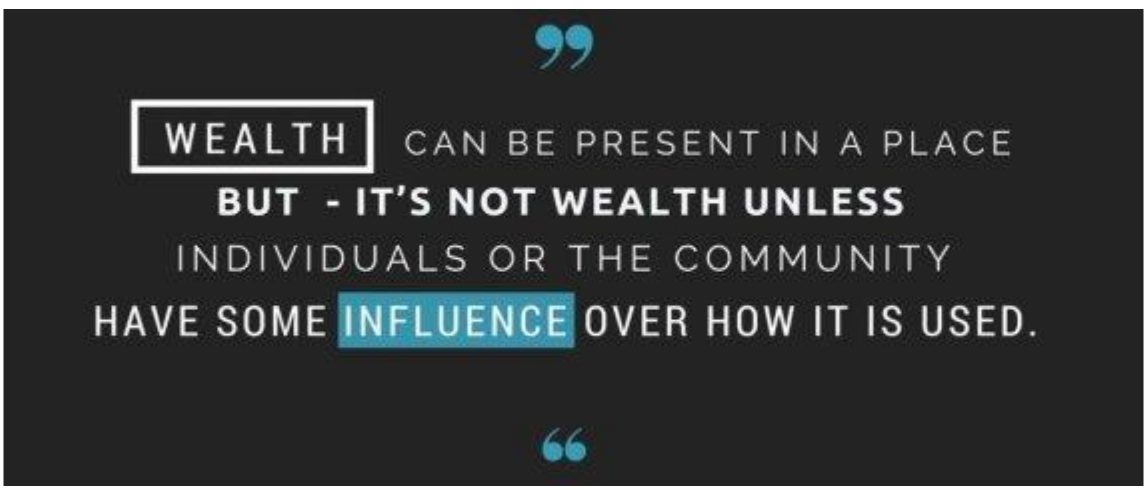
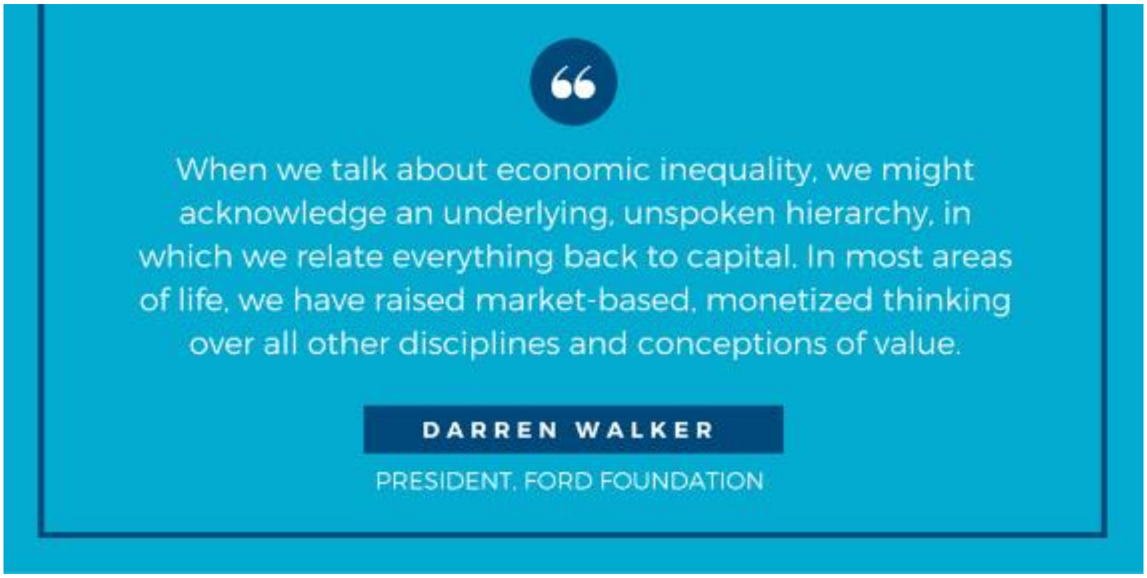
Redefining Wealth for the 21st Century



Darren Walker, President of the Ford Foundation, recently offered an exceptional perspective on how philanthropy and social policy must adapt to face today's inequality challenge. How we give and how we understand economic inequality has been rooted in 19th century values. Yet our society has changed so fundamentally that we need, as he terms it, a reimagined Gospel of Wealth, geared to our evolving understanding of what causes and perpetuates inequality today. We could not agree more.

Those of us working to address the opportunity gap in this country must build on Walker's thoughts. In particular, we must broaden our conception of what "wealth" is and how it can be wielded to increase opportunity and reduce inequality. To most minds, wealth means money. But even in times of low economic inequality only a few people have had abundant money. And a bag of that money in an empty room is nothing but paper.



What turns that money into real value is what truly constitutes wealth: skills, creativity, health, experience, agglomerations of knowledge, natural resources, infrastructure, political savvy, relationship networks, and cultural ways of making and doing.

What might a revision of the definition of wealth mean for addressing income inequality? First, people, organizations, and agencies that "do economic development" must start to do it differently. They must move to recognize the quality and quantity of the full range of assets that serve as the foundation for opportunity in individuals, firms and communities in their regions, including assets that are grossly underutilized because they are in poor or marginalized places. They must target market opportunities that can connect those underutilized assets to economic activity, and address opportunity gaps along the way, so that we can build more and better livelihoods for individuals and families who need them, and generate regions that are more resilient, self-reliant and prosperous in the process.

Secondly, building wealth must also pay attention to increasing individual and local ownership of it. Wealth can be present in a place but it's not wealth unless individuals or the community have some influence over how it is used. Ownership leads to both greater economic stability and civic participation -- for families, businesses and communities -- over time.

Many in this country are acting on these ideas -- wielding this new understanding of wealth to increase opportunity and reduce inequality. The Deep South Community Agriculture Network, a group of African American farmer cooperatives in Mississippi and Alabama, are working together to access larger markets, engage youth and redefine farming as a path to prosperity. These farmers, many earning less than $2,500 per year, possessed skills and assets valued in their communities. But they came to understand they lacked knowledge about how to tap wholesale markets, certifications and particular kinds of capital. By acting collectively to address these opportunity gaps, in a few short years, they've been able to generate hundreds of thousands in new revenue selling produce to high end restaurants, schools and grocery stores.

Another place-based agent of change is Incourage Community Foundation in south Wood County, Wisconsin. That region has experienced a rolling upheaval in their economy, losing thousands of local jobs as the paper industry has transitioned. The Foundation's response? Become a "community accelerator," kindling investments in the community, while engaging individuals, businesses and agencies throughout the region to build adaptive skills, recognize their "wealth," and think forward, rather than bemoan the past. For example, the Foundation purchased the former Tribune building in the flagging center of town, and brought 700 residents over 18 months to the design table to determine its future use. The community -- and individuals -- now better see their true wealth and capacity, and energy is building for more, even as the new enterprises are readying for the Tribune reopening.

Indeed, the catalysts for such transformations are often place-rooted philanthropic foundations. Major philanthropies like the Ford Foundation have an important role, but place-rooted foundations bring a unique set of skills required to build opportunity in their place. If we are able to diminish inequality, community philanthropy must be a critical player. Community foundations represent a more democratic form of philanthropy -- with funds built from and controlled by scores of community members from every income level, rather than a single benevolent donor.

Darren Walker has started an important conversation on redefining wealth and philanthropy's role in building it to address inequality. A Community Development Philanthropy approach, which recognizes that wealth building must be tailored to the assets that exist in communities, can spark on-the-ground implementation of a 21st century redefinition of wealth and philanthropy.