WealthWorks Northwest Evaluation Summary


June 2017
Purpose

In 2013, Rural Development Initiatives, in cooperation with its funding and delivery partners, launched WealthWorks Northwest (WWNW), a pilot program to introduce rural Oregon to a new unconventional approach to economic development. The initiative consisted of distinct phases called “Exploration and Construction,” each offering a more intensive package of support for rural regions in the program. As RDI and partners introduced this new systems approach, it required a steep learning curve for all involved, so that the process was a learn-as-you-Implement experience.

This evaluation, carried out by RDI in partnership with Oregon State University Extension Service, examined outcomes in six regions of Oregon that participated in the program from May of 2014 through December of 2016.

Earlier evaluations examined the process of delivery, but this evaluation focuses on results related to the primary objectives of WealthWorks Northwest:

1. Increased awareness, understanding, and use of this new approach to economic development
2. Economic development and wealth-building outcomes

The evaluation also explored challenges faced by those involved in the program. Based on the results of this evaluation, a set of lessons learned has been developed which is informing the thinking about the program moving forward.

The evaluation was conducted in January, February, and June of 2017, and took place 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.

With a WealthWorks Northwest business investment grant, Tillamook Bay Seafoods purchased a new hoist, which has had a significant impact not only for the business, but also for other businesses in the Port of Garibaldi.

WealthWorks Northwest Delivery Partners:

- Rural Development Initiatives, Lead
- Oregon State University Extension Service, Rural Studies Program
- The University of Oregon’s Resource Assistance for Rural Environments (RARE) Program

WealthWorks Northwest Regions & Sectors Include:

- North Coast: Seafood
- South Coast: Southwest Oregon Food Systems Collaborative
- Wheeler County: Western Juniper Wood Products
- Central Oregon: Local Food Products
- Lake County: Local Food Products
- Northeast Oregon: Malting Barley for Craft Beer

Funding Partners:

- Meyer Memorial Trust
- Northwest Area Foundation
- The Ford Family Foundation
**Evaluation Findings**

**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.

**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 participated in most of the regions.

⇒ Low-income individuals have benefitted in most regions.

⇒ Low-income businesses and individuals have benefitted in most regions through improved positions in the value chain and/or access to new products and services.

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**Business grants help struggling local businesses.**

The business investment grants 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!”*
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.

The WealthWorks goal is to improve the livelihoods of people and communities by creating wealth through market interactions that are owned, controlled, and reinvested locally.

Lessons Learned

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.

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.
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.

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. 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.

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.

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.

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. 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.

SeaCoast Compost, a business located in Charleston, Oregon, transforms highly nutritive waste products from local sources into biodynamic compost. WealthWorks business investment funding support is allowing the business to scale up production of their compost product.
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.

With a WealthWorks Northwest business investment grant, Tillamook Bay Seafoods, Inc., purchased a new hoist.

The hoist enables the business to unload the seafood that it purchases from local fishermen. The investment has had a significant impact not only for the business but also for other businesses in Garibaldi. After only three months of being in place, the investment has resulted in the following:

⇒ 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 to facilitate buying product.
⇒ It has 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.
⇒ It has stimulated cooperation among fishermen, Tillamook Bay Seafoods, and other buyers.
⇒ The business is using the hoist to help local fishermen, for example by helping them get their boat engines out of the water for repair.

Find a more detailed evaluation report on our website: http://bit.ly/2rgUBHZ