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Community Capital: More Than Just Money

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When you think of the word, capital, dollars or money probably comes to mind. What if I told you there were at least six kinds of capital within every community? Capital is more than just... capital. Cornelia and Jan Flora, in their recent book, *Rural Communities: Legacy and Change* (2003), identify several kinds of capital that are present in varying degrees in all communities. You might think of it as layers on an onion, with each layer relying on the next (Figure 1). These layers of capital are the building blocks or assets within communities. These common elements can be identified in all communities yet the unique mix of each capital is what makes a community special.

Why spend time identifying these capitals? As collective community assets, identification is a first step. Decision-makers always want to make sure that assets are being used appropriately and maximized whenever possible. It is also a way to acknowledge assets that may be under utilized or even absent. To be successful, all of the capitals must work together.

Why do some communities seem more successful than others? Some speculate that perhaps there is a higher level of development in one or more of these areas. Another view is that there could be stronger connections between the capitals.

Human, social, political, financial, built and natural capital are not new aspects to community development. But perhaps what is new is the idea of thinking about them as a group of assets, each interconnected with the next.
Human Capital: Individual attributes that contribute to the ability to earn a living and strengthen the community. Specifically, education and training are commonly referred to as the two most important forms of human capital. This is the core of the economic engine in each community.

Social Capital: Maybe a new concept to some, this is a group level phenomena based on relationships of trust and reciprocity. When it is present, groups work together, communicate and get things done. Without it, communities seem fractured, groups constantly bicker, and conflict is common.

Political Capital: The ability of a group to influence the distribution of resources as well as help set the agenda of what resources are available. It consists in organizations, connections, voice and power. This capital can be found in elected officials, appointed positions and even in volunteer positions.

Financial Capital: Tangible forms are easy to identify: capital goods (physical objects); land; and financial instruments (stocks, bonds, derivatives, futures, and letters of credit - as well as money).

Built Capital: The permanent physical installations and facilities supporting the productive activities of the community, such as roads, streets, bridges, sewer systems, airports, schools, hospitals, etc. Just having it available is not enough, this infrastructure must be used in productive ways.

Natural Capital: Once the building blocks for development, natural resources like land, water, minerals, and timber were essential in the settlement of our country. Increasing seen as quality of life components, natural capital is being valued for its tourism benefits.

So how does your community stack up? Are you recognizing and using the capitals appropriately? Are some being forgotten and still others being over used?

Communities that recognize, grow and productively guide the use of these capitals or assets will be the communities of the future.

Reference:

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