As different as they seem, the South Carolina Lowcountry and Kentucky Coal Country are both at the vanguard of a national, and even global, economic transition that will set a course for communities like them everywhere. These communities are no longer as isolated as they once were. Globalization has made them more accessible to more people and more economic development than ever before. The vibrant history and distinctive culture in each region were shaped by their isolation from the rest of the country. And their future will be shaped by the tension between global economic forces and locally controlled community assets.

In the first As the South Grows report, we explored opportunities for philanthropic investment in the South for building collective power by supporting existing nonprofit leaders and networks. But building power is only the first step toward achieving a vision of shared prosperity for Southern communities. Systemic change work in the South goes beyond building power; funders must also focus on building wealth in marginalized communities. Community economic development in the South is sometimes not seen as a viable strategy to advance equity and justice. But, especially when community asset building directly addresses the South’s history of extraction, exploitation and systematic exclusion from economic opportunity, it is indeed a long-term systems change strategy.

Communities across the South already have the assets and capacity to build locally grown and owned wealth and protect other assets such as culture and heritage. Funders and donors may not initially view existing community economic development infrastructure as viable investments. But if philanthropy expands its understanding of community assets and supports innovative, accountable economic development that is truly community-controlled, those investments can be transformative.

How can foundations help communities identify existing assets and capitalize on them? How can foundations support communities to build wealth that is inclusive and protective of local culture? How can Southern economic development be controlled more by the communities it will benefit?

This report explores the link between community-driven economic development and equity in the South. From the coalfields of Kentucky to coastal South Carolina, organizations and institutions are adjusting to changing economic realities and using innovative strategies to build lasting wealth within their communities.

The South’s economic history is dominated by extractive industry, artificially cheap labor, unbridled economic development, and exploitation of the region’s human and natural resources. As different as the region’s mountain hollers and sea islands may seem demographically, politically and economically, they share this history. The fate of Appalachian coal miners and Lowcountry farmers is linked.
And as nonprofit and community leaders in the Lowcountry and in Appalachia understand, dramatic economic transition for many Southern communities is underway. Community-led economic development organizations are breaking down barriers to access to wealth-building tools for historically excluded Southern communities. They are changing the narrative about the region’s economic past and future. They are capitalizing on the South’s rich assets: its people, its land and its culture.

With increased philanthropic engagement to capitalize on assets that already exist and build assets where they are needed, Southern communities can successfully transition to new economies built around equity and inclusion.

**RECOMMENDATIONS**

Are you ready to invest in just and equitable economic development in the South? Here’s how to get started:

- Understand structural inequity and its relationship to economic exclusion and exploitation in the South.
- Embrace an inclusive, optimistic and pragmatic narrative about the linked fate of Southern communities and the prosperous future ahead.
- Consider the ways community economic development – with equity and an inclusive narrative – is a promising tool for systemic change in the South.
- Make long-term, flexible commitments of capital, time and capacity.

**DO’S AND DON’TS**

- **DO** understand the long shared past of each community and their long-term vision for their shared future.
- **DON’T** invest in community economic development that does not include meaningful community representation.
- **DO** bring the full range of your financial resources to bear on investments in Southern community economic development.
- **DON’T** underestimate the structural change potential in community economic development.
- **DO** invest in the diversity of community assets present in any Southern community.
- **DON’T** write off Southern grantee partners because of capacity needs.