

Community-Owned Businesses Build Wealth and Boost Economic Development

Typically, when **a community is seeking new businesses and new jobs**, it has to rely on three familiar sources: corporate chains, individual entrepreneurs or traditional investors. Unfortunately, those economic drivers are not options in many places. Corporate chains disregard numerous communities as unimportant markets, not every region has thriving entrepreneurial start-up or investment cultures, and investors are often attracted to opportunities that offer higher rates of return.

Many communities facing these challenges feel like they have no options to create or save businesses and jobs. Fortunately, however, there is **an approach that gives them the power to take matters into their own hands** and drive local economic development: Community-owned businesses.

A community-owned business is a for-profit private company that is owned and controlled by community shareholders. It is a traditional business form that is innovative in that it uses [investment crowdfunding](#) to raise its startup capital by selling shares to the community.

When a community identifies **essential local economy foundations** that are missing - such as a grocery store, retail shop, medical clinic, local newspaper, childcare provider, hardware store, auto mechanic, pharmacy, or restaurant - it can create a community-owned business to **fill that need, without waiting for some outside intervention**. Similarly, if there is a **local business with a retiring owner** and no succession plan, this approach can save both the company and the associated jobs by creating a community-owned business to serve as the buyer.

This model empowers communities to bolster local economies, provide jobs and tax revenue, revitalize town and neighborhood centers, increase local tax revenue, boost morale, reduce population loss, resist the intrusion of dollar stores, and limit economic vulnerability to outside forces. At the same time, community-owned businesses create **an opportunity for people to invest in their local economies**. Participants can move their money away from Wall Street to help build - or rebuild - their local Main Street, and create durable, appreciating financial assets in the process. And, it works in communities of all sizes!

The [Center for Community Ownership](#) (CCO) is a non-profit organization that serves as the one-stop shop for technical assistance with creating community-owned businesses. The CCO has assembled a team of nationally-recognized experts with experience managing all of the legal, financial, business planning, and economic analysis work associated with this approach.

For more details on the CCO's work and information on how to start a community-owned business in your community, visit: www.centerforcommunityownership.org

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