Building a Resilient and Sustainable Economy through Bankable Loops

Updated October 16, 2023, by Murphy Poindexter in collaboration with the Appalachian ReUse Corridor and Coalfield Development.

EXECUTIVE SUMMARY

Capturing demand and keeping it sustained is vital to economic growth. Sustainable businesses and their profits depend on more money and value flowing into an area than flowing out of it. With these basic principles, we aim to revitalize the Appalachian economy.

With its deep-rooted history and wealth of natural resources, West Virginia is ripe for an economic renaissance. We cannot ignore the difficulties facing the state; Economic Innovation Group reports that 41.4% of WV's population live in "distressed" areas, where distressed is defined by metrics such as poverty rates above 25%, 35% of adults unemployed, 20% housing vacancy rates, median household income of $40,000, and change in establishments and employment of -10%. Furthermore, WV's population has been on a steady decline since 2012.

Nevertheless, while there's been a noticeable pause in institutional investments and the nurturing of local businesses, recent trends indicate growing opportunities and hope. There have been significant announcements in outside investments and a resurgence in homegrown innovation – for example, Nucor's multi-billion dollar steel mill investment, Berkshire Hathaway Energy's five hundred million dollar renewable energy manufacturing hub development, and Marshall University's increasing enrollment and new focus on innovation in higher education that recently reversed a 13-year enrollment decrease.

This evolving backdrop offers a golden opportunity for local enterprises to grow and flourish. The state's abundant resources and commitment to local talent set the stage for businesses to harness their potential, carve a unique niche, and stand out amidst global competitors. It's not just about catching up anymore; it's about leading the way.

Parallel to this renaissance, West Virginia encounters a series of challenges poised to test its journey from good to great. A diminishing population hints at a contracted labor force and market size, while the aftershocks from the contraction of the coal and manufacturing sectors still reverberate, making substantial investments elusive. Moreover, specific geographical and infrastructural challenges need addressing to bolster local demand. However, every obstacle comes with an opportunity to innovate, adapt, and emerge stronger than before.

Historically, West Virginia's economy has leaned on models heavily reliant on external institutional investments and a continuous influx of capital. This often precipitated a cycle where local resources were extracted, and community stakeholders shouldered disproportionate burdens, leading to periods of instability and questions of long-term viability. Yet, rather than

viewing this challenging past as an irreversible fate, it serves as a clarion call, beckoning a transformative approach for the future.

Bankable Loops is a fresh recipe for growing local businesses and helping the community's economy. Moving away from the conventional business structure, it views businesses not just as capital receivers but as active partners in a reciprocal relationship. The model's core tenets include keeping money local to amplify economic benefits and tapping steady revenue from consistent demand sources.

Bankable Loops champions stakeholder-centered economics, emphasizing horizontal collaboration among investors, businesses, employees, and consumers. This balance ensures collective participation in success, fostering mutual interests. By aligning with stable revenue streams, the model reduces business risks, bolsters investor confidence, and paves the way for beneficial terms and growth prospects.

Unique to this model is its democratized profit sharing, spreading the benefits of success across all stakeholders rather than a select few. This model reshapes traditional risk-reward dynamics, advocating for an inclusive, resilient, and sustainable economic landscape. In essence, Bankable Loops offers an innovative approach to business, underlining cooperation, joint growth, and long-term viability, ensuring everyone reaps the rewards of collective achievements.

Introduction

West Virginia has a rich history and a hardworking population, but it's no secret that the state is grappling with serious economic challenges. Local businesses often struggle to get off the ground, and many young people feel they need to leave to find opportunities elsewhere. The result is a vicious cycle where the lack of investment leads to more economic depression, which in turn scares off further investment. It's challenging, but the Bankable Loops model might offer a way forward. This isn’t just another business proposal. It's a fresh take on how we can keep money in the community, helping businesses grow and giving people good reasons to stay. Through a blend of financial savvy and a commitment to community, we hope to turn things around and create a thriving, sustainable future for West Virginia and other parts of the country stuck in a similar place.

When allocating capital, investors prioritize one or both of two fundamental criteria: a reliable risk-return profile with a high probability of consistent cash flow or an opportunity for growth with substantial upside prospects. However, these two investment goals are challenging in contracting or flat economies. The risk tied to steady cash flows is perceived as elevated, and growth potential appears restrained, especially when juxtaposed with more vibrant markets. This negativity that plagues investment opportunities also bleeds into real estate, operating businesses, start-ups, and other market sectors.

A compounding effect of liquidity further complicates this situation. In finance, investments often have an exit or a place when cash returns via a sale. In start-ups, this can be an IPO; in many other cases, this is simply a sale. Liquidity is relatively high in liquid markets like urban real estate, publicly traded stocks, or commodities where raw materials are in constant demand. It is easy to convert the asset you have back into cash, and it is easy to convert cash into an asset.

But in places investors have deemed too risky or unattractive, assets can sit on the market, and there is low liquidity and movement. This problem is seen most clearly in real estate in rural areas. Vacant buildings in formerly prosperous economic areas can sit empty for years, eventually deteriorating and becoming a liability. The same effect occurs when business owners want to sell their businesses for retirement on the secondary market. If the long-term cash flows are deemed risky or there is little upside potential, exits, and liquidity become difficult.

Low liquidity is often the result of a lack of institutional investment and secondary buyers. This liquidity issue not only hampers the agility of local enterprises but also negatively impacts an area's overall economic health by reducing investment demand.

The combination of these factors creates a scenario where the risk-return profile not only becomes unattractive for potential investors, but the lack of liquidity in the market also discourages investment, further stifling economic growth in the region.

Against this backdrop, we propose a new concept: an innovative approach to business and investment, known as 'Bankable Loops,' emerges as a potential catalyst for change.

Grounded in sound economic principles, Bankable Loops seeks to stimulate economic growth in regions held back by a lack of investment and liquidity by replacing the short-term approach of only looking at cash today. By emphasizing broad-based stakeholder participation and sustained local demand, a shift towards more balanced, sustainable growth could revitalize the local economy, providing a new dawn for business development and investment in the region.

To better understand Bankable Loops, we will first focus on the role of capital.

The Role of Capital

Capital in business economics is a dynamic force, simultaneously serving as a crucial resource for businesses to grow and, as that business grows, reaping the benefits for investors. In this way, capital operates as both supply and demand – money needs to find a place to grow, and businesses need money to grow. It is a symbiotic and “win-win” relationship when done correctly. This multifaceted role stimulates business growth and innovation while investors scour the landscape for promising expansion opportunities and yield returns.

With capital, businesses can invest in the necessary resources for survival and growth, fuel their operations, scale, and innovate. But the relationship between investors and businesses isn’t one-directional. Just as companies are dependent on investors for their capital, investors, in turn, rely on businesses for a return on their money. A savvy investor seeks out productive avenues for cash, driving venture capitalists, banks, and individual stakeholders to constantly search for promising businesses that can offer a return on their investment, whether through interest, dividends, or an increase in value.

Businesses are not merely recipients of capital in this reciprocal relationship. Instead, they are active participants in a symbiotic relationship, sharing a mutual dependency on the benefits this relationship provides. This perspective is critical to fostering a balanced and fair business environment. A risk/return profile often defines the terms of investment. A restaurant investment is usually structured differently than a start-up designing an app or program to reach millions or billions of people.

Businesses need help when a mutually beneficial type of capital with a matching risk/return profile is unavailable. As in any market, suppliers can name their prices if capital supply is low and demand is high. This means businesses may be forced to accept terms that could be harmful in the long run and put undue risk on the company.

The role of capital further expands with the acknowledgment of its various layers and the associated yield expectations. As businesses or projects evolve and their risk profiles decrease, different types of capital, each with varying return expectations, come into play.

Consider the development of an apartment building as an example. In its initial stages as open land or a permitted property, it attracts high-risk-tolerant capital, like that from venture capitalists, which anticipates potentially higher returns. However, the associated risk decreases as the project advances, moving from construction to an empty building. This risk reduction opens the door to a new layer of capital, attracting more traditional forms like bank loans or bonds, expecting moderate returns.

Eventually, when the building is fully rented and produces steady cash flows, the risk diminishes further. This stability might draw in another type of capital, such as income-focused investors prioritizing stability and consistent yield over high growth. As the tenant mix improves and the cash flows become more predictable, the property's value rises, potentially enticing premium investors seeking low-risk, stable investment opportunities. Each step up in a business or project that connects to the capital with a different goal offers a significant upside or downside.

Thus, capital is an active player in the business world, with roles and impacts that evolve alongside the businesses and projects it supports. It maintains a symbiotic relationship with companies, not just as a “supply” but also as a “demand,” highlighting capital's reciprocal and multifaceted nature in business economics.

What are Bankable Loops?

Bankable Loops is a novel business model that merges the stability of established enterprises with the dynamism of early-stage startups.

Typically, new companies wield considerable flexibility in shaping their equity distribution and future profit structures. Start-ups exemplify this by allocating equity to pivotal players, including advisors, employees, founders, and even service entities, like law firms facilitating significant fundraising rounds.

This groundbreaking approach is designed to reinvigorate economies, especially in areas craving resurgence. It challenges the age-old business narrative, framing businesses as beneficiaries of capital and equal collaborators in a mutually beneficial ecosystem. Such a shift in perspective drives sustainable practices and fair investment conditions, laying the foundation for a robust and enduring economy.

Bankable Loops merges the stability of established enterprises with the dynamism of early-stage startups. In places like West Virginia, where economic challenges persist, initiating a viable business becomes a Herculean task due to the perceivably high risk involved in investments. Local businesses, which potentially hold the key to stimulating the economy and establishing strong companies, often face exorbitant terms that make investments nearly unfeasible. Traditional financial entities, like banks, might require businesses to put up 100% collateral against loans, placing a weighty burden on emerging enterprises. Similarly, venture capital, which generally seeks robust returns, may shun these businesses or demand an unreasonably large stake in the company.

This financial impasse stifles economic growth. Alternative investment models like Bankable Loops can navigate these investment challenges and provide a more feasible and supportive platform for local businesses to thrive.

Central to Bankable Loops are two cardinal principles:

- **Local multiplier effect**: An emphasis on retaining monetary resources within the local economy, magnifying the overall impact
- **Stable revenue streams**: A focus on key players' consistent demand and spending prowess, ensuring that essential commodities like food and clothing remain at the heart of this model and guaranteeing a steady revenue influx

Shifting from the conventional top-down hierarchy, Bankable Loops nurtures a lateral relationship among its stakeholders: investors, operators, employees, and consumers. This equanimity creates a symphony of collaboration, aligning interests across the board. Customers and their regular income streams enrich the capital base in this harmonized framework. The result? A model where all players revel in the success of a venture.

Bankable Loops also emphasizes actual market demand, assuring immediate gains and future sustainability. This encourages stakeholders to remain integrally involved, often unveiling unforeseen expansion avenues. One of this model's standout features is its risk management prowess, providing a fertile ground for enduring business growth. Tying businesses to long-lasting, reliable cash flows eliminates the erraticism that plagues many investment avenues. This clarity bolsters investor trust, enabling businesses to strike advantageous deals, resulting in low-risk collaborations.

However, what truly distinguishes Bankable Loops is its democratization of capital gains. This model eschews the conventional concentration of profits, spreading success benefits across all stakeholders. It fosters an inclusive, resilient, and thriving economic landscape by diverging from orthodox risk-reward paradigms.

In essence, Bankable Loops offers a refreshing departure from the customary business blueprint. It champions teamwork, mutual prosperity, and longevity. Aligning all stakeholders within a symbiotic ecosystem charts an alternative route for rejuvenating economies, assuring a scenario where everyone shares the spoils of success.

To frame up the layers of Bankable Loops and their benefits, we will break into three key focus areas and their uses:

1) Stakeholder ties via equity and contracts
2) Access to capital (at better terms)
3) Seeing and reaping the long-term benefits

Stakeholder Ties via Equity and Contracts

The essence of Bankable Loops hinges on establishing symbiotic relationships.

As a tangible example, imagine a local bakery strategically aligning itself with a nearby university or local academic system. Envision this bakery diligently catering to the school's regular demand for bread, fulfilling the cafeteria's needs, and supplying for various events. The bakery benefits from consistent demand and local advantages and is also designed for efficiency, ensuring competitive market prices.

More importantly, the dynamic extends beyond a simple vendor-client transaction. Here, the college isn't only a customer but an invested stakeholder, directly benefiting from the bakery's successes. This relationship doesn't just fortify the bakery's foundation but ripples outward, positively impacting the local economy. A new bankable business directly and indirectly impacts jobs by hiring staff and creating a demand for external logistics and support, such as local lawyers, accountants, and other local services. It also bolsters real estate stability by utilizing and upgrading previously empty industrial space. These combine to create a cascade of growth opportunities.

The effect is akin to meticulously placing dominos, anticipating the mesmerizing pattern they'll create once toppled. Before setting the chain in motion, one must ensure the dominos are positioned correctly, priming them for a long-lasting, harmonious fall. Similarly, Bankable Loops sets the stage for businesses, enabling them to stand firm, envision, and navigate a sustainable growth trajectory. Our bakery example, for instance, allows for a platform that can be expanded in sales to other clients, local stores and restaurants, or even packaged goods. Once a platform has overcome the significant upfront needs for capital that are accompanied by risk, there are vast opportunities for growth and expansion.

Bankable Loops take a portion of a new company's equity and create strong ties with the various stakeholders in a business. A standout feature of Bankable Loops is equity allocation to early adopters. Our bakery example could include an allocation of equity to the university's endowment. Issuing dividends or appreciating stock value benefits the school's budget and financial well-being in the long term. Companies can offer these stakeholders a piece of the upside, balancing the risk-return profile and establishing a win-win relationship. Such relationships aren't limited to customers; employees, founders, and investors are all integral to this ecosystem. This democratization of success enables everyone to share in the business's growth and prosperity, marking a shift from traditional risk-return profiles.

This won't be possible across the board; such an arrangement would be more difficult, for example, with suppliers of commodity-like goods. But with key drivers of value, such as large customers, the community around the business, and the essential stakeholders in enabling the company, a Bankable Loop of relationships can make a business less risky and foster more long-term stability.

In our bakery example, the college could benefit as a first Bankable Loop partner via reduced pricing or special dividends proportional to the college's ownership. This equity, over time, could even enhance the college's endowment. The arrangement supports the bakery's organic growth while simultaneously ensuring its viability.

Access to Capital (At Better Terms)

Raising start-up capital is difficult for any business. In economically depressed areas, it's an almost insurmountable obstacle, resulting in viable and high-potential business ideas failing to launch.

By demonstrating a creative approach to risk mitigation, new companies will have access to an array of previously deemed impossible options. This often goes back to the above issues of growth prospects or the bankability of a cash flow. Investors are looking for a return and, eventually, an exit. Global markets are hard to compete with, and small, viable businesses need a long-term equity story or investment pitch to excite investors. Crafting a solid story for investment is where the de-risking benefit of Bankable Loops comes into play.

By leveraging Bankable Loops with the long-term viability of a business, owners, and entrepreneurs can strike more favorable terms with investors (or, in many cases, for economically struggling areas, unlock capital in the first place). The key lies in aligning businesses with stable, reliable revenue sources in the form of customers — bankable cash flows — thereby laying a solid foundation that instills confidence in potential investors. Notably, the model enables businesses to secure long-term contracts with institutional buyers, thereby de-risking projects even before they commence. Bank financing or debt with a clear pay-off strategy to fund equipment or begin operations becomes available – in an advanced or more mature market, funds and capital looking for Bankable Loops as a place to deploy capital could arise.

This idea is well-versed and already known in finance. The venture capital industry's success, especially in the United States, is a testament to the principles Bankable Loops aims to adopt. Innovations like Simple Agreements for Future Equity (SAFE) notes and other structured financial instruments have spurred extraordinary growth in the startup ecosystem after investors learned they could achieve stellar returns by betting on the right company. By standardizing investment processes, venture capital has empowered entrepreneurs to focus on scaling their businesses and nurturing an environment ripe for innovation, economic growth, and job creation.

A critical goal of Bankable Loops is to create a structure that facilitates the same capital availability for local innovations.

Seeing and Reaping the Long-Term Benefits

Bankable Loops emphasizes tangible financial returns and “impact returns” that enrich a community. In contrast to the traditional capitalist model, which often externalizes costs to the detriment of local industries, Bankable Loops champions the spotlighting of “externalized benefits.” This approach prioritizes inherent advantages that ripple through communities, amplifying financial gains for all stakeholders.

At its heart, Bankable Loops is deeply intertwined with community values. It fosters dynamic horizontal partnerships, integrating businesses, capital suppliers, and customers into a seamless network. Traditional roles are reimagined: a community-focused buyer evolves from a mere customer to a pivotal stakeholder, deeply invested in the fortunes of local enterprises, such as our hypothetical bakery.

This interconnectedness extends beyond mere commerce, enriching the societal fabric with a blend of tangible and intangible benefits. When businesses prosper, they catalyze job creation, instilling renewed hope and optimism, leading to the appreciation of real estate values and buoyant economic activity. Our model embodies the philosophy "a rising tide lifts all boats," championing collective success in which every community member participates in shared prosperity.

By leveraging local assets — from resources to real estate — businesses drive a positive feedback loop, revitalizing their communities. This fosters a landscape wherein capital suppliers can offer more generous terms, ensuring a fair distribution of the rewards among all involved.

By championing local resources, employment, and real estate, businesses initiate a positive feedback loop within their communities. Such a landscape allows capital suppliers to offer more lenient terms, ensuring that the rewards are equitably distributed among the Bbankable Lloop's participants, with less cash and value leaving the businesses and more being invested in the long-term value of the stakeholders.

In its essence, Bankable Loops heralds a transformative shift towards a stakeholder-centric economy. This ethos, deeply rooted in mutual growth, collaboration, and sustainability, can potentially transform stagnating regions into hubs of innovation and prosperity. More than a mere model, Bankable Loops is also designed to produce hope, a movement that underscores the symbiotic relationship between businesses and the communities they serve, emphasizing that true success lifts everyone via community cohesion. It pioneers partnerships that dissolve traditional hierarchies, weaving businesses, capital suppliers, and customers into a singular, horizontal tapestry.

Local Capital Circulation and Bankable Loops

Capital often becomes an extraction tool under traditional investment paradigms, primarily when sourced externally. When outside funding is pumped into local projects, it creates a dichotomy: while the local project receives the immediate benefits of financial injection, the eventual dividends, profits, and cash flows tend to be siphoned out of the region. This implication is more profound than mere numbers on a balance sheet. When these gains flow outwards, the local economy is stripped of the potential multi-layered benefits that could be reaped had the gains been reinvested locally.

Bankable Loops is acutely aware of this conundrum and has set its sights on remedying it. The initiative isn't advocating against external capital; such funds can significantly kickstart local enterprises that otherwise might struggle to secure the necessary financial backing. However, Bankable Loops seeks to rebalance the scales, emphasizing the importance of retaining and recirculating a significant portion of the profits within the local economy.

The benefits of this local capital circulation are manifold. Firstly, when funds remain within a local setting, they have the potential to be reinvested in other burgeoning projects or sectors, compounding the positive impacts on local employment, infrastructure, and community development. Secondly, with capital staying in the region, the profits and dividends become a source of local wealth, creating a reinforcing cycle of prosperity that uplifts entire communities.

Another subtle yet powerful advantage is the ripple effect. When the beneficiaries of a project's success spend and invest locally, it spurs a chain reaction of economic activity. From local shops seeing increased business to real estate becoming more vibrant and even schools and community projects receiving better funding, the ripple effect translates to a holistic uplifting of the region.

The Bankable Loops model strives for a more harmonious and symbiotic relationship between capital and community. It champions a sustainable, self-reinforcing development model by ensuring that a significant part of the economic gains from local projects are retained and recirculated within the local economy. This ensures that regions can stand on their feet and fosters a sense of ownership and pride among locals, who see the direct benefits of their projects in their everyday lives.

The "Why" Behind Bankable Loops

The underlying principle of Bankable Loops stems from the desire to replicate the low-risk, high-growth environments that stimulated America's now economically lagging regions. These regions are fraught with an oversupply of old buildings and houses and a disjointed relationship between capital and resources to promote innovation. The fundamental purpose of Bankable Loops is to present an irresistible offer to investors: a risk-return profile that combines profits with positive social impact, genuinely embodying the principle of "doing well by doing good." This is not solely altruism; the local college in our bakery example would benefit from fewer vacancies, a strong economy, and organic growth around the school when recruiting students or dealing with their local communities.

Drawing inspiration from the successful frameworks of venture capital that have driven the startup ecosystem's growth in the United States, Bankable Loops' aspires to create a similar foundation for high-impact, high-potential projects while ensuring a solid double-digit internal rate of return for all stakeholders. This initiative pursues three primary objectives:

1. Spur economic opportunities by bridging capital, opportunities, and skill-building activities with local communities, leveraging long-term cash flows' stability and growth potential.

2. Encourage growth capacity for local businesses by providing a sustainable model incorporating local real estate, capital, and human resources, thus fostering a thriving enterprise that contributes positively to local economic development.

3. Establishing a scalable model that can be replicated in similar regions needing economic revitalization.

Bankable Loops transcends being a mere economic model; it's a philosophy that could be studied academically, disseminated widely, and used to spawn consulting and service opportunities, thereby expanding its benefits beyond regional boundaries.

By redefining the conventional business model, we aim to establish a sustainable economic system that values and benefits all participants. The Bankable Loops model goes beyond mere financial gain; it facilitates communal growth, shared success, and the creation of opportunities that can reinvigorate West Virginia's economy. This is a collective endeavor. Together, we can build a stronger, more resilient community that is better equipped to face future economic challenges. It's not just about individual success but building a brighter future for all. In unity, there's strength - and we are undeniably better together. In essence, Bankable Loops aims to demonstrate that economic prosperity and social impact are not mutually exclusive but can – and should – go hand in hand.

Recommendations - What can we do?

The prospect of applying the Bankable Loops model within a high-need economic context presents a compelling opportunity. By leveraging the consistent spending of reliable entities, such as public universities and public school systems or state governments, we could establish a platform for resilient businesses.

To navigate this transformation effectively, here's a step-by-step guide to building upon these ideas:

1. **Feasibility Assessment**: Examine the types of businesses that could thrive locally. Focus on those that could strategically utilize real estate, employ local workers, and meet immediate demand while fostering potential for future growth.
2. **Stakeholder Discovery and Analysis**: Identify key local entities that could form a stable demand base. These could range from educational institutions and government bodies to large local employers and more. These stakeholders will provide consistent demand and potentially contribute to the capital stack, encapsulating the essence of Bankable Loops.
3. **Needs Assessment**: Conduct a comprehensive study to understand the community's immediate needs that a new business could address. This will facilitate the establishment of a business with direct relevance and value to the local community.
4. **Market Research**: Understand the spending habits of potential stakeholders and align the new business with these existing patterns. This will help create a business model that syncs with the local economy's dynamics.
5. **Strategic Planning**: Begin outlining how to execute a new business. This might involve drafting a business plan, sourcing initial capital (with a critical portion coming from identified stakeholders), and planning the logistics of the business operation.
6. **Prototype Launch**: Initiate a prototype with a long-term buyer and a capital source. This is a crucial step to showcase a proof of concept, demonstrating the business model's viability and providing an early testament to the transformative potential of the Bankable Loops model. The success of this prototype would further boost investor confidence and encourage wider adoption.
7. **Future Designing:** Combining all the above could result in innovative public-private partnerships. For example, municipal or state bonds that fund projects that pay a return, raise the tax base, and reduce costs by a growing economy

In summary, the innovative concept of Bankable Loops has the potential to bring about transformative change in regions looking for homegrown economic growth. Focusing on local demand, leveraging stable revenue streams, and aligning stakeholders' interests provides a blueprint for sustainable economic development. With the added emphasis on the practical implementation of a prototype, we are closer to realizing this potential. Meticulous planning and diligent execution based on these recommended steps are essential for this transformation.

As we venture into this new economic frontier, Bankable Loops is a promising solution for regions with legacy assets and infrastructure quickly deteriorating and becoming a liability. Shifting focus from supply to demand and involving stakeholders in the capital stack fosters an environment for organic growth. Envision a local bakery thriving thanks to a steady demand from a nearby college, with the college also sharing in the bakery's success. Now imagine that business model being replicated over multiple verticals, industries, and opportunities in manufacturing, IT, innovation, and more.

This is the essence of Bankable Loops – an alignment of interests mutually benefiting all involved. We encourage potential partners and investors to join us on this transformative journey toward building resilient local economies.

Examples of Bankable Loops vs. Current Models

	Traditional Model	**Bankable Loop Model**
Risk	High: Investments often bring significant risks, especially in economically depressed areas.	Low-Moderate: Aligns interests and resources, fostering stable, mutually beneficial relationships that mitigate financial risk.
Capital Sources	External: Relies heavily on outside investment, which may extract value from the local economy.	Internal & External: Leverages local investment first, keeping wealth circulating within the community while also being open to external funding.
Investment Terms	Often Harsh: Due to perceived risk, terms may be unfavorable, such as demanding 100% collateral.	Equitable: By ensuring all stakeholders are vested in the venture's success, terms are structured to be fair and supportive to all.
Economic Impact	Variable: Can lead to wealth extraction and perpetuate economic disparities.	Potential High Positive Impact: Ensures that generated wealth circulates locally, contributing to a multiplier effect that can uplift the entire economy.
Profit Distribution	Top-Heavy: Profits are usually distributed among top-tier stakeholders, potentially overlooking smaller investors, employees, and the community.	Inclusive: Aims to distribute profits more equitably among all stakeholders, including investors, employees, and the community.
Community Involvement	Often Low: Community may be viewed more as consumers than active stakeholders.	High: Engages the community as integral stakeholders, involving them in decision-making and ensuring their needs and contributions are valued.
Sustainability	Not Guaranteed: Sustainability may be	Prioritized: By balancing growth with

	compromised for higher, quicker returns.	stability and considering the needs and capacities of all stakeholders, the model inherently leans towards sustainable development.

Conclusion

Bankable Loops stands out as a potential game-changing model for long-term sustainability and value creation, especially in economically beleaguered areas like West Virginia. This model provides a clear and feasible path through the often tumultuous landscape of start-up finance and sustainable development by blending the reliability of mature enterprises with the lively spirit of early-stage start-ups, thus crafting a stable yet progressive business climate.

In an environment where perceived risks stifle traditional financial support from banks and venture capitalists, Bankable Loops introduces a sustainable, cooperative ecosystem that ensures all community members, not just the upper echelons, enjoy the fruits of collective triumph. It prioritizes equitable, community-centered business development, uplifting not just individual entrepreneurs but the entire local economy, creating a self-sustaining economic loop and paving a way toward breaking the harsh cycle of economic stagnation, sowing seeds of growth, stability, and prosperity where they are needed most.

A notably small, dedicated cohort of decision-makers and entrepreneurs can magnify the impact of the Bankable Loops model, sparking substantial change and initiating a straightforward yet revolutionary experiment in local economics. The coalescence of motivated entrepreneurs, mindful investors, and a supportive community aligned with their interests and purposefully establishing a stakeholder economic base broadens the horizon of possibilities. This alliance does more than facilitate shared financial gain; it builds a robust, sustainable economic network that enables communities to flourish despite historical difficulties.

This model ensures economic benefits circulate within the community rather than being siphoned off by external forces, mitigating daunting investment barriers and spreading success across the community. By establishing a perpetual cycle of prosperity, areas like West Virginia can rise from economic distress to stability and wealth, potentially providing a replicable framework for sustainable development in similar regions worldwide. This demonstrates that purposeful, joint investment in local economies is both feasible and significantly transformative.

Integrating the concept of experimentation that often goes with entrepreneurship, the implementation of the Bankable Loops model becomes not just a strategy but a necessary experiment that must unfold, providing a tangible, real-world test bed to glean insights, assess impacts, and refine approaches, thus opening up a new chapter in innovative, community-centric economic strategies and potentially rewriting the narrative for struggling economies, like those in West Virginia, through tangible action and collaborative investment.