



ANCHOR INSTITUTIONS ROADMAP

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ACKNOWLEDGEMENTS

This Anchor Institutions Roadmap was prepared by ProGov21, written by Maria Manansala, and Walker Kahn.



ProGov21 is a shared resource for progressive local policy makers and advocates alike. Operated and maintained by COWS, a national think-and-do tank based at the University of Wisconsin-Madison, ProGov21 offers a fully searchable digital library of progressive policies, practices, and other resources for 21st century local government.

What's the Problem & How are Progressives Addressing It

Anchor institutions, such as hospitals, universities, and airports, are enterprises tied to their surrounding communities through place-based investments and, in some cases, an explicit mission to benefit society. While more mobile industries like finance and manufacturing often demand local communities engage in a race to the bottom by granting special tax or regulatory benefits, anchor institutions are tied to their communities in ways which make them invested in local welfare. In cities, anchor institutions employ a disproportionately high number of people: although universities, medical centers and hospitals account for 5% of all U.S. employment, they make up 11% of all urban employment, and they are the largest employer in more than half of America's largest cities.

Anchor institutions are ideal partners for High Road development because they compete on innovation and human capital, rather than the price of commodity inputs and outputs. To succeed, they require infrastructure and amenities that only the public sector can provide, such as safe streets, a stable, well-trained workforce, high-quality transportation systems, high-value cultural institutions, affordable housing for employees, and reliable public services and utilities. Their local spending, investment, and hiring give them outsized leverage in the effort to create flourishing local communities.



While the mutual dependence of anchor institutions and their communities is widely recognized, strong partnerships must be developed to maximize the benefits for all stakeholders. This roadmap provides information and resources to enable communities and anchor institutions to engage in long-term mutually beneficial partnerships. For more on the process of developing a working relationship between communities and anchor institutions, see Striking a (Local) Grand Bargain: How Cities and Anchor Institutions Can Work Together to Drive Growth and Prosperity at ProGov21.

Available Local Levers & Current Reforms

There are three major areas where partnering with anchor institutions can drive equitable High Road development: local employment, local procurement, and placemaking. These partnerships can be formalized through Community Benefits Agreements (CBAs), legislation, or administrative rules.

Anchor institutions can partner with local governments, community groups, unions, and job training centers to set standards for job quality, safety, and workplace equity standards for the whole community and demonstrate to other employers what's possible. By working with existing workforce intermediaries, anchor institutions can leverage existing community resources to develop a high-quality local workforce that is culturally and technically ready to meet their needs—a win-win for all local employers and local workers. As part of these partnerships, anchor institutions can commit local or “first source” hiring practices, to pay a family-sustaining wage, to provide stable and sufficient benefits, and to offer more training to let local employees further expand their capacity to fill more demanding (and higher-paying) positions. See [Leveraging Anchor Institutions for Local Job Creation and Wealth Building](#) and other resources on the ProGov21 database for more innovative ideas for partnering with anchor institutions to drive high quality employment.

Anchor institutions’ procurement policies, especially establishing a “first source” policy that prioritizes procurement through local businesses, strengthens local economies by developing a network of local contractors and suppliers that are ready and able to provide the services and resources anchor institutions need. Local economies retain a higher percentage of those dollars spent at local businesses than those spent at non-local businesses, so when anchor institutions commit procuring local businesses as the “first source” for goods and services, they are literally investing in their economy. Local governments and NGOs can partner with anchor institutions to set local purchasing goals and coordinate local businesses and contractors. See [Harnessing the Economic Power of Anchor Institutions](#) and other resources in the ProGov21 database for more resources on anchor institutes and procurement.

Anchor institutions play a critical “place making” role in their local communities: they are major property developers and holders of real estate, they require affordable housing for employees, and they spinoff new ventures into the neighboring communities. Community organizations and local governments can work with anchor institutions to promote compact, mixed-use development and transit-oriented development, to ensure that neighborhoods stay affordable and

accessible for the people who live there. See [Leveraging Anchor Institutions for Local Job Creation and Wealth Building](#) and other resources on the ProGov21 database for more information on how communities can partner with anchor institutions on real estate development, affordable housing, and other place-making initiatives.

To secure these benefits, local governments and community groups need to develop and maintain relationships with key stakeholders of anchor institutions, and to overcome cultural separation and lingering mistrust. Communities can incentivize cooperation through [proactive grant making, favorable zoning policies or variances, political pressure and legislative mandates, coalitions building and pressure campaigns by community organizations and labor groups, and IRS community benefits requirements](#). Communities can facilitate this process by [collecting data on the potential benefits and presenting it to anchor institutions to make a business for engagement and cooperation](#). For more on developing trust, commitment, and understanding see [Achieving the Anchor Promise: Improving Outcomes for Low-Income Children, Families and Communities](#), among other anchor institution resources at the ProGov21 database.

While agreements between municipal governments and anchor institutions can be finalized by drafting contracts,

regulations, and local laws, community organizations can formalize their cooperation with anchor institutions through [Community Benefit Agreements \(CBAs\)](#). CBAs establish mutually agreeable terms for development that can be incorporated into new or ongoing projects. CBAs deliver benefits to both sides: anchor institutions and developers can use CBAs to secure community support, which helps stabilize projects and secure government subsidies and zoning approval. Communities gain a seat at the table that ensures their needs are heard and their goals are achieved. See [Maximizing Value: A Policy Blueprint to Help Communities Leverage Green Investments](#) and other resources from the ProGov21 database for information about implementing CBAs.

Taking it to the Next Level

Cleveland's Evergreen Cooperatives are a series of joint ventures launched by the city of Cleveland, the Cleveland Foundation, The Democracy Collaborative, and the city's three leading anchor institutions: Case Western Reserve University, The Cleveland Clinic, and University Hospitals. The Evergreen Cooperatives are a network of employee-owned cooperatives that use a single non-profit holding company, Evergreen Cooperative Corporation, as an umbrella. Evergreen Energy solutions is

a regional leader in LED lighting, solar power, and energy efficiency. Green City Growers provides sustainably-grown produce to anchor institutions in Cleveland, as well as restaurants and the groceries and foodservice businesses in northeast Ohio on a year-round basis. Evergreen Cooperative Laundry provides energy-efficient laundry services to healthcare and hospitality companies in Ohio. These cooperatives have taken advantage of their relationships with anchor institutions to bring green jobs at high wages and made them accessible to workers from some of Cleveland's poorest neighborhoods: the project has established a goal to bring 5,000 new jobs to Cleveland by 2022. Further, because they are employee cooperative, employees build ownership stakes that have real value: it is estimated that after working at an Evergreen Cooperative eight years, the typical employee will possess an equity stake worth approximately \$65,000. For more on Evergreen, see [Leveraging Anchor Institutions for Local Job Creation and Wealth Building](#) and other resources on the ProGov21 database.

Allies, Comrades, and Helpers

Policy Matters Ohio

Policy Matters Ohio is a Columbus-based research institute focused on revitalizing Ohio's local economy through community development.

The Democracy Collaborative

The Democracy Collaborative is a research and development lab focused on building and sustaining a democratic economy. Their website features a toolkit of resources for working with anchor institutions.

The Evergreen Cooperatives

The Evergreen Cooperatives of Cleveland are a group of connected worker-owned cooperatives committed to job creation, wealth building, and sustainability.

Center on Wisconsin Strategy (COWS)

The Center on Wisconsin Strategy is a research and policy center that promoted "high-road" strategies to improve economic performance and living standards in the State of Wisconsin and nationally.

We continue the conversation around this Anchor Institutions Roadmap on ProGov21's Podcast. Our latest episode features Maya Hazarika Watts and Sabrina Adler from [ChangeLab Solutions](#)

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