mayors
innovation
project

ANCHOR COLLABORATIVES: CREATING MUTUALLY BENEFICIAL RELATIONSHIPS

SUMMER 2022 POLICY MEETING
AUGUST 4-6, TACOMA, WA

From hospitals, to universities, to large foundations, anchor institutions are community staples that often employ a large portion of a city's population and have influence on the health of a city's economy. Anchor collaboratives help to maximize the impact anchors can have and form mutually beneficial relationships that are thoughtfully and intentionally created and maintained. This session will highlight an excellent example of an anchor collaborative, the Tacoma Anchor Network, including strategies for cultivating mutually beneficial relationships with anchor institutions and ensuring that the benefits from those relationships positively impact every member of the community.

RESOURCES

SPEAKERS

DOUG BAXTER-JENKINS, COMMUNITY INTEGRATION PROGRAM MANAGER, VIRGINIA MASON FRANCISCAN HOSPITAL

Doug Baxter-Jenkins is a Community Integration Program Manager at Virginia Mason Franciscan Health (VMFH). Doug has been at VMFH for 10 years and supports community health needs assessments, community health program planning, and community benefit reporting for the system. Prior to his current role, Doug has worked in youth development and youth violence prevention. Doug lives in Tacoma, WA with his husband and two children.

DANNY FISHER-BRUNS, CONSULTANT

Danny helps networks and cross-sector collaboratives work together to solve complex problems and create meaningful and lasting change in their communities and their organizations. He currently serves in the backbone facilitation role for the Tacoma Anchor Network.

Danny has over a decade of experience in participatory process design within grassroots nonprofits, small businesses, healthcare systems, municipal governments, and regional collaboratives. Throughout 2018 and 2019 Danny co-facilitated the launch of the Anchor Collaborative Network to accelerate and deepen the impact of place-based, equity-centered economic development strategies throughout the U.S. and Canada. He holds an MBA in Sustainable Systems from Presidio Graduate School, a Certificate in Sustainable Business from Pinchot University, and a BA in Theater from Knox College.

TANISHA JUMPER, DIRECTOR OF MEDIA AND COMMUNICATIONS, CITY OF TACOMA, WA

Tanisha Jumper is currently the Director of Strategy, Engagement and Communications for the City of Tacoma, which includes oversight of TV Tacoma. Tanisha manages the implementation of Tacoma 2025, the City wide strategic plan and vision. She is responsible for alignment of departmental strategic plans to the overall strategic vision as well as managing the progress towards realizing the vision established by the community. In addition, Tanisha's team is working on a citywide engagement plan as well as management of all media and community relations. Tanisha began the Tacoma Anchor Network, Launched the Equity Index project, sponsored the City's Anti-Racist Systems Transformation, language access plan, and the Affordable Housing Action Strategy.

ALICIA LAWVER, DIRECTOR OF STRATEGIC PLANNING, TACOMA PUBLIC SCHOOLS, TACOMA, WA

Alicia is the Director of Strategic Planning for Tacoma Public Schools, where she manages partnerships, initiatives, and special projects for the Planning & Construction, Facilities, and Nutrition Services departments. She has her MBA from Western Governors University, a BA in Communication from Pacific Lutheran University, and her Accreditation in Public Relations. Alicia also serves on the boards for Communities for a Healthy Bay, the Greater Tacoma Parks Foundation, Washington Association of Maintenance and Operations Administrators, and City Club of Tacoma.

STRIKING A (LOCAL) GRAND BARGAIN

How cities and anchor institutions can work together to drive growth and prosperity

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OVERVIEW

Cities need partners. At a time when local governments are confronting challenges on multiple fronts ranging from rising inequality to fast-moving global economic tides and reduced state and federal support, collaboration has never been so important.

Historically, cities have proven able to respond to local challenges through partnerships. A recent Boston University survey of 70 mayors showed that chief elected officials have an uncanny ability to cooperate with most anyone.[1] In the survey, most mayors ranked the business community as their most reliable collaborator, with the vast majority stating that they have a highly cooperative relationship with local employers. This is no surprise as the private sector has long been the default partner for mayors and city managers. But with capital flight rampant, there are few traditional civic-minded corporate headquarters left.

In 2015, it is "anchor institutions"—universities, medical centers and hospitals—that are the obvious partner for city leadership.[2] In the majority of metropolitan regions, these institutions have eclipsed all other sectors as the lead employer, providing a significant and growing number of jobs. A 2011 study by the Initiative for a Competitive Inner City researchers found that anchor institutions account for five percent of jobs across the country, but fully 11 percent in cities. Often, universities and hospitals are the largest non-governmental employer in their home city, according to a 2015 Lincoln Institute of Land Policy study.[3] And they encompass sectors like medicine and education that are expected to grow rapidly in the coming years with nearly half a million additional jobs projected in urban areas by 2020.[4] But more than just local job engines, anchor institutions are the exact kind of business most communities want in today's knowledge-based economy, where product value emanates from innovation, not mass production.[5]

Medical centers and research universities foster an entrepreneurial climate that attracts other young professionals and leads to spin-off companies in the growing tech economy.[6] In fact, a growing body of scholars see universities as the key ingredient to high-tech growth or so-called "innovation districts."[7] These institutions also provide a knowledge foundation for their home cities by educating many local teachers and issuing professional degrees in high-demand fields such as computer science and engineering.

Equally important, especially in economically challenged cities, is the fact that anchor insti-

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1. Katherine Levine Einstein and David M. Glick, *Mayoral Policymaking: Results from the 21st Century Leadership Mayors Survey*. (Boston: Boston University Initiative on Cities, 2014).

2. To be clear, this study is limited to higher education institutions and hospitals; others have included school districts, cultural institutions, foundations, sports clubs and even local government in their definition of anchors.

3. Beth, Dever, Omar Blaik, George Smith and George W. McCarthy, *Anchors Lift All Boats: Eds & Meds Engaging with Communities*. (Cambridge: Lincoln Institue of Land Policy, 2015).

4. Initiative for a Competitive Inner City, "Anchor Institutions and Urban Economic Development: From Community Benefit to Shared Value," *Inner City Insights* 1, no. 2, (2011).

5. Paul Romer, "Growth Based on Increasing Returns Based on Specialization," *American Economic Review* 77, no. 2, (1987).

6. AnnaLee Saxenian, *Regional Advantages: Culture and Competition in Silicon Valley and Route 128* (Cambridge: Harvard University Press, 1994).

7. Ross DeVol and Perry Wong, *America's High-Tech Economy: Growth Development*, (Santa Monica: Milken Institute, 1999). Bruce Katz and Julie Wagner, *The Rise of Innovation Districts: A New Geography of Innovation in America*, (Washington, D.C.: Brookings Institution, 2014).

tutions are prime real estate developers. Virtually every month the *New York Times*' "Square Feet" section chronicles a hospital or university-led development project that has transformed large swaths of abandoned or under-used land and breathed new life into downtown areas. Oft cited examples include University Circle in Cleveland[8] or Midtown Detroit[9], where universities and medical facilities have proven to be critical long-term partners for urban revitalization and economic growth.

But just as much as cities need anchor institutions, anchors need cities. Cities provide public amenities and the infrastructure for growth, including transportation systems, workforce housing and public safety services. And the majority of these institutions benefit from a privilege no private employer receives: they are exempt from paying property taxes.[10] Finally, while anchor institutions might be able to succeed by some measures in a vacuum, their ability to promote their presence in a vibrant city with a high quality of life allows them to better attract scholars, doctors and students who fuel their success.

In virtually every city in the United States, there is recognition of this mutual interdependence, but rarely does that awareness extend to a consistent working relationship, and virtually nowhere is there the kind of intentional and strategic planning that is found with the private sector. While a university or hospital may work with local government on a specific project or community service program, relationships can be marked by tense negotiations around real estate expansion, arguments over tax-exempt status and miscommunications stemming from a lack of understanding about how to engage productively with one another.[11]

One leading city consultant put it this way: "Imagine if you said to a local mayor that it was a 'bad thing' to be talking to your local business community. They would look at you like you're insane, as almost all of them have strong ties with local businesses. But by the same token, very few of them have that kind of relationship with their local university or hospital. The big question

Instead of a transactional relationship, the dynamic we propose is based on shared goals and a mutually determined vision. Progress towards that shared vision must be consistent, and reported on publicly and regularly.

8. Bill Bradley, "Cleveland's Evergreen Cooperatives Finding Better Ways to Employ Locals, Keep Cash Flow in Town," Next City, June 12, 2013.

9. Anna Clark, "Welcome to Your New Government," Next City, July 9, 2012.

10. Charles Brecher and Thad Calabrese, "Three Policy Questions for Nonprofit Property Tax Exemptions," City Law, May 5, 2015.

11. Daphne A. Kenyon and Adam H. Langley, *Payments In Lieu of Taxes: Balancing Municipal and Nonprofit Interests*, (Cambridge: Lincoln Land Institute of Policy, 2010).
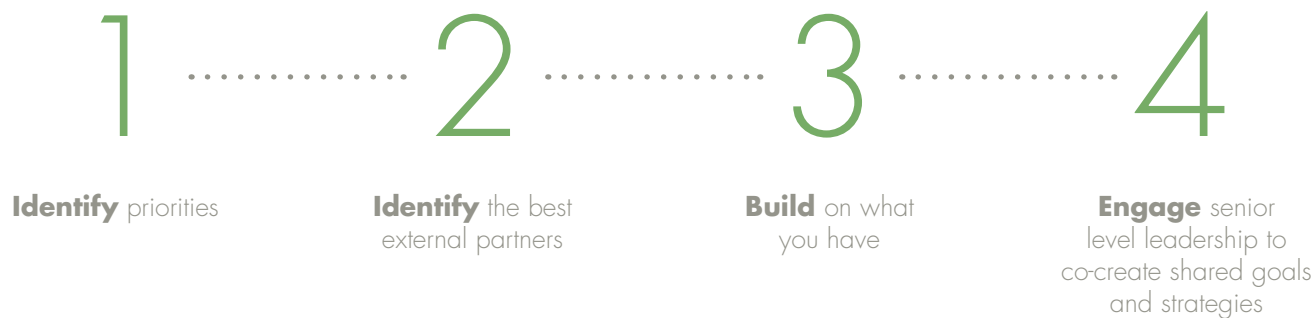
is why not?"

Indeed, we are at a critical juncture for relations between anchor institutions and cities. Although not economic saviors unto themselves, universities and hospitals are a critical — if not paramount — partner for cities that seek strategies to sustain and accelerate local prosperity. As both health care and higher education institutions become increasingly competitive, local governments can uniquely aid — or hinder — the growth of individual institutions. But many localities still lack a clear sense of what mutual benefit looks like. These municipalities don't know how best to engage anchor institutions at a high level. For the well-being of both anchor institutions and governments, there is a need to move from isolated (or worse, random) engagement to structured, systematic partnerships in pursuit of mutual self-interest and large-scale improvements.

Today, institutions and government too often define their relationship through discrete transactions — an infrastructure improvement, appearance at a ribbon cutting, or support for a city project. This leads to a partnership of expediency. Some cities perceive anchor institutions as engaging local government only when they need something; approvals or permits for an expansion, or a public investment near campus. On the other hand, local governments are increasingly turning to anchor institutions to seek community benefits agreements or what they view as the anchor institutions' "fair share" payments in lieu of taxes (PILOTs).

We are recommending something wholly different: a grand bargain for anchor institutions and cities. This approach is not predicated on discrete transactions, but instead is based on identifying shared interests, and on co-creating ambitious goals and working together to achieve them. High-impact partnerships between cities and institutions will only work when the actors at the municipal level come together as equals and chart a long-term course forward that is transparent, ambitious, and holds itself accountable. The rest of this report spells out how to make it happen.

Steps to Establishing the Grand Bargain

1 .... 2 .... 3 4

Identify priorities

Identify the best external partners

Build on what you have

Engage senior level leadership to co-create shared goals and strategies

HIGHLIGHTS

Our research inputs have led to a clearer understanding of the state of play and yielded a set of concrete recommendations for bringing local communities and their anchor institutions closer together. Key findings include:

ANCHOR INSTITUTIONS ARE THE PREDOMINANT LOCAL ECONOMIC ACTOR

Our data analysis revealed anchors to be among the top three, if not the top employer, in 11 of the 12 cities we assessed. This was also the case in 62 percent of the 297 economically challenged cities served by the National Resource Network.

PARTNERSHIPS ARE BECOMING STRONGER

We concluded from the literature review and expert interviews that anchor institutions began to act as community partners in the 1960s and 1970s, but only in the past 20 years have citywide partnerships focused on shared values begun to reach scale. Similarly, in the site interviews many cities were sanguine about their current relationship with universities and hospitals, and all but one of the 12 cities said that their relationship had improved in the past 10 years; in three cities, officials noted greatly improved relations. But in most cities we did not find anything resembling a full partnership, which we define as consistent and regular communication around key local priorities. Instead, the partnerships were episodic, after-the-fact and initiative-based.

Elements of the City-Anchor Grand Bargain
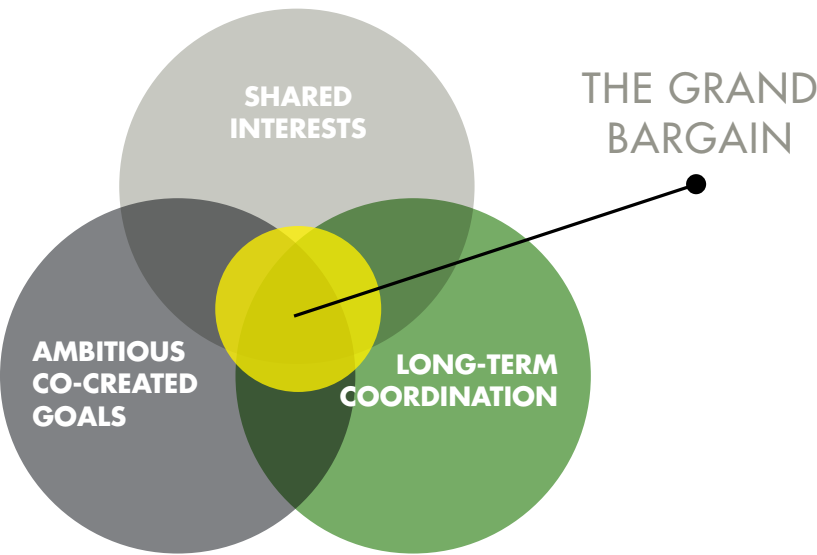
THESE NEW DYNAMICS ARE NOTICEABLE EVEN IN SMALLER, MORE ECONOMICALLY CHALLENGED CITIES

We found in our city review that smaller cities tend to have a greater connection to their anchor leadership. It is not a given that smallness equals strong partnership, but it was striking that Wilkes-Barre, Pennsylvania, Waco, Texas and Kansas City, Kansas were the primary examples we found of cities planning turnaround strategies that were jointly determined by anchor institution and local leadership. In these smaller locales, the economic impacts were felt most immediately and clearly. It was also notable that in these places and a few others we identified in our field review, acute economic distress was an impetus for closer collaboration.

In every city we surveyed, respondents cited leadership as essential to a productive relationship between local institutions and government. The personalities in charge determine whether the two entities will collaborate or simply coexist. Connected to that question of leadership were differing cultural expectations that contributed to uneasy relationships between local communities and anchor institutions. In expert interviews and in a few of the cities we studied, it became clear that communication can be a significant barrier. As one consultant noted, "often cities don't know how to speak the language of anchors." In turn, anchor institutions just as often fail to understand the work and language of local government.

SUCCESSFUL COLLABORATION REQUIRES CLEAR GOALS, TRANSPARENCY AND A SUPPORTIVE INFRASTRUCTURE

The foundation for a grand bargain is a straightforward set of goals established in a mutually binding agreement that lays out all the deliverables, actions and activities committed to by each partner. There must be infrastructure in place to support the partners' efforts and enable impact.

APPROACH

This report is a partnership effort between NYU Wagner Graduate School of Public Service and the Urban Institute. We were originally commissioned by the Ford Foundation to conduct interviews with leaders from anchors, cities, and other fields to better understand key challenges and promising engagement strategies. Through this work we developed and tested recommendations that could strengthen both economic and community development objectives. The project has also been conducted in collaboration with the National Resource Network, a federally designated consortium assisting 297 of the most economically challenged cities in America. Both NYU Wagner and the Urban Institute are Network partners, and we used this vantage point to engage some of the more overlooked localities in our research process.

The report's lead author is Neil Kleiman; Liza Getsinger, Nancy Pindus and Erika Poethig are co-authors. Additional research was provided by Varun Adibhatla, Megan Burke, David Hochman, Ellen K. McKay and Sayantani Mitra. The report was edited by Next City Editor-in-Chief Ariella Cohen, Urban Institute Editor David Hinson, and David Eichenthal of the National Resource Network. The document was designed by Random Embassy.

From the outset we have remained focused on a clear goal: to identify the best ways to align cities and local anchors around shared interests and large scale economic and community development. In other words, we set out to learn how to most effectively unite these obvious partners to forge greater prosperity throughout the urban United States, particularly in cities that face great economic challenges.

Our research inputs included both primary and secondary research. We attempted to gain a clear understanding of the current state of anchor institution and city partnership activity, and spoke directly with local leaders to hear firsthand what is possible and how best to advance the field.

PRIMARY RESEARCH

FIELD LEADER INTERVIEWS

We conducted hour-long interviews with 40 experts, including university chancellors and presidents, hospital administrators, federal officials, foundation program officers and scholars focused on community development and anchor institutions (see appendix for full list of interviewees).

CITY PERSPECTIVES

We conducted semi-structured interviews with officials in 12 cities to gain perspective on their relationships with local anchor institutions and how those relationships could be improved. In most cases we spoke to a high-level public official (usually the mayor or a senior aide) and in a few cases we spoke to additional community and civic actors to gain a deeper sense of local dynamics.

another way, of all the spending hospitals are permitted to list on their Schedule H forms, most of it is "business as usual." To encourage more community benefits, consideration should be given to setting a target percentage for "community building activities" as a proportion of the total funds listed as related to community benefit.

Another, possibly stronger lever is the federal Affordable Care Act (ACA). The law requires more preventative care, and the tax code was rewritten to mandate measurable community engagement activity. Of particular significance, a wide range of such activities will be counted as long as the hospital can demonstrate the intervention is evidence-based. The Affordable Care Act will expand health insurance coverage over time, and can be expected to reduce the need for hospitals to provide charity and reduced-cost care, as was the case after Medicare and Medicaid. As a result, hospitals can be expected to have more resources to devote to other community benefit and community building activities. Through our interviews, we heard that many hospitals are beginning to move towards a public health focus, with an emphasis on strategies and investments to improve population health and address health disparities. This convergence presents an opportunity to use ACA implementation as a tool to strengthen the connections between hospitals and their surrounding communities. However, except in areas in which a single medical center is responsible for the care of much of the area population, the economic case for significant investments in general community health remains weak.

The ACA may offer other levers, as well as cautions, with regard to community engagement. Community needs assessments, required every three years under ACA, can stimulate collaboration and new approaches to community engagement. The ACA also provides the opportunity for organizations to qualify as Affordable Care Organizations (ACOs), organizations of health care providers that are collectively accountable for quality and total per capita costs across the full continuum of care for a population of patients.[37] Quality and cost saving incentives may encourage ACOs to look more closely at community needs and community-based interventions. On the other hand, ACOs typically limit their definition of "community" to their enrollees, and may define needs based on their own business objectives without broader community input. Finally, the regionalization of hospital systems, a trend that has been growing for some time, but that may be further encouraged by the role of ACOs, offers both opportunities and challenges. Regional hospital systems may bring more resources and purchasing power to the table, but the ownership of local hospitals by regional systems may break the local connection between hospitals and communities or necessitate educating an additional level of administrators regarding community needs.

Universities are a magnet for development and can backstop a middle class in older industrial cities like ours.

THE CITY PERSPECTIVE

This section presents findings from research and data analysis of public and civic leaders in 12 locales. Rather than provide in-depth case studies of any one place, we attempted to identify key themes that surfaced during our fieldwork, conducted in these 12 cities across the country.

We looked most closely at New York, Detroit, Waco,Texas and Wilkes-Barre, Pennsylvania, speaking with a range of institutions, government and civic leaders in those places. We also conducted interviews with municipal officials in Kansas City, Kansas, Dallas, Stockton, California, Columbus, Ohio, Atlanta, Memphis, Tennessee, Nashville, Tennessee, and Los Angeles. We also conducted a review of the Ford Foundation-supported community effort to shape the development
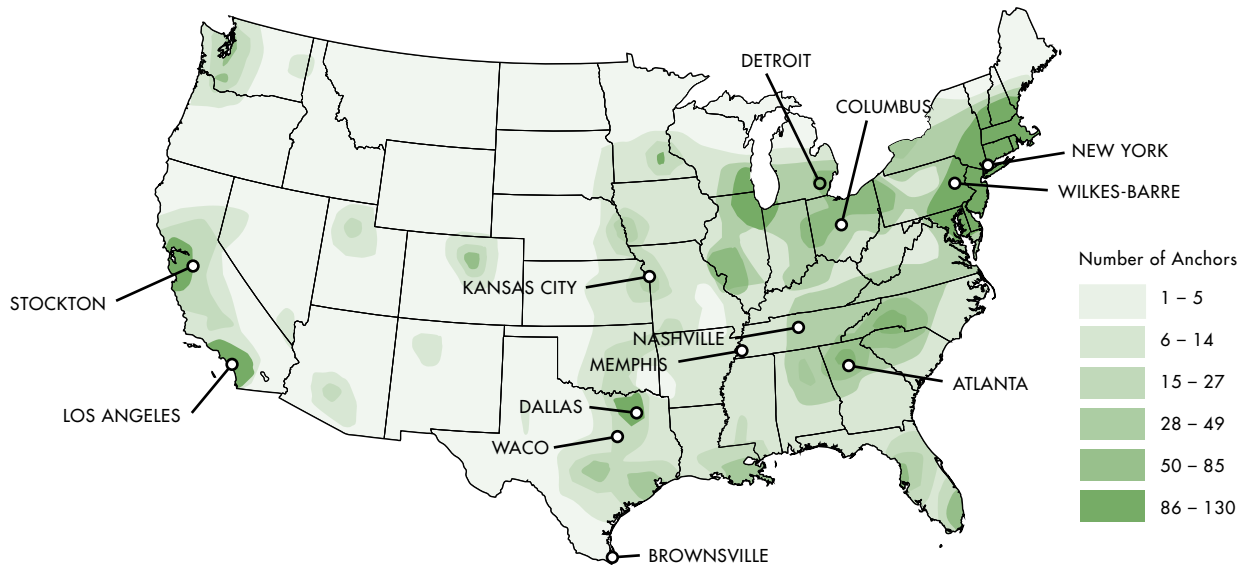
37. McClellan et al., "Centers for Medicare and Medicaid Services," U.S. Department of Health and Human Services, May 4, 2015, https://www.cms.gov

of the newly formed University of Texas campus in the Rio Grande Valley area.

Our goal was to identify places of varying size and economic positions that are not known for having highly engaged institutions.

We want to make clear that we are not presenting complete or formal case studies. But our interviews and findings were rich, and sufficient for the task of providing more concrete themes from the field and proposing recommendations to advance practice. And we paid particular attention to economically challenged cities[38] that might benefit most from the economic might of local anchor institutions. At a high level, we were able to discern the state of anchor institutions, and to identify effective methods, challenges, and approaches that could be expanded or enhanced.

By the Numbers: Anchor Institutions In the 12 Survey Cities

DETROIT
COLUMBUS
NEW YORK
WILKES-BARRE
STOCKTON
KANSAS CITY
NASHVILLE
MEMPHIS
ATLANTA
LOS ANGELES
DALLAS
WACO
BROWNSVILLE

Number of Anchors

	1 – 5
	6 – 14
	15 – 27
	28 – 49
	50 – 85
	86 – 130

ANCHOR INSTITUTIONS ARE THE NEW CITY BUILDERS

We suspected that anchor institutions would play a significant role in planning and economic growth in each region[39], but were struck at just how predominant that role was in both weak and strong market cities. Universities and hospitals truly are the new city builders. In many cases, these institutions are the largest real estate developer in the city — and often, the region. In many cases, they are at the center of new and existing economic clusters.

This was most evident in smaller and economically challenged cities where university and hospital expansion can have an immediate impact on a city's economic fortune. In Kansas City, the Kansas University Hospital and the Kansas Medical School joined together to achieve a National Cancer Institute designation that then led to more than $100 million in real estate investment. The

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38. Ten of the 12 cities selected met the federal National Resource Network definition of economic challenge, which means even after the current economic recovery took hold, more than nine percent of city residents remained unemployed as of 2013; and/or more than 20 percent of adults were living in poverty; and/or population decline between 2000 and 2010 reached five percent.

39. Most studies of universities show predominance in urban areas. For example, Friedman, Debra, David Perry and Carrie Menendez, *The Foundational Role of Universities as Anchor Institutions in Urban Development*, (Washington, D.C.: The Coalition of Urban Serving Universities, 2014). The Coalition of Urban Serving Universities noted that of the 7,473 colleges and universities in the U.S. 4,961 (68 percent) are located in urban areas.

Institute is part of a medical complex that employs 10,000 people. The accomplishment led Mayor Mark Holland to refer to KU as one of the "jewels in [the city's] crown" in terms of job and infrastructure development. He now meets regularly with the all of the hospital CEOs. His message to them invites collaboration: "You are building a hospital. I am trying to build a city. Let us help you with the economic tools we have."

Transformation is even more visible in the resurgent downtown of Wilkes-Barre, Pennsylvania. High rates of poverty and unemployment have haunted this city of 42,000 for years. By 2004, when Mayor Tom Leighton came into office, most of the retail and commercial spaces downtown were abandoned and the only streetlights hung from nearby construction sites. But the core area, called the Public Square, is sandwiched between two local institutions: Kings College and Wilkes University. In his first year in office, Leighton made the obvious connection and enlisted the two campuses in creating a shared vision for downtown development. The colleges responded and have purchased numerous properties in the decade since, leading to hundreds of millions of dollars in reinvestment. The downtown area now accounts for 45 percent of all jobs in the city and one in 10 in the county.

Thanks to the partnership between the city and its two universities, Public Square is bustling, enrollments are up and the city is finally seeing its tax base expand with new jobs and development. In Detroit's Midtown neighborhood, an area located just north of downtown, philanthropic, public and private partners have developed a coordinated anchor strategy. Three major anchor institutions, Wayne State University, Henry Ford Health System, and Detroit Medical Center are located within the neighborhood footprint and collectivity function as a major economic engine for the surrounding community. In partnership with U3 Ventures, Kresge Foundation, and Midtown Detroit Inc., these anchor institutions have developed and implemented a holistic community development strategy that involves new programs and policies to revitalize the neighborhood and improve local quality of life. Central to these efforts are strategies to increase local purchasing and hiring, encourage anchor employees to live downtown, grow the tech sector and knowledge-based economy, and catalyze building and redevelopment of infrastructure.

One surprising finding in our research was the universality of the importance of anchor institutions to cities, regardless of the size or economic vitality of the city in question. New York and Los Angeles were the largest cities we studied, and in both anchor institutions proved to be at the center of recent economic development successes. In Los Angles, we looked at the University of Southern California's (USC) explosive growth and expansion in the city's southern section. Between 1991 and 2010, under University President Steven Sample, USC increased its endowment from $450 million to $3.5 billion and added six million square feet of space to its campus. Beyond the campus gates, the school has begun work on the USC Village project, the largest retail-residential development project currently planned for South Los Angeles. The 15-acre mixed-use project is expected to generate more than 10,000 new jobs and other public benefits, including a $20 million contribution to a city affordable-housing fund and construction of a new fire station.[40]

The growth didn't happen in a vacuum. Major city rezonings and significant investment in downtown Los Angeles and surrounding neighborhoods have benefitted the school and helped support its own building projects. To work towards mutual benefit, the university and city negotiated a community benefits agreement to better align the economic opportunities generated from the redevelopment with community needs. In many ways, the USC-led revitalization of South LA can be regarded as a prime example of the collaborative model at work in a strong real estate market.

Similarly, other cities are exploring community benefit agreements as a way of extracting value from anchor-led real estate development.[41] These agreements are often standard operating protocol

40. Larry Gordon, "USC Unveiling Plans for $650-Million for Housing, Retail Complex," *Los Angeles Times*, September 15, 2015.

41. Andrew Galley, *Community Benefits Agreements*, (Toronto: Mowat Centre, 2015).

when large scale real estate transactions are involved. On the one hand, such benefit agreements can offer significant public gains and strengthen the relationship between community groups and institutions when crafted well. On the other hand, these one-off agreements often reinforce the transactional nature of the anchor institution-city relationship and can be hard for the city to track and enforce. When done well, community benefit agreements bring together a diverse set of stakeholders to negotiate around living wages, local hiring, affordable housing, and other community needs.[42]

In New York City, numerous sectors, from tourism to financial services to technology, are secure and growing. But it is anchor institutions that lead in many economic categories. Anchor institutions employed nearly 750,000 people in New York City in 2009.[43] And one of former Mayor Michael Bloomberg's largest economic development efforts was a competition to build an engineering campus on Roosevelt Island. Cornell University was announced as the winner, and this project has promised to create thousands of high-tech jobs in addition to many construction jobs needed to build the new campus.

As Cornell's campus on Roosevelt Island and New York University's (NYU) new Center for Urban Science and Progress in downtown Brooklyn highlight, anchors are increasingly growing outside of campus boundaries, a phenomenon described by Brookings Metro Center researchers as the "unanchoring of anchors." "Unanchored" anchor expansions include the University of California-San Francisco's biotechnology campus in Mission Bay; Brown University's medical school in downtown Providence and Duke University's clinical research institute in downtown Durham.[44] While these developments raise new questions in cities about the consequences of removing valuable downtown property from the tax rolls, the geographic spread of the anchor impact often portends economic revitalization.

What's undeniable is the breakneck growth of urban anchor institutions and the power they possess to improve underused areas, especially in downtown locales. Economically challenged cities with no major university or hospital feel the absence acutely. At a recent U.S. Conference of Mayors meeting, Jon Mitchell, Mayor of New Bedford, Massachusetts, noted, "We have a modest university presence in our city, and I believe that developing a larger higher ed footprint is crucial to our long term success. Universities are a magnet for development and can backstop a middle class in older industrial cities like ours."

Taken together, our data analysis revealed anchor institutions to be among the top three, if not the top employer, in 11 of the 12 cities we assessed. And in a review of the 297 economically challenged National Resource Network cities, this was the case in 62 percent of the locales. Our survey of 12 cities conveyed a similar story across the board, with all of them citing anchor institutions as one of the most important local economic actors. As Mike Reese, the Chief of Staff to Mayor Mike B. Coleman in Columbus Ohio concluded, "There is no doubt, anchors are our economic engine."

42. Julian Gross, Greg LeRoy, and Madeline Janis-Aparico, *Community Development Agreements: Making Development Projects Accountable*, (Washington, D.C.: Good Jobs First and the California Partnership for Working Families, 2005).

43. Institute for Competitiveness in Inner Cities, "New York City's Anchor Institutions: From Social Responsibility to Shared Value," (presentation, New York, New York, 2011).

44. Bruce Katz, Jennifer Vey and Julie Wagner, *Observations on the Rise of Innovation Districts*, (Washington, D.C.: Brookings Institution, 2015).

OPPORTUNITIES FOR TACKLING POVERTY

Even as anchor institutions power local economies across the nation, there remains significant opportunity to strategically employ these job generators to more directly combat poverty and inequality.[45] There are examples of anchor-led anti-poverty initiatives, including programs at the University of Cincinnati and Syracuse University, but aside from one example in Waco, Texas, described later in this section, we did not find similar projects on a large scale in the 12 cities we assessed. Instead of a broad anchor strategy to address poverty, we found many examples of individual professors, centers, and institutes working with local officials on specific initiatives related to homelessness, child welfare and other poverty-related issues. As Kristine LaLonde, Co-Chief Innovation Officer of Nashville noted, "We have experts on [social issues] and when we need them they help us in any way they can. And if there is a major program such as one we just established on financial assets, they step right up."

Our interviews identified one major challenge for cities seeking to develop an anchor strategy for addressing poverty: organizing community stakeholders, priorities and interests in low-income areas and aligning them with an anchor.

In Waco, we found one promising model for addressing this challenge. This small city of 130,000 halfway between Dallas and Austin has long battled poverty. In the course of working to reform the city's public schools, Mayor Malcolm Duncan commissioned the Michigan-based Upjohn Institute to provide a comprehensive assessment of the local economy in 2014. The results were startling: Waco was one of the only cities of its size with more than 50 percent of residents living below 200 percent of the poverty level and nearly 20 percent of its youth out of work or school. Rather than bury the findings, Mayor Duncan went all over town waving the report and its stats around. Interestingly, he found a receptive audience at the numerous hospitals and universities within city limits. Now, many of the institutions, along with the city, have contributed money to fully fund a leadership and organizing enterprise called Prosper Waco. Today, the group is run by a board of directors that includes Mayor Duncan as well as CEOs of the city's major health care organizations, the Director of Civic Engagement and Educational Development at Baylor University and local business leaders. Prosper Waco's focus is squarely on poverty, public health issues, and the role of local hospitals and universities in turning the tide. Mayor Duncan is taking his organizing role seriously, as the Board has been meeting every two weeks — without fail — to clarify how to translate plans into programs. "This is still early days," says Prosper Waco's Executive Director Matthew Polk. "But we could not be more locked-in on combating poverty and for the first time we now have the institutional actors aligned with the city."

Another potential model is taking shape in the Rio Grande Valley in Texas, a 4,300 square mile area where the median household income is $31,000, roughly 60 percent of the national average. A huge window of opportunity arose in 2012 to connect anchor institutions to this community. The University of Texas (UT) System decided to merge two previously separate campuses (UT

Instead of a broad anchor strategy to address poverty, we found many examples of individual professors, centers, and institutes working with local officials on specific initiatives related to homelessness, child welfare and other poverty-related issues.

45. Rita Alexroth and Steve Dubb, *The Road Half Traveled: University Engagement at a Crossroads,* (College Park: The Democracy Collaborative at the University of Maryland, 2010).

Brownsville and UT Pan American) into a new regional campus called University of Texas Rio Grande Valley (UTRGV). Recognizing a rare opportunity to address community needs throughout the region, the Ford Foundation invested funds to help local community groups work with national consultants, planning firms and other university experts. The result was a well-formed community agenda that focused on education, health, economic development and regional planning. The local organizers, which included the Community Development Corporation of Brownsville and the La Union Del Pueblo Entero community group, knew that merely presenting an agenda would not be enough. So a carefully orchestrated day-long work session with UT officials was organized. One local organizer noted, "It was at this session that the light bulbs finally went off for the university system administrators. These are folks who sit in Austin, far from our community, but when they came and saw that we put real thought into this and that the ideas were concrete, they got it."

One theme that emerged in our interviews was that of power imbalance; cities and communities felt they had little leverage in negotiations with anchor institutions.

As encouraging as the UTRGV work has been, it's far from finished. As local leaders noted, "It is still simply not in the DNA of universities to orient their campuses to community needs." And as much as the central office administrators may understand the importance of reform, the new campus administration is just now making overtures to the community. There are signs of progress, including the university's willingness to publish the ideals on the UTRGV web site. But even this victory would not have happened without the significant support of a major foundation. A number of interviewees stressed, "Without Ford, the community would not have had input, and to their credit the foundation was always just as focused on outcomes as they were on process."

NEVER UNDERESTIMATE THE IMPORTANCE OF LEADERSHIP

If there is one factor that influences an anchor institution strategy and relationship with a city, it is the philosophy and approach of the city's chief elected officer and institution chancellor or president.[46] In all 12 cities we surveyed we found that leadership was one of the most, if not the most, critical ingredient to a successful strategy.

As we discussed in the review section, a few individual leaders — including Nancy Cantor at Syracuse, Scott Cowen at Tulane and Robert Jones at the University of Albany — have succeeded at shifting institutional focus towards the civic realm. Such extreme pivots were not found in our 12-city survey, but nonetheless officials made clear that their ability to work with local institutions began and often ended at the office of the anchor president or CEO. This was particularly acute when a transition would occur and new leadership came in. One chief of staff to a local mayor described feeling "nervous" when anchor leadership changed. "Sometimes," he said, "it is rough for the first year."

Interviewees from our 12 sample cities tended to open the conversation about anchor collaboration with a description of the leadership style, values and community perspective the anchor institution president brought to his or her position. Interviewees emphasized that institution leaders are not inherently inclined to pursue partnership, and rarely receive the intense public scrutiny that public officials do. Although far from operating in anonymity, they are able to make decisions more freely and chart a long-term course without significant public input. As one city interviewee noted, a civic focus is not necessarily part of an institution's DNA, "so leadership is really about how much they will (or won't) partner."

But it's not only about who has the corner office on the anchor side — city leadership is just as

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46. See Dever, et al. for further discussion of the importance of leadership.

critical. The last section noted the turnaround in Wilkes-Barre. There, local university leaders give Mayor Leighton full credit for improving relations and supporting greater collaboration. The mayor too acknowledged his role in advancing partnership. "The previous mayor just never engaged with the universities," he said in an interview. "On my first day in office I went up and had breakfast with one university president and then lunch with the second."

A similar reversal occurred in Memphis, where Mayor AC Wharton has focused his administration on public/private partnerships and bridge building. One senior aide noted, "there used to be a fortress mentality and now we are intentional about reaching out to university and hospital leaders." This has led to a collaborative spirit that translates into a number of mayoral initiatives. One example is an aggressive Wharton-initiated campaign to curb gun violence. The local public hospital realized they had a role to play and hired two full-time violence intervention intake staff to support the initiative.

In Detroit, city leadership clearly understands the economic power of anchor institutions — Mayor Mike Duggan, for example, was previously President and CEO of the Detroit Medical Center (DMC). During his time at DMC, Duggan was an early partner and champion of the Midtown strategy. He left the medical center after it was sold to a private medical system, but remains a supporter of the efforts from his new seat in city hall. Another powerful leader from Detroit's anchor community is Nancy Schlichting, CEO of Henry Ford Health System. The hospital system has strong ties to Detroit and has fully embraced a mission of transforming lives and communities starting with the Midtown neighborhood. Our interviewees reiterated this point by noting that Schlichting's imprint on this vision is so pronounced that she's been known to walk down the hallway to the department in charge of local spending to "make things happen" or help solve problems as they arise.

Probably the greatest recent example of a local official exerting affirmative leadership with anchor institutions is former Mayor Michael Bloomberg's Applied Sciences Competition. The initiative resulted in the winning institution (Cornell) bearing the majority of costs to develop 12 acres of unused city land on Roosevelt Island into a hub for engineering talent and entrepreneurship, spurring numerous other private investments across the historically underused island and advancing the growth of the city's engineering and tech sectors. The new campus is still under construction, yet its impacts have already started to ripple across the city. In the wake of the competition, New York University established the Center for Urban Science and Progress, a major academic center focusing on urban informatics. And Columbia University has committed nearly $100 million to raise the national profile of its engineering school by increasing faculty and student enrollment.[47] A number of cities expressed admiration for New York's ability to influence local institutions. In an interview, one deputy mayor from another city put it plainly: "That was a master stroke and will be Bloomberg's lasting legacy. I want that for my city; I want my island[48]."

It may be New York and a billionaire mayor who set the gold standard for anchor-city collaboration, but many smaller and more economically challenged cities continue to maintain strong long-term partnerships with local institutions. For example, one successful approach initiated by Memphis and Kansas City is a regular CEO roundtable with the heads of the major anchors and other business executives. And in Waco, Mayor Duncan's Prosper Waco group continues to meet every two weeks. It was only in these smaller locales that we found a full-on collaboration around citywide development planning and turnaround strategies.

COMPLEMENTARY PARTNERSHIPS

When it comes to establishing a partnership between a city and a university, we found that every school comes with different focuses and strengths and cities benefit when they recognize the dis-

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47. Nancy Scola, "Tech & The City: New York's Latest Mega-Project is a Campus for Home-Growing Technologists," Next City, September 3, 2012.

48. Although not a study city, another important example is a MOU between the incoming Rahm Emanuel administration in 2011 and the University of Chicago. The MOU codified partnership and coordination around all capital planning and economic development efforts in the mid-South Side.

TACOMA ANCHOR NETWORK

The Tacoma Anchor Network increases coordination between Tacoma's place-based institutions in order to facilitate equitable economic development, reduce health and economic disparities across Tacoma, and adopt an anti-racist approach to addressing systemic inequities.

The Network is committed to strengthening community trust in institutions; improving community health, safety, and wellbeing; and building an economy that allows everyone in Tacoma to achieve their full potential.

Network Members:

- Bates Technical College
- City of Tacoma
- Greater Tacoma Community
- Foundation
- Metro Parks Tacoma
- MultiCare
- Tacoma Community College
- Tacoma Housing Authority
- Tacoma Public Schools
- Pierce County Transit
- University of Puget Sound
- University of Washington, Tacoma
- Virginia Mason Franciscan Health

What Are Anchor Institutions?

Anchor Institutions are organizations that are rooted in place and wield significant economic and social influence. Often public or nonprofit organizations, they are unlikely to relocate or disinvest from the locations in which they are located. In recognition of this unique position, anchor institutions can hold themselves and each other accountable to the broader community by intentionally and voluntarily leveraging their influence to address local disparities in partnership with the most impacted groups in the community.

What Are The Network Priorities?

The Tacoma Anchor Network has committed to focusing on three areas through the development of their strategic framework:

Hiring: Creating pathways to connect all Tacoma residents to local, stable, and living wage employment and careers;

Purchasing: Increasing purchasing and contracting from local businesses, with a focus on minority- and women-owned businesses;

Investing: Aligning investments to address root causes of housing insecurity and other disparities highlighted in Tacoma's Equity Index

2021 Working Groups

Healthcare Apprenticeship Pathways: In partnership with the National League of Cities and Workforce Central, the Network will develop pathways for healthcare careers and apprenticeships focused on addressing barriers to workforce participation for low and no-income residents.

Local Procurement Landscape: In partnership with Emerald Cities Collaborative and Healthcare Without Harm, the Network will conduct an analysis of local anchor economic impact with the goal of sharing baseline data with the community and identifying opportunities for local procurement and investment together.

Addressing Affordable Housing: The Network will survey the landscape of opportunities for anchor institutions to invest in development of affordable housing in Tacoma with the goal of identifying an impactful project in 2021.

Organizational Capacity: The network will explore funding and resource needs to adequately support collaboration in the coming years.

Do you want to learn More?

You can learn more about the strategic framework that the anchors have adopted, their history, and their vision for the future by reading *The Tacoma Anchor Network Strategic Framework* (/wp-content/uploads/2022/02/Strategic-Framework-Tacoma-Anchor-Network-_.pdf) document.

For more information, or if you are interested in getting involved with the Network, please contact:
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Anchor Collaboratives:

Building Bridges With Place-Based Partnerships and Anchor Institutions

prepared by
Justine Porter, Danny Fisher-Bruns, and Bich Ha Pham

DEMOCRACY
COLLABORATIVE

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4

Introduction

Across the country, anchor institutions are beginning to understand and leverage the power of their economic assets to address social and economic disparities and revitalize local communities. Because of their commitment to place and their economic power, anchor institutions are uniquely positioned to stabilize local economies and begin to reverse the devastating effects of urban disinvestment.

An increasing number of anchor institutions and partner organizations have joined to form place-based networks, or anchor collaboratives, to develop, implement, and support shared goals and initiatives that advance equitable and inclusive economic development strategies. The challenges our cities and communities face today are daunting. But when anchor institutions intentionally align their collective resources for stronger and more inclusive economies and healthier communities, they can make real change happen locally. The anchor mission work also helps these institutions to see themselves as threads of the social fabric of their community—and they begin to view their role as a part of the solution in bolder and broader ways.

In January 2019, the **Anchor Collaborative Network** (ACN) was initiated to build a shared movement of anchor institution collaborations that are working to accelerate equitable, inclusive strategies that respond to local needs and challenges. This report presents information and examples to show the current state of the field. ACN Working Groups plan to produce case studies, toolkits and other educational information to further assist other cities, anchor institutions, and partner organizations to learn about and advance anchor mission work.

ANCHOR COLLABORATIVES IN THE US
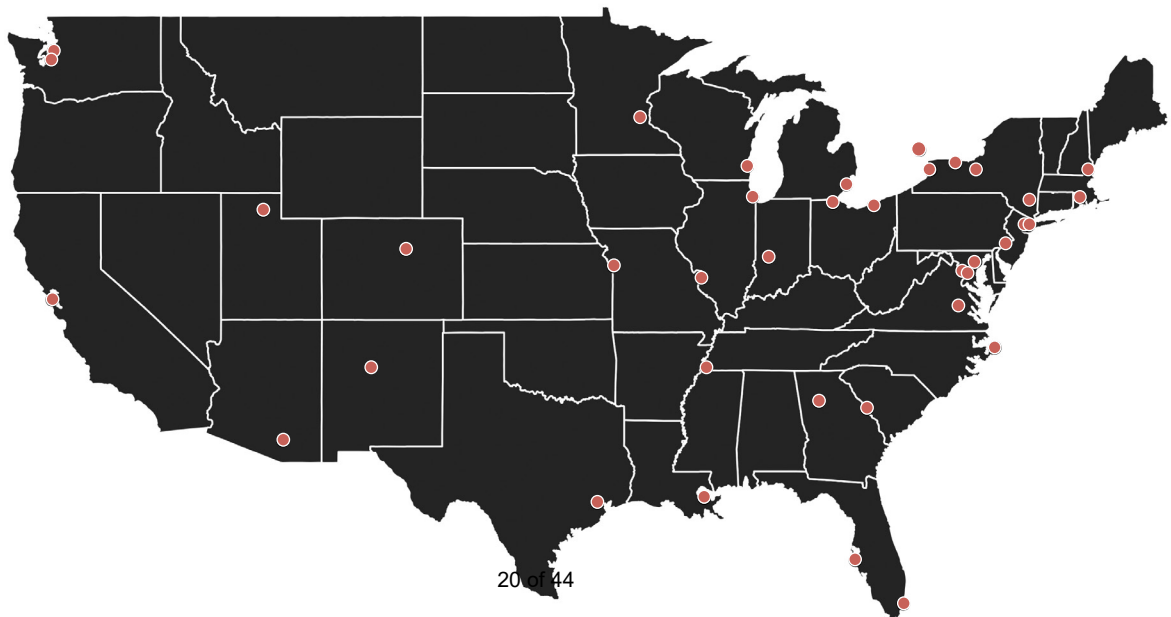
What is an anchor collaborative?

Anchor collaboratives strengthen local economic ecosystems by more intentionally aligning and leveraging the significant everyday business activities of local anchor institutions in local hiring and purchasing, place-based investing and community wealth building practices to create jobs, increase incomes, build community/local/broadly held wealth, and spur community investments to redress systemic inequities.

Anchor institutions are nonprofit or public place-based entities such as universities and hospitals that are rooted in their local community by mission, invested capital, or relationships to customers, employees, residents and vendors.[1] Anchor institutions have an ability to engage in long term-planning in a manner that aligns their institutional interests with those of their local communities. They have both ability and motivation to play a key role in improving the long-term wellbeing of the communities they serve by better aligning and deploying their institutional resources—such as hiring, purchasing, and investment—with the needs of those communities.

Health systems and universities together have expenditures of more than $1 trillion annually, have at least $750 billion in investment assets, and employ more than 9 million people.[2] These community institutions are often the largest employers and purchasers in many lower-income communities where they are situated. They are also potential investors in these communities where their patients and students live, supporting with affordable housing, promoting home ownership, creating employee-owned businesses and more.

An increasing number of anchor institutions have joined together to form **anchor collaboratives**. Anchor collaboratives can take many forms, but generally consist of a network of place-based anchor institutions that join together to develop, implement, and support shared goals and initiatives that advance equitable and inclusive economic development strategies. Through collaboratives, anchors can share best practices, collaborate, and plan interventions that accelerate their shared goals.

Community wealth building is a systems approach to economic development that creates an inclusive, sustainable economy built on locally rooted and broadly held ownership. This framework calls for developing place-based assets of many kinds, working collaboratively, tapping large sources of demand, and fostering economic institutions and ecosystems of support for enterprises rooted in community. The aim is to create a new system that enables inclusive enterprises and communities to thrive and helps families increase economic security.[3]

Some anchor collaboratives are actively working to advance community wealth building, while others approach this work through an economic development lens. Sometimes collaboratives begin with the explicit purpose of helping anchors aggregate their local economic power and scale up local hiring, purchasing or investing efforts. Other times collaboratives begin with local or regional goals around equity and inclusion, or local economy and bring anchors to the table as part of their broader strategy to reach those goals. Whatever the starting point, anchor institutions and partner organizations in the collaborative must build alignment around a shared vision. The groups are not just "buying into" or "agreeing to" the vision but are co-creating it.

Why are anchor collaboratives important?

Anchor institutions are key to unlocking "sticky capital." Unlike corporations that often come and go from communities, anchor institutions are unlikely to relocate because they are committed to place by their mission, customer relationships, investments, property and land holdings. This often means that they are committed to operating in a community long term and have greater incentives to ensure a thriving and vital community.

Anchor collaboratives are able to scale up the economic impact of anchor institutions by leveraging their unified power through hiring, contract procurement, and place-based investments.

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Many disadvantaged and disinvested neighborhoods that experience high unemployment, a lack of good-paying jobs, insufficient support for small local businesses, and little access to financial capital and resources are often unable to connect to the resources of their local economic engines. Anchor collaboratives bring together large employers—often health care and higher education institutions—along with local organizations and residents to identify, design, and improve the economic ecosystem so that local residents and businesses can tap into needed resources over the long term. Even anchor collaborative members who are not located directly in the low-income communities can have a positive impact if they work intentionally to support the economic stability and equitable economic development of the neighborhoods, such as through purchasing from locally owned or employee-owned businesses.

Collaboratives also provide the advantages of a broader breadth of purchasing types, different size budgets (big institutions and small institutions), varied types of jobs and hiring needs, and a chance to scale intermediary strategies (e.g., one institution may not be sufficient to scale a training program or purchasing strategy).

8

INNER CITY **INSIGHTS**

ANCHOR INSTITUTIONS AND URBAN ECONOMIC DEVELOPMENT:

FROM COMMUNITY BENEFIT TO SHARED VALUE

BACKGROUND Anchor institutions, such as hospitals, universities, arts and cultural institutions and sports venues, occupy a unique and influential place in America's inner cities.[1] In 66 of the 100 largest inner cities, an anchor is the largest employer. Some 925 colleges and universities, or roughly one in eight, are based in the inner city. About 350 hospitals, or roughly one in 15 of the nation's largest hospitals, call an inner city home.[2] **[continued]**

Many inner city anchors remain economically strong, even as cities fight job loss and historic levels of home foreclosures. Yet anchors' relative economic health, combined with the fact that they can be seen as disconnected from their neighborhoods, often makes them a target of resentment. Too often, anchors are not seen as integral to the local economic fabric. As cities and other nonprofits face increasingly severe fiscal restraints, anchors are repeatedly called upon by government and non-profit organizations to support multiple community needs. In some cities, there is now a greater focus on anchors' capacity to make payments in lieu of taxes.

There is another, more efficient way for anchors to bolster their local economies: by working with their communities to create shared value for both. Shared value, writes Initiative for a Competitive Inner City founder and Harvard Business School Professor Michael Porter, is defined as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates... Shared value is not social responsibility, philanthropy or even sustainability, but a new way to achieve economic success." The concept of shared value recognizes that anchors and their communities are inextricably bound together. As Porter writes, "A business needs a successful community, not only to create demand for its products but also to provide critical public assets and a supportive environment. A community needs successful businesses to provide jobs and wealth creation opportunities for its citizens."[3]

The Cleveland Clinic, which is ranked as one of the country's top-performing hospitals and hosts 4.2 million patient visits each year, has been particularly forward-thinking in its efforts to create shared value. Over the past year, we have worked with the Clinic to develop a framework for anchor engagement. Our hope is that the framework presented here will allow us to explore the mutual benefits to be had via creative engagement and to learn from the considerable experimentation already taking place.

Why the Inner City Matters

The crossroads of America's cities have the potential for great economic vitality. Eight percent of the U.S. population, or about 25 million people, live in an inner city. Even that figure—roughly equivalent to the population of Texas—significantly understates the economic demand generated by inner cities because commuters add greatly to the spending power of inner city residents. As markets, income density in the inner city is eight times greater than it is in the suburbs.

Despite their relatively small size, inner cities are rich in labor and land, with diverse and underemployed workforces and desirable locations that allow companies based there to serve thriving business districts nearby. Over the next ten years, nearly one billion square feet of building space in U.S. inner cities is expected to become available—almost exactly the amount that growing industrial activities will require. Inner cities are also rich in transportation hubs, with a higher concentration of airports, water ports and intermodal shipping centers than other parts of the country.

Yet our inner cities are also areas of concentrated economic malaise. While inner cities occupy only 0.1% of U.S. land area, their residents are disproportionately impoverished: Inner cities host 19% of U.S. total poverty and a distressingly high 31% of minority poverty.

The concentrated nature of inner city economic disadvantage makes it susceptible to focused intervention. If we are serious about tackling income and wealth inequality, and its resulting social ills, the inner city represents our best chance for large-scale success.

The Impact of Anchors

Hospitals, universities and major cultural institutions are referred to as "anchors" for good reason. They hold significant investments in real estate and social capital, making it extremely difficult for them to pull up stakes and leave. Collectively, colleges and universities have inner city real estate portfolios valued at almost $100 billion. In 2008, inner city anchors spent over $200 billion on goods, services and pay. Large hospitals alone spent $130 billion. In Detroit, the three largest anchors—Wayne State University, Detroit Medical Center and the Henry Ford Health System—control nearly half of the real estate in the city's Midtown neighborhood and spend a combined $1.7 billion annually on goods and services.

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[1] National Center for Education Statistics

[2] American Hospital Association annual survey, State of the Inner City Economy Database. Based on hospitals with 1,000 or more employees

[3] Porter, Michael E., and Mark R. Kramer, "Creating Shared Value," Harvard Business Review, January–February 2011, p. 64, 66

Nationally, so-called "eds and meds" provide 5.2% of jobs. In the inner city, they provide 11% of jobs. That number is expected to increase as the clusters, or industry groupings, in which anchors are represented—Local Health Services and Education and Knowledge Creation—are projected to grow over the next eight years, creating approximately 340,000 new inner city jobs. Without anchors, inner cities would have lost 10,000 jobs from 1998 to 2006.

Harnessing the Potential

Anchors can create shared value by embracing their interdependencies with their neighborhoods and strategically including community impact in their business strategy. This can produce measurable advantages, such as increased demand for their products and services, more success in hiring and retention and the ability to leverage private development money.

The Johns Hopkins Institutions are a case in point. The area to the north of Johns Hopkins' main campus, once a thriving working-class neighborhood, had descended into poverty, drugs and crime, with vacancy rates reaching 70%. In response, Johns Hopkins partnered with state and local governments and the Annie E. Casey Foundation to create East Baltimore Redevelopment, Inc. (EBRI), which in 2003 launched an ambitious $1.8 billion plan to redevelop 88 acres. Hopkins deeded the more than 100 properties it owned in East Baltimore to EBRI. The EBRI master plan calls for the construction of 2,200 mixed-income housing units, 1.1 million square feet of life sciences and biotech labs and offices, retail space, a new cultural center, playing fields and other open public spaces. The hospital will serve as a magnet to attract new biotech companies to the area.

The Cleveland Clinic's efforts to create shared value hinge on an ambitious drive to reduce smoking and obesity in Cleveland. If the Clinic succeeds on its own campuses, it will be rewarded with healthier, more productive employees with lower health care costs. If it succeeds across Cleveland, it will be serving healthier citizens who will be better prepared to become engaged employees of the Clinic, resulting in a better patient experience. A better community perception of the Clinic will increase the number of patients seeking care, reduce political and neighborhood tensions and improve the morale of the Clinic's employees.

The vast majority of the Clinic's locations are in the inner city, where an estimated 38% to 41% of the population is obese. Some 12% to 14% of inner city residents have diabetes, compared to 5% to 6% nationally. Rates of heart disease, lung cancer and prostate cancer are all higher in the inner city.

In 2005, the Clinic banned smoking from its campuses. Employees who smoked were referred to the Clinic's Tobacco Treatment Center, which achieved a remarkable 45% quit rate in its first year. In 2007, the Clinic stopped hiring smokers altogether. To help employees lose weight, the Clinic eliminated sugary snacks, chips and soda from its vending machines and banned trans fats from foods served on campus. It also pays for weight-loss counseling for its employees.

These initiatives boosted the Clinic's credibility when it sought to combat smoking and obesity in its community. It started with a free six-month program to help smokers quit, generating more than 4,000 phone calls to the Ohio Tobacco Quit Line and distributing nearly 5,000 free nicotine patches. In partnership with the American Lung Association of Ohio, the Clinic developed a tobacco prevention program for K-12 students. In January of 2010, the Clinic teamed with the YMCA and Curves fitness centers to offer free three-month gym memberships. Some 8,000 people enrolled, and about half of those converted to full gym memberships. The Clinic also operates three farmers' markets.

Local Impact: A key part of creating shared value is distinguishing between programs aimed to increase diversity and those designed to impact a neighborhood. Most anchors already have effective diversity programs in place which could be leveraged to focus on the development of their local economies. In inner cities, minorities own almost half of all businesses, so increasing the amount of business done locally will also help anchors meet their diversity goals. If anchor institutions could boost the amount of business they do with local suppliers and hire more local residents, the impact on inner cities would be substantial.

The Framework

There are seven capacities in which anchors typically interact with their communities: as a provider of products or services; real estate developer; purchaser; employer; workforce developer; cluster anchor; and community infrastructure builder. In each capacity, the anchor drives value for

itself and its community. When the anchor deploys all of these capacities strategically, using the lens of shared value to make all of its decisions, it achieves the greatest economic and social impact on its community.

Working collaboratively with key stakeholders in the public, private and not-for-profit sector will almost always yield the greatest value for the community and, usually, the highest business value for the anchor. But there are certain capacities in an which anchor, acting alone, can at least begin to drive that shared value, such as hiring and purchasing practices.

In other capacities, such as enabling cluster growth or developing a local workforce to serve their needs, anchors are most likely to be effective as leaders in joint efforts with specialist organizations, public officials or other local employers. As a community infrastructure builder, an anchor must strategically use its resources and influence in collaboration with a wide range of the "right" stakeholders.

THE ROLE OF ANCHORS IN COMMUNITY REVITALIZATION: STRATEGIC FRAMEWORK

Roles

To maximize shared value, an anchor should start with the roles in which it has the most influence and that require the least dependence on other parties. Anchors already have expertise – acquired as part of the normal course of doing business – as providers of goods and services, as real estate developers, as purchasers and as employers. In these roles, anchors are well-positioned to immediately increase the positive impact they have on their communities.

ROLE: CORE PRODUCTS OR SERVICES

Shared value for the anchor:	A higher level of innovation and proficiency in its core competency
Shared value for the community:	Improved access to the anchor's expertise, products and services

One of the most direct ways for anchors to engage their neighbors is by cultivating them as customers. This will require some anchors to address issues of access and affordability, and to develop new approaches and products tailored specifically for these constituents. In many cases, knowledge gained from community-centric approaches will have direct relevance to the anchor's core market.

Making it Work: The Cleveland Clinic, as described above, has achieved substantial success in extending its healthcare expertise and is continuing to do so. By leveraging its expertise and resources, the Clinic is improving the health of its inner city community.

ROLE: REAL ESTATE DEVELOPER

Shared value for the anchor:	Access to desirable real estate, ability to leverage private development money, reduced time to construction and related savings
Shared value for the community:	Appropriate real estate development in distressed areas, ability to leverage private development money for mixed-use projects, enhanced safety

As real estate developers, anchors can easily become lightening rods. A number of universities have made their campuses and communities more inviting by placing retail space, art galleries and performance spaces at their edges. Other institutions have gone further, showing how anchors can facilitate dramatic real estate improvements.

Making it Work: A few universities have used money from their endowments, which they consider unique sources of patient, long-term capital, to fund neighborhood real estate improvements. Over the last 10 years, the University of Cincinnati has allocated nearly $150 million to finance loans and grants for community development. The University has leveraged its endowment contributions nearly three-to-one through tax-exempt debt, loans from banks and other sources.

Syracuse University has been working to influence real estate development in its neighborhood to build a better link between the University and downtown Syracuse. At first, the goal was simply to improve lighting along a one-and-a-half mile route running from the University through an arts district and a depressed neighborhood known as the Near West Side into downtown Syracuse. Now, the University is spearheading a comprehensive effort to revitalize the Near West Side, attract technology firms to the area and link more than 25 arts venues using landscaping, wireless hot spots, bike paths, outdoor art and free shuttle bus service.

The actual proposal to build the so-called Connective Corridor was a joint effort between students and faculty in the University's geography, architecture, engineering and design programs. More than 400 students are currently involved in related community projects, sometimes for credit and sometimes volunteers.

For the Near West Side project, students have designed a Website and affordable green homes, researched neighborhood histories, redesigned a park, and raised money. The Near West Side Project has redeveloped two warehouses into mixed-use facilities hosting a green technology incubator, a culinary center and a live-work space for artists. The Project participates in Syracuse's $1 Home Program, which lets nonprofits acquire tax-delinquent properties for a dollar. These steps, along with an artist recruitment program, are designed to convince more University graduates to stay in Syracuse.

The University's efforts were boosted by the forgiveness of a $13.8 million loan to the University by the State of New York, with the condition that repayments be instead invested in the Near West Side. To date, a total of $56 million has been committed, with financial participation from New York State, the city of Syracuse, businesses and foundations.

ROLE: PURCHASER

Shared value for the anchor:	A more competitive pool of vendors, suppliers that are better able to meet the anchor's needs
Shared value for the community:	Local jobs and a healthier business environment, improved neighborhood amenities

To create shared value, anchors need to extend programs aimed at increasing spending with minority- and women-owned firms to include locally based suppliers. Anchors can help local firms compete by unbundling large contracts or requiring prime contractors to use local subcontractors. They can also encourage local firms to partner with each other or with larger vendors and can provide business advice and mentorship.

Anchors can also use their clout to make it easier for local firms to work with them. Detroit's Henry Ford Health System pays small local vendors a month in advance and purchases supplies for some of them at prices they couldn't achieve on their own.

Making it Work: In 2010, the University of Pennsylvania spent approximately $100 million—roughly 12% of its total spending and double the amount it spent in 1999—with local and diverse businesses. Partnering with the Pennsylvania Minority Business Center, Penn identified local and diverse vendors and helped prepare them to do business with the University. These vendors also meet with Penn purchasing managers to learn about upcoming needs.

Penn was especially aggressive in its efforts with Telrose Corp., a local and minority-owned office supply company. Telrose, then a three-person delivery company, was a subcontractor to Office Depot. Penn persuaded Office Depot to prepare Telrose to become the prime contractor, with Office Depot as its supplier. Over 10 years, Telrose will increase its share of the contract from $300,000 to $50 million. Telrose now has 22 employees, 70% of whom live in West Philadelphia.

Building Capacity: The Cleveland Foundation brought together The Cleveland Clinic, Case Western Reserve University, University Hospitals and other local anchors to create the Evergreen Cooperative Development Fund, which helps seed environmentally friendly worker-owned cooperatives in industries that lack suitable local suppliers.

Once a cooperative becomes profitable, it will return 10% of its earnings to the development fund to help seed new ventures. Evergreen Commercial Laundry, which aims to clean 12 million pounds of linens a year, was the first company launched out of Evergreen. The next was Ohio Cooperative Solar, created at the suggestion of the Cleveland Clinic. Ohio Cooperative Solar now counts all three anchors, as well as the City of Cleveland and the Cleveland Housing Network, as customers. The Cooperative Development Fund is currently working on plans for more than a dozen different businesses.

ROLE: EMPLOYER

Shared value for the anchor:	More success in hiring, better employee retention, more engaged employees, more satisfied customers and students thanks to the ability to live locally
Shared value for the community:	Local, accessible jobs with opportunities for advancement, increased demand for local goods and services, increased dollars spent in the community

Despite anchors' influential roles as inner-city employers, too often, inner city residents are under-represented as employees at anchor institutions. Given that two-thirds of jobs at hospitals and one-third of jobs at colleges and universities require less than a bachelor's degree, anchors should be able to capitalize on local talent. To do this, anchors should target specific positions most likely to be filled by local residents and map the possibilities for career advancement for each. They can then set realistic goals for the numbers of local applicants to be interviewed and hired, and partner with community groups for qualified referrals.

Making it Work: Boston's Brigham and Women's Hospital makes forgivable tuition loans of up to $10,000 to employees pursuing training in high-need fields. Since 2007, loans have been granted to 68 employees, who stay an extra two to four years with the hospital. In 2006, Brigham began offering career coaching classes. To make it easier for employees to attend, classes are scheduled

around shift changes. Managers bill a separate fund for the time employees spend in training, ensuring that employees don't have to use paid time off, nor do departments take a financial hit.

As a workforce developer or cluster anchor, anchors must collaborate with those traditionally thought of as competitors, as well as with stakeholders such as business groups, advocacy organizations and other not-for-profit groups. Often, this has been accomplished with another not-for-profit playing the role of convener and facilitator, as the Kresge, W.K. Kellogg and Hudson-Webber foundations did in Detroit and as the Boston Foundation did in its city.

ROLE: WORKFORCE DEVELOPER

Shared value for the anchor:	A stronger applicant pool, committed employees, improved employee retention
Shared value for the community:	Access to appropriate local jobs; job training and opportunities for advancement

Workforce development requires anchors to play more of a leadership role with other anchors, businesses, schools and community organizations to build a pipeline of local residents with the qualifications and willingness to be hired into local institutions and businesses. Once anchors identify the jobs that need to be filled and the education and training needed for these positions, anchors can match them against the community's education and job training system. If there are gaps, anchors can then partner with other employers and organizations on focused education and training initiatives targeted to preparing inner city students and other residents for the jobs with the anchors. These could include curriculum design, new degree and certification programs, new methods of recruitment, and better linkages between schools and community colleges for both entry-level and more advanced positions.

Making it Work: The Boston Foundation brought together three anchors—Beth Israel Deaconess Medical Center/New England Baptist Hospital, Boston Medical Center and Partners HealthCare—and challenged them to use foundation money, combined with their own significant matching funds, to radically improve their workforce development efforts. With a combined $14.5 million pledged to the so-called Allied Health Initiative, the results have been dramatic.

Beth Israel initially intended to use its funding to help some employees prepare for better-paying jobs such as research administrators, surgical technologists and nurses. But it discovered that many of its staff didn't have the educational foundation to begin the required certification programs. In response, Beth Israel began offering pre-college courses in cooperation with a local community college. So far, 392 employees have met one-on-one with a career counselor to discuss the hospital's offerings, 248 have taken a pre-college level course and 120 have progressed to college-level work in English, math or reading.

Despite significant staff cuts, Boston Medical Center used its Allied Health funding to greatly improve the abilities and perception of its central processing department staff. Some 44 members of the department began certification training, and within three years all but three had achieved certification. Twenty-one staffers have been promoted. The hospital also restructured its existing curricula to give current employees more exposure to radiology and to allow current radiology employees to gain experience in advanced modalities such as mammography and MRI technology.

Partners HealthCare had perhaps the most ambitious plans for its Allied Health funding, striving to use technology and distance learning for pre-college preparation and specialty medical training. To help employees prepare for the courses, Partners developed modules on time management, study habits and online learning. Partners also developed Web-based training for advanced radiology certification and a medical terminology course. Twenty employees successfully completed the radiology training, and 17 made it through the medical terminology sessions. In addition, Partners reached thousands of employees through its workforce development Website, and found that the participants in its distance-learning initiative are more diverse than its employee base taken as a whole. Partners now has online learning tools that are available to other Boston hospitals and to individuals throughout its region.

Just as important, the Allied Health programs changed managers' attitudes about workforce development throughout Partners and it affiliated institutions. The success of Allied Health, and the attention given to it by senior management, encouraged other departments to ramp up their own workforce development plans.

ROLE: CLUSTER ANCHOR

Shared value for the anchor:	Healthier business community; improved productivity; improved choice of vendors and business partners; better access to all levels of employees; stronger brand
Shared value for the community:	Jobs; stronger tax base, improved quality of research institutions, accelerated commercialization of research and development, more research and development funding

Anchors can have a profound impact on industry clusters, spearheading their growth throughout the region. By collaborating with other institutions and businesses, anchors can attract talent, funding and new companies and help drive innovative research and commercialization. Anchors can help young firms with high growth potential by serving as geographic or virtual incubators.

Making it Work: The Cleveland Clinic has become a major catalyst in attracting healthcare-related companies to Cleveland and the region. In April 2010, the Clinic launched the Global Cardiovascular Innovation Center, a technology development consortium that provides grants, product development assistance and low-cost space for promising cardiovascular health-related companies. By partnering with a local nonprofit community development corporation, the Center was able to attract $250 million in funding, including $60 million from Ohio's Third Frontier initiative. The Center's goal is to form or attract more than 40 companies to Ohio and create more than 850 new skilled jobs. As of February 2010, the Innovation Center has formed or supported 25 new companies and convinced 12 others to establish new operations in Ohio.

The Clinic has also been working with a group of local stakeholders, under the umbrella of Midtown Cleveland, to establish a Health and Technology Corridor connecting downtown Cleveland with the medical institutions at University Circle. The Clinic encourages companies spun out of the University Circle institutions or young companies moving to Cleveland to locate along this stretch of Euclid Avenue. The Corridor is now home to four anchors, seven business incubators, 75 biomedical companies and 45 technology companies. The collaboration offers a variety of business incubation services, including help commercializing products and raising capital.

Carnegie Mellon University, Pittsburgh University and University of Pittsburgh Medical Center have attracted $33.3 million in state funds to form the Pittsburgh Life Sciences Greenhouse. Together, they've helped 13 life sciences companies relocate to the region. With help from various partners and a $2.4 million grant from the Department of Labor, the anchors have trained more than 6,000 people to work in life sciences since 2005.

ROLE: COMMUNITY INFRASTRUCTURE BUILDER

Shared value for the anchor:	Depends greatly on the anchor's competencies and focus and can include: safer streets, better housing for employees, a better-qualified pool of potential hires, more accessible transportation systems
Shared value for the community:	Will vary greatly and can include: reduction in crime, improved physical infrastructure, increased housing values, more jobs, better schools, improved retail environment

Community Infrastructure Builder may require the most change in anchor practices because it is the role anchors most commonly play today. Anchors respond daily to a constant stream of requests for their "time, treasure and talent" to address the myriad of issues which affect their communities—from requests for faculty expertise and student interns to improve the K-12 educational system, to grants and volunteers for local nonprofits to advocacy with governments for public infrastructure improvements to sponsorships of local events. Traditionally, anchors have built local community capacity by responding to these requests. In the anchor framework presented here, all of the other roles also help to build the community's capacity to improve its economic, social and environmental sustainability. The key with this last role is for anchors to use these traditional levers of community engagement or relations in a strategic and coordinated manner, to both advance the work in the other roles and to use each anchor's particular competencies to address any other high-need areas of the community.

As a community infrastructure builder, each anchor should choose those areas of community need where it has competencies to offer and where its efforts will best complement its other work across the framework. Working col-

laboratively with other businesses, nonprofit, government and neighborhood partners with similar interests, clear community improvement goals can be set and long-term strategies developed to meet them.

Making it Work: In 2007, the Henry Ford Health System established Henry Ford Early College to improve the community's educational infrastructure and to alleviate some of the hospital's difficulties in hiring healthcare professionals. Students enroll in Early College in 9th grade, committing to a five-year program through which they will earn a high school diploma, an associate's degree and certification in one of 10 healthcare-related occupations. The program is free to students who finish in five years.

Classes and clinicals are held at Henry Ford Community College and at the hospital. Once students have chosen a specialty, they shadow professionals in that field and work with patients. Since the program was launched in 2007, more than 150 students have enrolled. The Early College boasts a 97% retention rate. Two-thirds of the students qualify for free or reduced-price lunches.

Collaboration Between Anchors

In neighborhoods with multiple anchors, the potential for change is even greater.

The Henry Ford Health System, Wayne State University and Detroit Medical Center control nearly one-half of the real estate in Midtown Detroit. They employ 30,000 people and enroll 32,000 students. Each year, they hire 3,300 people and purchase $1.7 billion in goods and services. Together, the anchors have three goals for their community involvement: to make Midtown a safe, vibrant community in which employees want to live, to maximize local procurement and hiring to leverage third-party investments in Midtown.

The three anchors first teamed up on the so-called 15x15 initiative, which will try to convince 15,000 young people to move to Midtown by 2015. Since then, they've leveraged state and philanthropic funds to form the Midtown Partnership, which works on the Live Midtown, Hire Detroit and Buy Detroit initiatives. For Live Midtown, the anchors would like to have 10,000 of their current employees living locally. Hire Detroit strives to hire a third of new employees from the local community. Buy Detroit aims to capture some of the 84% of anchor procurement money that now leaves the city.

To make Midtown more attractive, the anchors jointly run a shuttle bus program and are planning public safety and lighting improvements. In January 2011, the anchors announced cash incentives to persuade employees to live in Midtown, including $2,500 for renters, a $20,000 forgivable loan for homebuyers, and $5,000 in matching funds for big exterior home improvement projects.

Next Steps

To create maximum shared value in inner cities, anchors, governments, nonprofits and local businesses must work together. They first need to recognize their own potential and needs as well as those of the other sectors, and then acknowledge the change they can jointly effect. This will enable them to look at their individual and collective business decisions through the lens of shared value.

For anchors, this means coming to terms with the fact that they are interdependent with their communities. They must envision the positive effects they could have on their neighborhoods while improving their own competitiveness. They can then assess their business needs in light of their community's needs and, using the framework outlined here, develop an explicit community development agenda that leverages their strengths and creates shared value.

The work of city leaders is primarily that of mediation and collaboration. Governments can also facilitate introductions to businesses that are well-suited to work with anchors. Importantly, government has the unique ability to leverage both public and private money to create shared value.

Leaders of not-for-profit organizations can point out opportunities and offer strategic partnerships that leverage their key assets: the ability to attract talent and to convene competing anchors to consider joint interests and their ability to create shared value.

Business leaders can encourage anchors to serve as workforce developers, real estate partners, purchasers of local goods and services or providers of intellectual capital, and can serve as guides to the community's current capabilities. Where their interests are aligned with those of anchors, business leaders can be key collaborators.

Together, anchors, governments, community groups and businesses have the potential to jump-start business and economic growth, create significant shared value and, in the process, lead the transformation of our inner cities.

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Strategies for Strengthening Anchor Institutions' Community Impact

PolicyLink

Sustainable Communities
Learning Network

Victor Rubin and Kalima Rose

PolicyLink is a national research and action institute advancing economic and social equity by **Lifting Up What Works®**.

Preface

This PolicyLink series, *Building an Inclusive Economy*, brings together national best practice scans of specific sectors and strategies that work to create economic opportunity for disadvantaged populations. The four briefs in this series were originally created for the City of New Orleans to help the Mayor's Office, local anchor institutions, and community organizations develop strategies to address the 52 percent unemployment rate among African American men in that city. These briefs have subsequently been adapted for a national audience—including the federal Sustainable Communities grantees—that are working to advance equitable outcomes in their municipalities and their regions.

The briefs—*Strategies for Addressing Equity in Infrastructure and Public Works, Strategies for Strengthening Anchor Institutions' Community Impact, Strategies for Health-Care*

Workforce Development, and Strategies for Wraparound Services for African American Men Seeking Employment—demonstrate successful policies and practices for incorporating disadvantaged workers and firms into employment and procurement opportunities in various sectors and for ensuring an integrated approach to their workforce success.

Introduction

Anchor institutions are large, place-based organizations, often public or nonprofit, that exist as core fixtures in local communities—once established, they do not tend to move. They serve as an economic (and at times social and cultural) center for a local region, and have a significant stake in what happens in their surrounding communities. An anchor shapes the economic landscape and viability of a city and its region as a major employer, local purchaser, and investor and powerful stakeholder in community-development efforts.

Key anchor institutions within a local community include educational, health care, and infrastructure. Additional anchor institutions include local government entities; faith-based organizations; and cultural institutions, such as museums, arts centers, or sports venues. Public and private universities offer tremendous resources for the local communities in which they are located and provide opportunities for transforming local communities. Universities participate in a wide range of research, teaching, service, and business activities that require partnerships and engagement with neighboring residents, businesses, providers, and other stakeholders. Health-care institutions—hospitals, health systems, health professional schools, and academic health centers—provide research and education as well as patient care. Infrastructure sector institutions provide critical services within a community, including energy production and conservation, water, transportation, communications, and utilities, creating a number of jobs that require diverse skill sets and that include opportunities for advancement.

Many anchors have a history of being distant from grassroots communities or of wielding their power and influence in ways that advance their immediate agenda but not that of nearby residents or the broader public. They sometimes have a workforce that is not reflective of local demographics, and procurement policies that lead them to spend mostly outside of their home city or region. They may have pursued real estate development strategies that were at odds with local community priorities. They may have absorbed the kinds of implicit biases that have led to racial or gender disparities in hiring, pay, and advancement

in many organizations. Anchors are not at all unique in this respect, of course, but they can sometimes be highly visible reflections of persistent social problems.

Antagonistic or unproductive relationships are not inevitable, though, and a growing number of anchors have developed more authentic and reciprocal ways of engaging with, and providing valuable support to, lower-income neighborhoods and communities of color. "Engaged" anchor institutions demonstrate a strong commitment to community partnerships and can play a crucial role in revitalizing local economies.

The Potential of Engaged Anchor Institutions to Increase Economic Opportunity

Given their size and influential presence, it is possible for anchor institutions to play a key leadership role in overcoming structural and social barriers that have prevented communities of color, especially young men in these communities, from accessing good jobs and other economic opportunities. Anchor institutions across the country have begun to engage in short-term and long-term transformative strategies to build partnerships and address the persistent barriers faced by residents of color, particularly young men, seeking meaningful employment opportunities. Universities, hospitals, and utility companies alike are instrumental to "transforming the narrative" of men-of-color residents and addressing head-on the barriers these individuals face due to low expectations, negative stereotypes and perceptions, and implicit bias.

The truly engaged anchor institutions, through planning and action, aim to achieve two key goals: 1) implement projects in partnership with community-based organizations and agencies that improve the lives of children, youth, and their families and 2) contribute to the enhancement or expansion of an institution's broadly based commitments to sustainable, authentic, community engagement.[1]

The following key elements are needed for anchor institutions to transform their organizations into strong advocates for the full inclusion of vulnerable and marginalized members within their organizations and, more broadly, in the local workforce and community.

- **Strong leadership buy-in and long-term commitment.** Strong leaders who are willing to acknowledge and commit to confronting institutional and structural bias are vital. The work of transforming institutions is a long-term endeavor that

will require sustained efforts to build meaningful relationships with local residents and community-based organizations. Leadership's ability to effectively frame the issue, set the tone, and commit to change is important to gaining staff and organizational buy-in, as well as engaging local employers, businesses, and other partners to commit to these efforts.

- **Alignment of institutional mission, vision, and values with equitable community-development principles.** Leadership is needed to realign an anchor institution's mission, values, and strategic priorities toward authentic community engagement and inclusive access for marginalized and vulnerable local communities. Strong awareness of how inequity harms all members of the local community, not just the most vulnerable residents, is key, along with valuing meaningful community partnerships that foster equitable decision making and roles. Clear and ambitious goals with achievable milestones are needed.

- **Significant financial support and investment.** Meaningful engagement and breaking down economic barriers requires commitment through dedicated financial resources. Incentives for management and leadership to meet key equity goals can be helpful.

These elements can provide the foundation for a range of organizational activities and commitments. Some of these commitments will result in changes to human resources practices and policies, expand outreach, and remove barriers to employment opportunities. Others will lead to more effective external relationships, such as stronger partnerships with local schools to prepare students for careers with the institutions. In the balance of this brief, we explore the many ways in which the anchors can become connected in a positive way with their communities.

Key Roles and Functions of Engaged Anchor Institutions

Anchor institutions occupy a number of roles and activities in local economic and community development, often serving multiple roles simultaneously.[2] Anchor institutions play five key roles:
1. Employer and workforce developer.
2. Purchaser of goods and services from local enterprises.
3. Incubator of local businesses.

4. Community/neighborhood developer.
5. Capacity builder for community-based organizations in child and youth development.

Below we highlight examples of promising practices where institutions have engaged in activities to advance economic inclusion, promote access to employment, and otherwise improve the circumstances faced by boys and men of color, in partnership with the local community. These case studies offer strategies for hospitals, universities, and infrastructure sector companies to address institutional bias and foster cultural competency within their organizations.

Promising Practices

1. Employer and Workforce Developer

Workforce development for boys and men of color who have been facing barriers to employment should, whenever possible, be aimed at securing positions in sectors with these qualities:
- Potential for job growth.
- Accessibility of jobs for low-skill workers.
- Jobs that offer a livable wage with health and employee benefits.
- "Career ladder" job opportunities that offer career advancement.

Anchor institutions, because of their size and stability, provide a range of relatively secure, well-paying jobs and are often one of the largest employers within a locality. When major construction of infrastructure projects is developed by anchor institutions, the potential is there for significant local hiring into the building trades. However, many contractors on these large projects hire non-local employees or bring in their own workers from across the country.

Efforts should be made to develop internal hiring provisions and policies that explicitly address employment barriers faced by young men and men of color and minority-owned businesses/entrepreneurs. Hospitals, in particular, can build upon opportunities through their community benefits obligation (a requirement made more tangible and far-reaching in the Affordable Care Act) to develop policies for local hiring.

Key Strategies:

- Institute targeted local hiring practices for hard-to-employ residents. Anchor institutions need to develop intentional strategies to design jobs specifically for community residents at the lower end of the socioeconomic scale.
- Partner with educational and social service institutions, as well as community-based providers, to develop long-term job training and work reentry programs, particularly for under-utilized workers. Training for entry-level positions in admin-istrative, janitorial, and food service capacities can be linked with "career" ladder development opportunities. Integrated curricula, or "linked learning," can bring career opportunities in a variety of fields within reach for high school and com-munity college students where the local anchors provide connections, mentors, internships, and other resources.
- Partner with community-based organizations to recruit and train candidates for jobs and job training and reentry programs.
- Offer scholarships or subsidize training and tuition costs to eliminate financial barriers to job-training opportunities.
- Examine the organization's potential for implicit biases that would lessen the employment prospects of marginalized populations, particularly African American men, and take meaningful steps to address those problems. Young men continue to report in various studies that negative stereo-types endure in large organizations, limiting their chances to move through each step of the application and hiring process.
- Individuals with criminal or juvenile justice histories face a number of barriers to employment, particularly in the health-care sector. Implement human resources training and monitoring of basic worker protection/occupational licensing laws, particularly around criminal background checks. Adopt U.S. Equal Employment Opportunity Commission (EEOC) best practices of "banning the box" and delaying review of applicants' conviction histories. Take into account evidence of rehabilitation by the job applicant and provide for appeal procedures.

Case Studies

PG&E PowerPathway Program,[3] San Francisco, California
Based in San Francisco, Pacific, Gas, and Electric Co. (PG&E) is the largest provider of natural gas and electric power in Northern California. PG&E employs over 20,000 individuals and attests to its commitment to diversity within the workforce and among suppliers, as well as a commitment to local communities they serve. In response to a lack of diversity within its existing pool of employee applicants, and in recognition of a wave of pending retirements from among the ranks of technicians, in 2008, PG&E launched PowerPathway, a regional workforce training program aimed at recruiting individuals from low-income communities of color to train as craft workers and technicians. With support from the PG&E Foundation and other state and federal funds, PG&E identified local community colleges in the Bay Area and Central Valley to partner with, including the East Bay Career Advancement Academy, which supported a pilot program at Laney College in Oakland, California. The program offered trainings for a range of soft and technical skills to prepare participants for a range of entry-level positions within PG&E.

During the spring 2008 pilot phase, 78 students participated at community college sites in Oakland, San Mateo, and Fresno, with 56 students continuing to complete PG&E's pre-employment screening test and 43 receiving offers of employment for positions. Since the pilot, over 200 individuals have successfully completed the program, 55 percent of whom were women or people of color. Thus far, 60 percent of participants have been placed in entry-level utility worker positions.

More Information: Visit the website at http://www.pge.com/powerpathway/ and read the PolicyLink report *Pathways Out of Poverty for Vulnerable Californians: Policies that Prepare the Workforce for Middle-Skill Infrastructure Jobs.*

Kaiser Permanente,[4] Oakland, California

Based in Oakland, California, Kaiser Permanente is an integrated managed care organization that comprises three distinct groups: Kaiser Foundation Health Plans, Kaiser Foundation Hospitals, and regional medical groups. It is the largest managed care organization in the United States, currently employing over 167,300 people across nine states and the District of Columbia.

Kaiser Permanente has undertaken policies in an effort to reduce barriers for individuals with a criminal history. Consistent with California law, they limit background check inquiries to criminal convictions that occurred within the past seven years and to mostly serious offenses, rather than lesser offenses like disorderly conduct. They aimed to implement additional changes by the end of 2014 that included eliminating criminal background check questions from the first step of the application process, a candidate's "submission of interest" form.

More Information: Visit the website at http://justicenotjails.org/health-care-job-opportunities/.

2. Purchaser of Goods and Services from Local Enterprises

Anchor institutions hold strong purchasing power and can revitalize local economies by focusing their spending on goods and services offered by local businesses rather than out-of-state or international markets. Even minor changes in anchor institution procurement and local purchasing policies can stimulate neighboring businesses and entrepreneurship opportunities for local residents. Institutions can develop procurement provisions that prioritize contracting with local businesses that are owned by residents of color, or that employ a large proportion of local residents of color, particularly young men and men of color. Supporting these businesses through procurement can allow for business growth and expansion that has the potential to bring in more jobs and hires for residents.

Key Strategies:

- Develop ambitious, long-term local procurement goals, with a commitment to increase local purchasing by a certain percentage within a particular time frame and with an emphasis on businesses owned by women and residents of color or businesses that employ residents of color.
- Institutionalize value for local purchasing, such as integrating local buying as a metric for offices' performance evaluation and including business location in contract consideration.
- Build the capacity of small, locally owned businesses by offering training and supports in navigating purchasing programs and policies.
- Foster relationships with local business communities.

Case Study

The Penn Compact at the University of Pennsylvania,[5] Philadelphia, Pennsylvania

Neighboring the largely residential West Philadelphia neighborhood, the University of Pennsylvania (UPenn) plays a major economic role as an anchor university with 20,000 students, 4,200 faculty, and 174 research centers. To address historical tensions linked to past land expansion policies that led to resident displacement, UPenn developed an initial "Buy West Philadelphia" campaign in 1986 to purchase from local businesses as a way to invest in the surrounding community. This effort evolved into the 2004 institution-wide initiative, the Penn Compact, which elevates local engagement and economic inclusion as core aims. This commitment was facilitated by the strong support from UPenn administration and university trustees toward this goal.

The Penn Compact is part of a comprehensive community revitalization effort that prioritizes local purchasing across the entire university, including construction, local hiring, procurement, and workforce development. Local purchasing has been integrated not only as a goal and value but also as a metric institutionalized in all business and purchasing practices. For example, UPenn takes into account local procurement goals when assessing staff performance evaluations and compensation. The institution has also aimed to strengthen national and local partnerships and provides referral and mentoring supports to suppliers who do not yet qualify as a Penn vendor, such as referring a business to UPenn's Wharton School of Business Minority Business Enterprise Center to receive technical assistance. UPenn also serves as one of the 15 members of the Philadelphia Area Collegiate Cooperative (PACC), a cooperative purchasing organization established in 2000. In 2013, UPenn spent almost $110 million with local suppliers.[6]

More Information: Visit the website at http://www.upenn.edu/president/penn-compact/penn-compact-landing.

3. Incubator of Local Businesses

Given their place-based nature, anchor institutions can serve as important hubs of financial, human, and technological resources that can be leveraged to support local economies. University and hospital campuses, in particular, provide a central source for accessing a wide array of resources—faculty and staff content expertise, information databases, research resources, technology and more—that can help catalyze start-up businesses through partnerships, technical assistance, and other supports.

As Treuhaft and Rubin wrote in an article published in 2013:
> Because entrepreneurs of color are more likely than other firms to hire people of color and locate their firms in communities of color, their growth leads directly to more job opportunities for the groups that need them the most. A survey of Black business owners, for example, found that two-thirds of their employees were Black.[7]

But for significant employment to be generated, the firms have to grow and be sustained, which is where the newer generation of small-business support programs have been making an impact. There are three general types of entrepreneurial businesses that can be assisted in this way by some part of an anchor institution, in particular universities and hospitals, and there is a diversity and inclusion agenda for each type:

- High-tech sector start-ups and expansions, through programs designed to transfer ideas into commercially viable products and services.
- Business-to-business services, often through the procurement process.
- Neighborhood-level commercial and other small businesses, often through technical assistance programs.

The first one is mainly a long-run strategy, with respect to hiring people from low-income neighborhoods, but should be pursued in that context. The second and third categories can yield results in the shorter term. Institutions can support low-income residents and residents of color who own businesses or would like to learn how to become an entrepreneur by offering programs and services to help interested individuals navigate the business start-up process. New businesses supported by institutional resources can help to bring in more jobs to local residents and can also provide residents of color who are currently employed in low-wage jobs a pathway toward business ownership through skills development and training.

Key Strategies:

- Link students with place-based learning opportunities in local business.
- Offer technical assistance and staff/academic expertise for prospective start-up businesses.
- Target outreach to residents of color interested in business start-ups.
- Offer trainings for entry-level employees interested in moving into business management and ownership roles.

Case Study

The Front Door at Wayne State University,[8] Detroit, Michigan
Wayne State University (WSU), based in Detroit, Michigan, serves as a leader and anchor institution partner in the revitalization efforts in the Midtown region of Detroit. In 2009, WSU sought to connect industry with university resources to help stimulate economic development in metro Detroit and developed The Front Door. The Front Door serves as a portal for local businesses to tap into WSU's resources, including faculty consultants, research expertise, facilities, technology, licensing opportunities, and investment in research. In addition to these services, the program also matches students to serve as interns with local businesses to support entrepreneurship efforts. The Front Door is made possible by support from WSU's offices of research, economic development, and development and alumni affairs, as well as the New Economy Initiative for Southeast Michigan.

This program supports the local economic development of TechTown, WSU's research park and business incubator. The Front Door offices are located inside TechTown where teams work with local companies in emerging high-technology industries, such as advanced engineering, life sciences, and alternative energy. TechTown prioritizes businesses that make a commitment to build up economic opportunities in Detroit's central city and emphasize local hiring strategies for underemployed or unemployed residents.

More Information: Visit the website at
http://www.thefrontdoor.wayne.edu/.

4. Community/Neighborhood Developer

Anchor institutions can make critical investments to improve the quality of the physical environment of surrounding communities, including housing, transportation, community safety, and social/cultural centers. Investments into improving the built environment of a community not only help to grow local businesses and foster job opportunities through these businesses, but also help to retain current residents through improved access to quality and affordable housing and allow current residents improved access to transportation systems that can expand their geographic scope of employment options. Additionally, these development projects involve large infrastructure projects that can provide jobs in construction, infrastructure, and other linked services for local residents.

Key Strategies:

- Strengthen partnerships with community-development corporations, public housing agencies, and other investors.
- Ensure that institutional investments in real estate and capital projects prioritize local economic growth and benefit low-income and underserved neighborhoods.
- Engage in local community planning and community-development efforts.

Case Studies

East Baltimore Revitalization Initiative,[9] Baltimore, Maryland
One of Baltimore's key anchors is Johns Hopkins Medical Center. Since its founding, the institution, one of the largest employers in Maryland and world renowned for its care and research, has often had uneasy relations with its neighbors in one of the most distressed neighborhoods in East Baltimore. More than a decade ago, Hopkins, the City of Baltimore, and other institutional partners launched a strategy for expanding its facilities and transforming the neighborhood, a process that is still underway. The East Baltimore Revitalization Initiative (EBRI) involved both the expansion of the medical center and the partial demolition and rebuilding of the residential neighborhood. The expansion calls for approximately 1.7 million square feet of research and development laboratory and office space, to become a hub for enterprises spun off from Hopkins biotechnological and bio-medical research. The new community would include a variety of types of housing, plus retail, hotel, and public facilities, including a park and a new public school jointly run by Johns Hopkins University's Department of Education and Morgan State University's School of Education. The project envisioned

the creation of approximately 9,000 new jobs on the 88-acre site, as well as several thousand construction jobs during its development.[10]

To support the relocation and prevent the displacement of residents due to the demolition of existing housing and other buildings included in the development plan, The Annie E. Casey Foundation provided additional resources toward housing relocation support and established East Baltimore Development Inc. (EBDI) to provide counseling, referrals, and other social and workforce development services for relocated residents. EBDI's mission also provides oversight for development agreements between the Forest City property development company and its local business partners.

Signed in 2002 by the partners, the Minority Inclusion Agreement outlined nine initial objectives and strategies for accomplishing the inclusion of local, minority, and women workers and firms owned by these groups in real estate and businesses, hiring, contracting, and business opportunities. It called for training and employment opportunities in the technical workforce, an incubator for local start-ups, a community reinvestment fund, and other vehicles for spreading economic benefits across East Baltimore.

After a decade, 20 percent of the original plan has been implemented, including a laboratory building, a new school, and other structures comprising 18,000 square feet of retail, creating roughly 1,000 permanent jobs. In all, about 3,000 construction workers have worked on the site; 31 percent of the work hours were completed by residents of Baltimore City and 15 percent by residents from the nine zip codes of East Baltimore closest to the site. EBDI developed in 2007 a pipeline for job and training referrals, services, and relationships with a wider range of employers, which between 2007 and 2013, helped to place 355 individuals into jobs, including 66 who were relocated from the project site.

More Information: Read the report *Expanding Economic Opportunity: Lessons from the East Baltimore Revitalization Initiative,* at http://www.aecf.org/resources/expanding-economic-opportunity/. Also get information about East Baltimore Development, Inc. at http://www.ebdi.org.

Greater University Circle Initiative and Evergreen Cooperatives,[11] Cleveland, Ohio
Home to hospitals, health-care institutions, and other cultural entities, Cleveland's University Circle employs more than 50,000 but also neighbors low-income communities whose realities are in sharp contrast. In 2005, the Greater University Circle Initiative was developed and composed of major anchor organizations, community organizations, and civic leaders; its goal is to address institutional and neighborhood barriers to revitalizing the local community. The initiative works on a range of projects, including transit-oriented development, employer-assisted housing programs, and community engagement.

One of the key roles of anchor institutions in the Greater University Circle area has been to support the development of local economies. Also located within this region is Evergreen Cooperatives, an integrated economic development strategy that aims to generate local economies among low-income communities through partnerships with these anchor institutions in Cleveland. Through a "from the ground up" approach, the Evergreen Cooperatives run three cooperative businesses— a laundry, solar installation farm, and urban farm—and build upon this network of cooperatives to recruit, train, and employ low-income residents and community members of color. They have formed strategic partnerships with local anchor institutions in the Greater University Circle to purchase from these cooperative networks.

More Information: Visit the websites at http://www.clevelandfoundation.org/grants/our-priorities/greater-university-circle/ and http://evergreencooperatives.com/.

5. Capacity Builder for Community-Based Organizations in Child and Youth Development

Some of the most important allies and resources for organizations working with boys and men of color are in universities and other anchors. Anchor institutions can leverage their existing human and financial capital, as well as relationships and networks, to build the capacity of local community-based organizations that engage in youth development efforts to support low-income youth of color in the community. They can serve as a facilitator and convener for local organizations and community leaders to coordinate and shape community development efforts that build upon existing community services and initiatives. Institutions can also partner with local organizations to form coalitions or initiatives to address challenges faced by local youth and families and build local leadership among residents and also offer professional development training and technical assistance to community leaders and program staff.

The case studies profiled below embody truly engaged anchor institutions that make an explicit commitment to developing authentic and genuine partnerships with community partners that support young men and boys of color. As is often the case, they began with an individual or small number of faculty and students making a personal and professional commitment to build the relationships with community leaders, and only later became part of the agenda of their institution.

Key Strategies:

- Develop a shared model of leadership and decision making between institutions and community partners.
- Offer professional development training and technical assistance to community leaders and program staff.
- Facilitate linkages among community residents and stake-holders invested in youth development efforts.
- Coordinate convenings and participate in coalitions to establish learning and practice communities.

Case Studies

Minnesota Youth Community Learning Initiative at the University of Minnesota,[12] Minneapolis, Minnesota
The University of Minnesota is a state land-grant and research university and serves as a major anchor institution in Minneapolis, Minnesota. Not that far from the University of Minnesota campus is the North Minneapolis community, a predominately low-income and racially and ethnically diverse neighborhood. Over the years, community-based initiatives that were developed from existing partnerships between key faculty and community leaders began to garner strong interest and momentum to build an outreach and research center in this neighborhood. In 2003, the Minnesota Youth Community Learning Initiative (MYCL) was established by the university's division of adolescent medicine as a university–community partnership with seven local coalitions to reengage youth in education. Each of the seven community partnerships was anchored by a skill-based, youth mentoring program that aimed to connect youth with caring adults and linkages to meaningful career opportunities. The site in North Minneapolis was based in an Afrocentric community church, another was on a Native American reservation, and a third was in a small prairie meat-packing town whose Latino population had recently grown dramatically. Community and academic partners developed a shared model of leadership and decision making, working together to develop the core components of the initiative, with training, technical assistance, and communication support offered to coalition members through the university. They also created a statewide network that brought together youth advocates from diverse communities across the region.

This partnership and others contributed to the formal establishment of the Urban Research and Outreach Engagement Center (UROC) at the University of Minnesota located in North Minneapolis in 2005, which houses a range of programs that build upon authentic and engaged partnerships with residents and organizations in the Northside region to identify promising solutions to issues faced by the community. In response to resident feedback, the University Northside Partnership (UNP) was also developed and served as a formal convening process to bring together North Minneapolis community organizations, faith-based leaders, and other stakeholders to coordinate resources and investment toward early childhood development and a wide spectrum of support services for local youth.

More Information: Visit the websites at http://www.uroc.umn.edu/about/ and http://www.engagedinstitutions.org/uminn.htm.

The Center for Civic Engagement,[13] **University of Texas at El Paso, El Paso, Texas**

Based at the University of Texas at El Paso (UTEP), the Center for Civic Engagement (CCE) aims to "enhance higher education and contribute to the public good through community-based teaching and learning initiatives that enrich student education, promote civic engagement, and improve the community while capitalizing on the region's and UTEP's social and intellectual capital." Situated in a border community serving many vulnerable communities in the El Paso/Ciudad Juarez region, the center has undertaken a number of innovative community engagement and partnership strategies, including the development of the Nonprofit Enterprise Center (NpEC) and a family literacy program for AVANCE, a child development program. NpEC works with UTEP's CCE to build the capacity of local nonprofit organizations serving the region and connect UTEP students—many of whom are from, have grown up in, and reside in the community—with nonprofits and the joint projects that engage in community change models.

In addition to providing direct services such as family literacy skills, the center leverages existing partnerships to increase investment in local communities, serves as a regional convener and connector for local nonprofit sector leaders, and also offers training, technical assistance, and consultation to over 91 nonprofits in the region. As of 2009, 3,000 students had partnered with 200 community organizations and public agencies that serve vulnerable communities in El Paso, touching the lives of 53,000 children and adults across 43,000 hours of community service and engagement.

More Information: Visit the website at http://academics.utep.edu/cce.

For more information about anchors addressing their community impact, contact:
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Notes

1 Sarah Treuhaft, Ruben Lizardo, and Victor Rubin, *Engaged Institutions Cluster: An Evaluation of Partnerships and the Sustainability of Community Engagement at Four State Universities* (Oakland, CA: PolicyLink, 2009).

2 J. Kauper-Brown and SD Seifer, *Health Institutions as Anchors in Communities: Profiles of Engaged Institutions* (Seattle, WA, 2006)

3 Victor Rubin et al., *Pathways Out of Poverty for Vulnerable Californians: Policies that Prepare the Workforce for Middle-Skill Infrastructure Jobs* (Oakland, CA: PolicyLink, 2010).

4 All information in this case study, unless otherwise noted, was informed by "A Healthy Balance: Expanding Health Care Job Opportunities" Justice Not Jails, http://justicenotjails.org/health-care-job-opportunities/ (accessed June 2014).

5 Solana Rice, *Buy Newark: A Guide to Promoting Economic Inclusion Through Local Purchasing* (Oakland, CA: PolicyLink, 2012).

6 "Local Community Supplier Spend" University of Pennsylvania Purchasing Services, http://www.purchasing.upenn.edu/supply-chain/local-community-supplier-spend.php (accessed December, 2014)

7 Sarah Treuhaft and Victor Rubin, *Economic Inclusion: Advancing an Equity-Driven Growth Model* (Berkeley, CA: UC Berkeley Institute for Research on Labor and Employment, Big Ideas for Jobs project, 2013).

8 All information in this case study, unless otherwise noted, was informed by The Front Door for Business Engagement at Wayne State University. http://thefrontdoor.wayne.edu (accessed June 2014).

9 All information in this case study, unless otherwise noted, was informed by Marsha R. B. Schachtel *The East Baltimore Revitalization Initiative: A Commitment to Economic Inclusion* (Baltimore, MD: The Annie E. Casey Foundation, 2011).

10 Richard Clinch, *The Workforce Supply and Demand Characteristics of the East Baltimore Development Inc. Redevelopment Effort,* University of Baltimore (Baltimore, MD: June, 2009).

11 All information in this case study, unless otherwise noted, was informed by the Evergreen Cooperatives website http://evergreencooperatives.com/ (accessed June 2014).

12 All information in this case study, unless otherwise noted, was informed by Sarah Treuhaft, Ruben Lizardo and Victor Rubin, *Engaged Institutions Cluster: An Evaluation of Partnerships and the Sustainability of Community Engagement at Four State Universities* (Oakland, CA: PolicyLink, 2009).

13 Ibid.

Acknowledgments

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Victor Rubin is vice president for research at PolicyLink. He has been an urban planning researcher, teacher, and consultant for more than 30 years. He has worked on community strategies for anchor institutions as a partnership director, grantmaker, evaluator, and writer. Recently, he has led engagements by PolicyLink regarding strategies for equitable economic growth and inclusion in Detroit, Baltimore, and other cities, and coauthored several articles on inclusive development.

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Kalima Rose is senior director of the PolicyLink Center for Infrastructure Equity. She leads the organization's sustainable communities work, helping implement regional equity, fair housing, and new infrastructure investments that strengthen economic resilience. She worked closely with Gulf Coast communities to shape a more equitable post-Katrina rebuilding of New Orleans and Louisiana.

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