



Anchor Institutions & Community Building

**Presentation for LISC Urban Forum on
Linking Your CDC to Local Anchor Institutions**

April 23, 2008

**Steve Dubb, Senior Research Associate
The Democracy Collaborative, University of Maryland
www.community-wealth.org**

Types of Anchor Institutions

- Universities
- Hospitals
- Museums
- Performing Art Centers
- Other cultural institutions (theaters, zoos, etc.)
- Churches/Mosques/Temples/Synagogues

What is an Anchor Institution?

- “Sticky capital” that doesn’t get up and leave
- Typically among the largest employers in most major metropolitan areas
- Local economic engines: employ large numbers of people purchase large amounts of goods & services
- Vested interest in surrounding communities
- Typically non-profit
- Largely untapped potential

Higher Education Anchors

- 4,000+ colleges & universities
- \$350 billion+ a year of economic activity
- \$411 billion in endowment investments
- 2 million employees
- 16 million students

In 1996, the latest year for which data is available, the more than 1,900 urban-core universities spent \$136 billion on salaries, goods, and services—nine times greater than federal direct spending on urban business and job development in the same year.

(Michael Porter, Harvard Business School, 2002)

Leveraging University Resources for Community Benefit

- **University of Pennsylvania:** procurement, community school, community health program
- **University of Cincinnati:** \$100 million in mixed use development
- **Duke:** housing land trust, Latino credit union financing
- **University of Illinois:** CDC, \$24 million mixed-used project
- **Trinity College:** endowment investment
- **Portland State:** training for community-based organizations, neighborhood redevelopment

Types of University “Partnering” Practices

Service Learning

Over 1,000 colleges in Campus Compact; 30% of students at member colleges participate. Labor value \$5.6 billion. Growing focus on sustained problem-solving efforts.

Community Partnerships

Since 1994, HUD has disbursed \$80 million in partnership center grants to 177 colleges. Additional \$131 million to 184 colleges for community development at minority-serving institutions.

Leveraging Assets

- Investing endowments: Ohio State, Trinity College, Clark, University of Cincinnati
- Local purchasing/hiring: LeMoyne-Owen, Penn, USC
- Mixed-use development: Howard, Washington-Takoma
- Business incubation: N. Kentucky, Va. Commonwealth

Meeting Community Needs

- Urban community research centers: UI-Chicago, Michigan State
- Affordable housing: Jackson St., U. Texas Pan American
- University K-12 partnerships: Coppin State, Penn
- Comprehensive urban mission: Portland St. (OR), U. Wisconsin Milwaukee

University Approaches to Partnering

STRATEGY

HOW IT WORKS

Community investment
(LeMoyne-Owens)



Use university to leverage private investment into area; support local business contracting.

Urban Research Center
(UI Chicago, Michigan State, Cleveland State)



Combine local community development efforts with strong research-based center that has urban focus.

Community field projects
(Tufts, Emory)



Engage faculty and students to work in year-long community problem-solving programs.

Technical assistance
(UCLA)



Concentrate expertise, such as with a studio course (all students focus on single problem) or GIS mapping, to assist community groups.

Local capacity building
(UI Urbana-Champaign)



Sustained, long-term community development effort focused on specific neighborhoods.

Community-school approach
(Penn)



Use work in public schools as launching pad for broader community revitalization efforts.

Leveraging University Resources

Sources of Leverage

Nationally: \$350 billion a year in purchasing; 2% of nation's employees

Cleveland area: \$2.4 billion annual revenues; \$3.4 billion total endowments

Real estate holdings

Education, research & technical expertise



Available Means

- Endowment Investments
- Employment policies
- Local purchasing
- Real estate investments
- Technical assistance
- Business incubation



Potential Benefits

- Revitalized neighborhoods
- Increased local hiring, livable wages
- Affordable housing
- Financial education/literacy
- Small business expansion
- Increased nonprofit capacity

Example: A comprehensive effort begun at Penn in West Philadelphia in 1996 more than tripled local purchasing from \$20.1M to \$70M by 2005, while helping reduce local area crime rates by 40% and spurring \$370M in private investment.

Leveraging Endowments for Community Benefit

University	City	Use of Endowment	Amount
Clark	Worcester, MA	Education/Community building	\$7M
Duke	Durham, NC	Latino credit union finance	\$5M
Harvard	Cambridge, MA	Affordable housing loan fund	\$20M
Ohio State	Columbus, OH	Mixed-use development	\$28M
Trinity	Hartford, CT	Education/Community building	\$5.9M
U. of Cincinnati	Cincinnati, OH	Mixed use development	\$100M

Leveraging Hospitals for Community Benefit

Sources of Leverage

\$600 billion a year in purchasing power, 3% of all employees

Real estate, endowment assets

Physician research & technical expertise



Available Means

- Use of endowments
- Employment policies
- Local purchasing
- Real estate investments
- Technical assistance
- Business incubation
- Non-profit support work



Potential Benefits

- Revitalized neighborhoods
- Increased local hiring, livable wages
- Affordable housing
- New retail development
- Small business expansion
- Increased nonprofit capacity

Hospitals & Health Programs

- Mayo Clinic & Rochester Area Foundation (Rochester, MN)
- Swedish American Health System (Rockford, IL)
- Health Alliance – 5 Hospitals & Uptown Consortium (Cincinnati, OH)
- West Virginia Medical Schools & Kellogg Foundation
- Kaiser Permanente: local food procurement program

Hospital Examples in Detail

- **Mayo Clinic** (Rochester, MN): Donated \$7 million to provide rental housing, community land trust (shared equity) housing, and home ownership. Mayo's \$7 million spurred \$7 million in matching donations and leveraged \$115 million in public & private investment. More than 600 housing units produced to date.
- **Swedish American Health System** (Rockford, IL): Homeownership assistance program for homes bought within a 6-block radius of the hospital, which includes a \$5,000, five-year forgivable grant (\$10,000 for low-income employees).
- **Health Alliance** (Cincinnati, OH): Set and exceeded a \$23 million target for purchasing from local minority suppliers.

Opportunities & Challenges for CDCs

The opportunities in terms of CDC access to resources and an increased willingness on the part of many anchor institutions to partner with CDCs are obvious. Nonetheless, the challenges are obvious too. These include:

- Inequality of resources between community group & large anchor institutions
- History of anchor institution's interaction with community is often negative
- Large anchor institutions have bureaucracies that can be difficult to decipher
- Paternalism on the part of anchor institutions can jeopardize collaboration
- Anchor institutions can be grant competitors, as well as collaborators
- Alliance with anchors may be perceived negatively by CDC constituents
- While one part of an anchor may partner with a CDC, that effort can be undermined by other actions taken by a different part of the same institution
- Anchor may be more interested in neighborhood improvement than community development.

Ways CDCs Can Confront Challenges

- Educate yourself: Understand the missions of your local anchor institutions and see where there might be a fit with your mission. Just as with foundations, no two anchor institutions are alike.
- Planning: Identify your needs and then look for specific departments of the local anchor where interests overlap. Some anchor institutions have a “one-stop” partnership office that can help direct you. In other cases, you have to do more of the homework yourself.
- Follow Through: Work out “ground rules” for engagement. Don’t be intimidated. Bear in mind that the philosophy of “community engagement” — even if not always implemented — is of “community-led engagement.” Make your expectations known.

CDC Examples

- Vickie Johnson, Fairfax Renaissance CDC, Cleveland, OH: partnership with Cleveland Clinic.
- Alisa Orduña Sneed, The Partnership CDC, Philadelphia, PA: partnership with University of Pennsylvania

Resources

- CEOs for Cities and Institute for a Competitive Inner City (ICIC), Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda. Boston, MA: CEOs for Cities and ICIC, spring 2002.
- Community-Wealth.org sections on Community-University Partnerships:
www.community-wealth.org/strategies/panel/universities/index.html
- Community-Wealth.org sections on Anchor Institutions:
www.community-wealth.org/strategies/panel/anchors/index.html
- Steve Dubb and Ted Howard, Linking Colleges to Communities: Engaging the University for Community Development, College Park, MD: The Democracy Collaborative at the University of Maryland, August 2007.
- Ira Harkavy and Harmon Zuckerman, Eds and Meds: Cities' Hidden Assets, Washington, D.C.: The Brookings Institution Center on Urban and Metropolitan Policy, September 1999.
- David Maurrasse, City Anchors: Leveraging Anchor Institutions for Urban Success, Chicago, IL: CEOs for Cities, September 2007.
- Michael Romanos, David Edelman, and Mahyar Arefi, UC/Community Interactions and Collaborations, A Study of Peer Institutions: Main Report, Cincinnati, Ohio: University of Cincinnati, Office of the President, November 2006.
- Wim Wiewel and Gerrit-Jan Knaap. Partnerships for Smart Growth: University-Community Collaboration for Better Public Places. Armonk, NY: M.E. Sharpe, March 2005.