



Leveraging Anchor Institutions for Local Job Creation

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Continuum of Wealth-Building Strategies

BROADENING OWNERSHIP OVER ASSETS AND CAPITAL



Family Wealth Building	Shared Equity	Community/Worker Ownership	Public Ownership or Investment
<ul style="list-style-type: none"> –Individual Development Accounts –Microenterprise –Family Self-Sufficiency Program –“Baby Bonds” & child savings accounts –Earned Income Tax Credit volunteer assistance programs –Alternatives to predatory lending –Nonprofit financial education programs 	<ul style="list-style-type: none"> –Community Land Trusts –Limited Equity Cooperatives –Deed restriction (inclusionary zoning) –Mixed ownership (Market Creek) –Program-Related Investments –CDC/CDFI equity investments or joint ventures –Community benefits agreements 	<ul style="list-style-type: none"> –<i>Anchor institutions (eds, meds, churches, museums, libraries)</i> –ESOPs or worker cooperatives –Credit unions –Community corporations –CDC or CDFI direct ownership –Social enterprises –Commons-based enterprises (e.g., Wikipedia, Creative Commons licenses) 	<ul style="list-style-type: none"> –Municipal enterprise –State & local venture investments –Public pension fund ETIs (economically targeted investments) –Public leases: land & transit development –Stock warrants in exchange for granting tax breaks (fair exchange) –Trustee ownership (e.g., Alaska Permanent Fund)

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 engine: employs large numbers of people purchase large amounts of goods & services
- Vested interest in surrounding communities
- Typically non-profit: has public mission
- Largely untapped potential

Universities, Hospitals & Community Benefit

Sources of Leverage

\$1 trillion a year— more than 6% of GDP, 5% of all employees



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



Three Hospital Examples

Henry Ford Hospital (Detroit)

- Incentivized local hiring (7% of exec bonuses linked to these goals).
- Pays local vendors a month in advance to provide working capital.
- "Live Local, Buy Local, Hire Local" initiative

Sinai Health System (Chicago)

- Incubated North Lawndale Employment Network, owner of Sweet Beginnings, a social enterprise employing 74 people as of 2008.
- Renovated Hollenbach Sausage Factory brownfield site (\$7M project). 12K sq ft. building now houses Center for Families and Neighbors.

Catholic Healthcare West (San Francisco)

- Community Investment Program provides low-interest loans: Since 1992, \$49 million lent out to 88 different nonprofit organizations.

Leveraging University Endowments

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	\$148.6M

Ways to Leverage Anchor Purchasing (Democracy Collaborative interviews)

- Shuttle service between facilities
- Environmentally friendly industrial-scale laundry service
- Environmentally friendly energy & facility upgrade business
- Green friendly practices in food service (recycled cutlery, etc.)
- Separating non-hazardous medical wastes for recycling
- Solar panel installation on rooftops
- Recycling service for confidential papers
- Deconstruction (reuse of materials for building construction)
- Locally grown organic produce that could be made available for sale in hospital & university cafeterias & restaurants
- Ecologically friendly landscaping business
- Document scanning business
- Fleet equipment maintenance