Anchor Institutions
Building Stronger & More Resilient Communities

Ted Howard
President
The Democracy Collaborative

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WHY ARE ANCHOR INSTITUTIONS IMPORTANT TO COMMUNITIES?

- “Sticky capital”
- Economic engines: employer and purchaser
- Vested interest in surrounding communities
- Typically nonprofit or public
“Eds and Meds” Economic Impact: The United States Case

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>9 million+</td>
</tr>
<tr>
<td>Annual Expenditures</td>
<td>$1 trillion+</td>
</tr>
<tr>
<td>Annual Procurement</td>
<td>$500 billion+</td>
</tr>
<tr>
<td>Investment Portfolios/Endowments</td>
<td>$750 billion+</td>
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</tbody>
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Strategies for Deploying Economic Assets:
Hospitals Aligned for Healthy Communities toolkit series:

- Inclusive, Local Hiring: Building the Pipeline to a Healthy Community
- Inclusive, Local Sourcing: Purchasing for people and place
- Place-based Investing: Creating Sustainable Returns and Strong Communities

HospitalToolkits.org
Advancing the Anchor Mission of Healthcare

Hospitals and health systems aligning for healthy communities
Healthcare Anchor Network participants

Adventist Health System
Advocate Health Care
Bon Secours
Boston Medical
Catholic Health Initiatives

The Children's Hospital of Philadelphia
Christiana Care Health System
Cleveland Clinic
Dartmouth-Hitchcock
Dignity Health

Fairview
Geisinger
Gundersen Health System
HealthEast Care System
Henry Ford Health System

Kaiser Permanente
MercyHealth
Northwell Health
Our Lady of the Lake Regional Medical Center
Partners HealthCare

Presbyterian
Presence Health
Promedica
Providence St. Joseph Health
UCSF

Rush University Medical Center
RWJBarnabas Health
Seattle Children's Hospital Research Foundation
Trinity Health

UMass Memorial
VCU Health
Higher Education Anchor Mission Initiative

Colleges and universities in the United States are local centers of research and innovation. Imagine what these capabilities could accomplish if they were fully aligned to help collaboratively solve the problems facing our nation's most underserved communities.

We employ over 4 million people. Imagine how much opportunity colleges and universities could create through inclusive hiring and workforce development in our hardest-hit neighborhoods.

We spend over $43 billion on goods and services each year. Imagine how much stronger local economies could be if more of this purchasing power was spent in the communities our colleges and universities call home.

We hold $515 billion in endowments. Imagine the potential impact if more of these funds were invested in transformative local economic development.

CUMU & The Democracy Collaborative have partnered to help 31 colleges and universities from across the US embrace and advance the anchor mission.
Anchor Assets

Functional Assets
- Community planning & leadership
- Business & financing
- Partnering capacity
- Communications
- Government relations
- Public policy
- Healthcare services
- Research, data, and technology
- Diversity & inclusion
- Labor-management relations
- Reputation

Discretionary Assets
- Community benefit grants
- Community health initiatives
- Social & economic support services
- Foundation & philanthropic initiatives

Economic Assets
- Hiring and workforce
- Procurement/purchasing
- Treasury and investment
- Construction
- Real estate and facilities
The anchor mission approach:

A commitment to intentionally apply an institution’s long-term, place-based economic power and human capital in partnership with community to mutually benefit the long-term well-being of both.
We can leverage many of our activities in key functional areas to understand the economic, environmental and social impacts.
Dignity Health (CA, NV, & AZ)
Community Investment Program: $100 million loan fund; low-interest loans – “patient lender” – for low-income communities
“Green” Procurement
Gundersen-Lutheran Health System

- Developed local wind (14M kwh) and biogas. 100% renewable energy sourcing goal achieved.
- Set goal of 20% local food production.
- Founding member of multi-stakeholder Fifth Season farmer-consumer cooperative.
- Pursue local purchasing through local subcontracting with first-tier suppliers.
Henry Ford Health System

• **Transparent Sourcing Policy:** contracts of $20K or more must go out to public bid, making more contracts accessible to MBEs/WBEs

• **Set purchasing target:** $100M purchasing goal from MBEs and WBEs; reached $86M; purchases with 660 minority-owned suppliers

• **Source Detroit:** partners with other anchor institutions to drive portion of $1.6B in purchasing locally; $16.5M (about 1%) transferred to date
University Hospitals (Cleveland, OH)

Vision 2010: $1.2 billion construction and procurement over 5-year period; voluntarily set (and exceeded) goals for local spending, MWBEs
Cleveland’s Greater University Circle Initiative

An Anchor-Based Strategy for Change

Walter Wright
Kathryn W. Hexter
Nick Downer

DEMOCRACY COLLABORATIVE
CLEVELAND ANCHOR INSTITUTION PROCUREMENT
$3 Billion+ Annually

Cleveland Clinic

University Hospitals

Cleveland State University

Case Western Reserve University
Evergreen Cooperatives: 200+ Employees, 50% Owners

Catalyzed by the Cleveland Foundation, Democracy Collaborative, City of Cleveland, others. In partnership with the city’s major anchors.
Green City Growers
Cleveland, OH
The Preston Model
Why anchor institutions?

Anchor Institutions: Spend a lot of money
Employ a lot of people
Rooted in the local area

Education providers
Local government
Voluntary and community sector
Police
Private Businesses
Hospitals
Housing providers

Education providers
Local government
Voluntary and community sector
Police
Private Businesses
Hospitals
Housing providers
Starting point: evidence

Top 300 suppliers (by value) of each Anchor

£750m

5% of spend within the Preston City Council boundary

61% of spend leaking out of the Lancashire economy
The change

Top 300 suppliers (by value) of each Anchor

£616m

18% of spend within the Preston City Council boundary

20% of spend leaking out of the Lancashire economy

Increase of £70million

Increase of £200million
We cannot solve our problems with the same thinking we used when we created them.

Albert Einstein - www.quoteikon.com
Thank You

For more information:
www.community-wealth.org
www.DemocracyCollaborative.org

Ted Howard
President
Democracy Collaborative
thoward@democracycollaborative.org