

Redefining RustBelt: The Role of Anchor Institutions and the Arts

December 10, 2013

Organized by the Federal Reserve Bank of Richmond

The **Connecting Communities**[®] audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

Welcome

Thank you to everyone for joining this session.

For today:

- This call is being recorded.
- An archived recording of this session will be available on the **Connecting Communities**[®] web site shortly after the session has taken place:
www.stlouisfed.org/connectingcommunities/
- We will be taking questions via email during this session. Please direct your questions to communities@stls.frb.org. These questions may be part of the recorded archive for this session.
- In connection with this session, several of our Reserve Bank offices have posted links to a variety of additional resources on this topic. We encourage you to browse through this list and to contact your regional office if you would like additional information on any of these items.

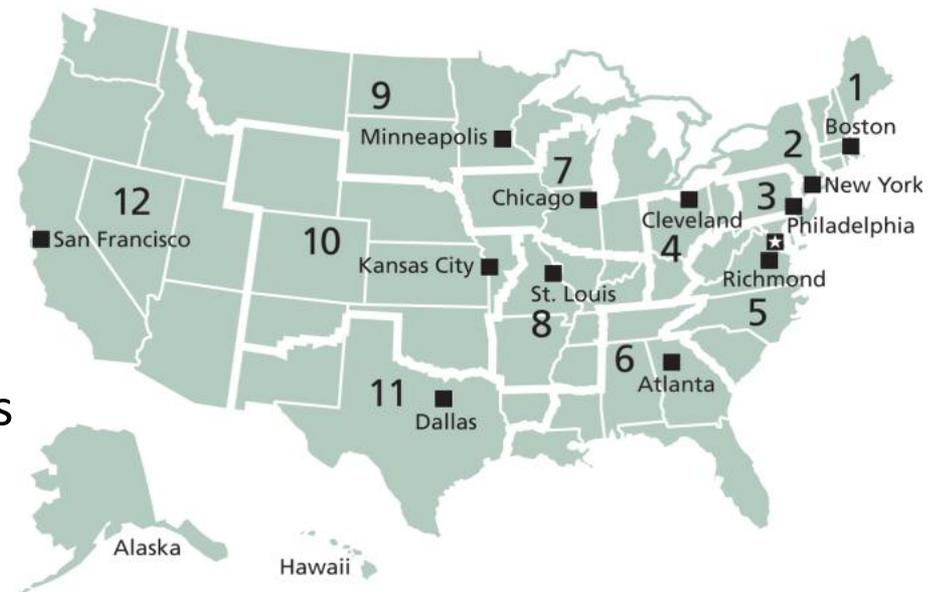
Legal Notices and Disclaimer

The information, analyses, and conclusions set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

Community Affairs

Community affairs programs at the Federal Reserve Board and the 12 Federal Reserve Banks support economic growth by promoting community development and fair access to credit.

Community affairs offices at the Board and Reserve Banks engage in a wide variety of activities to help financial institutions, community-based organizations, government entities, and the public understand and address financial services issues that affect low- and moderate-income people and geographic regions.



Community Affairs (continued)

- Each office responds to local needs in its district and establishes its own programs to:
 - Foster depository institutions' active engagement in providing credit and other banking services to their entire communities, particularly traditionally underserved markets
 - Encourage mutually beneficial cooperation among community organizations, government agencies, financial institutions, and other community development practitioners
 - Develop greater public awareness of the benefits and risks of financial products and of the rights and responsibilities that derive from community investment and fair lending regulations
 - Promote among policy makers, community leaders, and private-sector decision makers a better understanding of the practices, processes, and resources that result in successful community development programs

Today's Presenters and Agenda

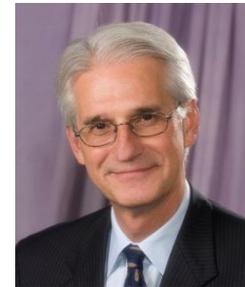
- **Ted Howard**, *Executive Director*, The Democracy Collaborative
- **Ellen Janes**, *Senior Manager*, Federal Reserve Bank of Richmond
- **Mary Helen Petrus**, *Manager, Community Affairs*, Federal Reserve Bank of Cleveland
- **Amy Lempert**, *Community Development Advisor and Outreach Coordinator*, Federal Reserve Bank of Philadelphia
- **Robin Newberger**, *ER Senior Business Economist*, Federal Reserve Bank of Chicago

- The following will be discussed:
 - The Anchor Dashboard Presentation of Findings

The Anchor Dashboard Presentation of Findings

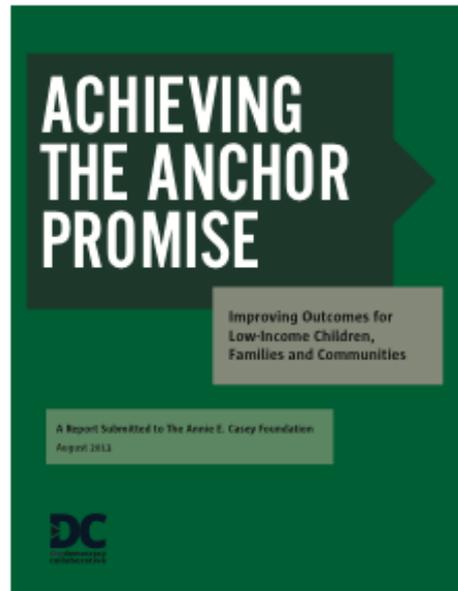
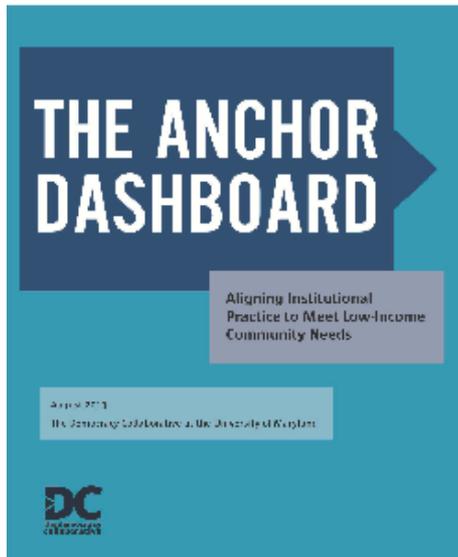
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The Anchor Dashboard Presentation of Findings

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www.community-wealth.org



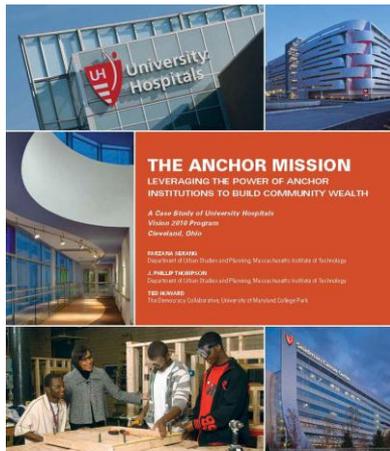
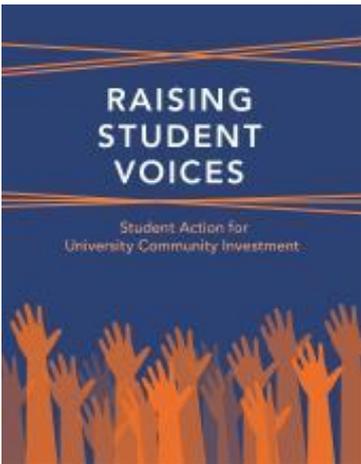
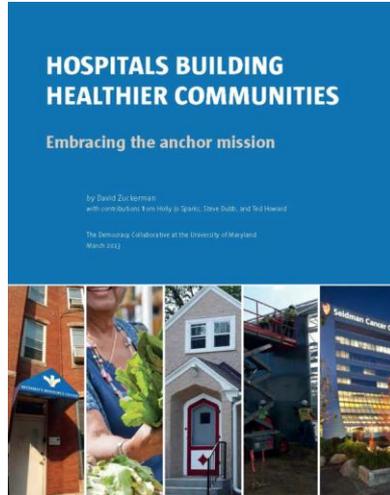
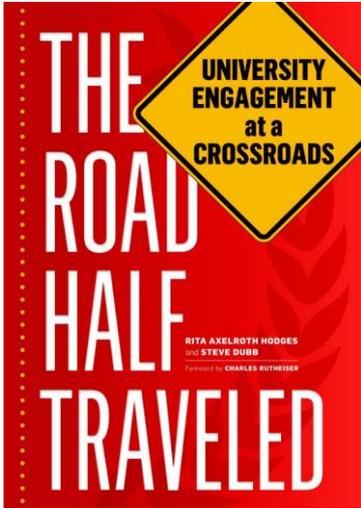
Presentation to the
Redefining Rustbelt Cities Videoconference
Federal Reserve Banks of Cleveland,
Chicago, Philadelphia and Richmond

December 10, 2013

About the Democracy Collaborative

Mission: Promote innovations in Community Wealth Building that stabilize neighborhoods, create jobs, anchor capital and enhance local democratic life.

- Research
- Advisory
- Field Building



What Is Community Wealth Building?

A new approach to community development that creates economic prosperity by democratizing wealth and ownership. Key facets of this approach include:

- promote broader ownership of capital
- anchor jobs locally
- stop the leakage of dollars from communities
- support individual and family asset/wealth building
- reinforce stewardship
- generate revenues to finance public services
- enhance local economic stability
 - leverage anchor institutions for community benefit

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
- Increasingly concerned with sustainability
- Typically public or non-profit “social mission”
- Largely untapped potential (e.g., more than \$1 Trillion in annual expenditures)

Types of Anchor Institutions

- Universities
- Hospitals
- Local Governments
- Museums
- Performing Arts Centers
- Libraries
- Sports teams
- Other Cultural Institutions (theaters, zoos, etc.)
- Churches/Mosques/Temples/Synagogues

Economic Dimension of “Eds & Meds”

- Annual Expenditures:
 - Hospitals: \$700 billion
 - Universities: \$460 billion
 - More than \$1 trillion; 6 percent of GDP
- Endowments:
 - Hospitals: \$400 billion
 - Universities: \$300 billion

Benefits of Local Procurement



Local Procurement benefit to anchors:



Better vendor servicing/better access to critical goods and services in crisis situation/decrease carbon footprint/lower costs



Local Procurement benefit to community:



Increasing local employment/stabilizing neighborhoods



Building a network of inter-connected vendors, purchasers, financial institutions, training and higher education



What Do We Mean by the “Anchor Mission”?

To consciously and strategically apply the long-term, place-based economic power of the institution, in combination with its human and intellectual resources, to better the welfare of the communities in which they reside, and in particular low- and moderate-income neighborhoods.

Why an Anchor Dashboard?

- Growing recognition that community economic development is part and parcel of what anchor institutions do
- **But how do we know these initiatives are working?**
Are they producing outcomes that meet the needs of low-income families and neighborhoods?
- **Needed:** Targeted outcomes; Indicators; Data Collection
- **Caveat:** The Dashboard is a starting point, not the final word. Our hope is that some institutions will pilot its use so that it can be refined over time and a learning community can be established.

Dissemination Activities

THE CHRONICLE
of Higher Education



SHELTERFORCE



LIVING CITIES
INNOVATE • INVEST • LEAD



ICIC



2013 MASSUMMIT
FOR NEW YORK CITY

PolicyLink

Anchor Institutions Task Force



Florida | **Campus Compact**



ROOSEVELT
INSTITUTE | **CAMPUS NETWORK**

DC the democracy collaborative

Research Method and Results



Conducting Field Interviews

Interviewee Affiliation	Number Interviewed
University center directors and/or staff	17
University administrators (including five presidents)	11
Community-based organization (locally focused)	15
Community development or advocacy groups (mostly nationally focused)	15
Associations tied to the university sector	11
Foundations	2
Federal agency officials	2
Hospitals	2
TOTAL	75

Community Group Interviews

- Atlanta Neighborhood Development Partnership (Atlanta, GA)
- Deep South Center for Environmental Justice (New Orleans, LA)
- Detroiters Working for Environmental Justice (Detroit, MI)
- Durham Community Land Trustees (Durham, NC)
- Hawthorne Community Center (Indianapolis, IN)
- Ivanhoe Neighborhood Council (Kansas City, MO)
- Northside Resident Redevelopment Council (Minneapolis, MN)
- People for Community Recovery (Chicago, IL)
- Steel Valley Enterprise Zone (Western PA)
- Strategic Action for a Just Economy (Los Angeles, CA)
- Partnership Community Development Corporation (Philadelphia, PA)
- UPROSE (United Puerto Rican Organization of Sunset Park) (Brooklyn, NY)
- Urban Habitat & Race Poverty and the Environment (Oakland, CA)
- WeAct for Environmental Justice (New York, NY)
- West Oakland Environmental Indicators Project (Oakland, CA)

Operational Challenges

- Community distrust
- Institutional buy-in
- Internal governance
- Connecting to mission
- Building relationships
- Creating a diversified approach
- Race and cultural divisions
- Institutional fragmentation
- Difficulty in tracking results

Measurement Challenges

- Access to data and resources to track metrics
- Impact is often a product of a collective process, not of a single institution
- Need to measure what is important, not simply what is easiest to measure
- Operationally, need to measure over the long haul, not merely for a year or two

Measurement Solutions

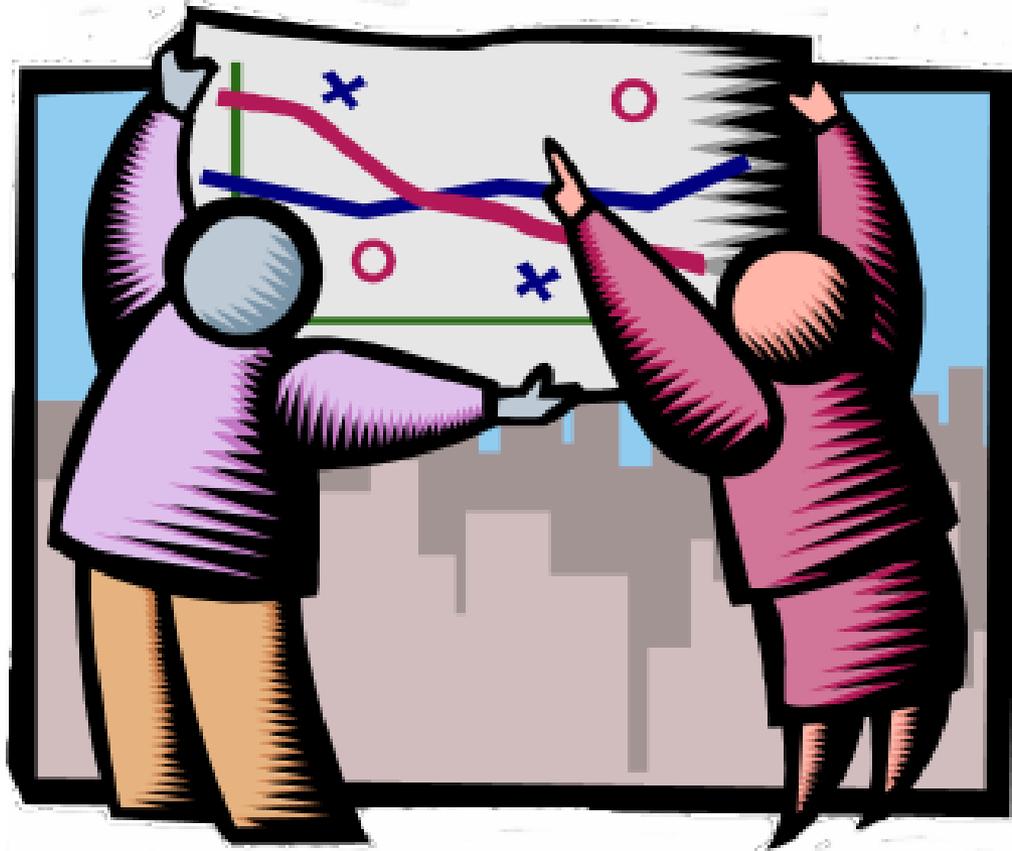
“The point is not to measure everything. While in each area there are hundreds of things [to measure], let’s agree on a few key indicators ... Perfect data can be the enemy of the good.”

Wim Wiewel, President
Portland State University

Measurement Principles

- Focus on what anchor institutions can control, not what they cannot
- Set benchmarks
- Use policy metrics to assess impact in areas where numerical goals won't work
- Establish goals and timelines
- Include metrics that have known relations to improving local economic multipliers

Desired Outcomes and Indicators



Anchor Mission Dashboard

ANCHOR MISSION DASHBOARD

COMMUNITY BENEFIT

ECONOMIC DEVELOPMENT



EQUITABLE LOCAL & MINORITY HIRING

EQUITABLE LOCAL & MINORITY BUSINESS PROCUREMENT

VIBRANT ARTS & CULTURAL DEVELOPMENT

THRIVING BUSINESS INCUBATION

AFFORDABLE HOUSING

SOUND COMMUNITY INVESTMENT

HEALTH, SAFETY & ENVIRONMENT



HEALTHY COMMUNITY RESIDENTS

SAFE STREETS & CAMPUSES

HEALTHY ENVIRONMENT

COMMUNITY BUILDING & EDUCATION



STABLE & EFFECTIVE LOCAL PARTNERS

FINANCIALLY SECURE HOUSEHOLDS

EDUCATED YOUTH

Key Themes

- Define what you mean by your “community”
- Define specific desired outcomes
- Focus on two principal kinds of indicators:
 - 1) Indicators that measure the status of the community
 - 2) Indicators that measure institutional effort to improve the status of the community

Equitable Local and Minority Hiring

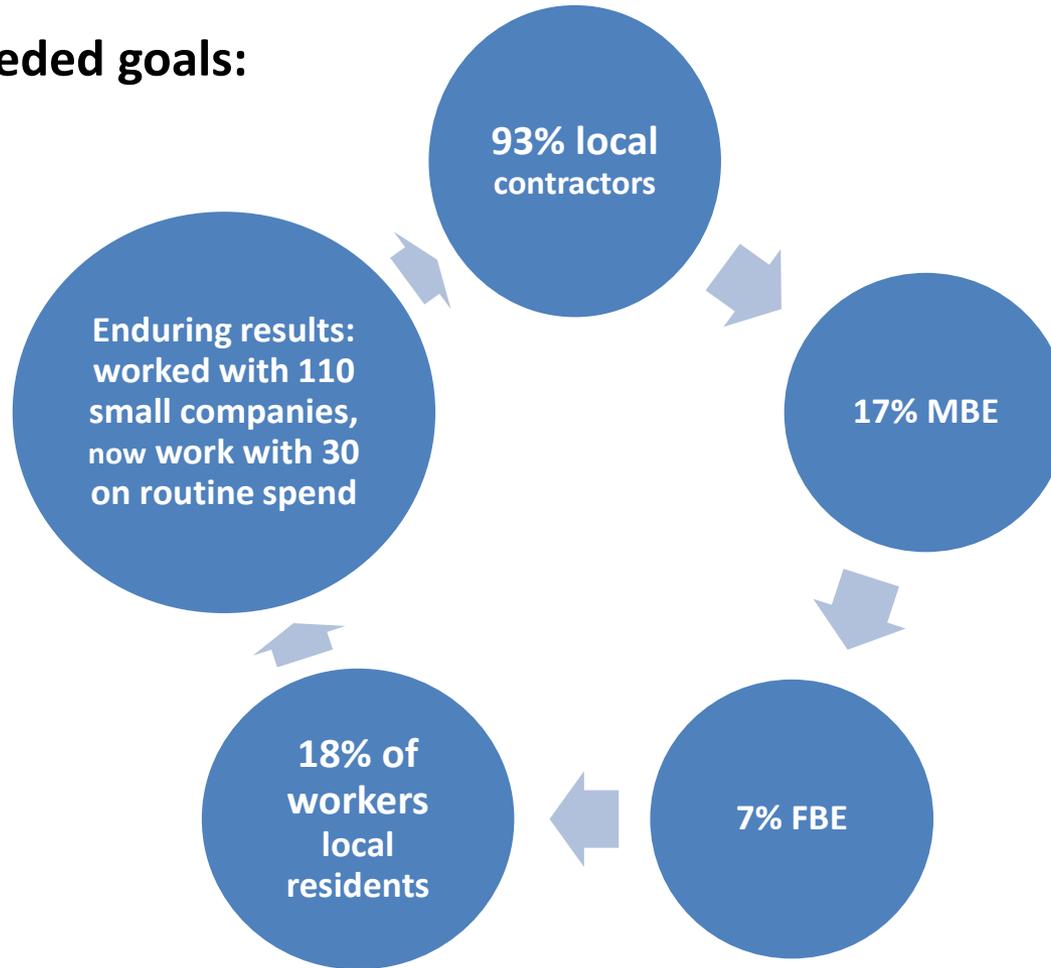
ECONOMIC DEVELOPMENT	DESIRED OUTCOMES	EQUITABLE LOCAL & MINORITY HIRING
	ILLUSTRATIVE INDICATORS	Percent of local and minority hires in staff positions
		Percent employed at living wage or above
	DATA SOURCE	Institutional data

Equitable Local and Minority Business Procurement

ECONOMIC DEVELOPMENT	DESIRED OUTCOMES	EQUITABLE LOCAL & MINORITY BUSINESS PROCUREMENT
	ILLUSTRATIVE INDICATORS	Percent of procurement dollars directed to local, minority-owned, and woman-owned businesses
	DATA SOURCE	Institutional data

University Hospitals (Cleveland) Vision 2010 Construction of Major New Facilities Cost \$1.2 Billion

Results exceeded goals:



Thriving Business Incubation

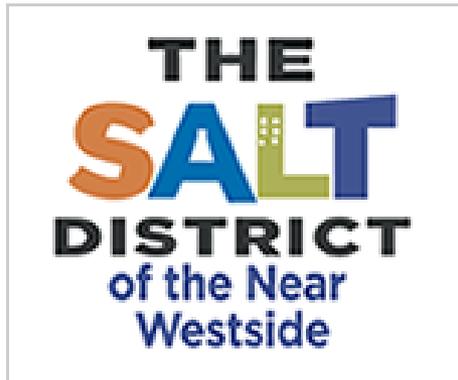
 ECONOMIC DEVELOPMENT	DESIRED OUTCOMES	THRIVING BUSINESS INCUBATION
	ILLUSTRATIVE INDICATORS	Jobs and businesses created and retained (1 year, 5 years)
		Percent of incubated businesses serving low-income and minority populations
		Dollars directed toward seed funding for community-owned business
	DATA SOURCE	Institutional data

Vibrant Arts and Cultural Development

ECONOMIC DEVELOPMENT	DESIRED OUTCOMES	VIBRANT ARTS & CULTURAL DEVELOPMENT
	ILLUSTRATIVE INDICATORS	Dollars spent on arts and culture-based economic development
		Number of arts and cultural jobs and businesses created and retained
	DATA SOURCE	Institutional data

Syracuse University: Near West Side Initiative

Syracuse Arts, Life and Technology District



- \$13.8M Debt Reinvestment Funds applied to revitalization of neighborhood, with focus on arts and culture
- Home Ownership Grant and Guaranteed Mortgage Programs
- Connective Corridor

Affordable Housing

 ECONOMIC DEVELOPMENT	DESIRED OUTCOMES	AFFORDABLE HOUSING
	ILLUSTRATIVE INDICATORS	Dollars invested in creating affordable housing
		Dollars invested in community land trusts
		Percent of households below 200 percent of poverty line that spend <30 percent of income on housing
	DATA SOURCE	Institutional data, official records (census)

Mayo Clinic (Rochester, MN)

- Helped to finance the “First Homes” community land trust to maintain housing affordability in the community
- 875 units of housing were constructed; 210 in the land trust
- All homes within a 30-mile radius of Rochester



Sound Community Investment

ECONOMIC DEVELOPMENT	DESIRED OUTCOMES	SOUND COMMUNITY INVESTMENT
	ILLUSTRATIVE INDICATORS	Percent of endowment and operating dollars directed toward community impact investments (e.g., support of community development financial institutions)
	DATA SOURCE	Institutional data

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
Cincinnati	Cincinnati, OH	Mixed use development	\$148.6M

Stable and Effective Local Partners

COMMUNITY BUILDING & EDUCATION 	DESIRED OUTCOMES	STABLE & EFFECTIVE LOCAL PARTNERS
	ILLUSTRATIVE INDICATORS	Existence of partnership center or community advisory board
		Positive feedback from survey of service-learning/ capstone partners
		Civic health index rating
	DATA SOURCE	Institutional and survey data

Financially Secure Households

COMMUNITY BUILDING & EDUCATION 	DESIRED OUTCOMES	FINANCIALLY SECURE HOUSEHOLDS
	ILLUSTRATIVE INDICATORS	Percent of households in asset poverty
		Dollars spent on community financial education
		Dollars and human resources directed to income tax filing assistance
	DATA SOURCE	Institutional data, official records

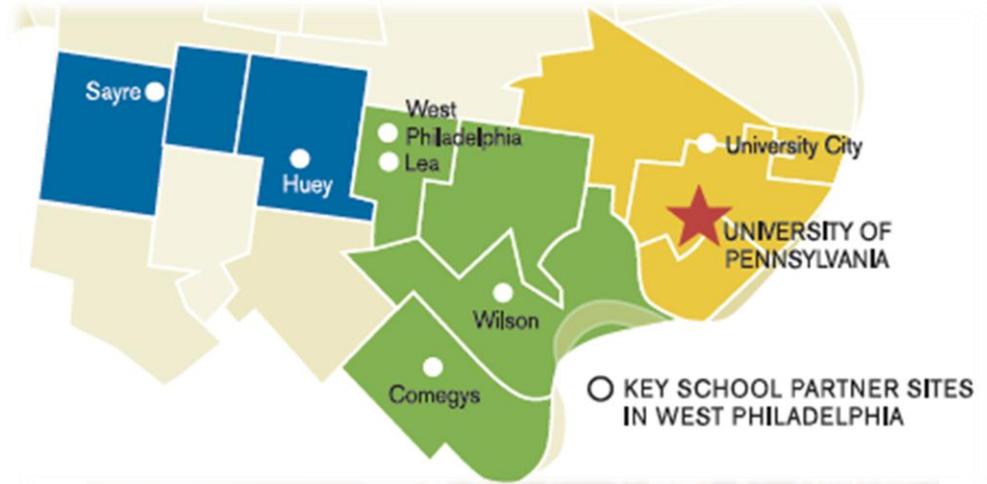
Educated Youth

COMMUNITY BUILDING & EDUCATION 	DESIRED OUTCOMES	EDUCATED YOUTH
	ILLUSTRATIVE INDICATORS	High school graduation rate
		Percent of students advancing to college or apprenticeship programs
		Math and reading proficiency
	DATA SOURCE	Public school reported data



University of Pennsylvania

- Serve educational, social service, health, and recreational needs of students and community
- Engage universities as lead partners in providing academic, human, and material resources



Healthy Community Residents

 HEALTH, SAFETY & ENVIRONMENT	DESIRED OUTCOMES	HEALTHY COMMUNITY RESIDENTS
	ILLUSTRATIVE INDICATORS	Dollars spent on public health initiatives (e.g., clinics)
		Number of grocery stores per zip code
	DATA SOURCE	Institutional data, official records



Safe Streets and Campuses

 HEALTH, SAFETY & ENVIRONMENT	DESIRED OUTCOMES	SAFE STREETS & CAMPUSES
	ILLUSTRATIVE INDICATORS	Dollars spent on streetscape improvements
		Rates of violent crime
		Rates of property crime
	DATA SOURCE	Institutional data, survey data, official records

Healthy Environment

HEALTH, SAFETY & ENVIRONMENT	DESIRED OUTCOMES	HEALTHY ENVIRONMENT
	ILLUSTRATIVE INDICATORS	Percent reduction of carbon emissions
		STARS index rating
		Greenhealth index rating
	DATA SOURCE	Institutional data

Gundersen-Lutheran Health System (WI)

- Developed local wind (14M kwh) and biogas. 100 percent renewable energy sourcing goal by 2014.
- Goal of 20 percent local food production.
- Founding member of multi-stakeholder Fifth Season farmer-consumer cooperative.
- Pursue local purchasing through negotiating local subcontracting with first-tier suppliers.



Top: Engine for waste biogas energy project on Gundersen's Onalaska Campus (May 2012). Bottom: Wind turbine energy project in Cashton, Wisconsin (May 2012). Photos: Gundersen Lutheran.

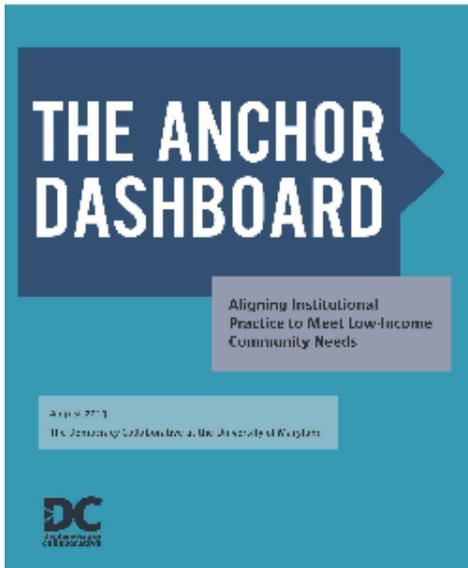
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Steps Toward Implementation

- Promote use of common measures within trade associations and at conferences of universities, hospitals and community development networks
- Create a “cohort” of university and hospital leaders to pilot Dashboard metrics and data accumulation
- Build a community of learning and practice
- Empower community groups to track institutional efforts
- Expand Regional Federal Reserve Bank research, publishing and convening on anchor institutions and metrics



For More Information

For supporting policy briefs and free downloads of the Anchor Dashboard and research report, see: www.community-wealth.org/indicators

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Do you have questions?
E-mail us at:
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Wrap-up/Closing

Thank you to today's presenters and to all participants for joining this session.

Next steps:

- All session materials are available on our web site and in the next few days we will be posting an audio file of today's session
- Additional Federal Reserve System resources related to this topic can be found on our web site along with links to your local Federal Reserve Community Development office
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at communities@stls.frb.org
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