The Anchor Mission: Improving Health by Building Community Wealth

David Zuckerman, MPP
Research Associate
The Democracy Collaborative
University of Maryland, College Park, MD

HOSPITALS BUILDING HEALTHIER COMMUNITIES

Embracing the anchor mission

by David Zuckerman
with contributions from Holly Jo Sparks, Steve Bobb, and Ted Howard

The Democracy Collaborative at the University of Maryland
March 2013

Conducting Collaborative CHNAs
Connecticut Hospital Association
May 27, 2013

www.Community-Wealth.org
Poverty Matters

Economic Hardship Index by City/Community, Los Angeles County, 2000

Prevalence of Childhood Obesity by City/Community, Los Angeles County, 2005

20% of Americans under 18 live in poverty

33% of Americans are “working poor”

Place Matters

New Orleans

Washington, D.C.


Source: Prepared by Woolf et al., Center on Human Needs, Virginia Commonwealth University using Centers for Disease Control and Prevention, National Center for Health Statistics, CDC WONDER Online Database, released January 2013, Data are compiled from Compressed Mortality File, 1999-2010 Series 20 No. 2P 2013.
Social Determinants of Health

To address health inequities, you must address social and economic inequities.

- Access to Care: 10%
- Physical Environment: 10%
- Quality of Care: 10%
- Social and Economic Factors: 40%
- Healthy Behaviors: 30%
- Adapted from County Health Rankings, University of Wisconsin Public Health Institute.
## Continuum of Wealth-Building Strategies

**Individual**
- **Family Wealth Building**
  - Individual Development Accounts

**Community**
- **Shared Equity**
  - Community Land Trusts

**Government**
- **Public Ownership or Investment**
  - Municipal enterprise

### Broadening Ownership Over Assets and Capital

<table>
<thead>
<tr>
<th>Individual Development Accounts</th>
<th>Community Land Trusts</th>
<th>Anchor institutions (eds, meds, churches, museums, libraries)</th>
<th>Municipal enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microenterprise</td>
<td>Limited Equity Cooperatives</td>
<td>ESOPs or worker cooperatives</td>
<td>State &amp; local venture investments</td>
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<tr>
<td>Family Self-Sufficiency Program</td>
<td>Deed restriction (inclusionary zoning)</td>
<td>Credit unions</td>
<td>Public pension fund ETIs (economically targeted investments)</td>
</tr>
<tr>
<td>“Baby Bonds” &amp; child savings accounts</td>
<td>Mixed ownership (Market Creek)</td>
<td>Community corporations</td>
<td>Public leases: land &amp; transit development</td>
</tr>
<tr>
<td>Earned Income Tax Credit volunteer assistance programs</td>
<td>Program-Related Investments</td>
<td>CDC or CDFI direct ownership</td>
<td>Stock warrants in exchange for granting tax breaks (fair exchange)</td>
</tr>
<tr>
<td>Alternatives to predatory lending</td>
<td>CDC/CDFI equity investments or joint ventures</td>
<td>Social enterprises</td>
<td>Trustee ownership (e.g., Alaska Permanent Fund)</td>
</tr>
<tr>
<td>Nonprofit financial education programs</td>
<td>Community benefits agreements</td>
<td>Commons-based enterprises (e.g., Wikipedia, Creative Commons licenses)</td>
<td><a href="http://www.community-wealth.org">www.community-wealth.org</a></td>
</tr>
</tbody>
</table>
Local Government

Baltimore City Hall
Municipal Utilities

Valmont Power Plant (Boulder, CO)
What are Anchor Institutions?

- “Sticky capital”
- Economic engine: employer and purchaser
- Vested interest in surrounding communities
- Typically nonprofit or public

**TYPES OF ANCHORS**

- Hospitals
- Universities
- Local Government
- Utilities
- Cultural Institutions (theaters, museums, zoos, etc...)
- Faith-based Institutions
## Economic Impact of Hospitals

<table>
<thead>
<tr>
<th></th>
<th>Nationally</th>
<th>Connecticut</th>
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<tbody>
<tr>
<td><strong>Number of Hospitals</strong></td>
<td>4,973</td>
<td>34</td>
</tr>
<tr>
<td>(nonprofit, for-profit, and state and local government)</td>
<td></td>
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<tr>
<td><strong>Nonprofit Hospitals</strong></td>
<td>58%</td>
<td>94%</td>
</tr>
<tr>
<td>(Percentage of total)</td>
<td></td>
<td></td>
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<tr>
<td><strong>Employment</strong></td>
<td>5.5 million (full and part time)</td>
<td>54,000 (full time)</td>
</tr>
<tr>
<td><strong>Annual Procurement</strong></td>
<td>$342 billion G&amp;S</td>
<td>$3.6 billion G&amp;S, $815 million B&amp;I</td>
</tr>
<tr>
<td><strong>Investment Portfolios/Endowments</strong></td>
<td>&gt;$100 billion</td>
<td>&gt;$1 billion</td>
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<tr>
<td>(conservatively)</td>
<td></td>
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EMBRACING AN ANCHOR INSTITUTION MISSION

- Mission Alignment
- Economic Returns
- Government Relations Benefit
- Community Benefit

ANCHOR INSTITUTION MISSION
“University of Pittsburgh Medical Center must act like the charity it claims to be. It is time for UPMC to engage in a serious conversation with the city and key stakeholders about its responsibilities to our community.”

Luke Ravenstahl
Mayor of Pittsburgh
(March 2013)
“Since [Vision 2010], now when I talk to developers of major projects who want to do business in the City of Cleveland, I no longer have to talk to them about what is the right thing to do...[I] send them to University Hospitals.”

Frank Jackson
Mayor of Cleveland
(May 2013)
“Rethinking How We Do Business”

“Community and healthcare leaders are discovering that hospitals can help heal entire cities through economic development... healthcare systems can create jobs and wealth... And we can earn the trust and goodwill of our neighbors.”
University Hospitals (Cleveland)

Vision 2010: $1.2 billion construction and procurement over 5-year period; voluntarily set (and exceeded) goals for local spending, MWBEs
North Lawndale Employment Network: owner of Sweet Beginnings, a social enterprise that has hired more than 300 since 2007
First Homes: community land trust to preserve housing affordability, Minnesota’s largest community-based assisted-housing project.
Community Investment Program: $80 million loan fund; low-interest loans – “patient lender” – for low-income communities
University Hospitals/Cleveland Clinic

Evergreen Cooperative Initiative: “green,” employee-owned businesses linked to hospital and university procurement
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THE ROAD HALF TRAVELED

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