Hospitals Building Healthier Communities
Investing Outside Institutional Walls

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# The Democracy Collaborative

Promoting innovations to rebuild community wealth and enhance vital and equitable local economies

## Field Building

To create a “Community Wealth” movement:
- C-W.org
- CWB Roundtable
- Learning/Action Lab
- Policy Development
- Key Partnerships
- Conferences

## Advisory

Develop community wealth building strategies in local communities (with City governments, local philanthropy, anchors):
- Cleveland, OH
- Atlanta, GA
- Washington, DC
- Pittsburgh, PA
- Amarillo, TX
- Jacksonville, FL
- New Orleans, LA

## Research

Build knowledge for the field:
- Reports
- Articles
- Case Studies
- Books
- Metrics & Indicators

## Next System

Expand network of scholars & activists:
- Conferences (Harvard, MIT)
- Commissioned Research
- Next System Book
HOSPITALS BUILDING HEALTHIER COMMUNITIES

Embracing the anchor mission

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

The Democracy Collaborative at the University of Maryland
March 2013
Community Wealth Building

• Refocus public and private resources to expand individual and family assets

• Broaden ownership over local capital (coops, land trusts, ESOPs, social enterprise, etc.) to anchor jobs, create family supporting jobs and wealth building

• Leverage existing assets (such as nonprofit and public anchor institutions) for local benefit

• Stop the leakage of dollars from communities and achieve a “multiplier” effect
## Continuum of Wealth-Building Strategies

### Individual
- **Family Wealth Building**
  - Individual Development Accounts
  - Family Self-Sufficiency Program
  - "Baby Bonds" & child savings accounts
  - Earned Income Tax Credit volunteer assistance programs
  - Alternatives to predatory lending
  - Nonprofit financial education programs

### Community
- **Shared Equity**
  - Community Land Trusts
  - Deed restriction (inclusionary zoning)
  - Mixed ownership (Market Creek)
  - Program-Related Investments
  - CDC/CDFI equity investments or joint ventures
  - Community benefits agreements

- **Community/Worker Ownership**
  - Anchor institutions (eds, meds, churches, museums, libraries)
  - ESOPs or worker cooperatives
  - Credit unions
  - Community corporations
  - CDC or CDFI direct ownership
  - Social enterprises

- **Public Ownership or Investment**
  - 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)

### Broadening Ownership Over Assets and Capital

**Democracy Collaborative**
Universities
University of Maryland, College Park
Local Government
Baltimore City Hall
Municipal Utilities
Valmont Power Plant (Boulder, CO)
Cultural Institutions
New Mexico Museum of Space History
Faith-based Institutions
Calgary United Methodist Church
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
### “Eds and Meds” Economic Impact

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<thead>
<tr>
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<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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Hospitals
Cleveland Clinic
To address health inequities, you must address social and economic inequities.

Social Determinants of Health

- Quality of Care: 40%
- Access to Care: 10%
- Physical Environment: 10%
- Healthy Behaviors: 30%
- Social & Economic Factors: 10%
  - Education
  - Employment
  - Income
  - Family & Social Support
  - Community Safety

Adapted from County Health Rankings, University of Wisconsin Public Health Institute.
Source: Life expectancy data calculated by Cuyahoga County Board of Health and the Alameda County Health Department
“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.

Tom Zenty, CEO, University Hospitals System, May 2013
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
Bon Secours Health System (Richmond, Baltimore)

Supporting East End Entrepreneurship (SEED): $150,000 ($50,000/3 years) to support locally owned businesses, with LISC; $108,500 awarded to date.
Mayo Clinic (Rochester, MN)

First Homes: community land trust to preserve housing affordability, Minnesota’s largest community-based assisted-housing program
Dignity Health (CA, NV, & AZ)

Community Investment Program: $80 million loan fund; low-interest loans – “patient lender” – for low-income communities
University Hospitals/Cleveland Clinic (Cleveland, OH)

Evergreen Cooperative Initiative: “green,” employee-owned businesses linked to hospital and university procurement
## 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

[community-wealth.org/indicators]
Thank you!

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

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