

# Leveraging Anchor Institutions to Build Community Wealth

Steve Dubb

Research Director, Democracy Collaborative

New Partners for Smart Growth

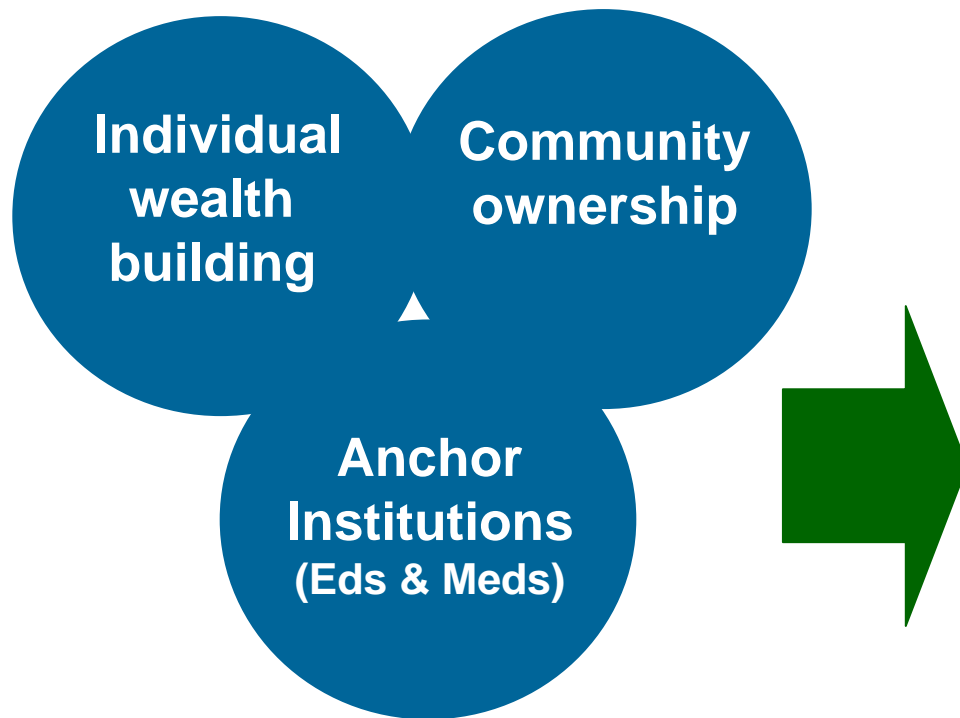
Kansas City, Missouri

February 9, 2013



# Community Wealth Approach

## Key Components



## Putting the Pieces Together

- Create community-owned businesses that provide living wage jobs and anchor wealth in low-income communities
- Link community businesses with anchor procurement needs
- Build in individual wealth and savings elements (e.g., employer assisted housing)

# Economic Dimension of “Eds & Meds”

- **Annual Procurement:**
  - Hospitals: annual procurement \$750 billion
  - Universities: \$373 billion
  - More than \$1 trillion; 6% of GDP
- **Endowments:**
  - Hospitals: \$500 billion
  - Universities: \$400 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

# EVERGREEN COOPERATIVE INITIATIVE



Create Jobs



Generate Wealth for Residents



Stabilize Neighborhoods

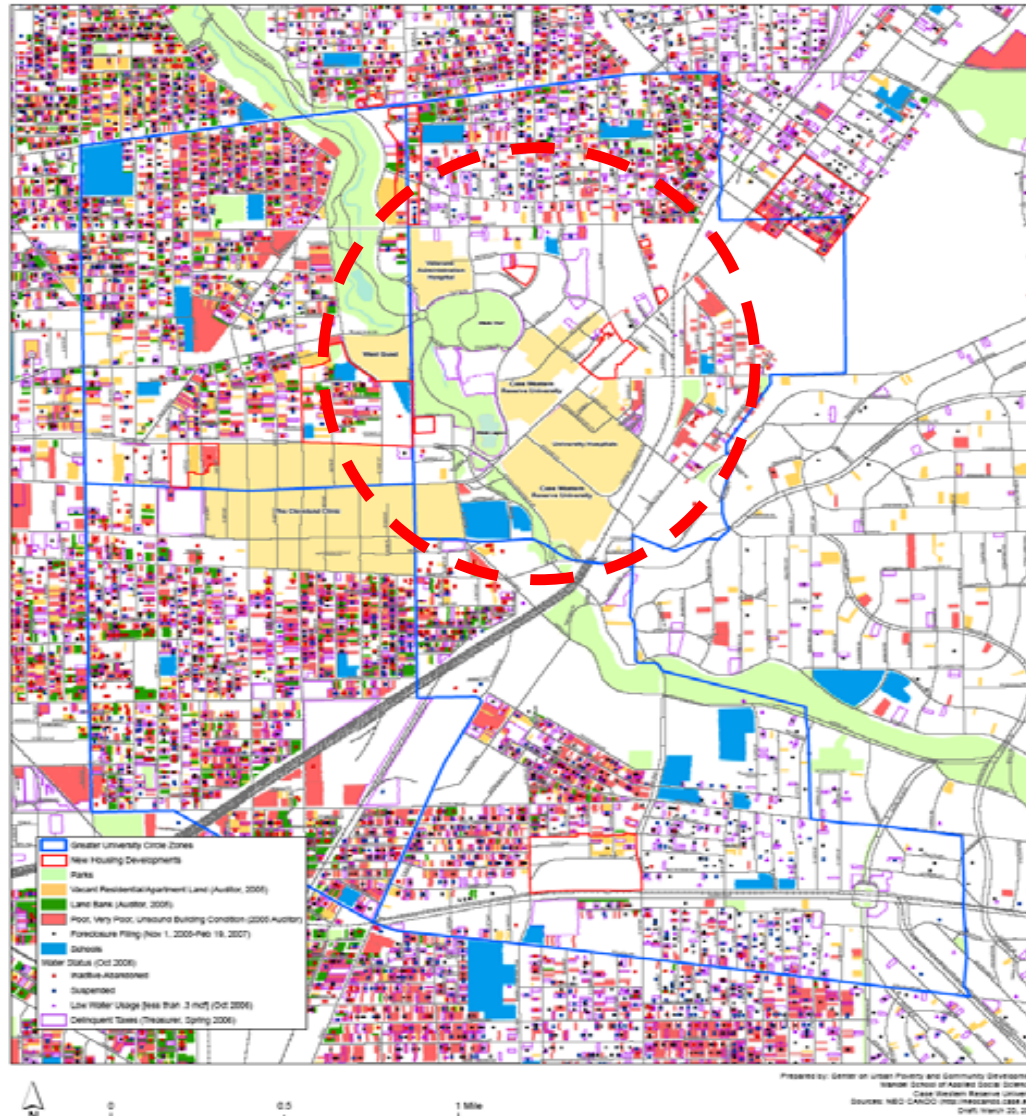


**BUILDING COMMUNITY WEALTH TO  
TRANSFORM CLEVELAND AND CHANGE LIVES**



# PROPERTY AT RISK

Greater University Circle Composite Map (Draft)  
Composite At-Risk Properties







## **STRATEGY**

- 1. Focus anchor institution purchasing locally**
- 2. Create new community-based, co-op businesses**
- 3. Green**
- 4. Link to expanding sectors of the economy  
(e.g., health, aging, energy, food, waste & green technologies)**
- 5. Ensure financing and management to move to scale**



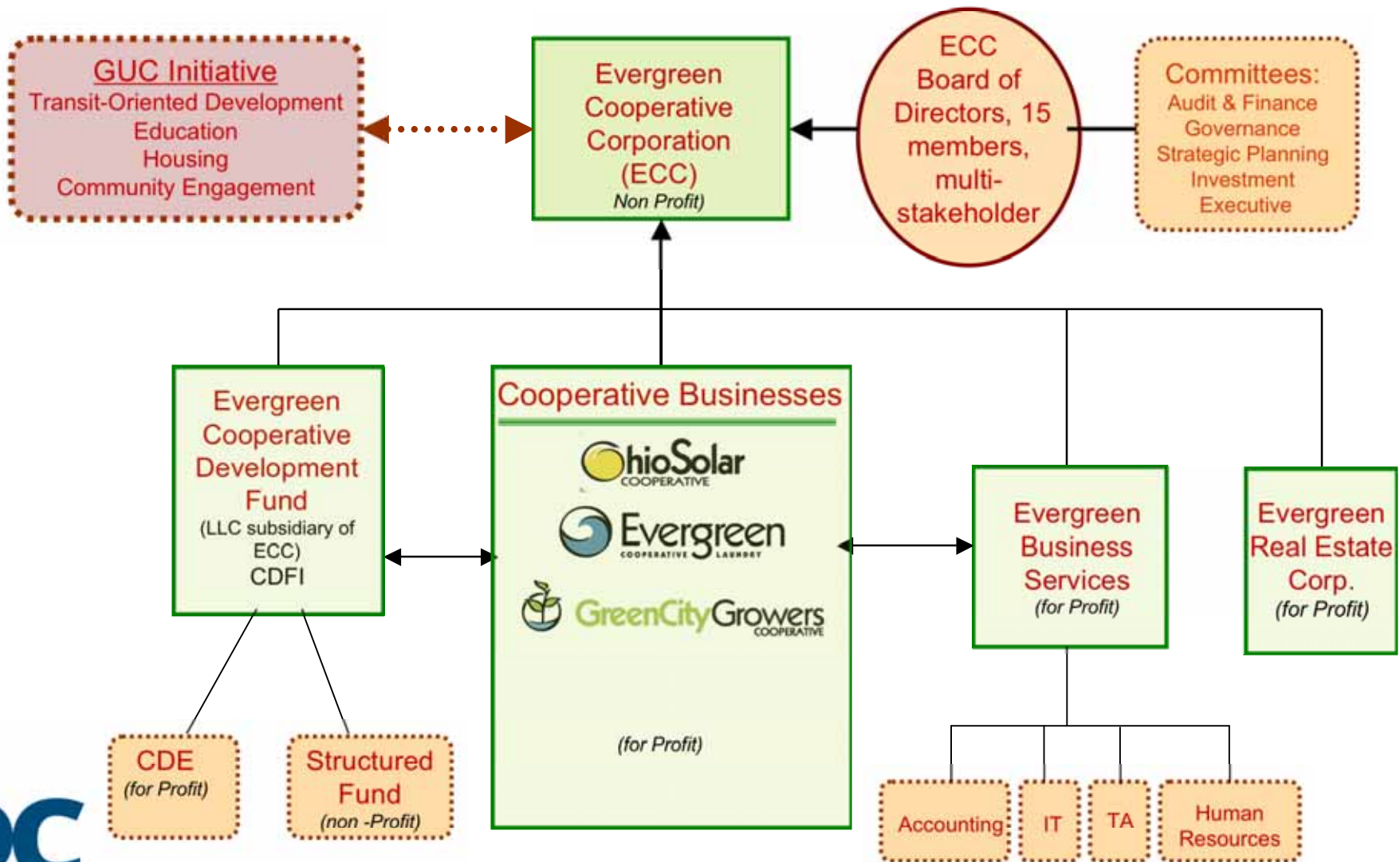
# EVERGREEN DESIGN CRITERIA

- For-profit
- Hire locally & located in community
- Matched to anchor needs
- Living wage + benefits
- Green
- Employee-owned (worker cooperatives)
- % of profits to help start new businesses in the community (social mission)

## Results to Date

- Successful launch of three green businesses in area where few businesses have launched in decades — two now have three years of operating experience
- On track for minimum of 75 employee-owner jobs at three businesses by spring 2013
- Employing “hard to reach” populations – of the 22 laundry employees on staff as of July 2012, 19 were people of color, 18 with criminal convictions, 14 formerly incarcerated
- Employees have moved into supervisory and governance (Board of Directors) roles
- Employees are building assets (internal capital accounts and home purchase program)

# EVERGREEN COOPERATIVE STRUCTURE



# Broader “Buy Local” Opportunities

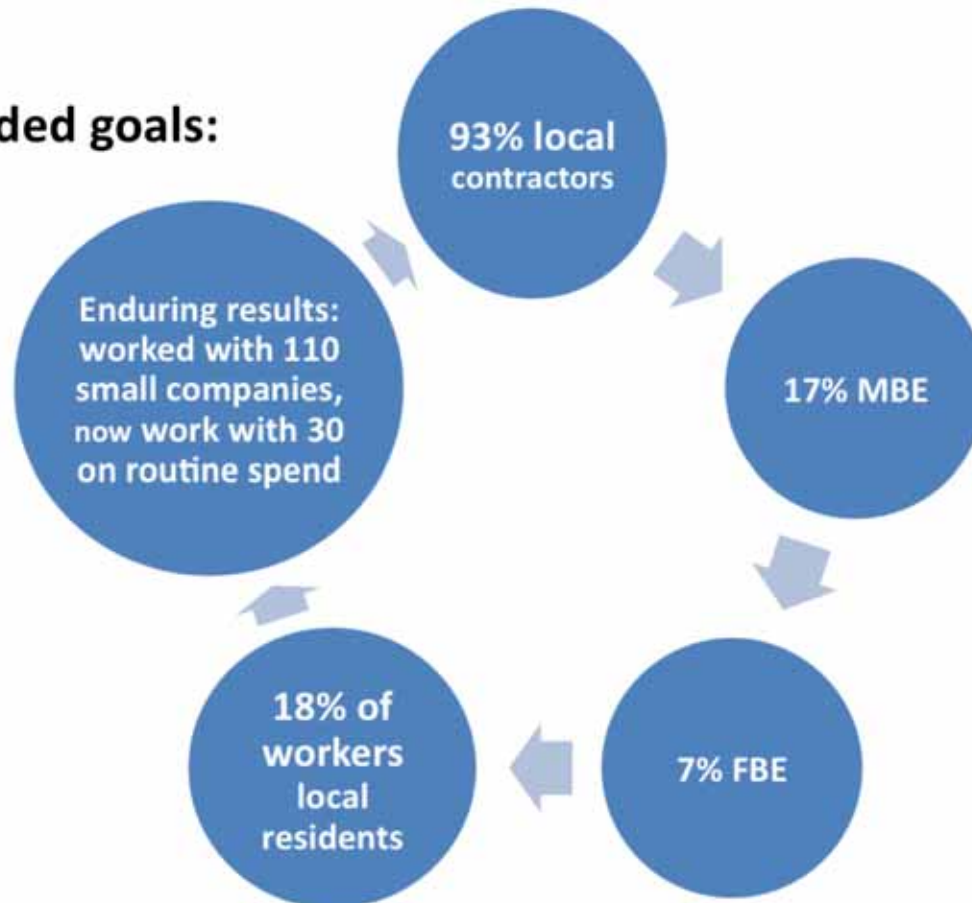
- Local food
- Janitorial
- Landscaping/snow removal
- Printing and marketing collateral
- Architectural services
- Pest control
- Waste and Recycling
- Office Supply
- Couriers
- IT



# University Hospitals (Cleveland) Vision 2010

Construction of major new facilities =  
**\$1.2 Billion**

Results exceeded goals:





## **For further information:**

**[www.Community-Wealth.org](http://www.Community-Wealth.org)**

**[www.Evergreencooperatives.com](http://www.Evergreencooperatives.com)**

**[www.Clevelandfoundation.org](http://www.Clevelandfoundation.org)**

**Thank you.**

**Questions?**

Steve Dubb

Research Director, The Democracy Collaborative

[sgdubb@yahoo.com](mailto:sgdubb@yahoo.com)

