



ICIC

Initiative for a Competitive Inner City

**CENTRAL CORRIDOR FUNDERS COLLABORATIVE
LEARNING SESSION:
Anchor Institutions and Communities Creating Shared
Value Together**

November 3, 2011

Mary Kay Leonard, CEO
Initiative for a Competitive City

31% of U.S.
minority poverty

19% of U.S.
poverty

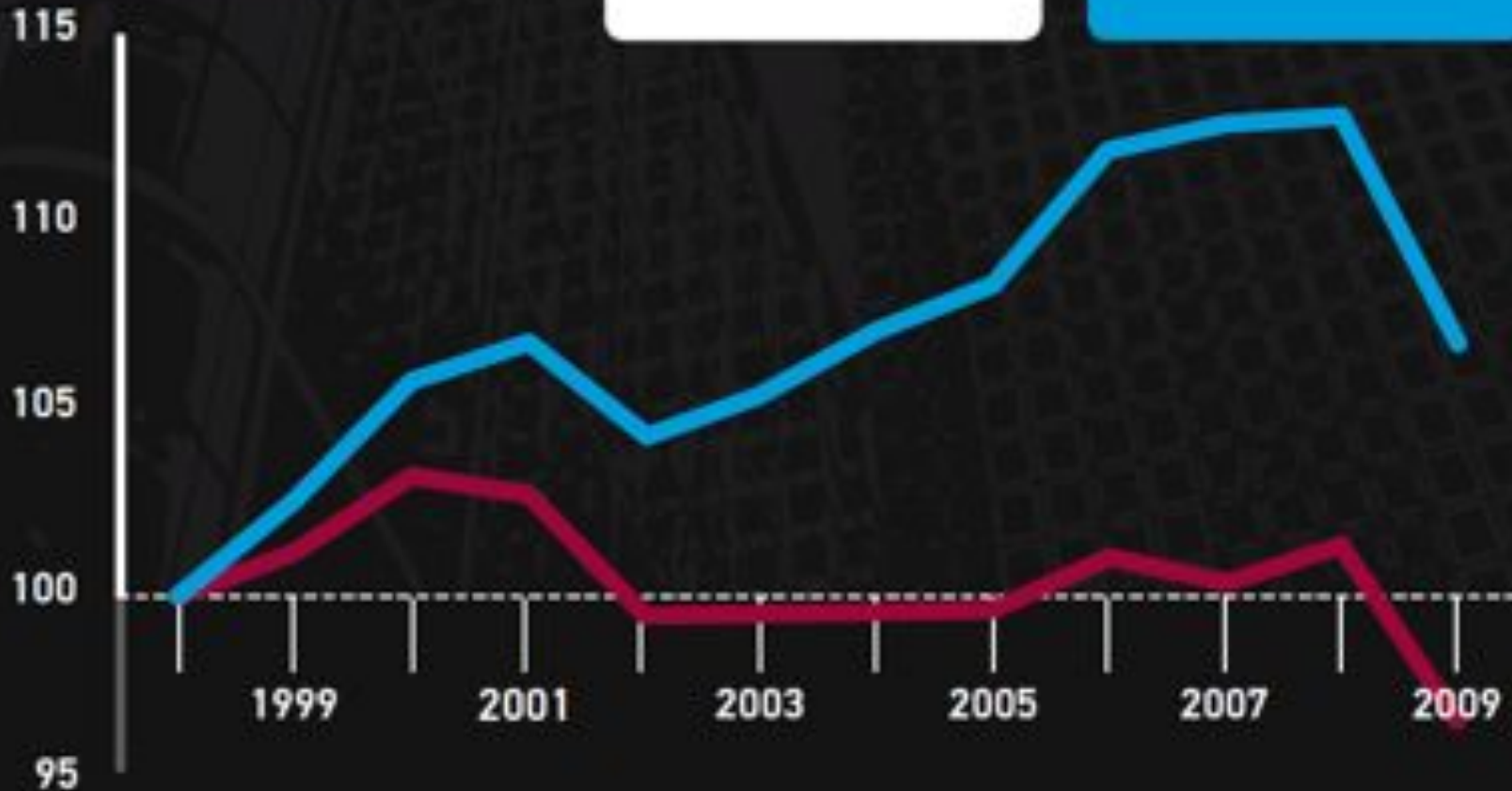
8% of U.S.
population

0.1% of U.S.
land area

CONCENTRATED POVERTY mandates a
comprehensive approach

INNER CITIES
-300,000 Jobs
Since 1998

REST OF U.S.
+5.9M Jobs
Since 1998





ANCHOR INSTITUTIONS are a Major Economic Force in Urban Economies



UNIVERSITIES

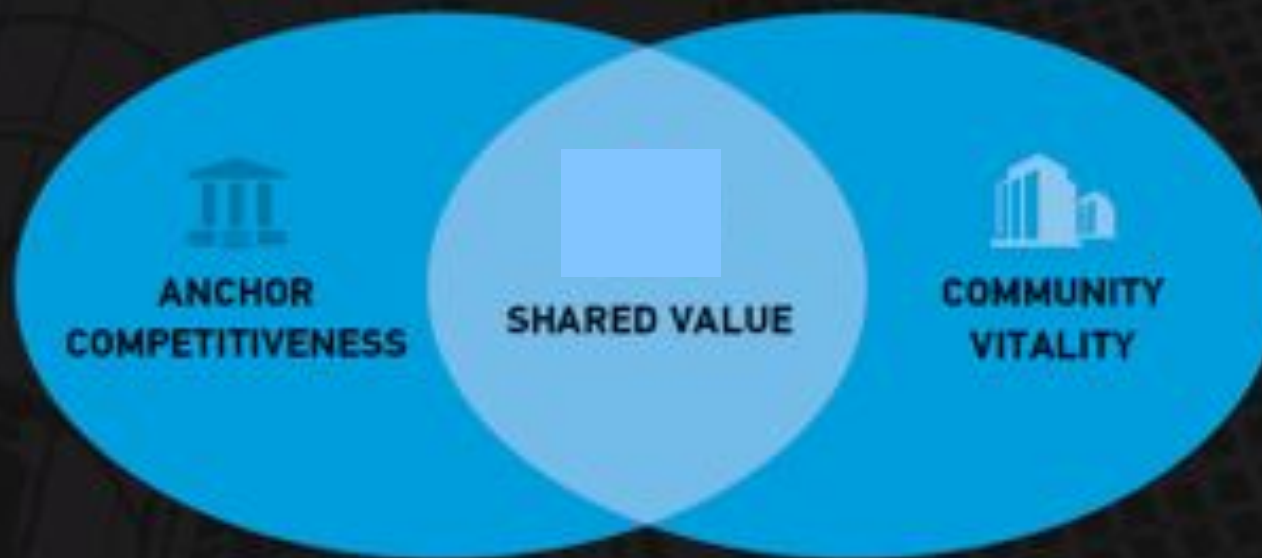


HOSPITALS



ARTS AND CULTURAL INSTITUTIONS

ANCHOR INSTITUTIONS, THE COMMUNITY, AND SHARED VALUE



“ Shared value is not social responsibility, philanthropy or even sustainability, but a new way to achieve economic success. ” MICHAEL E. PORTER, BISHOP WILLIAM LAWRENCE UNIVERSITY
PROFESSOR AT HARVARD BUSINESS SCHOOL

FROM COMMUNITY ENGAGEMENT



- Motivated by “Moral obligation” to help community
- Service learning and community support at core
- Focus on community benefits and economic impact reporting

TO CREATING SHARED VALUE



- Opportunity to drive long-term competitiveness
- Long-term investments that are integral to core strategy
- Measure direct impact of activities on anchor and community

ANCHOR INSTITUTIONS AND THE COMMUNITY: Strategic Framework



WORKFORCE DEVELOPER:

Address local workforce needs



- Increased rate of job placement in higher quality occupations
- Market-driven curriculum
- Pipeline for high demand jobs
- Increased supply of skilled local workers to meet job demand
- Lower unemployment
- Increased spending on local goods and services

NORTH CAROLINA

- North Carolina's Community College System creates and implements cluster-focused training programs for 600-700 fast-growing businesses annually
- Serves over 800,000 students annually and offers 1,400 training categories

PURCHASER:

Direct institutional purchasing locally



- Broader pool of vendors
- Speedy and customized service
- Vendors with local market knowledge
- More competitive business environment
- Increased availability of goods and services
- Revenue growth and job creation by vendors

UNIVERSITY OF PENNSYLVANIA

- Spent \$100m with local vendors in 2010 (12% of total spending)
- Partners with PA Minority Business Enterprise Council: has helped businesses generate over
- \$365 million in contracts and financing, supporting the creation of over 600 full-time jobs since 2004

COMMUNITY BUILDER:

Provide resources and expertise to build local community capacity



- Enhanced experience for students, faculty and staff
- Improved reputation
- More ease in recruiting and retaining students, faculty, and staff and in raising funds
- Closer community relationships
- Safer and more attractive community
- Improved physical infrastructure
- Better local amenities
- Fewer vacancies and higher real estate values
- Increased private sector investment
- Stronger non-profit sector

MACALESTER COLLEGE

- High Winds Fund includes dedicated resources and full-time staff dedicated to improving the beauty, serenity, and security of its neighborhoods
- Engages in partnerships with local policymakers, business community, and non-profits
- Provides financial support in addition to leadership

CREATING SHARED VALUE IN PRACTICE: **Obstacles**

- Few anchors recognize the multiple **integrated** ways they can impact their surrounding communities
- Most anchors still view their involvement in the community **narrowly**
- Few anchors know **how to leverage their activities** to create shared value
- Collaboration is challenging; issues of **trust and competition** arise
- Metrics, goal setting, and **accountability** for results are not common

CREATING SHARED VALUE: Roles for Leaders of Key Sectors

ANCHOR INSTITUTIONS

- Recognize multiple levers for impact on community
- Build community vitality goals into core business strategy
- Ensure senior level involvement in coordinating activities, setting goals and aligning incentives
- Collaborate with local government, business and community leaders on shared interests

FOUNDATIONS

- Promote awareness of how anchor institutions can act as key partners in economic development
- Convene anchors around specific goals ,e.g. purchasing, community building, or workforce development
- Seed collaborative efforts by anchors

GOVERNMENT AND NGO

- Collaborate with anchors on economic development strategies to build shared value
- Work with anchors to fully value the economic and social benefit that they deliver to community
- Combine public and private dollars to support anchor collaboration

BUSINESS

- Align with anchors as business partners to improve community
- Collaborate with anchors to serve as workforce developers, real estate partners, or providers of intellectual capital
- Incorporate anchor strategic framework in business strategy

SUMMARY

- Inner cities **continue to lag** the rest of the U.S. in social and economic performance
- Anchor institutions are often the **major economic force** in urban areas
- Anchor institutions and their communities **depend on each other** to remain competitive; there is much opportunity to create **shared value**
- The **shared value framework** can focus an individual anchor's approach and guide its collaborative efforts
- While **too few examples** exist of anchors that have clear strategies for creating shared value with neighboring communities, there are emerging best practices



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ICIC'S **MISSION** IS TO DRIVE ECONOMIC PROSPERITY
IN AMERICA'S INNER CITIES THROUGH PRIVATE SECTOR
INVESTMENT TO CREATE JOBS, INCOME AND WEALTH
FOR LOCAL RESIDENTS. WWW.ICIC.ORG