Why Do Anchor Institutions Matter?

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Anchor Institutions and Community Vitality: Strategic Framework

Cluster Anchor
Stimulate growth of related businesses and institutions

Core Service Provider
Tailor core products/services to serve the community

Community Developer
Build local community capacity

Employer
Offer employment opportunities to local residents

Workforce Developer
Address local workforce needs

Purchaser
Direct institutional purchasing toward local businesses

Real Estate Developer
Use real estate development to anchor local economic growth

Community Vitality

Source: ICIC
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### Example: The University of Pennsylvania and West Philadelphia

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<thead>
<tr>
<th>Anchor Competitiveness</th>
<th>Mutual Benefit</th>
<th>Community Vitality</th>
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<tr>
<td>Better experience for students and staff, increasing recruitment</td>
<td>Renewed retail activity and greater availability of goods and services</td>
<td>Increased tax revenue from local businesses and residents</td>
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<td>Enhanced reputation that helped rankings and fundraising efforts</td>
<td>Recovered real estate values and better quality housing options</td>
<td>Job opportunities for local entrepreneurs and residents</td>
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<td>Applied learning opportunities for students and faculty</td>
<td>Greater local investment by private sector</td>
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<td>Improved community relations, reducing operational costs</td>
<td>Improved K-12 school choices, public safety, and social services</td>
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Anchor Institution Example: Detroit

- **Woodward Corridor Initiative**: collaboration with Wayne State University, Detroit Medical Center, and Henry Ford Health System, supported by foundations and managed by U3 Ventures
  - Live Local: $1.2m campaign offers financial incentives to employees to encourage them to live local
  - Buy Local: May 2011 hosted nearly 200 local businesses at first annual “Buy in Detroit Fair”. Businesses were able to meet with institutional procurement officers and begin the first steps of doing business with them
  - Hire Local: Effort to make the 3,000 jobs posted annually by these institutions accessible to local residents

- **TechTown**: collaboration with Wayne State University, Henry Ford Health System, General Motors, supported by state and city governments, foundations, HUD, totaling $35m in incentives
  - To create an environment where tenant businesses could benefit from affordable rents with highly flexible leases, access the university’s technological and engineering expertise, and tap training, networking, and financing opportunities
  - Tech One today is home to 237 businesses with a total employment of more than 700

- **Henry Ford Health System**: has purchased 300 acres of land, will devote 50 to research buildings, med student housing, parking and other company projects. It plans to rehabilitate much of the remaining land and use it attract business partners to relocate to Detroit
Anchors and Urban Economic Development: Framing

- What are the growth prospects for anchors in a city?

  - Anchors have been a major driver of employment growth in many cities over the last decade; will this continue?

- How do anchors view their role in a city’s economic development?

  - Some major anchors have embraced economic development as a major objective for their institution; this might be a necessary condition.

- What is the alignment between anchor potential and city need?

  - Anchors can contribute in a number of ways: creating jobs, driving innovation, strengthening businesses in LMI areas, etc.