Community Wealth Building (CWB)
Critical Challenge

How to address inequality

While reducing the pressure on planetary boundaries

Source: Kate Raworth *A Doughnut for the Anthropocene*, The lancet.
Word Cloud from the USG Strategic Planning Meeting (June 29, 2021)
“Community wealth building emphasizes the importance of placing control of wealth in the hands of locally rooted forms of business enterprise, with ownership vested in community stakeholders, through a range of forms including cooperative, employee, public, or nonprofit ownership. Community ownership makes it possible to reinvest profits locally and thus reduces the leakage of dollars out of communities. Economically, it allows local publics to exert democratic control over local government; policywise, it allows them to achieve sustainability and equitable development goals.” (p. 232)

Emerging Literature on Community Wealth Building (CWB)

Recommended read:
Core Ideas / Principles

1. Plural ownership of the economy
2. Making financial power work for local places
3. Fair employment and just labour markets
4. Progressive procurement of goods and services
5. Socially productive use of land and property

Leverage **anchor institutions** (universities, hospitals, networks of local firms)

Support the **creation of local enterprises** designed for equity and sustainability

Ensure **assets are broadly owned** (cooperatives, ESOPs, community land trusts, etc.)

Pay a **living wage**

Invest in **people and place** (via a public/community bank)

Evolve beyond ownership to **stewardship**

Ensure **sustainable development / regenerability / “eco-development”** ... ecologically sound, regional development
The Evergreen Cooperatives - Cleveland, Ohio

Over several decades, Cleveland lost one half of its population and almost all of its Fortune 500 companies due to deindustrialization, disinvestment, and capital flight. The Cleveland Model was their response to this crisis.

Five wealth-building strategies:

1. **Identify the portion** of the multi billion dollar annual business expenditures of anchor institutions that could spend locally.

2. Establish a robust **network of Evergreen Cooperative businesses** designed to service these institutional needs.

3. Build on the growing momentum to **create environmentally sustainable energy and green collar jobs**.

4. Link efforts to expanding sectors of the economy such as sustainable energy and healthcare, many of which receive large-scale public investment.

5. **Develop financing and management capacities** that can take this model to scale.

“The Fund pools impact capital to make equity and equity-like debt investments, helping finance the conversion of privately held businesses to employee-owned Evergreen Cooperative Corporation portfolio companies, through an Acquire-Convert-Support (ACS) model.”


**Our Mission:**

- Promote, coordinate and expand economic opportunity for low-income individuals, through a growing network of green, community-based enterprises
- Promote community stabilization and revitalization of the divested neighborhoods of Greater University Circle and similar areas of Cleveland, Ohio
- …

The Cleveland Clinic, University Hospitals, and Case Western Reserve University together employ more than 60,000 people, and spend almost $3 billion in goods and services annually.

But for Greater University Circle neighborhoods’ 60,000 residents, unemployment remains stubbornly high—24% of working age adults are actively seeking employment.

**Buy Local**—increase opportunities for anchor institutions to purchase goods and services locally, and help small businesses increase their capacity to meet these needs;

**Hire Local**—expand efforts by anchors to hire residents from the neighborhoods, and help improve the local workforce system;

**Live Local**—support and improve the employer-assisted housing program, Greater University Circle, and leverage it to help create more stable neighborhoods.

**Connect**—the key to all of these efforts.
"Initiatives involving more than one anchor, must have a convener—a trusted, central player with some clout (money, influence, power) to bring and keep people together" (p. 28)
The Preston Model …

- Not a model, more of an socio-economic strategy/approach that is based on “restless innovation and creativity” (p. 17)
- Initiated by Preston City Council
- Local procurement by a network of anchor institutions
- Commitment to provide a living wage
- Program targeted at creating new cooperative/worker-owned businesses
- Ongoing creation of a public bank
- Pro-community approach to the use of government facilities
- University Center focused on developing Small and Medium Sized Enterprises (SMEs)
Catalyzed by local government action, the city of Preston in the UK has developed a comprehensive approach to using public assets to revitalize their local economy. This initiative illustrates how public and cooperative institutions are working with existing anchor institutions to build community wealth.
University & Hospital
Worker Cooperatives
Credit Union, Public Bank, & Public Pension Fund
“The key to the Preston Model is cooperation. Its success stems from its status as a shared endeavour between several organizations, stakeholders and individuals, all of whom have contributed ideas, energy and expertise to the task of creating a strong local economy that works for the majority of those it represents. …”

“Although Matthew Brown and Martyn Rawlinson were its initial architects, it has never been the exclusive property of Preston City Council but rather a collaborative project shared between a whole host of people, groups and institutions.” (p, 70)
Before (2013/14)

Public procurement budget spent in:

- Preston city = 5%
- Lancashire = 39%

Unemployment = 6.5%

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After (2018)

Public procurement budget spent in:

- Preston city = 18% (gain of £75m)
- Lancashire = 79% (gain of £200m)

Unemployment = 3.1%

Above-average improvements for health, transport, work-life balance, and youth and adult skills

Resources for USG Strategic Planning Process
Special Issue of the *Metropolitan Universities Journal* (MUJ) that focused on the Transformative Power of Anchor Institutions

**The Transformative Power of Anchor Institutions**
Emily Sladek

**Developing the Student Anchor Engagement Framework**
Jennifer Johnson Kebea

**Philadelphia Anchors for Growth and Equity: Applying the Lean Startup Methodology to Build a Financially Sustainable Anchor Collaborative**
Mariya Khandros

**Aligning Equity, Engagement, and Social Innovation in Anchor Initiatives**
Esteban del Rio, John Loggins

**Building Capacity as Anchor Institutions: Infrastructure, Structure, and Strategy**
Kristin Elise Norris, H. Anne Weiss

**Considering the Anchor Mission Strategy within the Competing “Regimes” of Higher Education Community Engagement**
Daniel Bergen, Emily Sladek

**Purpose-Driven Partnerships That Transform People and Places: Cal State LA’s Anchor Mission**
Jose Gomez, Zuhey Espinoza, Raphael Sonenshein, Henry Fuhrmann

*Discusses DEI and the role of Higher-Ed anchor institutions*
Five activities to consider

1. **Leadership support at the highest level** (conceptual and financial support)

2. **Incorporate the anchor mission into strategic planning** (and goal setting)

3. **Establish anchor committees/internal relationship building**

4. **Implement data collection protocols**

5. **Build relationships with external partners**
Breakout Room Prompt

What groups, organizations, businesses, etc. in Montgomery County, Maryland, might like to join a USG-led Anchor Network or Community Wealth Building initiative?

What academic programs/units within the USG network of 9 universities could support a Community Wealth Building initiative?