

The New Anchors: Corporate Engagement with Low-Income Communities in Smaller Cities

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Introduction

- **Purpose:** To understand the motivations and strategies of for-profit anchor engagement with low-income communities in smaller cities.
 - For-profit anchors: large (generally ≥ 500 -employee) establishments of for-profit companies or corporate headquarters of any size.
 - Low-income communities: census tracts w/median household incomes below their metropolitan area medians.
 - Smaller cities: those with populations $< 500,000$ in the city limits. Can be in metropolitan areas of any size.
- We were particularly interested in engagement within the areas of economic development, gentrification, and health outcomes. Our research also uncovered engagement on other topics.



Methodology

- We chose four cities across the country to understand for-profit anchor engagement in smaller cities:
 - Amarillo, Texas.
 - Fort Wayne, Indiana.
 - Richmond, Virginia.
 - Syracuse, New York.
- We conducted semi-structured interviews (64 total) in each city with key stakeholders (for-profit anchor representatives, economic development officials, chambers of commerce, local policymakers, non-profits, local foundations, and community organizations) to gather a diverse sample of perspectives on anchor engagement.
- Key local informants with knowledge of for-profit anchor engagement and connections with relevant stakeholders recommended an initial list of interviewees. We then added to our interview list using snowball sampling.



Findings on For-Profit Anchor Motivations

- For-profit anchors are not as hyper-locally anchored in their immediate neighborhoods as non-profit anchors.
- Many anchors are motivated by a desire to create a pipeline of new workers (particularly for jobs that do not require a college degree).
- Heavily regulated companies and those that serve individual consumers, esp. utilities and banks, care about their reputations with their regulators and/or the general public, which influences their community engagement.
- For both privately and publicly held anchors, the problems that company leaders perceive to be important drive engagement.
- Companies that are privately held, larger, more regulated or otherwise more subject to public scrutiny, or have a headquarters in a region seem to be more engaged with low-income communities in the region, as do those whose CEOs/owners grew up in a low-income community.



Findings on For-Profit Anchor Strategies

- For-profit anchors engage with a broader geographic area through their community engagement initiatives than their non-profit counterparts.
- The areas of engagement that we most frequently observed were workforce development, education, children and youth, and housing.
- Few of the anchors we interviewed pursued health-focused strategies or strategies to reduce gentrification. Some organizations did focus on hunger relief initiatives.
- Although many organizations focused on workforce development initiatives, few organizations had initiatives specifically aimed at creating new jobs in low-income communities.



Findings on For-Profit Anchor Strategies (cont.)

- Most for-profit anchors were not pursuing explicit shared value initiatives (initiatives that are undertaken to benefit both the company and the community) but we identified several examples.
- We did not observe many examples of collaboration between for-profit companies in engaging with low-income communities. However, for-profit companies frequently collaborated with non-profit organizations.
- Very few companies we interviewed formally measured or tracked the outcomes and impacts of their community engagement work.
 - Some organizations (particularly larger organizations that had significant experience in philanthropy) did develop logic models describing the impact that they expected their grants to have and asked grantees to report on program outcomes.
 - However, even the most sophisticated for-profit anchors could better understand their impact and effectiveness if they developed and implemented impact evaluation initiatives.



Case Study 1: Atlantic Union Bank

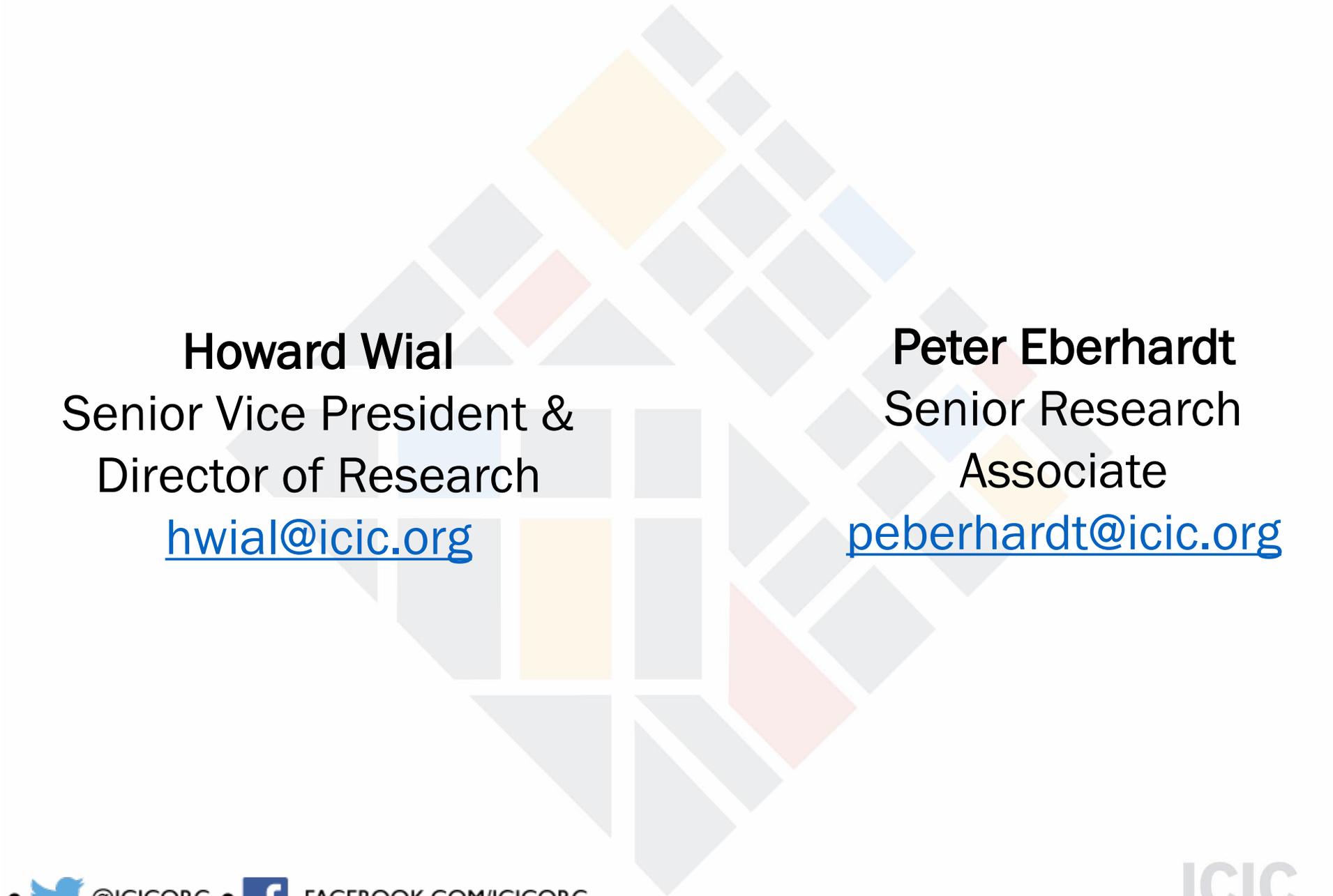
- Atlantic Union Bank is a mid-sized bank headquartered in Richmond, VA. The bank has approximately \$19 billion in assets and 2,000 total employees (approximately 200 of whom work in Richmond).
- The bank partnered with Virginia Supportive Housing and the Virginia Commonwealth University (VCU) Medical Center to renovate an affordable housing development near the VCU Medical Center and create apartments for sickle cell patients.
- VCU Medical Center provides primary care at the patients' newly created homes, aiming to reduce emergency room visits among these patients.



Case Study 2: Nojaim Brothers Supermarket

- Nojaim Brothers Supermarket was a family-owned neighborhood grocery store in the lower-income near west side of Syracuse. Financial and market circumstances forced the business to close in 2017.
- The company owned its own building and third-generation owner Paul Nojaim decided that instead of selling the building, he wanted create a “campus of health” by renting to nonprofit and community organizations.
- The former supermarket is now home to the Onondaga County Women, Infants, and Children’s Clinic, a pharmacy, a primary care clinic, and a nonprofit grocery store that runs workforce development programming.





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