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Initiative for a Competitive Inner City

Why Do Anchor Institutions Matter?

Federal Reserve Bank of Philadelphia

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Initiative for a Competitive Inner City

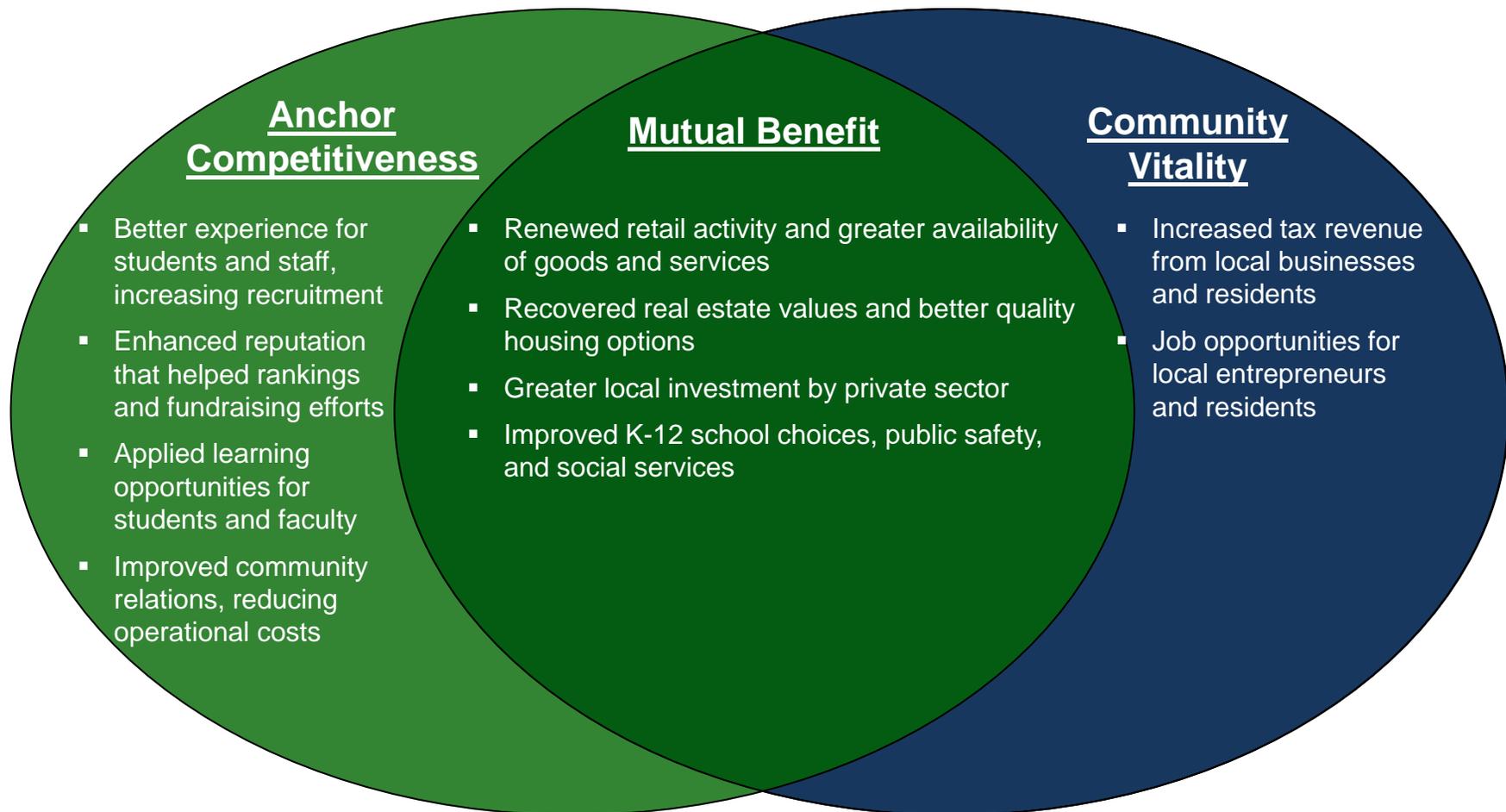


Anchor Institutions and Community Vitality: Strategic Framework



Example:

The University of Pennsylvania and West Philadelphia



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.