Anchor Mission Playbook

prepared by
Rush University Medical Center

with support from
Chicago Anchors for a Strong Economy (CASE), the Civic Consulting Alliance, and The Democracy Collaborative

Healthcare Anchor Network
Health systems collaborating to improve community well-being
by building inclusive and sustainable local economies.

DEMOCRACY
COLLABORATIVE

Anchor Mission Playbook

prepared by
Rush University Medical Center

with support from
Chicago Anchors for a Strong Economy (CASE),
the Civic Consulting Alliance,
and The Democracy Collaborative

Anchor institutions can play a key role in helping the low-income communities they serve by better aligning their institutional resources—like hiring, purchasing, investment, and volunteer base—with the needs of those of communities. The recommendations in this "playbook," drawn from research carried out to help Rush University Medical Center (RUMC) align around its Anchor Mission, are being published to help other hospitals and health systems accelerate their own efforts to drive institutional alignment with community needs.

We hope this playbook contributes to the anchor institution literature as this important field develops and deepens. We encourage other institutions to also document and tell their stories in a transparent manner—both opportunities and barriers, success and failures—because that is the only way we will succeed in closing the economic, racial, and health disparity gaps that prevent us from achieving healthy communities physically, mentally, and spiritually. Together, we can all learn and accelerate the implementation of these critical and needed strategies in our communities.

Table of contents

Preface

Ted Howard, President and CEO, The Democracy Collaborative

For an institution like Rush University Medical Center, the economic determinants of health are not an abstract matter—the deeply entrenched poverty in the communities of color on Chicago's West Side shows up in their emergency room on a constant, daily basis, as the health of their neighboring communities pays the price for decades of disinvestment and chronic unemployment. In this, Rush is not unique—many of our world-class medical institutions find themselves confronted with similar economic disparities in the urban communities they are a part of, sometimes even just blocks away from their front doors.

But, along with a growing number of forward-thinking healthcare anchor institutions, Rush University Medical Center is unique in that it has recast its mission as an institution to tackle these challenges head on. Taking up this "Anchor Mission" means moving beyond simply treating the symptomatic results of place-based racial and economic inequity and towards a realignment of all institutional resources to fight these inequities at the root by building community wealth. For institutions like Rush, the persistence of drastic gaps in life expectancy between richer and poorer neighborhoods isn't just a moral crisis—it's a crisis for the institution itself as it delivers on its mission. Creating a culture of health across all of its operations is not just the right thing to do, it's a smart way to get ahead of the cost curve of providing effective care, by helping create and sustain healthier communities.

> **Creating a culture of health across all of its operations is not just the right thing to do, it's a smart way to get ahead of the cost curve of providing effective care, by helping create and sustain healthier communities.**

Even among the core group of institutions that have started to lead on these issues, convening in spaces like our own Healthcare Anchor Network, Rush stands out as exemplary. In our *Hospitals Aligned For Healthy Communities* toolkit series, we identified three core operational areas in which a shift towards community wealth building could make a significant difference for

community health outcomes—hiring, purchasing, and investment. Rush is, to our knowledge, the first institution to incorporate work across all three areas as core parts of an institutional strategy around the Anchor Mission.

Moreover, Rush has taken the additional and extremely valuable step of documenting how and why they are making these shifts operational within their institution, as a resource for other hospitals and health systems looking to do the same. When hospitals and health systems nationwide collectively spend more than $782 billion annually, employ more than 5.6 million people, and hold investment portfolios of $400 billion, the potential gamechanging impact on the health and wellbeing of America's communities should even a fraction of these institutional resources be redirected towards building more inclusive local economies cannot be overstated. Such a shift will only be truly possible if more institutions are, like Rush, willing to help their peers by sharing what works, in detail, and with an eye towards collaborative learning for greater impact.

> **When hospitals and health systems nationwide together spend more than $782 billion annually, employ more than 5.6 million people, and hold investment portfolios of $400 billion, the potential gamechanging impact on the health and wellbeing of America's communities cannot be overstated.**

The account that Rush has provided here to this important end—drawing on their work and the help provided by Chicago Anchors for a Strong Economy (CASE), the Civic Consulting Alliance, and The Democracy Collaborative (TDC)—demonstrates how, with a commitment from institutional leadership and the appropriate resources for staff time in key positions across the organization, significant progress towards the Anchor Mission can be made in a relatively short period of time. We are excited here at TDC to have been able to help Rush take such auspicious first steps towards fully adopting their Anchor Mission, and honored that lead author Shweta Ubhayakar and the rest of the Anchor Mission team at Rush have made it possible to share their invaluable "playbook" with a national audience of healthcare anchors as part of our Community Wealth Innovators Series.

I. Overview

Anchor Institutions

Anchor institutions are nonprofit or public place-based entities such as universities and hospitals that are rooted in their local community by mission, invested capital, or relationships to customers, employees, residents, and vendors.[1] Anchor institutions therefore have an ability to engage in long-term planning in a manner that aligns their institutional interests with those of their local communities. Thus they have both ability and motivation to improve the long-term well-being of their communities by leveraging their institutional resources.

In recent years, many anchor institutions have shifted their strategies to both advance their nonprofit missions and to reduce health and wealth disparities in their surrounding communities. These institutions have developed an "Anchor Mission" approach: a commitment to apply their economic power in partnership with community to mutually benefit the long-term well-being of both.[2] For instance, anchor institutions can use their position as major employers and purchasers to improve economic opportunity and well-being in low-income and underserved communities.

> **In recent years, many anchor institutions have shifted their strategies to both advance their nonprofit missions and to reduce health and wealth disparities in their surrounding communities.**

Hospitals and universities have adopted Anchor Mission strategies that address a wide range of community needs and interests, as shown on the chart on the next page.

Many of these strategies for local hiring, procurement, investing, and land use can advance the goals of racial and economic equity. By shifting these powerful economic drivers to more directly serve the needs of low-income communities, anchor institutions can help to increase wealth building opportunities for families in the communities they serve. Given the connections between economic and physical health, this is a powerful way for healthcare anchors in particular to realize their missions. Investing in local businesses owned by local people will increase a neighborhood's multiplier

Hospitals and universities adopting Anchor Mission strategies

	Inclusive, local hiring	Inclusive, local sourcing	Inclusive, local construction	Place-based community and impact investing	Support for affordable housing
	Create pipelines from outside the institution into it and then upward internally for local and diverse residents	Meet procurement needs via inclusive, local businesses.	Partner with inclusive, local vendors and hire diverse, local residents on capital projects.	Leverage cash-on-hand and long-term investments to invest in inclusive and sustainable community projects.	Utilize grants or impact investments to support the development of affordable housing.
University Hospitals	√	√	√		
Johns Hopkins	√	√	√		
Henry Ford		√	√		√
Bon Secours		√		√	√
Dignity Health				√	√
UChicago	√	√			
Drexel University	√	√	√		
RUMC	√	√	√	√	

effect, which will spur more secondary investments into communities, providing revitalization without displacement.[3]

This Playbook, adapted from research and analysis by Bain & Company and The Democracy Collaborative, provides guidance for institutions that wish to develop their Anchor Mission strategy. Bain developed its research and analysis on behalf of RUMC on Chicago's West Side, drawing heavily from a body research by The Democracy Collaborative on the leading promising practices in the field. We offer our lessons learned to help other health system institutions in and around Chicago, and across the country, as they develop their own Anchor Missions.
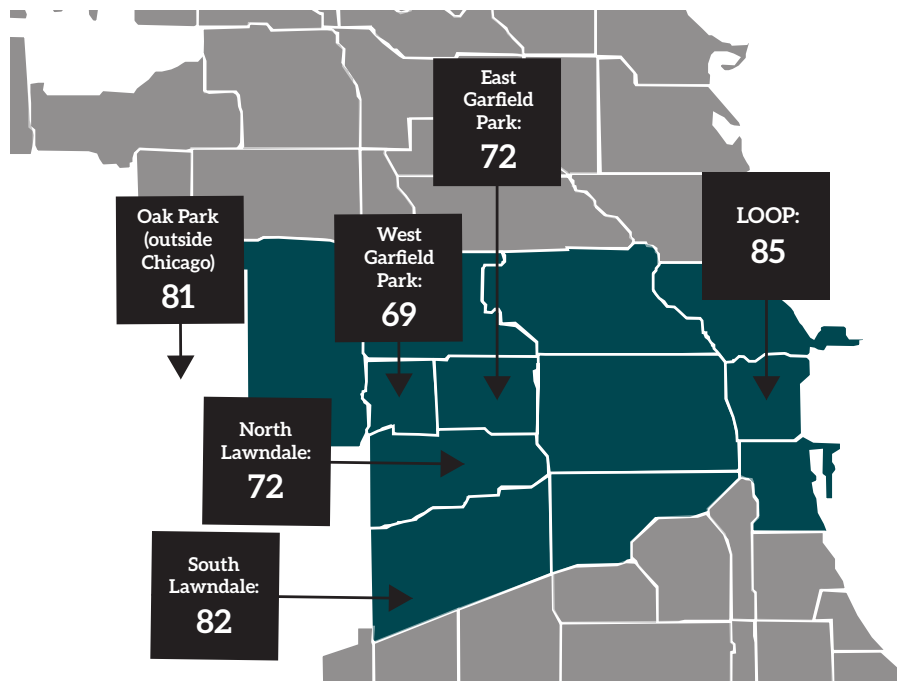
Anchor Mission Vision

Critical to the success of an institution's Anchor Mission (AM) strategies and initiatives is grounding the work in—and keeping it connected to—a core vision. This vision statement should encompass both an imperative for action and a statement of goals.

The imperative for action that helps inform the vision often stems from a legacy of disinvestment within the highest need communities the institution serves. The vision statement therefore helps demonstrate an institution's commitment to be a partner in helping address community needs, and to also leverage and grow community assets. In developing its vision statement, an institution should invest time in understanding the surrounding community, including both the challenges residents face and the community's assets. The problem statement may be related to inequalities in areas such as employment, health, housing occupancy, income and wealth, asset ownership, or education levels across racial, ethnic, and social groups. Private nonprofit healthcare institutions have a unique opportunity to leverage their legally mandated Community Health Needs Assessments (CHNAs) for their community diagnostics to align with this approach.[4]

In the summer of 2016, RUMC changed its corporate mission from "be the best in patient care" to "improve health." Rush's board adopted this broader mission in recognition of the ongoing health crises in the neighborhoods around the health system's main campus on the West Side of Chicago. Many of these neighborhoods suffer from high unemployment, job scarcity, poverty, poor public education, environmental despoliation, and disproportionate levels of crime and violence—factors collectively known as negative social determinants of health. The overall effect of this neighborhood disadvantage is evident in the most basic metric of public health, life expectancy.
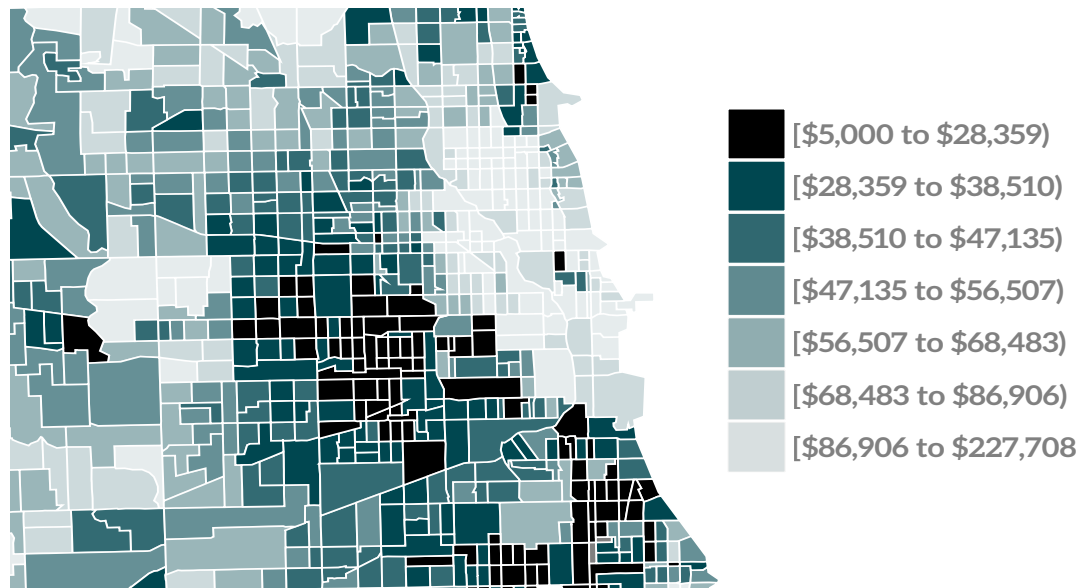
For instance, while the average resident of the Loop will live to 85, a resident in neighboring West Garfield Park has a life expectancy of only 69 years. Many other measures of community well-being, from housing to crime to education attainment, show a similar disparity, even when the communities are just five miles apart.

Life Expectancy (Years) at Birth by Neighborhood on Chicago's West Side

East Garfield Park: **72**

Oak Park (outside Chicago) **81**

West Garfield Park: **69**

LOOP: **85**

North Lawndale: **72**

South Lawndale: **82**

Data: 2010 Life Expectancy Estimates By Community Area, Illinois Department of Public Health

Median Household Income on Chicago's West Side

[$5,000 to $28,359)

[$28,359 to $38,510)

[$38,510 to $47,135)

[$47,135 to $56,507)

[$56,507 to $68,483)

[$68,483 to $86,906)

[$86,906 to $227,708

Data from 2015 ACS 5-Year estimates

As an institution, Rush made being a catalyst and anchor for community health and economic wellness a strategic priority. Its Anchor Mission strategies help address four critical health needs identified in the West Side community:

- Improve social, economic, and structural determinants of health
- Improve access to care and community resources
- Improve mental and behavioral health
- Prevent and reduce chronic disease

In creating strategies to achieve its "improve health" mission, Rush first looked internally to re-orient portions of its existing business operations to benefit communities on the West Side. Rush created an Anchor Mission Work Group and created a framework and strategy based on four "Theory of Change" levers: hire and develop more West Side talent, purchase more goods and services from West Side vendors, invest portions of its endowment into West Side projects, and engage its employees in volunteering in West Side neighborhoods. With the help of Bain & Company, Rush identified leaders inside of all relevant business units, set goals and metrics, and developed a clear path forward to continue to make progress on those initiatives.

A central part of the visioning process is setting expectations for the financial impact of the Anchor Mission work. The institution may aim for a revenue neutral approach with all initiatives or frame Anchor Mission activity in terms of acceptable loss. The scale of "acceptable loss" can be further qualified by calculating a "social return on investment (ROI)" in each initiative area. Social ROI calculations will be most objective in investing and purchasing initiatives, where impact into the target community can be measured directly in financial terms. The social ROI in hiring and volunteering initiatives can be estimated by considering the impact on employment and community vitality.

Anchor Mission Partners

The institution can leverage existing community-based organizations, collaboratives, and thought leaders to develop their anchor mission.

Anchor Mission Partners

	Community based organizations	Collaboratives	National thought leaders
Who	Organizations, typically not-for-profits, that are focused on **one or two main community impact areas** in a given geography	Groups of institutions and/or organizations **united around a common goal** Collaboratives are typically created to leverage scale and share resources	Institutions or organizations focused on the community wealth and/or anchor institution concept Typically will **conduct and publish research**, convene organizations via on-going **national networks** and convenings, and provide **one-on-one advisory services**
Role	**Partner with anchor institution** on a given initiative or set of initiatives CBO helps anchor source supplies, labor, etc. and anchor helps CBO further their impact and mission	When first starting, institution **can leverage best practices** coming out of other collaboratives This can serve as a model to develop own collaboratives later on	Prime resource when getting an anchor institution off the ground to learn about **example initiatives, how other institutions have created success**, contacts to talk to about the mission, etc.
Examples	THE cara PROGRAM *transforming lives...* SKILLS FOR CHICAGOLAND'S FUTURE CHICAGO UNITED FIVE FORWARD 20/20 CHICAGOLAND WORKFORCE FUNDER ALLIANCE	World Business Chicago **CASE** CHICAGO ANCHORS FOR A STRONG ECONOMY	DEMOCRACY COLLABORATIVE

Anchor partners help provide guidance, resources, and expertise to support the Anchor Mission. Partnerships also allow for collaboration and greater collective impact. Anchor Missions across multiple health systems can magnify the impact of Anchor Missions and help improve health and wellness in specified communities and neighborhoods. For example, collaborating anchors can leverage their combined purchasing power to help local vendors through joint commitments to long-term contracts, which provides the incentive and security necessary for these local businesses to expand. Cleveland's Greater University Circle Initiative and the planned West Side Anchor Committee in Chicago are two examples of efforts to scale up impact of Anchor Mission work.[5]

II. Readiness Review

Before an institution can begin implementing its Anchor Mission strategy, it should build an infrastructure to ensure long-term success of the Anchor Mission. This section outlines logistical pre-work an institution should take on before implementing its Anchor Mission. This work may be done concurrently with the visioning pre-work outlined in **Section III: Internal Anchor Mission**. During the Readiness Review, an institution will evaluate if it has the 1) resource capacity, 2) organizational structure, and 3) accountability structure to develop and execute an Anchor Mission strategy effectively.
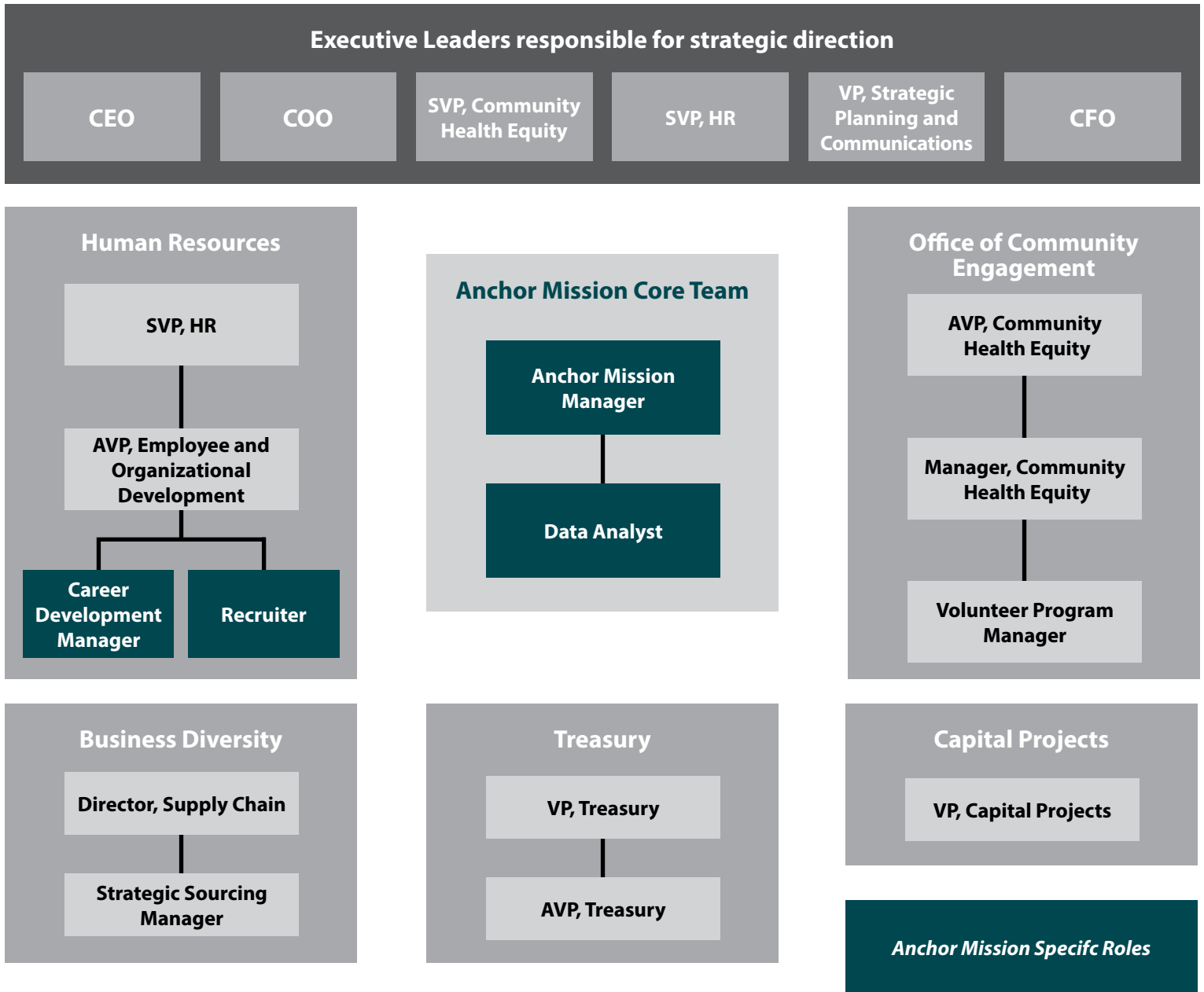
Resource Capacity

Catalyzing and institutionalizing an Anchor Mission approach will require an institution to dedicate people, time, and resources. While not every institution may be able to commit these resources from the onset, the following should be seen as goals for systematizing and sustaining this approach:

- At least 0.75 – 1.0 FTE of project manager's time and at least 0.5 FTE data analyst dedicated to anchor mission efforts
- Staff in the relevant departments or business units dedicated to Anchor Mission Initiatives as part of their existing job
- 1.0 FTE Career Development Manager and 1.0 FTE Recruiter/ Community Liaison Talent Acquisition Consultant dedicated to HR anchor initiatives
- Financial readiness assessment and preliminary budget
- Institutional databases from HR, Supply Chain/Procurement and other business units
- A dashboard for tracking and reporting progress
- Buy-in from leadership team to build and execute plans

Organizational Structure

To launch an Anchor Mission program, it is recommended that an institution incorporate ongoing Anchor Mission support into its organizational structure. Based on our experience, the team of individuals involved in the

Sample Structure for an Anchor Mission Working Group

Executive Leaders responsible for strategic direction

CEO	COO	SVP, Community Health Equity	SVP, HR	VP, Strategic Planning and Communications	CFO

Human Resources

- SVP, HR
  - AVP, Employee and Organizational Development
    - Career Development Manager
    - Recruiter

Anchor Mission Core Team

- Anchor Mission Manager
  - Data Analyst

Office of Community Engagement

- AVP, Community Health Equity
  - Manager, Community Health Equity
    - Volunteer Program Manager

Business Diversity

- Director, Supply Chain
  - Strategic Sourcing Manager

Treasury

- VP, Treasury
  - AVP, Treasury

Capital Projects

- VP, Capital Projects

Anchor Mission Specifc Roles

Anchor Mission, referred to in this playbook as the Anchor Mission Working Group, and should include an Executive Leadership Team, a Core Team responsible for project management and strategic direction, and business unit/department leads.

Anchor Mission Senior Leadership Team:
Executive leaders in the organization with authority to direct high-level operations, budgetary, and HR decisions should have strategic oversight of

Anchor Mission activities. This group might address Anchor Mission work in the context of previously scheduled meetings or in separately constituted Anchor Mission meetings.

The role of senior leadership includes:

- Serving as overall leaders of the Anchor Mission
- Supporting vision development and communicating to key stakeholders
- Developing strategy and approving measures and initiatives
- Acting as ambassadors of the mission with CBOs, business partners, etc.
- Holding the organization accountable for execution

Senior leadership should designate a **key leader** to drive the engagement and act as the spokesperson for Anchor Mission strategy. The ideal key leader will have the following characteristics:

- Ability to dedicate 5–10% of his/her time to the cause to mobilize mission, attend and lead meetings, update organization leadership, etc.
- Established relationships with senior leadership and credibility as a decision maker for the organization
- Relevant background experience in community health, community engagement, community economic development, and/or with other community-based organizations working to solve similar issues

Core Team:

The Core Team should include individuals directly involved in the Anchor Mission who oversee components of the initiative in its planning and implementation stages. Not all members of this team would need to be new hires. In fact, it would be valuable to have more of them be existing employees already familiar with the organization. The Core Team would work directly with business units to track progress on Anchor Mission initiatives.

The role of the Core Team includes:

- Implementing strategies and corresponding programs
- Tracking results and providing reports to the Anchor Mission Board

The Core Team should have a **project manager** to oversee the different business unit leads and to report to the leadership team regarding progress and milestones for the Anchor Mission strategy. The project manager will be in charge of coordinating existing efforts, driving new initiatives, and keeping the wheels turning. The ideal project manager will have the following characteristics:

- Ability to dedicate 75-100% of his/her time to the Anchor Mission
- Ability and opportunity to develop relationships with leadership and business unit leads
- Relevant background experience in community health, community engagement, community economic development, and/or with other community-based organization working to solve similar issues

Business Unit Leads:

Business unit leads would be responsible for overseeing and executing anchor mission initiatives within the business units identified as key to the AM strategy. See **Section III: Anchor Mission – AM Initiatives** for how to identify Anchor Mission business units. The role of business unit leads includes:

- Ability to dedicate 10–15% of his/her time to the AM activities
- Driving design and mobilization of AM initiatives
- Engaging relevant stakeholders to support and approve initiatives
- Designing metrics, setting timelines, and conducting resource planning
- Monitoring and reporting progress of initiatives

Accountability Structure

Anchor Mission leaders should clearly define decision-making processes and accountability for key roles. To help speed decision-making and establish clear points of accountability, the institution should create a process for defining roles and expectations. Institutions may also consider linking performance evaluations to Anchor Mission activities. This practice strengthens incentives for employees and would clarify the commitment level of the institution's senior leadership.

Institutions can create a RACI (Responsible, Accountable, Consulted, and Informed) matrix to specify what, by whom, and how to accomplish essential tasks. RACI matrices help clarify ownership of initiatives, decision rights, and the role of key leaders and stakeholders. See **Appendix 1** for a template for an Anchor Mission RACI matrix.

	Definition	Principles for Allocating
Responsible	• **Responsible for executing – "doing the work"** • **Participates in the decision-making** • **Is also consulted and contributes to the decision - "R" implies "C"**	• Only the smallest effective number of people should be responsible • Others may be kept informed but do not have a formal right to provide input • "R"s always are "I"s and implied "C"s
Accountable	• **Accountable for outcomes of the decision – "the buck stops here"** • **Ensures the decision is made using the appropriate decision-making process with the participation by the designated stakeholders ("R"s)** • **Gains alignment during the decision-making process**	• Only **one** role is accountable for decision-making; however, the decision-making process should be collaborative • The individual who is accountable for a final outcome should finalize the decision only after collaboration with the right stakeholders, and make decisions in the best interest of the system • "A"s can also be "R"
Consulted	• **Consulted by the "Responsible" stakeholders to provide input to the process**	• Being consulted indicates that the individuals are not directly involved in the decision-making activity
Informed	• **Informed about the decision after the decision has been made** • **Not involved in decision-making**	• People should be informed if they are required to participate in the implementation of the decision or require the information to do their work

The institution should also develop a reporting structure for program staff to ensure the effectiveness and sustainability of the Anchor Mission. The institution should create a tracking and reporting cadence, which would describe the process for communicating progress for the Anchor Mission on an ongoing basis.

The institution should meet often to discuss Anchor Mission updates. Below is a proposed meeting cadence for the Anchor Mission Workgroup:

Meeting Type	Cadence	Objectives
Initiative check-in	Weekly	• Business Unit leaders provide project manager with detailed update on actions and progress made over past month • Ensure initiative is on track to achieving Y1 targets
Communications – Anchor Mission update	Monthly	• Communications leads and other Business Unit leads discuss latest Anchor Mission progress to develop content for internal and external communications • Flag any changes in initiative roll-outs to ensure proper communication timeline
Full Anchor Mission working team update	Monthly	• All initiative leads provide read outs of progress on their respective initiatives
Update to Executive Leaders	As needed	• Key leader engages Executive Leadership as needed to make decisions around Anchor Mission execution
Anchor Mission Core Team meeting	Biweekly	• The Core Team ensures alignment across ongoing initiatives and makes operational decisions

Compliance Review

Public institutions will need to seek input from their legal departments at the outset of Anchor Mission planning to ensure compliance with all rel-

evant legal restrictions and consent decrees. Public institutions may face significant legal restrictions in the areas of both hiring and purchasing. Legal restrictions are likely to affect both the feasibility of specific initiatives and their timeline to implementation. Public institutions may find that close consultation with their legal departments is a necessity throughout the planning and implementation of Anchor Mission work.

III: Developing an Anchor Mission

In addition to the Readiness Review, the institution should align on principles and methods of the Anchor Mission. The timing of the processes outlined in this section may overlap with the Readiness Review outlined in **Section II**. The Anchor Mission should be clearly defined so that all stakeholders can understand its purpose and importance. To maximize impact on the overall institution and surrounding neighborhoods, there should be an institution-wide understanding of the Anchor Mission. If everyone in the institution clearly understands the Anchor Mission, the mission becomes part of the institution's culture and can then be supported and upheld throughout all levels of the institution. The framework serves as a communication tool to help all employees and stakeholders understand the Anchor Mission and how it relates to their roles. To develop its Anchor Mission, an institution should 1) align on its Anchor Mission Framework and 2) develop Anchor Mission Initiatives.

Anchor Mission Framework

The institution should develop a framework that communicates its Anchor Mission strategies. An Anchor Mission framework should be a comprehensive description of the institutions' overall vision that maps out how different initiatives that will allow the institution to meet their Anchor Mission goals. The framework should include the institution's vision, intended impact, theory of change, and geographic area of focus. (See **Appendix 2a** for a case study of the Anchor Mission framework for RUMC.)

Vision:
The vision for the Anchor Mission is the purpose and goal of the Anchor Mission. The vision should be clearly communicated, and the Anchor Mis-

sion strategies will build off the vision. See **Section I** for how to develop a vision for the Anchor Mission.

Intended Impact:

The intended impact represents the social benefit that the Anchor Mission seeks to create, and is a response to the problem statement and community needs. The intended impact should be measurable and achievable. Some possible intended impacts include:

- Measurable impact with internal community, e.g. decreased employment turnover for target positions
- Measurable impact with external community, e.g. decreased unemployment within a target area
- Employee engagement in local communities through volunteering or patronizing neighborhood businesses
- Involvement of local community members in organizational governance
- Increased numbers of local, community-owned and controlled institutions (such as employee-owned businesses or community land trusts)

Theory of Change:

The theory of change describes the pathway for getting to your intended impact. The theory of change includes assumptions of current and proposed services. The theory of change should provide channels and methods for addressing the stated issues. It should also reflect the institution's core competencies and capabilities. Rush University Medical Center identified five overarching theory of change levers when it initiated its Anchor Mission:

- Hire locally and create sustainable career pathways for entry level employees
- Utilize local labor for capital projects
- Buy and source locally
- Invest locally
- Volunteer and support community building

An institution should decide on theory of change levers that are suitable for the institution. This playbook will focus on the five theory of change levers listed above; however, the process for executing Anchor Mission strategies can be adapted to other levers, such as community banking or aligning real estate and land-use to support permanently affordable housing.

Geographic area of focus:
A well-defined geographic focus will help articulate the Anchor Mission. The organization should identify the target community it wants to serve, and the identification of the target community should be responsive to the challenges faced by the community. Imposing geographic limits will also clarify the tasks of data collection and tracking progress. The scope of an initiative could be a single neighborhood (e.g., Cleveland's University Circle), or a collection of neighborhoods or community areas (e.g., Chicago's West Side).

Several considerations may drive the selection of a geographic area of focus, including the availability of data and disparities in public health outcomes within and between spatial units. For example, the RUMC Anchor Mission focuses on the West Side defined by nine target neighborhoods and relies on zip codes for data collection and measurement purposes. Rush's Anchor Mission target neighborhoods are North Lawndale, South Lawndale, East Garfield Park, West Garfield Park, Near West Side, Lower West Side, West Town, Humboldt Park, and Austin.

Anchor Mission Initiatives

Once the institution has developed a framework for the Anchor Mission, it should align on programs and services that support the Anchor Mission. It should design, prioritize, build, and socialize specific organizational initiatives that move Anchor Mission goals forward. The Anchor Mission Senior Leadership Team should meet to discuss priorities and identify areas of opportunity. Key steps in this process are:

- Identifying business units/departments essential to Anchor Mission implementation
- Prioritizing initiatives and allocating resources

- Securing commitment to resources from leadership
- Developing an internal communication plan

Identifying Anchor Mission business units

The organization should identify key business units that will drive the Anchor Mission. For the theory of change levers outlined above, the relevant business units and initiatives are likely to include:

- Human Resources – Hire and develop talent
- Supply Chain/Procurement – Buy and source locally
- Treasury/Finance – Invest locally
- Capital Projects – Utilize local labor
- Community Health Equity – Volunteer and support community building

Prioritizing initiatives and allocating resources

The Anchor Mission Senior Leadership Team should work with department leads to identify high-priority initiatives for each business unit.

The following questions can help guide the discussion:

- What would an Anchor Mission strategy look like in your business area?
- What internal or external forces could be barriers to moving the strategy forward?
- What internal or external forces could facilitate moving the strategy forward?
- What is the best practice for leveraging the anchor strategy within your business area (if one exists?)
- How will you measure progress over the next year and over the next five years?
- What support do you need to develop the strategy and who else should be involved?
- What support do you need to implement the strategy and who else should be involved?

The Anchor Mission Core Team should work with business unit leads to create a list of possible initiatives that support the Anchor Mission Framework. From this list, the organization should focus limited organizational resources on high-impact and relatively easy-to-implement initiatives. Below is a sample framework for prioritizing initiatives based on analysis at RUMC.

Feasibility of scaling initiatives
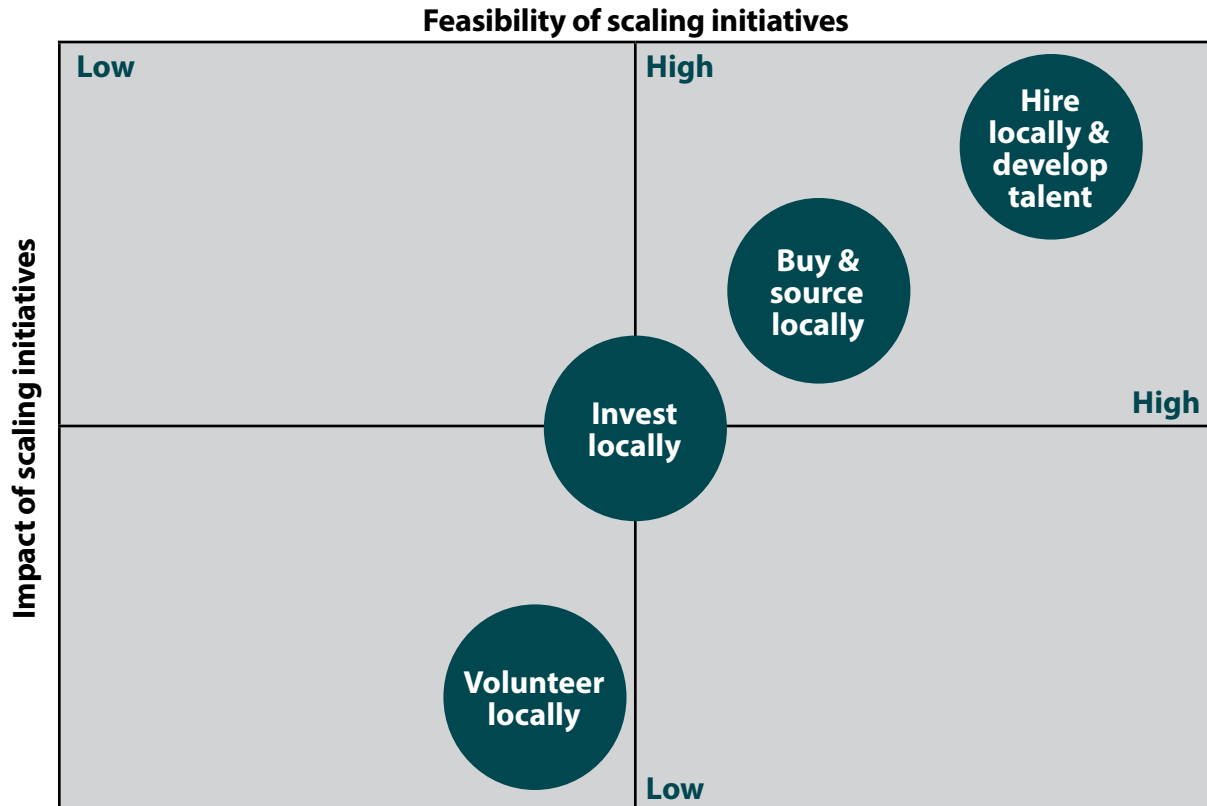
Each business unit, in collaboration with the Anchor Mission Working Group, should select and build out components of the initiatives. The following sections (IV-VIII) will discuss how each business area can build and implement Anchor Mission initiatives. See **Appendix 2b** for a case study of Rush's key initiatives.

Internal communication plan:
Anchor institutions should set up an internal communication strategy to keep employees engaged and to sustain momentum.

It should focus on: 1) explaining the vision and framework for Anchor Mission, celebrating small successes, recognizing employee efforts, and sharing

progress in a proactive, multi-channel manner and 2) intentionally articulating the core connection of Anchor Mission initiatives to the institution's overall mission.

The plan can rely on the following channels of communication:

- Developing internal talking points for key leaders and middle managers
- Email updates and newsletters
- Websites (the organization's main page as well as social media sites)
- Workshops and panels

IV: Human Resource Initiatives

The human resources business unit can oversee and manage Anchor Mission strategies related to hiring locally and developing internal talent pipelines, with a particular focus on residents and employees facing barriers to employment or career pathways. When developing and launching these AM initiatives, the institution should take stock of its current HR initiatives, define its target community, and define metrics along with clear methods for tracking them.

Understand Hiring and Career Development Initiatives

In developing Anchor Mission Initiatives, the institution should define its Human Resources objectives related to the Anchor Mission. As a starting point, the institution should identify any current community development initiatives to understand what already exists that might relate to HR issues. HR-related community development initiatives may include programs focused on access to jobs, career development, child education, financial education for employees, and more.

After mapping out its current initiatives, the institution can identify areas of opportunity and gaps where new initiatives may need to be developed. Some possible HR initiatives include:

- Create employment preferences for entry-level jobs for those facing barriers to employment
- Build and facilitate career paths for entry-level employees to move up in the organization
- Provide tuition support for certifications of skills training for frontline employees
- Build a program to boost volunteer participation among employees
- Provide financial literacy training to employees
- Assist employees' children with applying to and paying for college
- Offer STEM (science, technology, engineering and mathematics) courses to employees' children
- Partner with local community-based organizations and workforce development programs in underserved areas to host recruitment events
- Partner internally with key stakeholder groups to increase employee voice and participation in workplace decision-making at various levels, and overall employee engagement
- Assess opportunities for wealth building for lower-wage employees through additional employer's savings match or housing assistance

Because Human Resources work is particularly time intensive and relies heavily on organizational culture, it is especially important that Anchor Mission HR activities be carefully planned at well executed at the outset. Poor implementation of a program to give employment preference to those facing barriers to employment, for example, would only increase resistance for hiring and recruiting managers to support such a program in the future. The pace at which an institution hires from underemployed populations should be aligned closely with the institution's ability to guarantee success. RUMC has committed to hiring to two new individuals to focus on recruiting hard-to-employee residents from the anchor communities and to create pipeline career pathways for entry-level employees. RUMC has set the local hiring goal for FY18 to 16% of new hires from anchor mission communities/zip codes with the current baseline of 14%. The Democracy Collaborative' s

Inclusive, Local Hiring toolkit provides a list of success factors from leading efforts in this area to consider when designing such a strategy.[6]

For each initiative, the organization should prioritize those that meet the institutions' targeted objectives. Two to three initiatives should be designated as highest priority. **Appendix 2c** outlines Rush's two high priority human resource initiatives: an employment preference initiative and a career development program. For each high priority initiative, the institution should identify the following: the goal of the initiative, key steps or programs, and an initiative lead.

Define Target Community

After defining its HR objectives, the institution should understand its current role in the Anchor Mission neighborhoods in order to determine how it can best meet its Anchor Mission goals. The institution can leverage internal HR data to answer the following questions:

Why do we need to define a "target community"?	What will we do differently for the "target community"?

• The impact we want to make on the community can start with employees that experience the same challenges and hardships
 	
• Existing resources (funds, programs, etc.) are likely under-utilized by this group
 	
• It is easier to pilot and fund new programs for a smaller group
  • Prove success on smaller scale to build buy-in for expanding programs
	• Provide differential support and services
	  • Job coaching and fund skills training to create career development path
	  • Hiring programs for high turnover roles
	
	• Determine 'risk factors' and other useful insights to better address their needs
	  • Barriers to long-term employment
	  • Roles with significantly high turnover
	  • Sub-groups with unique needs
	
	• Track this group to ensure we are making an impact
	  • Career mobility
	  • Retention
	  • Utilization of education and support programs

Which employees live in Anchor Mission neighborhoods?
- What percent of the institution's workforce lives in AM neighborhoods?
- What is the position and salary breakdown per neighborhood?

Where do these employees work within the hospital?
- Are these employees concentrated in a few departments?
- What type of roles do they have? Clinical? Non-clinical? Apprentice?

From this analysis, the HR business unit lead can draw key insights to understand the AM neighborhood workforce. The institution can also establish a baseline by understanding how many employees it hires locally in different departments and positions, which may reveal opportunity areas for HR initiatives.

After gaining an understanding of its AM neighborhood workforce, the institution should clearly define a "target community" for the Anchor Mission to help focus and maximize impact and meet its Anchor Mission objective. This target does not need to be defined exclusively in terms of geography—it may also take into account wage gaps, entry-level positions with high employee turnover, concentrated disadvantage among racial or ethnic groups, etc.

Target community definitions should be framed and communicated as guidelines for the Anchor Mission that helps identify employees who may need assistance, but the definitions should not single out any employees.

After defining the target community, the institution can use internal data and surveys to develop a first-hand understanding of the target population. This will help the institution base their programs on evidence-based information from the people who will be impacted. Information from HR data and feedback from target community employees and their managers can provide focused insights and priorities for the institution.

Some insights that might be gained from this analysis include:

Target population career needs such as:
- Formal guidance
- Mentoring
- Skills training or certification
- Internal communication about potential career pathways

Barriers to career mobility and stability for the target population, such as:
- Transportation
- Child care
- Irregular shift scheduling

Define and Track Metrics

To measure the progress and success of each HR initiative, the institution should align on key metrics to track. Likely sources for these metrics include HR internal data, employee and community member feedback, supervisor feedback, and information from the recruiting team.

To ensure the HR Anchor Mission initiatives have a measurable impact on external communities, as outlined in the framework, the institution must choose externally facing outcome metrics by which to measure the success of its HR initiatives. Some potential HR metrics for the Anchor Mission include:

- Number of new hires through Employment Preference Initiative
- Percent of new hires from Anchor Mission zip codes
- Percent of Employment Preference hires retained after one year
- Percent of new hires from AM zip codes retained after one year
- Employee satisfaction with career mobility opportunities
- Annual turnover rate in target roles
- Percent of target community utilizing tuition funds
- Number of internal candidates making <$25/hr hired into new positions at the insititution

After defining the key metrics to track HR initiatives, the institution should identify the baseline for each initiative as well as goals several years out (five

years is often a good scope for a strategic plan like this). This information can be recorded in a dashboard, maintenance of which is the responsibility of the Anchor Mission project manager.

The Anchor Mission project manager should work with department leads to establish a reporting cadence for these metrics, with department leads updating the dashboard monthly or quarterly or annually depending on the metric.

Below is a sample dashboard with sample targets for HR initiatives:

Metric	Baseline	Targets			Data source
		Y1	Y3	Y5	
# of new hires through Employment Preference Initiative					Recruiting team
% of new hires from AM zip codes					HR data
% Employment Preference hires retained after one year					HR data
% of new hires from AM zip codes retained after one year					HR data

Additionally, the institution can create a reporting dashboard spreadsheet that can track the progress of Anchor Mission strategies. The tracker should be updated quarterly by the Anchor Mission project manager with information from supporting business units.

V: Procurement and Supply Chain Initiatives

The procurement, supply chain, or business diversity unit can oversee and manage Anchor Mission strategies related to buying locally from inclusive and sustainable businesses like minority- and women-owned enterprises and employee-owned companies. Institutions can find support for the "buy local" anchor initiatives from prime vendor partners and local business as-

sistance agencies, such as, in our region, Chicago Anchors for a Strong Economy or Five Forward in Chicago. See **Appendix 2d** for a case study on Rush University Medical Center's local purchasing initiative.

If the institution decides that inclusive, local purchasing is a high AM priority, the institution should understand current initiatives, identify addressable spend, develop plans for integrating these goals into the RFP process, and define and track metrics.

Understand Current Initiatives

If an institution seeks to scale up local purchasing, it should first identify its current initiatives and capabilities as the institution may need additional resources or infrastructure. The supply chain and procurement department leads should meet with the Anchor Mission Core Team to understand what resources might be required to achieve goals to spend more locally with inclusive and sustainable businesses. The institution should ensure it is willing to dedicate the resources needed to support a local purchasing initiative. Some discussion questions include:

- **Cost profile:** Are we willing to pay more than market rate to purchase more supplies locally? If so, how much more? Is it possible to shift evaluation of contracts from lowest price to best value?
- **New processes:** Will we institute any new events or steps to the RFP processes to ensure proposals from local businesses that might require additional resources? (E.g. local-only vendor fair, online research to identify vendors available, etc.)
- **Tracking initiative's success:** Does the current procurement reporting system allow us to categorize spend data in the way we'll need to for tracking purposes? Do any expense recording procedures need to be modified?
- **Current initiatives:** What do we currently buy locally? Who helps us find our vendors?
- **Capacity building:** How can we build capacity of local businesses and/or offer technical assistance around contracting opportunities?

- **Improving equity:** Can we set up any preferred purchasing and living wage considerations for primary vendors?
- **Collaboration opportunities:** How can we build capacity of local businesses and/or work with other regional anchor institutions to support businesses that can serve multiple anchors?

Identify Addressable Spend

To effectively support the Anchor Mission Initiative of increasing inclusive, local purchasing, the institution should work with purchasing managers to identify spend areas with high potential for inclusive, local sourcing and prioritize opportunities. Some points to consider are:

- Do we currently purchase any goods or services locally?
- What are the best goods and services (e.g. maintenance, food/ dining, medical equipment) to purchase locally?
- Who are our prime vendor partners?
- How have we partnered with local retail businesses in the past?
- Have we partnered with any other regional anchor institutions in the past around joint purchasing?

The institution can also work with vendor partners and local business assistance agencies, such as Chicago Anchors for a Strong Economy (CASE), to identify addressable spend.

Plans for RFP Process

To provide purchasing managers with resources that will facilitate shifting more spend to AM vendors, the institution can develop a list of local vendors (based on your institution's definition of local). The vendor list may be included in the RFP processes for expiring contracts.

Department leads should identify which of their contractors and subcontractors are local. For national vendors, department leads should determine if they have local partners. Institutions can develop local procurement plans with spend goals at the division or departmental level that feed into the larger organizational plan.

Institutions may also add clauses with their national and regional vendors that incentivize or require vendors to purchase and hire locally. When an institutional Anchor Mission focuses on local purchasing, the institution may choose to tie performance reviews or compensation to progress on this initiative. The table below compares the actions taken by other health system institutions to support their local purchasing initiatives:

← Incentives at all levels   Leadership incentives →

	CHRISTUS Health	Grady Health System	KAISER PERMANENTE
Setting Goals, Tracking Performance	Added supplier diversity to dashboard with operational goals for health system Integrated supplier diversity indicators into supply chain associates' performance evaluations	Allowed supplier diversity director to set goals for department vice presidents Annually reported departmental supplier statistics for CEO's review	Established a dashboard for tracking and reporting supplier performance on a monthly basis
Linking Performance to Compensation	Tied supply chain associates' compensation to supplier diversity progress Tied executive compensation to achievement of dashboard's supplier diversity goals • Regional CEOs are held accountable for hitting targets on operational dashboard, including supplier diversity goals	Tied executive compensation to progress on assigned supplier diversity goals • A department vice president's success with supplier diversity could lead to increased compensation	Tied executive compensation to progress on supplier diversity initiative • CEO reviews supplier diversity statistics for each region before approving compensation for regional executives
Notes	Case studies, above, for linking compensation and supplier diversity progress focus on executive pay. These health systems may leverage executive pay more so than sourcing managers' pay, for the following reasons: • Executives have broader decision-making power over budget priorities than supply chain associates • Large health networks like those above may use executive pay as a tool for aligning regional leaders on system-wide priorities		

Define and Track Metrics

To measure the progress and success of an inclusive, local purchasing initiative, the institution should align on key metrics to track. The sources for these metrics include procurement spend data and procurement bid data.

Some potential supply chain/procurement metrics to track include:

- Number of direct Anchor Mission community vendors doing business with the institution
- Dollar amount of direct Anchor Mission spend doing business with the institution
- Percent of direct spend with Anchor Mission vendors against total addressable spend
- Percent of direct spend with Anchor Mission vendors against total spend
- Percent of vendor employees at living wage
- Percent of vendor employees from the target neighborhoods
- Percent of spend with minority- and women-owned enterprises (MWBEs), including primary vendor subcontracting

After defining the key metrics to track initiatives, the institution should identify the baseline for each initiative as well as goals several years out (five years is often a good scope for a strategic plan like this). This information should be recorded in a dashboard, maintenance of which is the responsibility of the Anchor Mission project manager.

The Anchor Mission project manager should work with department leads to establish a reporting cadence for these metrics, with department leads updating the dashboard weekly, biweekly, monthly, or annually depending on the metric. A sample dashboard with sample targets for supply chain/ procurement initiatives can be found on the next page.

Additionally, the institution can create a reporting dashboard spreadsheet that can track the progress of Anchor Missions strategies. The tracker should be updated quarterly by the Anchor Mission project manager with information from supporting business units.

Metric	Baseline	Targets			Data source
		Y1	Y3	Y5	
# of direct AM community vendors doing business with RUMC					Procurement spend data
$ of direct AM spend doing business w/ RUMC					Procurement spend data
% of direct spend with AM vendors against addressable spend					Procurement bid data
% of direct spend with AM vendors against total spend					Procurement bid data

VI: Capital Projects

The capital projects business unit can help support the Anchor Mission initiatives to buy and hire locally when construction projects are in the pipeline. Initiatives in this domain would focus on working with inclusive, local construction firms or developing local hiring provisions for to increase the number of residents employed from the anchor neighborhoods.[7] See **Appendix 2e** for a case study of Rush's local construction initiative.

To accomplish this, institutions can work with local business assistance agencies. If the institution decides that local purchases and hiring for capital projects is a high AM priority, the institution should understand its current initiatives, develop plans for RFP processes, and define and track metrics.

Understand Current Local Construction Initiatives

To support a local construction labor initiative, the organization should first establish a baseline from prior projects to help set realistic goals for local construction. Some key questions include:

- What has been the capital projects profile at your hospital over the past 20 years?
- What capital projects are in the pipeline for your hospital over the next 10 years?

- What prior experience do you have working with AM community construction in the past? What percentage of spend on capital projects goes to these firms?
- Would you look to work with local construction companies or companies that hire AM community workers? Why or why not?
- What channels do you currently use to request proposals from this group?
- How has the sub-contract relationship worked best in the past to encourage local buying and hiring?
- Do your upcoming capital projects have any required hiring or contracting targets for local companies, minority- and women-owned enterprises (M/WBEs), or employee/community-owned businesses set internally or through agreements with local governments? Are there any contracting requirements around providing a living wage?

For previous capital projects, the following data should be collected by project for the past three major capital projects:

- Description of project
- Year(s) of project
- Budget/cost of project
- Contractor(s)/vendor(s) used
- Location of contractor(s)/vendor(s)
- Diversity profile of contractor/vendor employees working on project

For future projects, the following data should be collected by project:

- Planned project start date and duration
- Planned project budget
- Planned number of contractors/vendors

Payroll data from past tax increment financing (TIF) projects can be used to identify what percentage of construction hours and spend went to AM community residents, which serves as a baseline for setting local hiring

goals. By understanding its current state, the institution can build its local construction hiring goals from the baseline.

Plans for RFP Process

After establishing local construction hiring goals, the capital projects business unit should align on strategies to meet those goals. The process to select vendors should prioritize these Anchor Mission goals. In particular, the vendor selection process should be tailored to meet the type of goals set. The table below outlines the steps in two different approaches to a local hiring initiative for capital projects:

Local Resident Hiring Model		Local Vendor Hiring Model	
1 Vet companies submitting RFPs	Evaluate each submission using standardized Anchor Mission evaluation criteria	1 Vet companies submitting RFPs	Evaluate each submission using standardized Anchor Mission evaluation criteria
2 Obtain commitment from company to meet local hiring requirements	Explain local hiring initiative to vendor, including expectation that X% of individual vendor's workforce on project be from the AM neighborhoods	2 Aggregate recommended contracts across project	Compile each construction area's "short list" of vendors to create the project-wide view
3 Institute a verification mechanism	Hold vendors accountable for local hiring commitments via weekly audits of new hires, payroll reports	3 Review contracts via a central committee or project manager	Make holistic contracting decisions from a project-wide perspective to ensure AM goals are on track to be achieved

If the institution decides that local hiring for capital projects is a high AM priority, it can take the following steps to ensure successful implementation:

- Draft communications explaining local construction hiring initiatives to be shared externally with vendors and internally with rest of capital projects team
- Create a profile of ideal vendors to communicate both internally and externally
- Outline refinements made to RFP process – such as requirement of vendors to report local hiring, plans to track data, and communication strategy to vendors – to ensure new anchor mission initiatives are built into all components of the process

On the next page is a sample Anchor Mission vendor vetting framework that can be incorporated into the RFP process to evaluate capital projects.

Define and Track Metrics

To measure the progress and success of the institution's capital projects initiative, institutional and business unit leaders should align on key metrics to track. The sources for these metrics include vendor data, capital projects data, and vendor payroll data.

Some potential capital projects metrics include:

- Number of inclusive and/or local construction companies subcontracted with
- Percent of construction spend with inclusive and/or local businesses
- Percent of construction hours worked by Anchor Mission communities zip code residents
- Percent of wages paid to Anchor Mission communities zip code residents

After defining the key metrics to track initiatives, the institution should

Anchor Mission vendor vetting framework	One criterion must be met		"Bonus points"	
	Anchor Mission Community employment	**Commercial Address**	**AM Community involvement**	**Overall reliability**
Description	Company can prove that X% of construction hours worked on projects will be by residents of AM neighborhoods	Company with a commercial address in one of the AM neighborhoods	Company with track record of community involvement (e.g. donations, volunteering)	Company is financially sound and can demonstrate success on similar engagements
Benefits to target community	• Decreased unemployment rates • Increased per capita income	• Additional local revenue to be spent in AM communities • Increased sales tax • Can work with them to hire more AM community residents	• Demonstrates RUMC's commitment to partnering with community-focused businesses	• Lowers risk of any issues with quality and timeliness of work to be performed
Counts toward goal(s) of:	• % of total construction hours worked by residents in AM neighborhoods • % of total wages paid to AM residents	• # of local construction companies contracted with • % of total construction spend spent with local construction businesses	n/a	n/a

identify the baseline for each initiative as well as goals projected out several years (we would recommend five years as a good duration for a strategic plan like this). This information should be recorded in a dashboard, maintenance of which is the responsibility of the Anchor Mission project manager.

The Anchor Mission project manager should work with department leads to establish a reporting cadence for these metrics, with department leads updating the dashboard weekly, biweekly, monthly, or annually depending on the metric.

On the next page is a sample dashboard with sample targets for capital project initiatives.

Metric	Baseline	Targets			Data source
		Y1	Y3	Y5	
# local construction companies sub-contracted with					Vendor data
% construction spend with local businesses					Capital projects spend data
% of construction hours worked by AM zip code residents					Vendor payroll data
% of wages paid to AM zip code residents					Vendor payroll data

Additionally, the institution can create a reporting dashboard spreadsheet that can track the progress of Anchor Missions strategies. The tracker should be updated quarterly by the Anchor Mission project manager with information from supporting business units.

VII: Treasury/Finance Initiatives

The treasury and finance business units can oversee and manage the Anchor Mission strategies related to local impact investing. Hospitals hold large amounts of unrestricted cash and investments on their balance sheet. A portion of these investments, measured in either dollars or Days Cash on Hand, can be deployed in impact investing. If the institution chooses to support the Anchor Mission through impact investing, the initiative leaders should first understand current initiatives, then outline criteria for investments, define target beneficiaries, and define and track metrics.

Understand Current Impact Investing Initiatives

Impact investing involves reallocating a portion of operating reserve funds to Anchor Mission community-focused impact investments. There are a number of ways to get involved with impact investing and the institution should determine which is most suitable for its Anchor Mission. The treasury and finance business units should start by mapping out current investment strategies and determine which impact investing method is most suitable for the institution to support the Anchor Mission and the talent of the local community.

	Greatest ability for direct impact		**Greatest likelihood of capital return**	
	Direct: Donations/ Grants	**Direct:** Equity (invest)	**Direct:** Debt financing	**Indirect:** Fund-invested capital
Description	Direct infusion of capital to a non-profit focused on desired social impact area	Investor takes ownership stake in a social enterprise or mission driven for-profit	Investor provides loan direct to beneficiary, expecting a return	Investor provides capital; fund invests capital according to mission and distributes return
Benefits	• Guarantee that capital provided goes directly to desired cause • Can use non-profit's reporting to report out on social impact success of capital deployed • Tax-deductible	• Guarantee that capital provided goes directly to desired cause/ organization • Investee answers directly to investor allowing for greater input on exact use of funds	• Guarantee that capital provided goes directly to desired cause/ organization • Investee answers directly to investor allowing for greater input on exact use of funds	• Little-to-no work required by investor to manage investment • Can test fund for credibility • Risk is diversified due to number investors pooling funds
Considerations	• No return of capital	• Can require or have expectation of more active involvement to ensure enterprise's success	• Requires investor to be the investment manager • Riskier to "be the bank"	• Often difficult to specify exact impact area of capital invested

Investment Criteria

After the institution has determined the type of impact investing it wants to pursue, it should define criteria for investments to focus its search. The institution should align on the acceptable parameters for financial risk and return, impact area, geographic focus, and the investment management services to be used. The next page contains a list of discussion questions to help develop criteria for impact investing.

By aligning on investment criteria, the institution has a way to narrow down its investment options and to select those that will best support its anchor mission. The institution should continue to research investment opportunities with refined investment criteria.

Investment Criteria to Consider

	Criteria	Discussion Questions
Finance	**Financial return (targeted)**	• Are below-market rate returns acceptable? If so, what range is comfortable? • Which is our top priority: best financial return or greatest social impact in target areas?
Social impact	**Impact area**	• Are there any topics in particular the institution is hoping these funds will support? E.g. education, public safety, health/nutrition? • Are there any topics that would not consider (non-core to Anchor Mission)?
	Geographic focus	• How important is it that an organization be able to guarantee funds will go to AM communities vs. Chicago as a whole? • Should we consider any outside-of-Chicago investment opportunities?
Risk profile	**Investment management services**	• What is absolutely required from a management perspective in order to consider an opportunity? E.g. financial-only reporting, reporting of the overall fund's impact vs. intuition's dollars' impact specifically, frequency of performance updates, etc.?
	Track record/ ability to report on 'social return'	• What historical data would make the institution comfortable with choosing an investment? E.g. list of current investors, ability to deliver on communicated returns, targeted social impact metrics showing improvement over time, etc.?

Target Beneficiaries

Once the organization has developed its investment criteria to support its Anchor Mission, it should create an investment "wish list" to measure opportunities. It should select target beneficiaries based on their ability to check off items on the investment list. See **Appendix 2f** for an example of an investment check list based on RUMC's criteria for investment. Each investment opportunity should be evaluated based on the investment criteria. A scorecard for each opportunity can be created and compiled from interviews from the organization's staff, the organization's website, or other external research. The scorecards create a standardized method to compare different opportunities. A sample scorecard can be found on the next page.

Define and Track Metrics

To measure the progress and success of the institution's impact investing initiative, it should align on key metrics to track. The sources for these metrics may include return on operating reserves, treasury, and HR data.

Evaluating the ABC opportunity

Organization logo	• Description of organization • Organization mission

POTENTIAL FINANCIAL RETURN

Range of debt investment options	
Standard Loan Term: 5-7 Years	
Longer Loan Term	
Other securities considerations	
Placement	
Financial track record	
Repayment Record	
Aeris Financial Rating	

POTENTIAL ANCHOR MISSION IMPACT

	Ability to target Anchor Mission communities
○	**Funds:** Can set aside funds for projects in 9 Anchor Mission zip codes, but prefers that funds go to general pool
	Reporting of Anchor Mission impact
◔	**Promises transparent reporting:** Will submit quarterly report listing (a) projects funded via anchor institution, (b) zip codes of those projects, and (c) amount of money spent on those projects. But **unclear track record** (see "Aeris Impact Rating" below)
	Compatibility with broader Anchor Mission
◔	**Can promote "Buy Local" program:** Can eventually assist with scaling local businesses; open to letting anchor institution refer local businesses for loans
	Ability to engage other West Side investors
◔	**Could build West Side partnership:** Maintains a very good reputation, although a small player in impact space.
	Impact track record
Aeris Impact Rating	**AA** (2nd tier, 10th-64th pct.): "Clear alignment of mission, strategies, activities, and data…but impact data tracking may not be rigorous or consistent"

Some potential impact investing metrics include:

- Amount invested in Anchor Mission community business
- Financial return on investment
- Impact area-specific metrics (e.g., number of affordable houses built, number of jobs created, foot traffic increase to retail or restaurant locations that are targets for local investment initiatives, etc.)

After defining the key metrics to track initiatives, the institution should identify the baseline for each initiative as well as goals several years out (five years is often a good scope for a strategic plan like this). This information should be recorded in a dashboard, maintenance of which is the responsibility of the Anchor Mission project manager.

The Anchor Mission project manager should work with department leads to establish a reporting cadence for these metrics, with department leads updating the dashboard weekly, biweekly, monthly, or annually depending on the metric.

Below is a sample dashboard to track local investments:

Metric	Baseline	Targets			Data source
		Y1	Y3	Y5	
Amount invested in AM community businesses					n/a
Return on investments					Return on operating reserves
Impact area-specific metric(s): TBD					n/a

Additionally, the institution can create a reporting dashboard spreadsheet that can track the progress of Anchor Missions strategies. The tracker should be updated quarterly by the Anchor Mission project manager with information from supporting business units.

VIII: Volunteerism

The Department of Community Health Equity (or similar department) can oversee and manage the Anchor Mission strategy related to local volunteering or community participation in institution planning and decision making (especially when it comes to issues that are of importance to the community, for instance land use). RUMC has initially focused on designing a volunteer program that will increase the value of employees' time volunteered. Objectives of community engagement initiatives may include:

- Improve engagement of institution with internal and external anchor mission communities
- Increase the resource pool to support community and social impact goals
- Strengthen connections and demonstrate commitment to cultural value

See **Appendix 2g** for a case study of RUMC's volunteer program initiative. If an institution decides that community engagement is a high AM priority, the institution should understand its community engagement initiatives and define and track metrics.

Understand Current Community Engagement Initiative

To develop a community engagement plan to support its Anchor Mission, the institution should start by understanding the current status of volunteerism—an important indicator of community relationships. Below are some guiding questions that can help institutional leaders to understand the current volunteer program structure and prospects for developing a volunteer program in line with an Anchor Mission:

- What types of programs exist currently to encourage employees to volunteer their time?
- Are employees incentivized to participate?
- How much time is currently allotted for employees to spend volunteering?
- How many employees currently volunteer and where?
- How do you track participation and hours volunteered? Do you have an estimate of these figures currently?
- What are some of the more popular projects/causes?
- Do programs/policies vary by department or seniority?
- Do the volunteer programs we currently have align with our strategic engagement priorities or mission as an institution?
- Are there specific social impact priorities set centrally?
- Who receives reports of community engagement at your institution?
- Are any community engagement reports shared publicly?
- How do you ensure buy in to the volunteer program at all levels of management within the organization?
- What are the estimated costs associated with implementing a volunteer program organization-wide?
- What community partnerships currently exist to encourage employees to volunteer their time?

After the institution has an understanding of its current initiatives, it should determine whether or not to expand its current initiatives or develop a new volunteer program. Volunteer programs can operate in a number of different ways. Some examples of volunteer programs that other hospitals enacting Anchor Missions have deployed include:

- Service days
- Community engagement teams
- Focused campaigns
- Volunteer-time-off policy
- Funding and promotion of employees' volunteer projects
- Project menu of local opportunities

The institution should shape its volunteer program or community engagement initiatives based on its resource capabilities and community engagement goals. When developing a volunteer program, the institution should leverage best practices from other corporations' community engagement programs. The table below outlines seven best practices based on external research into volunteer programs:

Best Practice	External Examples	How to Leverage
Have a plan	Toyota Financial Services has an annual 3-day retreat for its team to design an updated plan that includes a vision, goals, & priority programs	• Select eligible projects based on relevance to community goals and informed by community needs assessment
Measure progress	Hewlett Packard estimates and reports the monetary benefits of its employees' volunteer work	• Employees should be incentivized to log volunteer hours • Participation and impact on community goals should be measured and reported
Play to strengths	Timberland initiatives are tied to "community greening" (aligned with its brand)	• Source projects and under-served community needs requiring healthcare expertise
Involve leadership	At Janus Capital Group, a small group of SVP-level leaders meet regularly to help form the employee engagement strategy (to maintain/bolster attendance at volunteer programs)	• Show public commitment and participation of senior leadership • Communicate program vision and embed in Rush culture
Leverage partnerships	Caesars Entertainment provided a long-term non-profit partner a grant to help build a recycling facility	• Find community partners running effective projects • Solicit feedback from partners during and after projects
Engage employees	Janus Capital appoints "Community Champions" – department representatives responsible to stir interest and recruit for volunteer events	• Select departmental champions to create closer personal connection to employees and higher awareness • Offer variety of project types to cater to personal causes
Celebrate successful outcomes	Aetna hosts its volunteer program on an internal portal where employees can post volunteer event stories	• Follow-up projects with photos, impact stories and awards for exceptional volunteers

Source: Points of Light institute (Points of Light is the largest organization in the world dedicated to volunteer service)

Define and Track Metrics

To measure the progress and success of the institution's community engagement initiative, it should align on key metrics to track. The sources for these metrics may include interviews with community volunteer leaders and volunteer teams, HR data, and additional surveys.

Some potential impact investing metrics include:

- Dollar value of volunteer hours, which may be included in community benefit report
- Number of volunteer hours
- Percent of employees participating in volunteer program
- Satisfaction with program

After defining the key metrics to track initiatives, the institution should identify the baseline for each initiative as well as goals several years out (five years is often a good scope for a strategic plan like this). This information should be recorded in a dashboard, maintenance of which is the responsibility of the Anchor Mission project manager.

The Anchor Mission project manager should work with department leads to establish a reporting cadence for these metrics, with department leads updating the dashboard weekly, biweekly, monthly, or annually depending on the metric. Below is a sample dashboard to track community engagement initiatives:

Metric	Baseline	Targets			Data source
		Y1	Y3	Y5	
Dollar value of volunteer hours					Dollar value of volunteer hours
# volunteer hours					# volunteer hours
% of employees participating					% of employees participating
Satisfaction with program (score: 1-10)					Satisfaction with program (score: 1-10)

Additionally, the institution can create a reporting dashboard spreadsheet that can track the progress of Anchor Missions strategies. The tracker should be updated quarterly by the Anchor Mission project manager with information from supporting business units.

Conclusion

Rush University Medical Center began its Anchor Mission journey in the summer of 2016. By elevating it to an organizational priority, we have been able to effectively and efficiently 1) build the infrastructure for our Anchor Mission approach 2) establish baseline and goals for the next five years and 3) have expanded our internal strategy to include a West Side Anchor Committee and a broader community strategy, which is co-owned by the committee members.

Anchor institutions can play a key role in helping the low-income communities they serve by better aligning their institutional resources—like hiring, purchasing, investment, and volunteer base—with the needs of those of communities. The recommendations in this "playbook," drawn from research carried out to help Rush University Medical Center align around its Anchor Mission, are being published to help other hospitals and health systems accelerate their own efforts to drive institutional alignment with community needs.

We hope this playbook contributes to the anchor institution literature as this important field develops and deepens. We encourage other institutions to also document and tell their stories in a transparent manner—both opportunities and barriers, success and failures—because that is the only way we will succeed in closing the economic, racial, and health disparity gaps that prevent us from achieving healthy communities physically, mentally, and spiritually. Together, we can all learn and accelerate the implementation of these critical and needed strategies in our communities.

Contacts

For further information about Rush's Anchor Mission, contact:

Shweta, Ubhayakar, MS-HSM, MBBS
Anchor Mission Manager,
Rush University Medical Center
shweta_a_ubhayakar@rush.edu

For general inquiries, contact:

Veenu Verma
Associate Principal,
Civic Consulting Alliance
vverma@ccachicago.org

Kathryn Yaros
Anchor Relationship Manager,
Chicago Anchors for a Strong Economy (CASE)
kyaros@worldbusinesschicago.org

David Zuckerman
Manager, Healthcare Engagement,
The Democracy Collaborative
dave@democracycollaborative.org

Appendices

1. Sample RACI Matrix for Anchor Mission

A RACI matrix is a tool for defining decision rights. The matrix allows organizations to specify "what," "'by whom," and "how" to accomplish a task.

	CEO	COO	AM Program Leader	AVP, HR	AM Project Manager	Business Unit Leaders (HR; Cap. Projects; Biz. Diversity; etc.)
Responsible	Set high level priorities for AM (CEO)	Allocate funding necessary for executing AM priorities	Designate Business Unit leaders and AM Project Manager Coordinate anchor mission activities with partners outside RUMC	Set targets for Employment Preference Initiative Sign off on workforce development manager hire and other AM new hires	Track progress across all initiatives Report bi-weekly on progress to Core Team	Report data monthly to Project Manager
Accountable			Problem solve missed targets and other difficulties in AM implementation Communicate AM funding needs to COO	Communicate AM personnel needs to CEO and COO		Maintain consistent methodology in data collection and reporting
Consulted	Review and prioritize major new opportunities for investment, purchasing contracts		Help senior leadership set priorities across AM initiatives	Help senior leadership set priorities across AM initiatives	Help Core Team set priorities with reports from "on the ground" implementation issues	Help project manager understand "on the ground" implementation issues
Informed	Kept abreast of AM progress within each Business Unit				Learn AM priorities from senior leadership	Learn AM priorities from project manager and senior leadership

2. Case Study: Rush Medical University Center's Anchor Mission

2a. RUMC's Anchor Mission Framework

Below is the framework developed by RUMC to communicate its Anchor Mission.

Ambition	Increase life expectancy	Reduce hardship		Improve quality of life
Intended Impact	Measurable internal community impact	Measurable external community impact	Employee engagement in our local communities	Strengthened values and sense of purpose
Theory of Change	Collaborate with community partners			
	Hire locally and develop talent	Utilize local labor for capital projects	Buy and source locally	Invest locally	Volunteer and support community building

2b. RUMC's Anchor Mission High-Priority Initiatives

Below are RUMC's four high-priority initiatives for its Anchor Mission.

Change levers	Hire locally and develop talent	Utilize local labor for capital projects	Buy and source locally	Invest locally	Volunteer and support community building
	• Employment preference initiative • Career ladder development • Skills training • Mentoring and coaching	• Local labor for capital projects • Apprenticeship • Diversity hiring and contracts	• Local purchasing program • Gift shop procurement • Prime vendor engagement	• Impact investing in local communities • Local business incubation to fulfill sourcing needs	• Employee engagement in local communities • Leveraging employee expertise (e.g., teaching skills class)

2c. RUMC's Anchor Mission Human Resource Initiatives

Below are RUMC's priority initiatives for its Human Resources business unit. The priorities include an employment preference initiative and a career development program.

⓵ RUSH

Workforce: Career development program will facilitate career mobility for entry-level employees

Initiative lead:
Human Resources

Hire & develop local talent

Career development program

- Provide support to build and navigate individual career path through skills assessments and guidance from a job coach
- Design a playbook with career pathways for roles that are highly represented in the internal anchor mission target community
- Provide funding for skills enhancement courses (medical terminology, ESL, math, writing) and broader degree programs (GED, technical certifications, Bachelors / Associate degrees)

Initiative metrics

TRACK PROGRESS

- # internal candidates making <$25/hr hired into new positions at Rush
- % target community employees utilizing training funds

TRACK EFFECTIVENESS

- Annual turnover in target community

⓵ RUSH

Workforce: Employment preference initiative will help overcome structural employment barriers

Initiative lead:
Human Resources

Hire & develop local talent

Employment preference initiative

- Create preferential access to entry-level jobs for 'hard-to-employ' individuals (individuals that face chronic employment challenges)
- Work with community partners to find, train, and support highly motivated individuals lacking traditional qualifications
- Work with stakeholders (supervisors, hiring managers) internally to manage development and retention of participants

Initiative metrics

TRACK PROGRESS

- # of new hires through Employment Preference Initiative
- % of new hires from AM zip codes

TRACK EFFECTIVENESS

- % initiative hires retained after 1 year
- % of new hires from AM zip codes retained after 1 year

2d. RUMC's Anchor Mission Supply Chain Initiatives

Below are RUMC's local purchasing initiatives for its Supply Chain business unit.

2e. RUMC's Anchor Mission Capital Projects Initiatives

Below are RUMC's local construction initiatives for its Capital Projects business unit.

2f. RUMC's Anchor Mission Treasury/Finance Initiatives

Below are RUMC's impact investing initiatives for its Treasury/Finance business unit.

⏻ RUSH

Impact investing: Impact investing will leverage Hospital Co's financial assets to develop the local area

Initiative lead: **Treasury/Finance**	**Impact investing**
$ Invest in local ventures	• Reallocate a portion of operating reserve funds to Anchor Mission community-focused impact investments • Invest initially through intermediaries (e.g. CDFIs) that help source, underwrite and manage investments • Determine focus area of investments, in concert with intermediary, to address highest needs of AM community • Engage other local institutions in a co-investment strategy to maximize community benefit

Initiative metrics

TRACK PROGRESS	TRACK EFFECTIVENESS

• $ amount invested in Anchor Mission communities
  – Investments can be direct or via intermediaries
• % return on investments
	• Investment-specific social impact metrics
	  – E.g. # of housing units built, if Hospital Co were to invest in an affordable housing development

Below is an investment checklist for RUMC to incorporate Anchor Mission priorities.

Primary requirements	
Geographic focus	• Ability to ensure funds will be used to benefit one or more of the following **zip codes:** **60607, 60608, 60612, 60623, 60622, 60624, 60639, 60644, 60651** • Projects will positively impact health, the environment, or economic development
Clear reporting of social impact	• Provide **frequent** – Updates could include: Lists of businesses/development projects supported by funds, zip codes affected, dollar amounts resourced against each business/project supported, jobs created, growth of business receiving funds, etc.
Positive financial return	• Competitive return rate **(2 - 4%)**
Track record of financial success	• **Strong CARS/Aeris rating** – Top 2 tiers of Impact rating and top 2 tiers of financial strength and performance rating • History of perfect investor repayment (e.g. 5 years+)

Secondary requirements	
Ability to serve holistic Anchor Mission	• Allows anchor institution to refer beneficiaries; allows anchor institution to make tailored impact • Can recommend businesses for anchor institution to contract with to promote Anchor Mission
Ability to engage additional investors	• Can inspire confidence from range of West Side investors (both for-profits and non-profits) • End-goal would be a large-scale West Side development fund

2g. RUMC's Anchor Mission Community Engagement Initiatives

Below are RUMC's community initiatives for its Community Engagement business unit.

① RUSH

Community Engagement: Volunteer program will increase value of employees' time volunteered

Initiative lead: Department of Community Health Equity	Volunteer program
Volunteer and support community building	• Design a volunteer program structure suited to Rush's organizational structure and community goals • Implement a volunteer-time-off ("VTO") policy to improve employee participation rates • Generate awareness and interest internally around Rush's volunteer program

Initiative metrics

TRACK PROGRESS	TRACK EFFECTIVENESS
• # volunteer hours (internal) • Dollar value of volunteer hours	• % of participating employees • Satisfaction with program (score: 1-10)

3. The Democracy Collaborative's Hospitals Aligned for Healthy Communities toolkit series

As more healthcare institutions join the effort to reorient the business of healthcare in communities and integrate economic inclusion strategies in their central mission, hospitals and health system administrators need actionable approaches to shifting workforce, purchasing, and investment practices. Such approaches are detailed at length in *Hospitals Aligned for Healthy Communities*, a series of toolkits designed by The Democracy Collaborative with the support of The Robert Wood Johnson Foundation.

These toolkits provide tools for health systems to integrate community health principles into business functions often

thought of as distinct from improving health: 1) workforce development and hiring, 2) procurement, and 3) investment. The series presents best practices of leading healthcare institutions across these functions and includes tools, templates, and other interactive resources to help healthcare institutions shift internal practices to improve health outcomes in the communities they serve. The full toolkits are available for free at: **hospitaltoolkits.org**.

Endnotes

1   Nancy Martin et al., Advancing the Anchor Mission of Healthcare, (Washington, DC: The Democracy Collaborative, April 2017), 10.

2   Tyler Norris and Ted Howard, *Can Hospitals Heal America's Communities? "All in for Mission" is the Emerging Model for Impact* (Takoma Park, MD: The Democracy Collaborative, 2015), 7, http://democracycollaborative.org/content/can-hospitals-heal-americas-communities-0.

3   The multiplier effect refers to the increased impact of local spending. Dollars spent at locally owned businesses recirculate in the community at a greater rate than money spent at national chains and absentee-owned businesses. For more information on the multiplier effect, see: "The Multiplier Effect of Local Independent Businesses," American Independent Business Alliance, accessed June 11, 2017, https://www.amiba.net/resources/multiplier-effect/.

4   "What are hospital community benefits?" (Baltimore, MD: The Hilltop Institute, 2013), accessed August 2016, http://www.hilltopinstitute.org/publications/WhatAreHCBsTwoPager-February2013.pdf.

5   For more information about the Greater University Circle Initiative see: Walter Wright, Kathryn W. Hexter, and Nick Downer, *Cleveland's Greater University Circle Initiative: An Anchor-Based Strategy for Change* (Washington, DC: The Democracy Collaborative, May, 2016, http://democracycollaborative.org/greater-university-circle-initiative; and Justin Glanville, *Cleveland's Greater University Circle Initiative* (Cleveland, OH: The Cleveland Foundation, 2013), https://www.clevelandfoundation.org/wp-content/uploads/2014/01/Cleveland-Foundation-Greater-University-Circle-Initiative-Case-Study-2014.pdf.

6   David Zuckerman and Katie Parker, "Inclusive, Local Hiring: Building the Pipeline to a Healthy Community," *Hospitals Aligned for Healthy Communities* (Washington, DC: The Democracy Collaborative, September 2016), http://hospitaltoolkits.org/workforce/.

7   Farzana Serang, J. Phillip Thompson, and Ted Howard, *The Anchor Mission: Leveraging the Power of Anchor Institutions to Build Community Wealth* (College Park, MD: The Democracy Collaborative, February 2013), http://community-wealth.org/content/anchor-mission-leveraging-power-anchor-institutions-build-community-wealth.

The Democracy Collaborative

The Democracy Collaborative, a nonprofit founded in 2000, is a national leader in equitable, inclusive, and sustainable development. Our work in community wealth building encompasses a range of advisory, research, policy development, and field-building activities aiding on-the-ground practitioners. Our mission is to help shift the prevailing paradigm of economic development, and of the economy as a whole, toward a new system that is place-based, inclusive, collaborative, and ecologically sustainable. A particular focus of our program is assisting universities, hospitals, and other community-rooted institutions to design and implement an anchor mission in which all of the institution's diverse assets are harmonized and leveraged for community impact.

Learn more:

http://democracycollaborative.org

Healthcare Anchor Network

The Healthcare Anchor Network is a growing national collaboration of more than 30 leading healthcare systems building more inclusive and sustainable local economies, bringing together anchor institutions that together employ more than 1 million people, purchase over $50 billion annually, and have over $150 billion in investment assets.

Learn more:

http://healthcareanchor.network
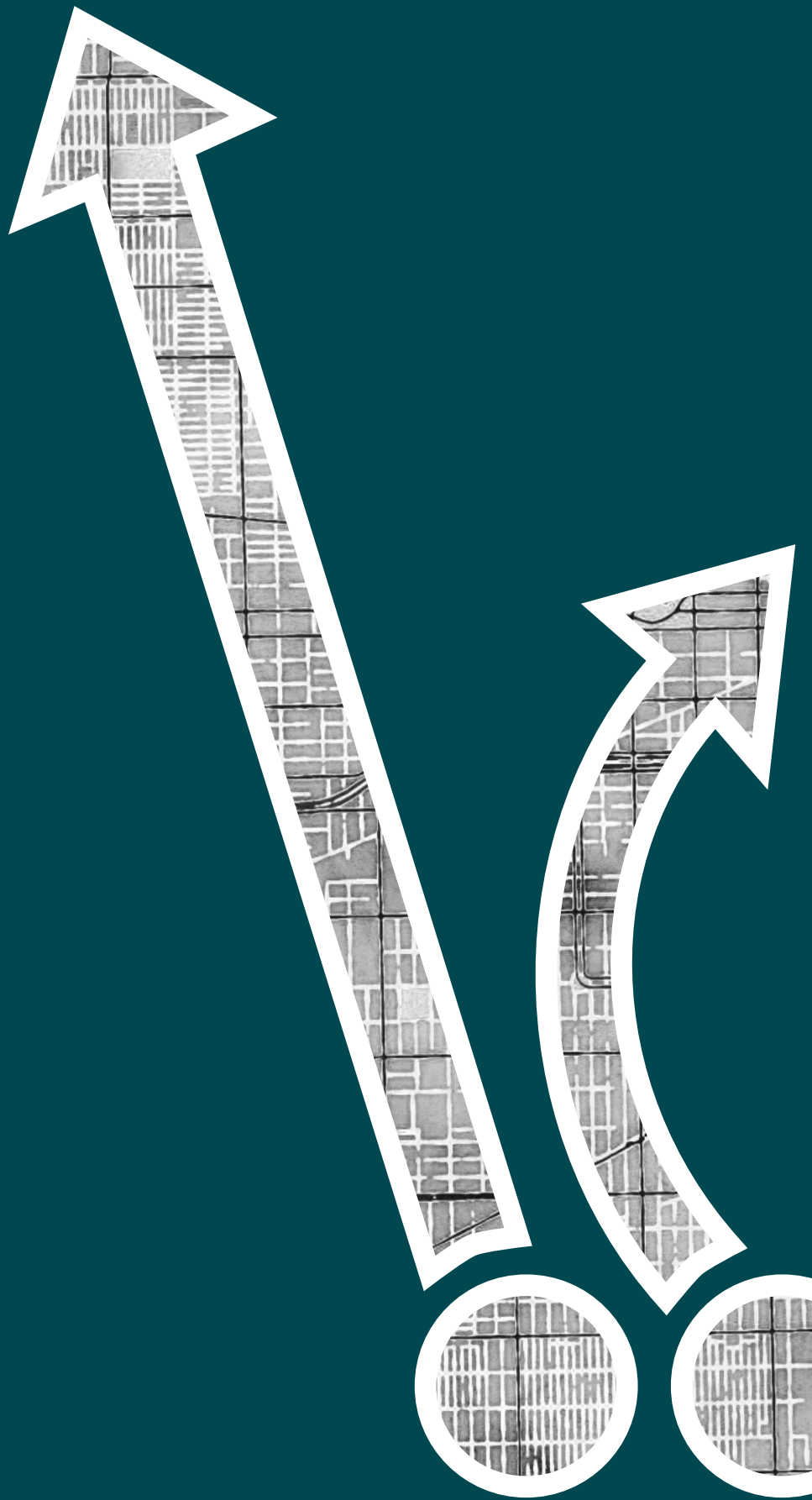
Community Wealth Innovators Series

Best practices and lessons learned from key leaders in the field