

Ending Hunger in America: Local Innovations to Inform a National Strategy

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Good afternoon, my name is David Zuckerman and I am the Executive Director of the [Healthcare Anchor Network \(HAN\)](#), a national collaboration of more than 65 leading healthcare systems addressing health, economic, and racial inequities. HAN also includes the Anchor Learning Network (ALN) to scale anchor strategy adoption in the area of higher education in collaboration with the Coalition of Urban and Metropolitan Universities (CUMU). I would like to thank the committee for inviting me to share the work of our member health systems and universities as they evolve their efforts to leverage their resources to contribute to healthy and economically vibrant communities via the anchor mission framework.

The Healthcare Anchor Network (HAN) is at the forefront of a growing movement of hospitals and health systems working to deploy their operational activities—like hiring, purchasing, and investment—to address economic and racial disparities by improving residents' financial security and strengthening the local economic ecosystem. As some of the largest employers in their cities and regions, these institutions are uniquely positioned to help lift up their communities by intentionally providing economic opportunities and investing in the improvement of community conditions. At their best, these strategies create stronger communities, provide new agency to individuals and families, and address long-standing disparities.

I would like to share one example of how the anchor mission impacts families and communities. In Cleveland, Ohio, Tymika was a returning citizen from incarceration, and

she needed a job that would support her family. Not only did she land a job with Evergreen Cooperatives Laundry, which looks to hire individuals with barriers to employment, she is also a part owner of the company because its employees are the owners, giving them a unique personal stake in delivering quality and value to clients in the hospitals and other facilities. Her starting wages were 15 percent higher than under the former operator and there is an employee profit-sharing plan. There is also a first-time homebuyer program that helps workers pay off homes within four to six years.

Evergreen Cooperatives was formed through the support of HAN members University Hospitals and the Cleveland Clinic, along with Case Western Reserve University and the Cleveland Foundation. Evergreen Cooperatives is one of many examples of the anchor mission framework in action. In partnership with others, the health systems leveraged their everyday operations to help incubate and then scale a local business that was intentionally focused on creating good jobs, hiring from surrounding disinvested neighborhoods, and advancing environmentally sustainable practices. In this way, locally rooted institutions can develop creative solutions to their business needs while taking a more active role to meaningfully address access to economic opportunity in the underserved communities they serve.

HAN member health systems believe that to improve healthcare outcomes and ensure long-term affordability, they must address the root causes underlying many social determinants of health and invest in strategies that create equitable, engaged, connected, and economically strong communities. The front page of the *New York Times*' Sunday Business Section profiled other exciting impacts of HAN members in "[When a Paycheck is Good Medicine](#)."

Anchor Institutions can Adopt the Anchor Mission to Address Hunger and its Root Causes

Anchor institutions are a critically important and mission-driven economic sector that should be leveraged more intentionally to improve community health and economic wellbeing. Among the largest anchor institutions are the U.S. education and medical sectors which are often the largest private employers in their communities and many

times within their states and regions. They have annual expenditures of over \$1 trillion, have endowments and long-term reserves in excess of \$750 billion, and employ eight percent of our country's labor force. These institutions have significant impacts on the local economy and are powerfully positioned to address inequities and improve the economic ecosystems of the communities in which they reside.

Hospitals are a leading example of an anchor institution—public or non-profit place-based economic engines with an embedded social mission that are inextricably linked to the long-term well-being of their surrounding communities. Anchor institutions can play a key role in addressing inequities within the low-income and historically marginalized communities they serve by better aligning their institutional resources with the needs of those communities. Specifically, they can intentionally leverage their operational resources—like hiring, purchasing, and investment—to improve residents' financial security, strengthen the local economic ecosystem with a focus on making it more economically and racially equitable, and address the community conditions that drive poor health outcomes. This is adopting an “anchor mission” framework.

The anchor mission framework is a key strategy for community wealth building, a systems approach to economic development that creates an inclusive, sustainable, and democratic economy built on locally rooted and broadly held ownership. Community wealth building contrasts with traditional models of economic development that often create a race to the bottom between cities and localities, forcing them to spend scarce taxpayer dollars in ways that often only move jobs from one geography to another without improving quality or creating anything new.

UMass Memorial Health (UMMH) in Worcester, Massachusetts is another example of a health system that has adopted the anchor mission framework. UMMH's Community Health Assessment showed that social factors play a significant role in community health outcomes. The health system considered how it could help tackle poverty and unemployment, housing, access to care, food insecurity, safety and violence, and other upstream factors impacting health. Even as a safety net institution with limited resources that is based in a smaller city and serves rural areas, UMMH demonstrates the potential

of what can happen when an institution leans into addressing the root causes of poor health and limited economic opportunity.

After thoroughly assessing how UMMH could adopt and implement the anchor mission framework at a system level, the health system's Board of Directors voted to proceed with several key anchor mission strategies, including: allocating one percent of its investment portfolio to targeted community investments with an expected return; providing targeted technical training for entry-level positions for current and prospective employees; recruiting trainees from targeted neighborhoods; and building an effective system for local purchasing.

Addressing Hunger through Food Programs and Improving the Local Food System

When people are unable to access or afford healthy food, they are at an increased risk of health issues like heart disease, diabetes, and hypertension. HAN health systems know that food insecurity has ripple effects throughout the community and that anchor institutions need to invest in better food options and confront the root causes of food insecurity in order to improve health outcomes and community wellbeing.

Many health systems are providing their own food programming, such as through the "Food as Medicine" approach to integrate healthy food into patient treatment plans by providing a "prescription" for free healthy food. Health systems also operate farmers markets that showcase local produce and accept WIC and SNAP benefits or help to establish community gardens and "Veggie Mobiles" to deliver the produce.

ProMedica in Toledo, Ohio, prioritizes targeting the foundations of food insecurity with their Ebeid Neighborhood Promise. As part of this program, ProMedica opened Market on the Green, a 6,500 square foot grocery store that offers affordable and healthy food to low-income neighborhoods in Toledo. This grocery store also employs local residents and strives to source food locally.

Addressing Hunger's Root Causes through Local, Inclusive Procurement

Many people who face hunger or food insecurity struggle because of factors like low wages, unemployment, or the lack of affordable housing. The anchor mission approach tackles the root causes of food insecurity by focusing on job training and employment, supporting local, diverse businesses, and investing in disinvested neighborhoods. Anchor institutions are leveraging their substantial economic resources to benefit those experiencing the greatest health and economic challenges.

To increase the income and economic health of local neighborhoods, HAN members are seeking to increase purchasing with local businesses. Anchor mission sourcing or procurement focuses on doing business with small local companies, including minority and women owned businesses (MWBES), that struggle with tapping large, stable contracts and lack access to capital. Even small shifts in a health systems' spending portfolio can make a difference to the revenue of small businesses. Given the severe impact that the pandemic has had on local small businesses, anchor procurement can help local businesses and MWBES stabilize and recover, employ local residents, and provide stable wages.

This local spending also has a multiplier effect, increasing local economic activity beyond the one purchase and ensuring that spending is staying in the local community. Several studies show that the dollars spent on a small, locally owned business recirculate back on the local economy at rates approximately twice as high as with national chains or large corporations. A study in Massachusetts showed that locally owned businesses generate more public revenue than they cost to service.

An example of anchor mission local and inclusive procurement is Evergreen Cooperatives that I previously discussed. The Cleveland Clinic and University Hospitals (UH) source some of their produce from Evergreen Cooperatives' Green City Growers to serve a dual purpose of providing fresh produce to patients and health system workers while also investing in the community. The two health systems also procure laundry services from Evergreen Cooperative Laundry.

Evergreen Cooperatives has been able to thrive and expand from two to five companies and from 18 workers in 2010 to more than 300 with the continued commitment and collaboration from major anchor stakeholders like the health systems that procure laundry services and fresh produce from the company, the Cleveland Foundation, and the City of Cleveland. Evergreen has also launched the Fund for Employee Ownership that facilitates the purchase and conversion of companies to employee ownership by reducing the need for business owners to self-finance the conversion of small and medium sized businesses.

University Hospitals' commitment to harnessing its purchasing power to improve local neighborhoods was built into Vision 2010, a five-year, \$1.2 billion strategic growth plan. UH set goals to procure from local and MWBE businesses and to create new supplier capacity within the city. By 2015, UH was purchasing \$62 million from MWBEs, and \$199 million and \$363 million from Cleveland and Ohio vendors, respectively. This commitment to spending locally was especially important given it occurred during the Great Recession when most economic activity of this nature had been scaled back almost entirely.

Another example is Kaiser Permanente's collaboration with Health Care Without Harm, Emerald Cities Collaborative, FoodService Partners, and other anchors and groups to launch the FoodService Partners' Union City Food Culinary Center, a high-capacity culinary center in San Francisco's East Bay. The creation of the Center has created 150 living-wage jobs and will produce 50,000 meals per day for local hospitals. Kaiser Permanente hopes to buy all of their food locally or from farms and producers that use sustainable practices by 2025. With this local sourcing initiative, the health system is looking to support employment and economic opportunity for low income people, especially local residents who may face barriers to employment.

M Health Fairview in Minnesota has also made a commitment to sourcing locally, such as with their food basket program where they source their food from the Hmong American Farmers Association (HAFA). The Community Supported Agriculture (CSA) program is vital for patients struggling with chronic diseases like diabetes and heart disease. HAFA was created to address economic disparities for immigrant and urban farmers. For

instance, Hmong farmers have less access to land and on average make \$5,000 in sales per acre, compared to the \$8,000-\$20,000 their non-immigrant counterparts make per acre. M Health Fairview has continued to distribute food throughout the community and is now also sourcing from local producers who faced a decline in demand after the closing of restaurants due to COVID-19.

Addressing Hunger's Root Causes through Impact Investing

Healthcare anchors have a unique role to play as place-based investors—leveraging their long-term reserves locally and strategically tapping underutilized assets to fill market gaps in lending and investment. By allocating a portion of their investment portfolios to projects and aligning them with other discretionary funds, they can combine stable returns with social impact and create more sustainable solutions.

In November 2019, more than 10 HAN member hospitals and health systems, including some of the largest employers in California, Utah, and Wisconsin, along with others that are also among the top 20 largest employers in their states, announced a commitment of over \$700 million for place-based investing to create strong and healthy communities.

Some examples of HAN member investing activities include CommonSpirit Health, headquartered in Chicago, Illinois and serving 21 states, which has an investment policy statement outlining that up to 5 percent of its investment portfolio will be allocated for loans to nonprofits that are supporting community health and well-being. The health system's Community Investment Program (CIP) has provided capital investments in Arizona for Phoenix Interactive Children's Museum and Native American Connection for an affordable housing development; in Texas for Avenue Community Development Corporation for neighborhood development and Community Loan Centers to provide affordable payday loan options; in Colorado for the Colorado Enterprise Fund to support small businesses; and in central Los Angeles to construct a transit-oriented complex with 50 permanent and 450 transitional housing units for more than 500 persons experiencing homelessness. Since CIP's inception, CSH has invested \$270 million to support the economic development of low-income, underserved communities. Only recently have other health systems begun to adopt this specific strategy, but the promise is significant.

Through its local impact investing, Intermountain Healthcare, based in Utah with services in Idaho and Nevada, seeks to address the root causes of poor health by investing in upstream, research-based interventions in a way that maximizes social and environmental impact. As of 2021, the health system has deployed \$23 million for local impact investing, and around 80 percent of their investments have been made in affordable housing to help address the large housing gap caused by an explosive population growth in Utah. To align with broader economic development efforts, the program also decided to focus on financial wellness, which entails providing low- and medium-income (LMI) individuals and small businesses with the financial resources that they would not otherwise have access to. By supporting small businesses, the program endeavors to create and sustain quality jobs in the communities they serve.

These place-based investments significantly improve lives and help to stem the often-overlooked costs of poverty. Affordable and healthy housing reduces costs. Hospitals can substantially reduce spending when they connect people to services that address social determinants of health, such as secure housing, medical transportation, and healthy food programs. In Oregon, one study found that providing affordable housing decreased Medicaid expenditures by 12 percent, decreased emergency department use by 18 percent, and increased outpatient primary care by 20 percent. HAN member Bon Secours Hospital's Housing for Health Program generated between \$1.30 and \$1.92 of social return for every dollar spent, representing the broader social, environmental, and economic benefits of investment in affordable housing. Another example is Louisiana HAN member Franciscan Missionaries of Our Lady Health System's (FMOLHS) microlending fund and participation in an innovative advance paycheck program, which has helped members of its workforce avoid \$3.4 million in fees and interest from payday lenders. Similarly, since inception Texas Community Capital has loaned over \$25 million to Texans across the state needing to access credit which has saved borrowers more than \$18 million compared to payday and auto title loans.

Addressing Hunger's Root Causes through Local, Inclusive Hiring

Leading health systems are also leveraging their position as significant employers to create targeted pathways into employment opportunities at their institutions and then to help employees convert entry level jobs into careers, especially for those with barriers to employment and advancement.

University Hospitals (UH) in Cleveland, Ohio is also making inclusive, local hiring from nearby neighborhoods an integral hiring stream for high demand entry level jobs and offers new hires access to career coaching and career ladder opportunities. The health system focuses its workforce development initiatives on connecting community residents to jobs, and then to career ladders within the institution. The external programs focus specifically on six high poverty neighborhoods that surround UH's main campus. UH sets aside a certain number of open positions and interviews from an applicant pool composed of program graduates. As an employer of over 25,000 non-physician employees, UH also has an incumbent worker-training program for current staff, which provides encouragement and support for internal advancement.

UH offers a robust set of literacy building and skills training initiatives, with work supports such as release time built in, and partners with education and training entities that can provide targeted skills development. In addition, employees can apply for job-specific training programs where they will receive paid training to move into a more advanced position on the career ladder. In the first two and a half years, UH hired 111 individuals. That number has increased to 361 as of last year. The one-year retention rate is at 80 percent for pipeline graduates, compared with 66 percent overall.

Fairview Health Services in Minnesota focuses on hiring pipelines and career pathways for employees, students, and community residents. One example is the health system's funding of apprenticeships, on-the-job training and tuition support for four-year degrees and other credentials for 150 nurses and healthcare workers, including recruitment of women and minority groups. Fairview has hired 36 residents through the Cedar Riverside Opportunity Center and 60 students through the Central Corridor College Fellows (CSF) program.

Federal Support for Place-Based Solutions

The anchor mission approach provides practical, demand-driven solutions to some of the root causes of hunger and poor health through anchor institutions intentionally building up the economic ecosystem of nearby disinvested neighborhoods and communities. There are opportunities to infuse the anchor mission model into federal programming, such as by providing grants to states and localities to support anchors collaborating on long-term equitable and sustainable economic development strategies and by better aligning incentives at the federal level for health systems and universities to work to address the upstream root causes of hunger and poverty in this holistic way.

Increased federal funding for workforce development programs can also better align and support this type of place-based hiring strategy and internal pathways development. There is also an important federal policymaking role to support on-shoring of Personal Protective Equipment (PPE) and other critical parts of the healthcare supply chain with an eye towards sustainable and inclusive economic impact. Our nation needs to develop robust, diverse, and resilient supply chains that can ensure a steady flow of PPEs and health systems should have a prominent role to play in this transition.

Finally, federal policies can also support anchor impact investing by providing debt and equity capital to support the growth of innovative forms of community economic revitalization and community wealth building that will keep capital flowing in urban and rural communities alike.

Conclusion

Healthcare and other anchor institutions are uniquely positioned to serve as anchor sectors because of their evolving mission toward more holistically addressing community and well-being, stable role as some of the largest, community-rooted employers, and mostly nonprofit and public status. With so many Americans experiencing avoidable negative health and economic impacts, we need the largest institutions in our communities actively engaged with addressing the root causes of poor health—poverty

and racial inequities. The anchor mission approach provides a practical long-term roadmap to build communities where all can be healthy and thrive.