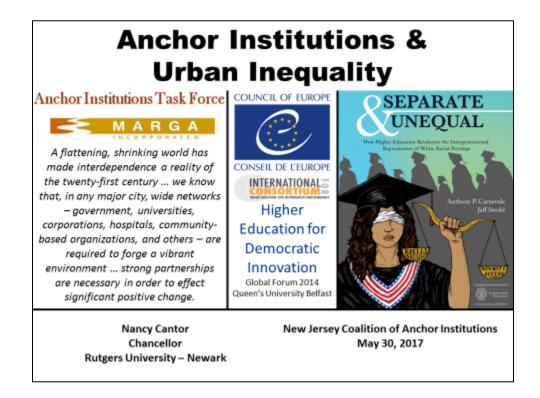
# **Anchor Institution Coalitions to Reduce Urban Inequality**

# Nancy Cantor Chancellor Rutgers University – Newark<sup>1</sup>



As we focus today on the impact that a coalition of higher education institutions partnering with community-based non-profits, corporations, cultural organizations and government can have in building inclusive cities and addressing urban inequality across the state of NJ, we join a broader movement, expanding to networks of similarly engaged anchor institutions in challenged cities across the nation and indeed the globe.<sup>2</sup> In fact, there is general agreement in geographies near and far that, as in the late 60s and 70s, we face again the need to build structures for the long term to move the needle, replacing an architecture of

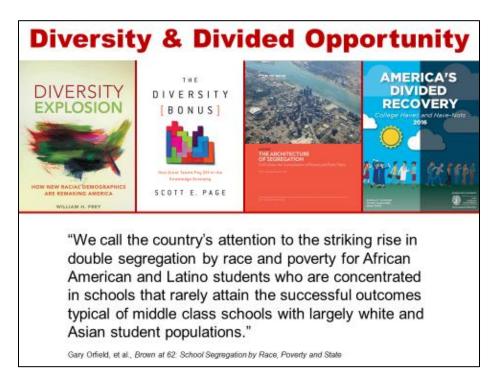
<sup>&</sup>lt;sup>1</sup> Keynote address given at the launch of the New Jersey Coalition of Anchor Institutions initiated and hosted by New Jersey Secretary of Higher Education Rochelle Hendricks, May 30, 2017.

<sup>&</sup>lt;sup>2</sup> See the Anchor Institutions Task Force, <u>www.margainc.com/initiatives/aitf</u>. And the international partnership network as described in Sjur Bergan, Tony Gallagher, and Ira Harkavy (Eds.). *Higher Education for Democratic Innovation*, Strasbourg: France, Council of Europe Higher Education Series, 2016.

segregation and inequality with an architecture of inclusion and equitable prosperity.<sup>3</sup>

# Diversity and Divided Opportunity

The need for such a movement is clear in report after report on the disparities and fractures in our economy, our residential living patterns, and by a consequence, in our educational systems. To assess the need for intervention, one need only consider Anthony Carnevale's data showing that less than 1% of the 11.5 million new jobs added in the post-2008 economic recovery went to those with only a high school degree,<sup>4</sup> and Paul Jargowsky's sober documentation of the architecture of segregation in urban America,<sup>5</sup> along with Gary Orfield's analysis of the concomitant "double segregation" (by race and class) that plagues our nation's public schools.<sup>6</sup>



At the same time as we live in this fractured world of tremendous disparities, we are also experiencing a "diversity explosion" as William Frey documents (by 2050 we will be a majority non-white country as we already are in the school-age population of many metropolitan centers).

engagement in higher education (White Paper; Columbia University Law School, Center for Institutional and Social Change); Sturm, S. P. (2006), The Architecture of Inclusion: Interdisciplinary Insights on Pursuing Institutional Citizenship. *Harvard Journal of Law and Gender*, 30, 248–334.

2

<sup>&</sup>lt;sup>3</sup> Editorial, "The Architecture of Segregation," *The New York Times*, September 6, 2015, SR8; Sturm, S., Eatman, T., Saltmarsh, J., & Bush, A. (2011). Full participation: Building the architecture for diversity and public

<sup>&</sup>lt;sup>4</sup> Anthony Carnevale, *America's Divided Recovery: College Haves and Have-Nots*, Georgetown University Center on Education and the Workforce report, 2016.

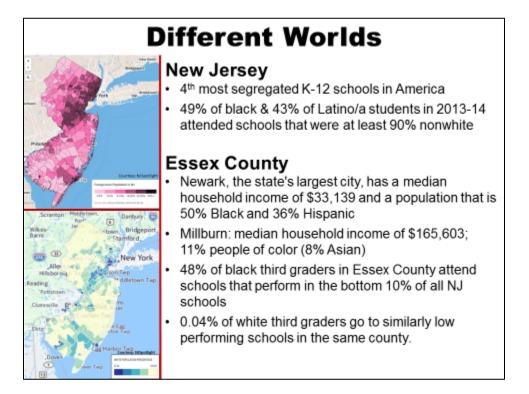
<sup>&</sup>lt;sup>5</sup> Paul Jargowsky, Architecture of Segregation: Civil Unrest, the Concentration of Poverty, and Public Policy, *The Century Foundation*, Report: Race and Inequality, August 7, 2015.

<sup>&</sup>lt;sup>6</sup> Gary Orfield, Jongyeon Ee, Erica Frankenberg, and Genevieve Siegel-Hawley, *Brown at 62: School Segregation by Race, Poverty and State*, Research Brief of UCLA Civil Rights Project, May 16, 2016.

Moreover, there is a substantial "diversity bonus" to be gained by engaging that talent pool, for as Scott Page demonstrates, diverse teams do better at complex problem-solving. Unfortunately, we are leaving much of that diverse talent pool in our communities on the sidelines of opportunity, and so it will take a collaborative village across traditional divides to effect social change.

# NJ's Different Worlds

Before we consider how our institutions can best engage as anchor institutions in our respective communities to move the needle on urban inequality, it is useful to examine this national landscape of diversity and divided opportunity as it plays out in our home state. What does the landscape look like here, from the perspective of diversity and educational (and therefore economic) opportunity? Well, for a geography that includes as rich a map of cultural diversity as you can imagine (New Jersey ranks third in the country in the share of immigrants), we are thoroughly segregated in residential neighborhoods. A recent report cited by *NJ Spotlight*<sup>7</sup> noted, for example, that 55 percent of white residents would have to move to another neighborhood in order for Northern New Jersey to be considered racially and ethnically balanced. Not surprisingly, then, the Garden State is just behind New York, Illinois and Michigan in terms of having the most segregated K-12 schools in America. For example, more than 49 percent of black students and 43 percent of Hispanics in 2013-14 were attending schools that were at least 90 percent nonwhite, as documented by the *UCLA Civil Rights Project*.<sup>8</sup>



<sup>&</sup>lt;sup>7</sup> Colleen O'Dea, "Interactive Map: Segregation Continues to be NJ's State of the State," *NJSpotlight, Dec. 2, 2016.* <sup>8</sup> Greg Flaxman with John Kucsera, Gary Orfield, Jennifer Ayscue, and Genevieve Siegel-Hawley, *A Status Quo of Segregation: Racial and Economic Imbalance in New Jersey Schools, 1989-2010, UCLA Civil Rights Project, Oct 11, 2013.* 

And the economic disparities between these highly racialized neighborhoods are substantial and have been growing over the last decade. For example, an issues brief on child poverty in Essex County, 2000-2015, from our Center on Law, Inequality & Metropolitan Equity described this divided landscape this way: "In many ways, Essex County is a bellwether of New Jersey localism and its ensuing economic inequality. With 22 municipalities, Essex County is home to Newark, the state's largest city, with a median household income of \$33,139 and a population that is 50% Black and 36% Hispanic. Just six miles away from Newark is Millburn, a township with a median household income of \$165,603 and a population that is 11% people of color (8% Asian). Within the 129 square miles of Essex County, New Jersey residents can live in completely different worlds."<sup>9</sup>

In turn, these racialized economic disparities go hand in hand with educational disparities as well, with, for example, 48% of black third graders in Essex County attending schools that perform in the bottom 10% of all NJ schools, while only .04% of white third graders go to similarly low performing schools in the same county.<sup>10</sup> This "double segregation" by race and class, then, becomes a sentence for lost opportunity in a knowledge economy where educational outcomes become either a lever to prosperity or alternatively too often to engagement with the criminal justice system, often referred to as a school-prison pipeline.

#### Anchor Institutions: Collaboration and Impact

Returning, then, to the imperative for our institutions in collaboration with many crosssector partners, to take an active role in reversing this cycle of urban inequality and its sequelae, we can look for guidance to the developing anchor institution movement across the nation (and indeed the world). This movement is epitomized in my view by the growth of the Anchor Institutions Task Force (a network of over 700 leaders), led by Ira Harkavy and David Maurrasse, which grew out of a report that many of us contributed to on the utility of universitycommunity engagement authored for Secretary Shaun Donovan's transition to HUD in 2009.<sup>11</sup> As the task force website suggests, "Anchor institutions are enduring organizations that are rooted in their localities. It is difficult for them to leave their surroundings even in the midst of substantial capital flight. The challenge to a growing movement is to encourage these stable local assets to harness their resources in order to address critical issues such as education, economic opportunity, and health. It is difficult to imagine fragile local economies and widening social disparities changing without leveraging stable institutions, especially amidst a decline in government resources. These dynamics have given rise to the concept "anchors" as agents of community and economic development."<sup>12</sup>

And while the most typical anchor institution is a university or a hospital (Eds & Meds), the coalitions in communities almost always involve other types of anchor institutions as well

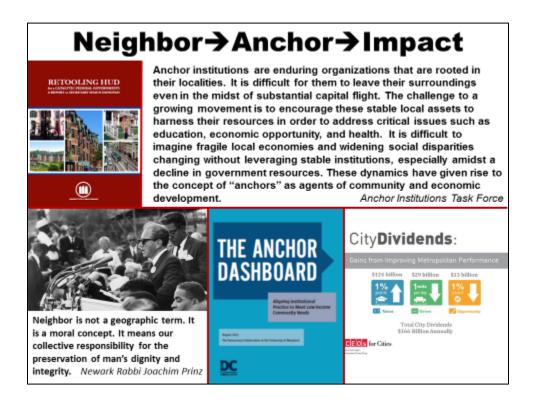
<sup>&</sup>lt;sup>9</sup> Issues Brief: Child Poverty in Essex County, 2000-2015, Center on Law, Inequality, & Metropolitan Equity, Rutgers University School of Law, February 06, 2017.

<sup>&</sup>lt;sup>10</sup> See <u>http://www.nj.gov/education/schools/achievement/13/njask3/</u>.

<sup>&</sup>lt;sup>11</sup> Retooling HUD for a Catalytic Federal Government: A Report to Secretary Shaun Donovan, Penn Institute for Urban Research, University of Pennsylvania, February, 2009, chapter 8, Anchor Institutions as Partners in Building Successful Communities and Local Economies.

<sup>&</sup>lt;sup>12</sup> See, <u>http://www.margainc.com/aitf/.</u>

(corporate, governmental, libraries and arts & cultural non-profits, CDCs and CBOs, faith-based organizations).



Accordingly, the impact of anchor institution collaborations can be measured broadly along an array of dimensions, from the economic impact of the arts & culture to reductions in poverty rates, unemployment, and crime; from increases in public health, environmental sustainability, and educational attainment to growing opportunities for local procurement and for equitable real estate development, as the wide-ranging Anchor Dashboard developed by the Democracy Collaborative suggests.<sup>13</sup>

As complicated as it is to measure anchor institution impact, it is relatively easy to see that moving the needle on some dimensions of city performance can make a big difference in the aggregate for residents. For example, the not-for profit organization, CEOs for Cities did an analysis of three citywide dividends that could potentially be accomplished with anchor institution and local government mobilization. Looking at the nation's 51 largest metropolitan regions, they said that increasing by 1 percentage point the four-year college attainment rate would reap \$124 billion in aggregate annual personal income (the talent dividend); that reducing vehicle miles traveled per person by 1 mile per day would produce aggregate annual household savings of \$29 billion annually (the green dividend); and that reducing poverty rates by 1

<sup>&</sup>lt;sup>13</sup> *The Anchor Dashboard: Aligning Institutional Practice to Meet Low-Income Community Needs*, The Democracy Collaborative at the University of Maryland, August 2013.

percentage point would decrease public sector outlays for family assistance, Medicaid and food stamps by about \$13 billion annually (the opportunity dividend).<sup>14</sup>

Moreover, increasing attention is now being focused on less quantifiable but equally critical outcomes, such as the strength of the infrastructure of cross-sector public-private collaboration in a city and the availability and use of spaces for civic discourse and dialogue. This is a moment, in a divisive and fractured social landscape when anchor institutions can help to strengthen democracy in our cities. It is our opportunity and our responsibility to join forces in cross-sector collaborations, building on long-standing legacies of strength and cultural diversity in our communities, to make long-term, sustainable change. Clearly there is much room for improvement in the scorecard for our urban communities and anchor institution work can contribute to that change.

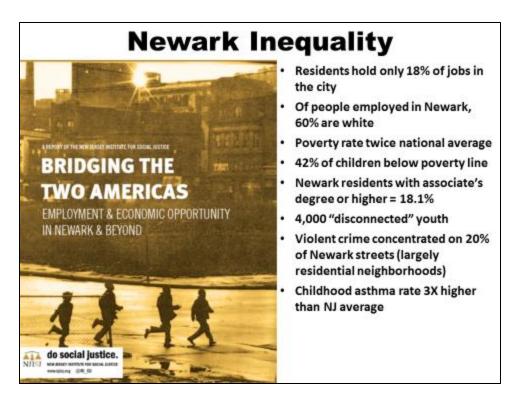
#### Newark Inequality

Having laid out a picture of the landscape of urban inequality in New Jersey and the potential for anchor institution mobilization and impact, I'd like to return to Essex County, and specifically to my home of Newark, NJ, examining some of the anchor institution work being done to try to effect positive change in the economy, in education, in public safety, in health, in equitable development, and so forth. And while I will use Newark as an example of both the need and the opportunity for anchor collaboration, it is clear that all of us gathered today, working across five cities in NJ, are engaged in similar efforts at productive social impact.

Turning to Newark, then, it is critical to recognize that this city epitomizes what Dr. Martin Luther King, Jr, 50 years ago called the "Two Americas," as a recent report, from the New Jersey Institute for Social Justice, documents.<sup>15</sup> As the report reads, despite a period of substantial economic growth in its downtown, "Newark also embodies the persistent race and class divisions of the Two Americas, as local residents – predominantly people of color – are largely excluded from the burgeoning economic opportunity in their own city. Incredibly, Newark residents hold only 18 percent of all jobs in the city." The report goes on to document a landscape of racialized inequality, in a city with Fortune 500 companies, major transportation hubs, performing arts center and museums, higher education institutions, hospitals, and so forth, the poverty rate (33%) is twice the national average, and 42% of Newark children live below the poverty line. The employment landscape is highly racialized, such that while the clear majority of Newark residents are people of color, 60 percent of the people employed in Newark are white. And the educational landscape is equally problematic, with only 18.1 % of Newark residents (age 24 and older) with an Associate's degree or higher, and 4,000 Newark youth disconnected from progress in high school. While the crime in Newark is highly concentrated to 20% of the streets, within those neighborhoods the homicide and robbery rates are much higher than either the state or national averages. Not surprisingly, health and nutrition statistics also follow this distressing pattern.

<sup>&</sup>lt;sup>14</sup> *The City Dividends: How Cities Gain by Making Small Improvement in Metropolitan Performance*, CEOs for Cities, September 2008.

<sup>&</sup>lt;sup>15</sup> Bridging the Two Americas: Employment and Economic Opportunity in Newark & Beyond, Report of the New Jersey Institute for Social Justice, April 2017.



# Newark Opportunity

However, as is true in so many urban, metro regions, in New Jersey and elsewhere, the opportunities in Newark to mobilize to change this distressing landscape are quite robust, and that mobilization is happening. The Mayor's Office has organized an alliance of anchors in a major jobs initiative (Newark 2020). The Newark Trust for Education is helping to coordinate with the Newark Public Schools and the City of Newark, a substantial community schools effort in the South Ward, and the Newark city of Learning Collaborative is focusing city-wide on postsecondary attainment. The Safer Newark Council is analyzing crime hot spots and using the data to inform public safety mobilization and intervention to reduce community violence, while the Opportunity Youth Network works to galvanize alternative pathways for disconnected youth to avoid what can feel like an inevitable route to criminal justice engagement. The downtown is indeed experiencing major investment, and much of it is built around thriving cultural institutions like NJPAC, the Newark Museum and the Newark Public Library, a burgeoning technology sector, including Audible.com and the Newark Ventures Partners' accelerator and the NJIT accelerator, and real estate developers with a genuine commitment to equitable growth, as evidenced in the newly created Teacher's Village (Ron Beit and the RBH Group) and recently renovated Hahne's Building (L+M Development Partners). Each of these arenas, from workforce to education to public safety and public health to creative place-making downtown has in turn catalyzed anchor institution engagement, as I'll briefly describe now.



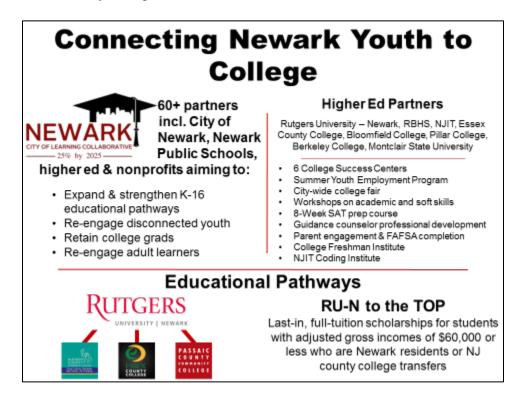
## Newark City of Learning Collaborative

The Newark City of Learning Collaborative (NCLC), engaging the full K-20 continuum, and crossing corporate, government, and non-profit sectors, is committed to increasing the postsecondary attainment rate of residents of Newark to 25% by 2025. Rutgers-Newark's Joseph C. Cornwall Center for Metropolitan Studies serves as the backbone organization for NCLC, convening study groups to identify obstacles and interventions, evaluate programs, and collect data to assess progress in city-wide, high school graduation, college access, retention, and degree completion. It organizes CBO and educational anchor partners to staff "college knowledge" centers, college fairs, and workshops throughout the district (working with families and students on FAFSA completion, SAT prep, college applications). NCLC and the Newark Public Schools work closely, including sharing a staff liaison, providing monthly professional development sessions for high school counsellors throughout the district, and articulating educational pathways for Newark students across the high school -2-4 year divides. NCLC also works closely with the City of Newark, serving since 2015 over a thousand students in the City's Summer Youth Employment Program with college readiness workshops and carrying over those workshops during the school year. It also works with local corporate partners in a College Freshman Institute to provide incoming college freshman from Newark with internships and a social capital network for career development advice.

A central focus of NCLC's programming is to create a post-secondary ecosystem in the city that reaches into the high schools and paves the way for Newark students to enter and succeed in college. Each of the higher education partners in the Collaborative has a tradition of engagement in pre-college programming and the intent is to build on and scale up those opportunities. For example, NJIT, in a collaboration with the City of Newark, mounts a Coding

Institute, teaching Newark youth (ages 14-18) about coding, web development, and 3D Design concepts as part of a summer STEAM program.

Recognizing that access without affordability won't fully empower our Newark youth, many of our institutional partners in NCLC are also mounting financial aid packages to make post-secondary attainment possible, as Rutgers-Newark, for example, does in our RUN to TOP program of last-in full tuition scholarships for Newark residents from families with adjusted family incomes of \$60,000 or less, a program also available to county college transfers, since many of our first generation New Jersey (and Newark) residents will have a first taste of higher education in community colleges.



Newark 2020 and Hire-Buy-Live Local

While increasing the post-secondary attainment rate for Newark residents is essential to long-term progress, our anchor institutions are also committed to making more immediate progress on economic inequality through a cross-sector initiative to cut the unemployment rate gap between Newark and NJ in half by adding 2,020 jobs for local residents by December 2020. This jobs initiative, organized by the Mayor and supported by the New Jersey Institute for Social Justice, The Newark Community Development Network, and the Newark Alliance, includes a growing list of major anchor institutions (from corporations like Prudential, Panasonic, Audible, United Airlines, the NJ Devils, the Port of Newark, and PSEG, to NJIT, Rutgers-Newark, RWJ Barnabas, and RBHS). Each of these anchors both hires new employees and spends considerable capital, but relatively little directly benefits Newarkers. So the initiative asks us to evaluate hiring and procurement practices for opportunities to increase local hiring and local procurement (which in turn leads to increases in the jobs available for residents as local businesses expand to meet the additional demand on their services and products). The aim is both to increase direct

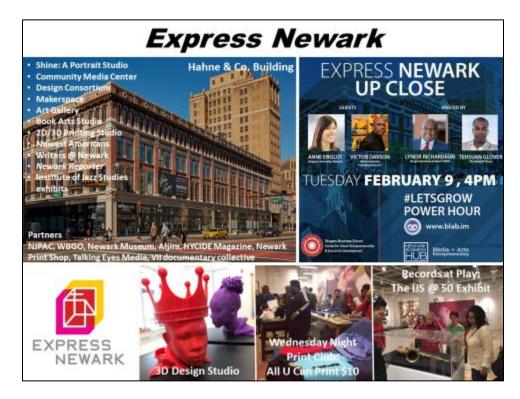
hiring, by identifying jobs and the skills needed for them, and to launch recruitment and training and placement programs locally, and then to source long-term procurement contracts locally, spurring growth in jobs indirectly.



As with most anchor institution projects this one also requires each of us to quite literally do business differently, and we are looking to an anchor collaborative group organized by Prudential to share best practices among ourselves, aided by a large database on local firms and sourcing opportunities, assembled in part by Rutgers supply chain management experts. This kind of concerted collective action is expected to have substantial impact, for example in local procurement alone, the estimate is that we can go from \$2.5 million a year sourced to local women and minority-owned businesses to ultimately \$100 million a year, with an overall local spend growth from the current \$30 million a year by these anchors (3% of their spend) to a potential spend of \$400 million a year locally (40% of their spend). In addition to local jobs and procurement growth, many in our anchor coalition are looking to erceate "live local" benefits for their employees, as Audible has already modeled in their program to encourage employees to live in the newly renovated Hahne's Building downtown. Moreover, the Mayor and City Council are working on an inclusive zoning program to encourage affordable housing in the developments that are popping up all over Newark's downtown, as well as other equitable development initiatives throughout the five wards.

#### Hahne's & Express Newark

Consistent with the commitment to equitable growth in downtown Newark is the concerted investment in creative place-making that galvanizes what is already a thriving arts and cultural district in the service of platforms for community engagement of Newarkers of all ages. As new developments spring up and long-standing structures become renovated with mixed housing and retail, such as in the Hahne's Building with Whole Foods and Barnes & Nobles and Kite and Key Apple Store and more, there is a parallel effort to welcome many cultural and educational anchor institutions to expand into these new spaces and collaborate across organizations and with community residents. Following this model, for example, faculty from our Arts, Culture and Media Department have partnered with multiple small and large local arts organizations in a university-community arts collaboratory, a "third space," for teaching, arts production, community dialogue and activism. *Express Newark* inhabits 50,000 square feet in the iconic, once abandoned and now newly renovated Hahne's building, enlivening its rebirth with all the fervent, contested, honest arts-making possible.<sup>16</sup>



In it, the next generation of artists, humanists, and creative entrepreneurs at Rutgers-Newark are on equal footing with Newark public school students, local Newark artists, residents, and innovators, taking classes, learning new expressive media, as well as the "business" of artistic production. Organizations of every scale collaborate in this space, from student-run magazines like our Scarlet Magazine to the Newark Print Shop, resident in Express Newark, to arts education collaborations with the Newark Public Schools and the major cultural anchors (NJPAC and the Newark Museum) in the city. This is very much an inter-generational meeting

<sup>&</sup>lt;sup>16</sup> See: Express Newark, RU-N's Arts Incubator, Now Open in Historic Former Hahne's Department Store, is Bringing New Synergy to Newark's Arts District, <u>http://www.newark.rutgers.edu</u>.

#### Nancy Cantor, Anchor Institution Coalitions to Reduce Urban Inequality

place as illustrated by both the Wednesday Night Print Club that attracts Newarkers of all ages and the Saturday work of 150 Newark Public School 10<sup>th</sup> graders as part of NCLC's Pathway to Achievement and Success Program. As such, Express Newark has come to represent for Rutgers-Newark a centerpiece of our model of university-community anchor institution engagement, creating we believe a more seamless two-way street between the university and the community, with a sharing of power and resources and space to establish a mutual flow back and forth of people and ideas and investments, and an openness to collaboration and change in both directions.

#### Strong, Safe, Healthy Neighborhoods

And speaking of seamless two-way streets of engagement between anchor institutions and community residents to create opportunities for equitable growth, there is perhaps no better example in Newark than the many consortia and collaborations that combine the intellectual and human capital of university faculty and students with the organizational prowess and knowledge and insights of neighborhood CBOs. Newark has a remarkable network of community development corporations that harken back to activism prompted by the Newark rebellion in 1967, and they team up with anchors every day to create opportunities for residents. These collaborations span many arenas from juvenile justice and youth violence to trauma-sensitive school practices to greening of vacant lots to health advocacy and law interventions, and they typically engage several "Eds and Meds" in the process. Most importantly, these anchor institution-community engaged collaborations have the power not only to transform neighborhoods but to create a cycle of empowerment that spills over into the workforce and educational talent pool for the future of a city like Newark.



#### Nancy Cantor, Anchor Institution Coalitions to Reduce Urban Inequality

We have seen this positive recursive cycle in action in Newark, where, for example, our university-community partnerships office, directed by Diane Hill, organized an African-American Brain Health Initiative as a collaboration between Rutgers-Newark neuroscientists lead by Mark Gluck, retired African-American nurses, and faith-based organizations, with support from the State's Department of Health. The collaborative effort here both promotes healthy neighborhoods and simultaneously serves as a recruiting tool for the next generation of STEM students in Newark, who in turn, serve as ambassadors spreading an inter-generational message about educational attainment to future children in their community.

### Tending to Democracy

Indeed, active collaboration across generations and organizations, with a sharing of power and resources and common goals is clearly at the heart of any successful university-community anchor institution effort, and while it is never easy, it is the only path likely to change what Raj Chetty called the "birth lottery" effect that stymies the opportunity landscape for too many talented youth in our urban centers.<sup>17</sup> If we are going to be positive agents of change, opening up the avenues of opportunity and prosperity, then we too must recognize how hard the effort will be and how much sustained commitment it will take.

Tending to	Democracy
Economists such as Raj Chetty and his colleagues note that nationally "the consequences of the 'birth lottery' – the parents to whom a child is born – are larger today than in the past." We – the universities – are the ones sitting in the midst of these realities, facing the choice between being walled citadels that separate the privileged from the uninvited other or being welcoming hubs connecting young individuals with opportunity." Anglin, et al., 2016	RUPERT W. NACOSTE RUPERT W. NACOSTE ACCORDANCESTE TAKING ON DIVERSITY NACOSTE INCOMPACTOR DIVERSITY NACOSTE INCOMPACTOR DIVERSITY NACOSTE INCOMPACTOR DIVERSITY NACOSTE INCOMPACTOR DIVERSITY NACOSTE INCOMPACTOR DIVERSITY NACOSTE INCOMPACTOR DIVERSITY INCOMPACTOR DIVERSITY INCOMPACT
we have taken democracy for granted it has to be enacted anew in every generation, in every year and day, in the living relations of person to person in all social forms and institutions.	AskUs We lay our heads down here at night

As John Dewey famously said, democracy needs to be tended to anew in each successive generation, and our time is no exception.<sup>18</sup> To effect this change we first need to bridge the Two

 <sup>&</sup>lt;sup>17</sup> Raj Chetty, Nathaniel Hendren, Patrick Kline, Emmanuel Saez, and Nicholas Turner, Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility, *NBER* Working Paper 19844, January 2014.
<sup>18</sup> John Dewey, Education and Social Change, *Bulletin of the American Association of University Professors*, 1937, 23(6), 472-474.

Americas amongst which we live in most urban communities in NJ and beyond, acknowledging the hibernating bigotry, as Rupert Nacoste labels it, that lies within all of us and keeps us apart. And, for most of us, this will take a deliberate effort to change our ways, to listen to our neighbors (those with and without pedigrees), as a wise grandmother in Syracuse told me – "Ask us; we lay our heads down here at night," and to relinquish a "cult of the expert" that separates scholars from the insights of those who live across the boundaries of universities and communities. It is high time to roll up our sleeves and learn from and with our neighbors, the very ones whose children will increasingly attend our institutions and define the future of our cities, our state, and our world. As anchor institutions, we too can help America reap the diversity bonus in our midst, if we do the hard work of collaboration and share our current prosperity with those who will make it last going forward.