

Anchor Institutions in a Shifting Economy

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Rich with history, talent, and resources, colleges and universities are indispensable members of our communities. By serving as developers, employers, purchasers, researchers, and cultural centers, they have an enormous economic impact on our cities. Moreover, they are providers of talent, turning out large numbers of graduates each year that provide a skilled workforce to regional employers.

Despite their importance to our communities, colleges and universities have not always been viewed positively by their neighbors. In fact, for many years, universities and their host communities seemed to have opposing interests. Universities were often viewed as elite institutions that did little to help their working class neighbors and they rarely considered the interests of local businesses and residents in their development plans, leaving neighbors complaining about noisy students and the physical encroachment of universities on their neighborhoods. Moreover, because of their tax exempt status, local governments complained that universities were taking away important tax revenue from the city.

In recent years, however, the economic impact of colleges and universities has been well-documented. In Boston, for example, a 2003 report by Harvard and seven other Greater Boston research universities called "Engines of Economic Growth," found that the city's eight research universities spent nearly \$3.9 billion annually on payroll, purchasing, and construction and had an economic impact of more than \$7 billion. While mistrust and animosity still exist at times, relationships have largely improved and there is greater alignment between the interests of universities and their host communities. In addition to research documenting economic impact, three factors have contributed to this alignment.

First, our economy has shifted from one driven by manufacturing to one dependent on knowledge-based industries that require a highly skilled workforce. Universities are at the center of this, playing a critical role in educating workers and ensuring not only that our young people have the skills necessary to compete in the global economy, but also that our regions have the workforce necessary to attract and retain employers. Moreover, recent research has shown that there are significant economic benefits to regions that boast a highly educated workforce. A study released last fall by CEOs for Cities shows that in the top fifty metropolitan areas, a one percent increase in B.A. attainment would yield a \$124 billion economic dividend annually for the country.

In Boston alone, a 1 percent increase in college attainment would result in a \$3.4 billion increase in annual personal income (Cortright 2009).

Second, the consolidation of large corporations and their departure from many cities has left a void in civic leadership. While corporations may leave, universities are stationary institutions that provide stability to our cities in uncertain times. Not only can their permanence sustain the local economy, but by taking an active role in civic affairs, their leaders can fill the void left by corporate consolidation.

Third, the revival of some cities has further strengthened the relationship between cities and universities. In many cases, universities have played a central role in these revivals, often serving as anchors for development projects that the private sector deems too risky and spurring additional development once the projects are complete. Just as universities compete with peers for students and faculty, cities compete with each other for talent and businesses; improved cities have helped both become more competitive. As evidence of the effect of these improvements, consider that in 1996, the original purchase price of land and buildings held by urban-core colleges and universities was \$100 billion. The current market value is several times greater (Initiative for a Competitive Inner City and CEOs for Cities 2002).

Universities and Their Communities

Today the interests of universities and cities are intertwined, but this symbiotic relationship goes beyond sheer economics. There are several promising new directions through which universities can further contribute to their regions including (1) conducting research that provides important data and information to the community, (2) serving as model employers and providing unique training opportunities to employees, (3) contributing to improving public education in their cities, and (4) participating in public private partnerships. A few examples from Greater Boston illustrate this potential.

Data and Research

Our cities face significant challenges, but we cannot fully understand the scope of these challenges, nor can we track progress toward a solution, without data. By having a deep understanding of a region, government, philanthropists, and others can devote resources to projects that will have the greatest impact. Moreover, we can track whether our efforts are making a difference, allowing us to expand successful strategies and change course when interventions are not working.

The Boston Indicators Project, a partnership among the Boston Foundation, the Boston Redevelopment Authority, and the Metropolitan Area Planning Council, provides data and statistics that help us understand our region, identify areas that are critical to strengthening regional competitiveness, and build regional consensus. The Indicators Project would not have been possible without the existence of several well-respected and highly knowledgeable think tanks based at our regional universities. By providing

significant resources and information to the community, university think tanks share with the community the heart of the university.

Changing Demographics and the Role of Employers

Colleges and universities can be—and often are—model employers in terms of jobs that offer family-sustaining wages, good benefits, and opportunities for advancement. But, they can do even more by attacking the large gap that exists between skilled workers and those who are untrained. Diminishing this gap is especially important given the country's demographic trends.

According to the Pew Research Center, the U.S. population will grow 48 percent between 2005 and 2050, compared with a 64 percent increase between 1960 and 2005 (Passel and Cohn 2008). In addition, the number of people over sixty-five will increase more rapidly than the number of children and the number of working age adults, putting a strain on employers looking to hire workers. In Massachusetts, we are already feeling the effects of these trends that will soon sweep the nation. Forty-five percent of the state's jobs are middle-skill jobs, meaning they require more than a high school diploma and less than a four-year degree, yet only 37 percent of the population is qualified to fill these jobs (Workforce Alliance n.d.). Employers can—and must—play a role in upgrading the skills of our workforce, and universities, which specialize in educating people, can set an example for other large employers by garnering workforce partnerships and finding innovative ways to build the skills of their staff.

In 2000, Harvard University launched its Bridge to Learning program. Open to all hourly employees and members of the Harvard Union of Clerical and Technical Workers, the program offers classes in areas such as literacy, ESOL, and college preparation as well as tutoring and career services. All classes and services are offered on-campus during work hours. This year, Harvard expanded the program to also serve residents of Allston-Brighton, a neighborhood of Boston into which Harvard has expanded. This pilot program allows local residents the opportunity to enroll in two Harvard Bridge courses.

Since its founding, the Bridge program has achieved excellent results. Beginning with just thirty-eight students, the program now enrolls about five hundred and its participants have been promoted within their departments, hired into more advanced jobs across the university, and accepted to two-year and four-year colleges both locally and nationally. As a sign of its success, the demand for the program's basic literacy classes has decreased, while the demand for its advanced classes (ESOL, writing, computers, pronunciation, etc.) and career counseling has increased. The Bridge program provides significant opportunities to its participants, but the university also benefits from it. As a result of the program's success, Harvard has experienced low staff turnover and has been able to move people into other jobs in the university, rather than having to recruit from the outside.

Public Education

Universities can also use their influence and expertise to shape and improve public K-12 education. Our urban public schools are a disaster and recent studies, including ones from Chicago and Boston, paint a dire picture of the number of urban youth who ultimately complete college. A recent study by the Boston Private Industry Council and Northeastern University's Center for Labor Market Studies (funded by the Boston Foundation) found that fewer than 25 percent of Boston Public School high school graduates will complete a two- or four-year degree within seven years of graduating from high school. An extrapolation of this data finds that, if nothing else changes, only about 14 percent of entering ninth graders would be expected to complete a college degree within seven years of their high school graduation. If one excludes students who attend Boston's three elite exam schools, this number drops to a mere seven percent. A similar study in Chicago finds that only 8 percent of Chicago Public School students earn a four-year college degree by the time they are in their mid-twenties (Allensworth 2006).

We cannot allow this to continue and many universities are taking an active role in restructuring urban public education by providing volunteers to local public schools, educating future teachers through existing programs, and, in some cases, even opening their own schools.

Clark University in Worcester, Massachusetts, for example, opened the University Park Campus School in 1997. Recognized as a national school reform model, the school serves students from the high-poverty neighborhoods surrounding the school. Seventy-three percent of the students receive free or reduced price lunch, 67 percent speak English as a second language, and 61 percent are students of color (www.upcsinstitute.org). Despite the school's challenging demographics, it is achieving impressive results. The dropout rate is nearly zero; almost all students have gone on to college. On the state's standardized tests, the school has achieved the highest cumulative performance of any school serving a majority low-income population, and it has placed in the top quartile of all schools in the state (www.upcsinstitute.org). Imagine the potential if we could bring results like these to more urban public schools.

While all universities will not have the desire or the resources to run a school, it is imperative that every institution commit to focusing on its urban students. In many cases, students from local public schools attend a handful of colleges and universities. Universities need to pledge to be in touch with these students, track their progress, and make a concerted effort to ensure they succeed. While the recent data paints a devastating picture of what is happening in our cities, the good news is that nonprofits, our schools, and the colleges that take large numbers of our public school students can have a tremendous impact if they unite around a common strategy.

There are several efforts underway that prove that urban public school graduates can succeed. We need to expand these programs and create similar programs that provide

these students with the attention and nurturing they need. Programs such as Posse and Boston's Bottom Line are having exceptional results with underserved students.

Posse, a leadership development program serving urban youth in Boston, Atlanta, Chicago, Los Angeles, New York, and Washington, selects talented high school seniors in urban public schools and places them in ten-person "posses" at colleges and universities where they receive full-tuition merit scholarships and a high degree of support from both the school and the program. More than 90 percent of the Posse scholars graduate from college on time.

Similarly, the Bottom Line supports Boston high school students through the entire college application process, assisting them with college research, application and financial aid applications, and the transition to college. Through mentoring, and academic and emotional support, 98 percent of Bottom Line students have been accepted to college and more than 80 percent have received college degrees—double the national average for this demographic of students and higher than the average for any demographic of students (www.bottomline.org).

Public Private Partnerships

In these challenging economic times, collaboration is more important than ever. Another way colleges and universities can leverage their important role in the community is by being involved with business and government partnerships that improve regional economic competitiveness. Boston's Life Sciences Collaborative is one such example.

During the early days of the high tech revolution, Boston was home to well-known firms such as Wang, Digital, Data General, and Prime Computer. Because of its failure to recognize the potential of the personal computer, however, Boston eventually lost this industry to Silicon Valley.

Today, Boston is a hub for the biotech industry, but there is a real fear that despite its assets, Boston could lose its strength in the field if it fails to embrace collaboration. Having learned from its mistakes in the 1980s, the Greater Boston region is rallying together in support of the biotech field. A 2002 report, "MassBiotech 2010: Achieving Global Leadership in the Life-Sciences Economy," found that by 2010, a concerted effort by Massachusetts' political, business, and academic leaders could create nearly one hundred thousand additional in-state jobs directly or indirectly related to the biotech field and raise more than \$1 billion in personal income tax revenues (BCG and MBC 2002). The report served as an impetus for the creation of the Life Sciences Collaborative in 2006.

Chaired by Henri Termier, the CEO of Genzyme, and three local university presidents—Drew Faust of Harvard, Jack Wilson of the University of Massachusetts Boston, and Susan Hockfield of the Massachusetts Institute of Technology—the Collaborative is developing a comprehensive, integrated strategy to grow the life

sciences sector. A prime example of universities entering into public private partnerships to strengthen the regional economy, it features more than seventy life sciences organizations, including teaching hospitals, research institutions, and biotech, medical devices and pharmaceutical firms. Among other things, the group is developing and supporting Pre-K–12 programs and curriculum to ensure we provide the next generation of workers with the preparation necessary for careers in the life sciences. In addition, the group is focusing on issues related to attracting, training, and retaining a skilled technical workforce. The research universities contribute to this effort by not only providing the raw talent of recent graduates to fill some of these positions, but also by developing programs that can certify and retrain professionals who work in industries that are no longer vibrant.

Conclusion

Universities are central to our communities and there is much they can contribute, from immense economic impact to research and data, model workforce training programs, skilled graduates, and civic leadership. By contributing to their host communities in these important and visible ways, universities can ward off the often incorrect sentiment that they are takers from—not contributors to—the local economy, and they can be better positioned to avert challenges with state or local governments when they do arise. Local leaders and residents must also be mindful of the challenges that universities face. Despite their permanent place in our cities, universities are not immune to the current fiscal climate. In recent months, endowments have plummeted, putting significant financial pressure on universities. In these times, collaboration and communication is especially important and all sides must recognize and respect the give-and-take relationship necessary to achieve mutual benefits.

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