

DEMOCRACY COLLABORATIVE

2014 IMPACT REPORT



INTRODUCTION

BY
EXECUTIVE DIRECTOR
TED HOWARD

In 2000, when The Democracy Collaborative was founded, the words “community wealth building” meant little to anyone. By 2014, its core ideas had become almost mainstream—the ideas that economic development must be about equity and inclusion, that it should include strategies of democratized ownership, that it should focus on building local assets and strengthening community.

A few years back, almost no one was talking seriously about the idea that we face a systemic crisis. In 2014, more than 200 leading scholars and activists endorsed the founding statement of our Next System Project: *Time to Face the Depth of the Systemic Crisis We Confront*.

While the Next System Project works to develop the rigorous analysis and vision that can undergird a new economy, the Community Wealth Building side of the Collaborative works to develop, test, and promote the economic pathways that bring this theory to life in the real world of communities.

Together, the two sides of the Collaborative advance a hopeful new vision and a grounded reality. As a whole, The Democracy Collaborative:

- Provides technical assistance to cities, community foundations, anchor institutions, community organizers, and others to create local innovation and impact.
- Develops and promotes wealth building policies at city, state, regional, and national levels.

- Conducts cutting-edge research to build the knowledge of the community wealth field.
- Promotes coalitions and organizes communities of practice among key stakeholders to help advance the state of the art of community wealth building.
- Engages in public outreach and works to build awareness.
- Creates both the vision and the grounded sense of hope that a new kind of community-focused economy, connected to a broader horizon of transformative system change, is genuinely possible.

“...a shared commitment to move beyond a sense of helplessness and engage together in practical, visionary work to create an economy that is both sustainable and inclusive, an economy where all can thrive.”

This report on the Collaborative’s 2014 accomplishments offers a testament to our energetic staff who crisscrossed the country, knitting together a field and a movement that includes everyone from mayors, university presidents, hospital pro-

curement directors, young activists and community foundation CEOs, to leading academics, management theorists, cooperative developers, and others. What unites them is a shared commitment to move beyond a sense of helplessness and engage together in practical, visionary work to create an economy that is both sustainable and inclusive, an economy where all can thrive.

In the pages that follow, we offer a snapshot of some of our 2014 programs and initiatives, in hopes this will feed in others the sense of hope and promise we sense across the nation, at this historic moment.



IN THE FIELD: OUR ADVISORY WORK

In 2014, The Democracy Collaborative's advisory services were engaged by mayors, community foundations, and anchor institutions across the country to create and support a growing number of community wealth building efforts.

The **Jacksonville** Community Wealth Building Roundtable was a highlight of our work. Organized in coordination with the Interfaith Coalition for Action, Reconciliation and Empowerment (ICARE) and the Mayor's Office of the City of Jacksonville, more than 100 Jacksonville residents and community leaders came together for a gathering that explored ways to build community wealth in northwest Jacksonville, a historically poor African American neighborhood. Following the conference, The Democracy Collaborative prepared a report and presented our findings to both Mayor Alvin Brown and to a public audience. In November, Mayor Brown announced the creation of a high-level task force, chaired by the regional president of Florida Blue, Jacksonville's leading health insurance provider, to implement the recommendations.

In **New Orleans**, the Collaborative worked on two projects, both aiming to increase the labor force

participation rate of the City's African American adult male population. A 2012 study found that only 48 percent of African American males are employed full time in the labor force. As a result, the City government has launched a project that aims to increase hospital spending and hiring within the City of New Orleans, directed toward improving outcomes in low-income neighborhoods. Our work has taken two forms: first, with the City of New Orleans and the Fund for Louisiana, we conducted an initial survey of hospital and public authority hiring and procurement practices. Second, with the New Orleans Business Alliance and local partners DMM, Inc., we engaged in a study that undertook a deeper dive into supporting increased procurement through local minority-owned businesses as a community wealth building strategy.

Meanwhile, in **Illinois**, based on testimony from Executive Director Ted Howard, an Illinois governor's task force recommended a number of community wealth building action steps, including creating an Illinois employee ownership center, encouraging local social enterprise procurement by nonprofit hospitals to meet "community benefit"

obligations, and revamping state co-op law to support worker cooperatives as a community wealth building strategy.

In **Aurora, Colorado** (adjacent to Denver), The Democracy Collaborative has worked with the Denver Foundation and the Anschutz Medical Center Community Campus Partnership. Anschutz Medical Center is a new complex of medical institutions located on what used to be the Fitzsimmons Army Base (closed in 1999). As an army base, the facility had been completely isolated from the surrounding largely low-income Latino community. Now, the Community Campus Partnership aims to break down the physical and psychological barriers and leverage the resources of the surrounding hospitals

and medical campus to build community wealth and create jobs in the “original Aurora” neighborhoods. The Democracy Collaborative has been working with the Community Campus Partnership to develop a strategy to achieve that vision.

In **Philadelphia**, The Democracy Collaborative has been part of a project team alongside American Communities Trust, E-Consult, and U3 Advisors that is advising Drexel University on how best to leverage its procurement to support the local West Philadelphia economy. In October, the Collaborative presented the findings of our extensive qualitative survey of best practices in anchor procurement that we completed as part of our work on the project.

Meanwhile, in **Jackson, Mississippi** we worked with a grassroots community-based organization, Cooperation Jackson. In 2013, Chokwe Lumumba was elected Mayor of Jackson based on a platform that centered on worker co-op development. Tragically, Lumumba died of a heart attack a short eight months after his election. Cooperation Jackson was formed to carry on the vision of a Jackson cooperative economy, even in the absence of holding political office. Our work involved both assisting the group in assessing the viability of different approaches and lines of business, as well as providing considerable direct education and training.

Throughout the year, we continued to support the Community Wealth Building Initiative in the **Washington, DC** region. The Collaborative helped set the stage for this initiative through our feasibility study work in 2012. In 2014, we hosted two Washington metro area delegations in Cleveland. The launch of the Cleanwater Management Group, the first of what is envisioned to be a network of community-owned businesses, akin to Cleveland’s Evergreen Cooperatives, is anticipated in the first half of 2015.

FIND OUT MORE ABOUT OUR WORK AT:
DEMOCRACYCOLLABORATIVE.ORG/ADVISORY

Building Community Wealth

An action plan for Northwest Jacksonville



Submitted to the City of Jacksonville
June 2014

Our report to the city helped catalyze a multi-stakeholder initiative to build community wealth in a historically marginalized neighborhood.

FULL REPORT AND VIDEO HIGHLIGHTS AT:
COMMUNITY-WEALTH.ORG/JACKSONVILLE



The broad appeal of community wealth building is gaining traction in communities across the country—and even around the world. Collaborative efforts led by community groups, foundations, cities, and intermediaries, working to regain control of local assets, anchor jobs locally, and reinsert democracy into the local economy are emerging in places as disparate as Richmond, Virginia; Denver, Colorado; and Toronto, Ontario in Canada.

An increasing number of cities have begun to recognize that cooperative development offers an effective economic development strategy that keeps capital anchored locally. In **Austin**, the city council recently worked with the Austin Cooperative Business Association (ACBA) to draft and pass a resolution highlighting the positive impact of Austin's 40+ cooperatives, convening stakeholders to develop recommendations for promoting the development of new and existing cooperative businesses. In **New York City**, with the support of Mayor De Blasio's Director of Industrial and Income Mobility Initiatives and numerous members of the City Council, \$1.2 million has been allocated to spur the development of new worker cooperatives, specifically targeting low-income and minority residents. In **Denver**, the city's Office of Economic Development (OED) closed on a \$1.2 million loan to Re:Vision to support the development of a food cooperative (and related projects) in the city's Westwood neighborhood. And in 2011, the City of **Preston** in Lancashire, England launched a cooperative development program, The Preston Community

Wealth Building Initiative, which aims to increase local purchasing by anchor institutions to support the formation of local cooperative enterprises.

Cleveland's Evergreen Cooperative model has inspired the development of networked worker cooperative strategies like the **Wellspring Collaborative** in Springfield, MA. This Collaborative is a new network of worker-owned companies supported by over fifteen anchor institutions and community-based organizations. The first business in the network is an upholstery cooperative that services public schools, colleges and universities, hospitals, religious institutions, entertainment venues, and other institutions throughout New England, as well as local residential customers.

At the **University of Maryland** a small group of faculty and staff have been working over the past year and a half to nurture worker-owned cooperatives in West Baltimore, an area in the city facing extremely high unemployment and poverty rates. Led by the School of Social Work's Community Wealth Building Coordinator—a new position created to help catalyze this effort—the initiative is working to partner with community-based organizations to develop worker-owned enterprises that meet the area anchor institutions' procurement needs.

The Democracy Collaborative's Anchor Dashboard is being used by a number of organizations to encourage anchor institutions to consider the long term economic impacts of their operations. The **Roo-**

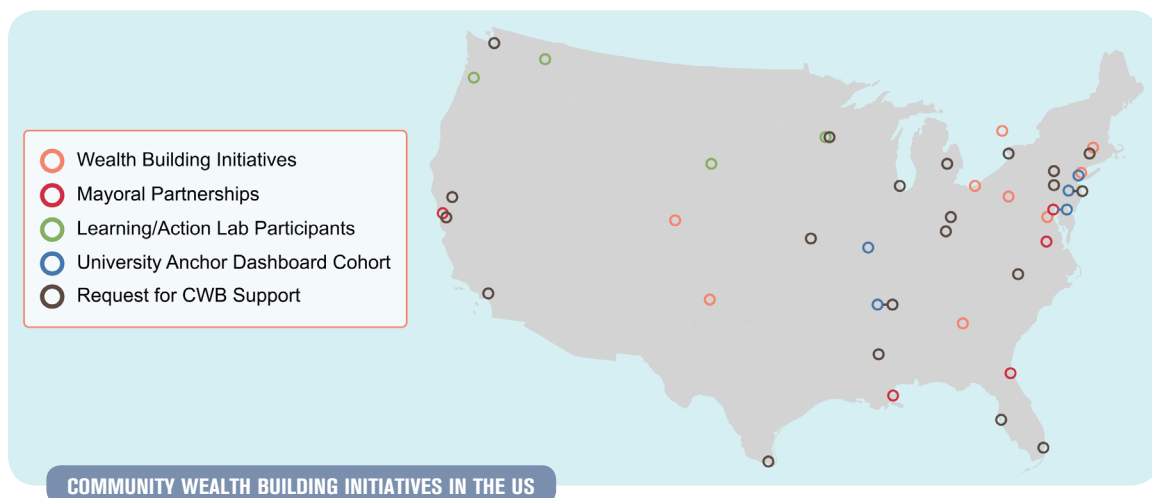
sevelt Institute Campus Network is working on an initiative where student leaders on 21 campuses across the country are using the Dashboard to evaluate and rank their educational institutions' commitment to positive community impact. The **Center for American Progress** recently released a report that recommends the use of a framework based on the Dashboard to hold anchor institutions accountable and to help illustrate to Congress and other stakeholders the extent of these institutions' impact in communities.

Recognizing that anchor institutions are the largest employers in 66 of the nation's 100 largest cities, mayors across the nation are working with universities and nonprofit hospitals to foster economic growth in disinvested communities. In 2014, World Business Chicago, a not-for-profit economic development organization chaired by Mayor Rahm Emanuel, launched **Chicago Anchors for a Strong Economy (CASE)** to connect Chicago's anchor purchasing needs to local firms in order to build a stronger and more integrated local economy. Pooling information about the procurement needs of local anchor institutions, CASE also works with cohorts of local businesses to build their capacity to meet these needs.

Similarly, the **Baltimore City Anchor Plan (BCAP)**, launched in 2014 by Mayor Stephanie Rawlings Blake, focuses on particular place-based opportunities to connect anchors and communities. These anchor districts build off of existing work by Baltimore anchor institutions, including Bon Secours' work in West Baltimore around affordable housing and community empowerment, and Johns Hopkins University's Homewood Community Partnership Initiative in the Charles Village/Old Goucher/

Waverly neighborhoods, which has already pledged \$10 million of investment in the community.

More broadly, cities are recognizing the potential of community wealth building as a new, integrated, and inclusive approach to community economic development. Just last year, the City of **Richmond, VA**, created the nation's first Office of Community Wealth Building as part of a coordinated anti-poverty effort. In **Reading, PA**, Mayor Vaughn Spencer is embracing a number of community wealth building strategies to create a more sustainable local economy, including worker cooperatives, energy efficiency initiatives, public banking,



rebuilding the local "foodshed," and the remunicipalization of jobs. Recently, Mayor Lovely Warren of **Rochester, NY** announced that the city is exploring ways that they can bridge service gaps in low income communities by developing worker-owned cooperatives and leveraging anchor institutions in growing sectors of the economy. And the City of **Toronto** has partnered with the Atkinson Foundation to devise a new "social procurement" strategy that includes creating a new "work and wealth" journalism beat at the Toronto Star—a one-year reporting position that examines ways to develop a more equitable and sustainable economy.

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COMMUNITY-WEALTH.ORG



**LEARNING/ACTION LAB
COMMUNITY WEALTH**



YEAR ONE OF OUR INITIATIVE TO HELP BUILD WEALTH IN NATIVE COMMUNITIES

The Democracy Collaborative is currently managing a collaborative three-year initiative, funded by the Northwest Area Foundation, to launch employee-owned businesses and social enterprises that ground wealth in Native American communities and provide employment opportunities for Native people. Known as the **Learning/Action Lab for Community Wealth Building**, the first year was an intensive training, advisory, education, and business development program, designed to help participants develop effective community wealth building strategies in their communities that foster ownership of enterprise, develop local assets, and create and anchor jobs locally. Now halfway through the second year of the initiative, participating organizations are working to implement these visions in their communities...

FOR BUILDING

These projects aim to not only engage in comprehensive economic development, but to create inspiring new models and economic paths forward throughout Indian Country.

On the Pine Ridge Indian Reservation in South Dakota, one of the poorest areas of the country, the Thunder Valley Community Development Corporation is planning and building a “Regenerative Community.” The new community—recipient of much media attention, including a recent article in Fast Company, and praised in a public speech by President Obama—is designed to be a net zero community, producing all the energy it uses. As construction proceeds there, Thunder Valley plans to create its own social enterprise to manage the process and create jobs for Native Americans. Elsewhere on Pine Ridge, Native American Natural Foods, a Native-owned all-natural buffalo meat snacks company, is expanding sales rapidly across the nation and plans to transition to employee ownership while also fostering the formation of a producer cooperative to help return the buffalo to the Lakota Sioux lands.

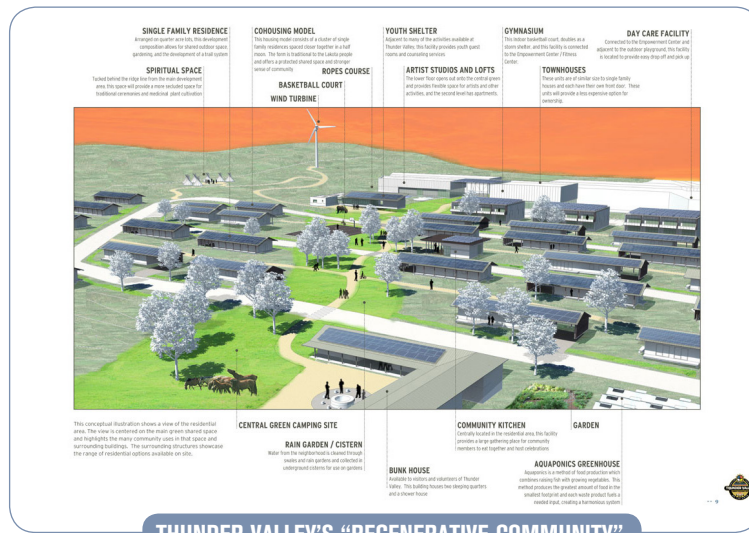
Meanwhile, Little Earth of United Tribes in Minneapolis, MN, a Native-preference low-income housing community, is developing plans for enterprises—including a community-owned food truck specializing in indigenous foods—that will foster economic growth, provide employment in their community, and create income streams for the nonprofit parent organization. Spokane Tribal Enterprises in Wellpinit, WA, has plans to transition a tribally-owned Trading Post to cooperative ownership as a way to revitalize the business and provide healthy, affordable food as well as a community gathering

place on the reservation. And, finally, Native American Youth and Family Center (NAYA) in Portland, OR, is devising a plan to create a holding company that will oversee their existing for-profit social ventures, helping them move toward creating an integrated network of employee-owned green businesses in their community.

In the first year of the Learning/Action Lab, these participating organizations traveled to meetings in four cities, to see various projects in community wealth building. They saw, for example, urban farming projects, an employee-owned cleaning company in the Bay Area, an employee-owned solar company in Denver, and a Native-owned grocery in Winnipeg. The group also visited Cleveland and toured the Evergreen Cooperatives. The participants also met local experts, and engaged in one-on-one tailored coaching sessions with Democracy Collaborative project leaders. The aim

of this first year was to allow participants to come away with a better understanding of key business development skills, the different methods needed to construct ecosystems of support for enterprise development, and how community wealth building can be a more effective alternative economic development paradigm for their communities.

The second year of the project is building on the knowledge gained in year one and developing relevant, useful tools and skills to begin implementing these projects—including writing business plans, conducting feasibility studies, raising capital, hiring appropriate staff, training for employee ownership, constructing and reading financial statements. To date, the cohort has engaged in two days of intensive workshopping sessions at NAYA's offices



in Portland, OR, where participating organizations had the opportunity to hash out the details of and receive feedback on their business and implementation plans. Participants will meet again in May 2015 on the Pine Ridge Reservation along with other leaders from Indian Country, to showcase their progress over the last two years.

The Learning/Action Lab has been an inspiring and deep learning experience for all involved, not least the project staff at The Democracy Collaborative. Through close engagement with Native American leaders, The Democracy Collaborative has been challenged and encouraged to create a true co-learning environment; rather than simply delivering content in a traditional training format,

the Learning/Action Lab team has worked with participant organizations to help them adopt the community wealth building paradigm to Indian

Country in ways that are truly collaborative, interactive, and emergent. Perhaps most importantly, in learning about Native American culture and values, The Democracy Collaborative has come to a heightened

awareness of the profound intersection between Indian values and the principles and vision of the community wealth building approach. As one participant put it, “What we perceive as a paradigm of building a new economy is really about returning to what our ancestors knew.”

LEARN MORE AT:

LAB.COMMUNITY-WEALTH.ORG



LEARN MORE AT:

COMMUNITY-WEALTH.ORG/CWBPOLICY

POLICIES FOR COMMUNITY WEALTH BUILDING

Leveraging State and Local Resources



September 2014

Our report provided a representative survey of key emerging best practices in state and local policy-making to support community wealth building. We highlighted both tested policies with proven track records in multiple jurisdictions and aspirational experiments, pointing towards more systemic economic transformation.

Photo: NYC worker co-op advocates



On May 1st, Gar gave a keynote address on the prospects for community democracy at a UC Santa Barbara talk hosted by the Liberty Tree Foundation. Later in May, he participated in a panel discussion titled "Slow and (Mostly) Steady: The Next American Economy" at the Roosevelt Institute in New York City. In June he gave the closing keynote at a major Washington, D.C. summit organized by the American Association for the Advancement of Science (AAAS) on "Climate Change, Resilience, and Governance." A few days

In 2014, Democracy Collaborative co-founder **Gar Alperovitz** addressed a number of conferences, summits, meetings, and other gatherings across North America.

In late January, Gar headlined three events in Texas—two in Austin and one in Houston—on the subject of "The Quietly Deepening Political and Economic Crises: Possibilities for an America Beyond Capitalism." In March, Gar was the featured speaker at the Thomas Merton Center's New Economy Working Group Celebration in Pittsburgh, PA, and at the beginning of April he gave a keynote address to the 4th CRISES International conference at the Université du Québec à Montréal in Canada—a major gathering of world social innovation leaders and experts. Also in April, Gar gave the keynote address to Healthcare-Now! Maryland's annual meeting, arguing for a badly needed revolution in healthcare. At the end of April, he addressed the 2014 SEED Summit in Providence, RI, on "Social Enterprise, the New Economy, and the Pre-History of the Next Great Era of Progressive American Change."

later, Gar participated in a keynote panel at the CommonBound conference in Boston, MA, organized by the New Economy Coalition, joined by Adrienne Maree Brown of the Detroit Food Justice Task Force, Gopal Dayaneni of Movement Generation, and Rachel Plattus of NEC.

In October, Gar addressed the Praxis Peace Institute's conference in San Francisco, a large gathering focused on the intersection of economics and the environment. He followed this with two speeches to cooperative practitioners in New Mexico—in Santa Fe and Albuquerque—organized by the thriving La Montañita Co-op network. In November, Gar was the keynote speaker at the Town Creek Foundation's first-ever stakeholder meeting in Wye Mills, MD, where he suggested that the state's highly successful environmental leaders consider the systemic implications of their work. In December Gar rounded out the year's speaking events with an appearance at a Government Accountability Office (GAO) forum in Washington, D.C.

Gar Alperovitz, supported by Senior Research Associate Thomas M. Hanna and other Democracy Collaborative staff, wrote and published numerous articles, op-eds, interviews, and a book chapter in 2014, while continuing to work on long-term book and report projects.

One highlight was a contribution to *State of the World 2014: Governing for Sustainability* published by Island Press. Gar's chapter, "The Political-Economic Foundations of a Sustainable System," addressed the economically and ecologically unsustainable nature of the current system and suggested an alternative based upon decentralized and democratized ownership, community stability, and longer-term political and democratic cultural development. Similarly, in the Fall/Winter volume of *Shelterforce* (published by the National Housing Institute) Gar's cover story addressed the systemic problems facing America's urban cities and made the case for local democratized ownership and the buildup of community economic strength as a possible antidote.

In January, Gar reflected on Dr. Martin Luther King, Jr.'s evolving and ultimately radical systemic understanding through the prism of his personal interactions with King for *Sojourners*. Also in January, Gar participated in the *New York Times*' "Room for Debate" series on banking, arguing that ultimately banking corporations that cannot be regulated or broken up should be nationalized—a perspective initially offered by early conservative "Chicago School" scholars. In a September op-ed for the *Los Angeles Times*, Gar introduced



one of the key economic realities likely to drive increased experimentation with alternative economic institutions in years to come—persistent, long-term economic stagnation.

Another highlight of 2014 was a series of articles for *Al Jazeera* and *Al Jazeera America*. In January, on the occasion of Janet Yellen becoming Chair of the Federal Reserve Board, Gar investigated the possibility of the Fed not only tackling inequality and embracing community wealth building strategies, but also of more fundamental democratic reforms to that influential institution. In April, he directly confronted one of the untouchable pillars of the current corporate capitalist system, the need for unending economic growth, and its dire implications for humanity in an age of climate change and environmental degradation. In June, he reflected on the seismic shift in political-economic discourse caused by Thomas Piketty's bestselling book *Capital in the Twenty-First Century*, while noting that if concentration of capital is a problem, then democratization of capital must be part of the solution.

In November, he presented climate change as an ongoing life-or-death reality and challenged climate change pessimists by maintaining that whatever can be done, no matter how small or seemingly trivial, should be done to save real lives.

Gar also continued his long-standing relationship with *Truthout* and *Alternet* during 2014. In August, Gar suggested in *Truthout* that the ownership and labor turmoil at New England grocery chain Market Basket offered a clear opportunity for the emergence of worker-ownership via an Employee Stock Ownership Plan (ESOP), and wrote in *Alternet* that the infrastructure investment needed to fix America's aging sewer and stormwater systems offered a unique possibility to use public funds to create both much needed jobs, but also democratized, community-benefiting institutions. In a November piece for *Truthout*, he analyzed the midterm elections and suggested that while chances of significant progressive advances at the national level are undoubtedly slim, cities and local communities are beginning to offer exciting possibilities for institutional change that could lay the groundwork for long-term, far reaching change on the national level.

Gar was also interviewed for numerous print, broadcast, and online media projects in 2014. In January, he was the subject of a five-part video interview by Paul Jay of *The Real News Network*. The series covered the scope of Gar's life and political economic thinking—ranging from his groundbreaking studies of the atomic bomb to his ideas on systems and systemic change. In the summer issue of *Orion Magazine*, editor Scott Gast spoke with Gar about the cooperative economy and the possibilities for systemic alternatives to both capitalism and socialism. In August, *Truthout* editor Leslie

Thatcher interviewed Gar about the decades of work behind his vision of an alternative political-economic system in conjunction with the launch of the new pluralistcommonwealth.org website. In October, Gar appeared on *The Laura Flanders Show* (GRITtv and TeleSUR English) to discuss how current economic stagnation and political stalemate offer the opportunity for new kinds of institutional experimentation.

Gar also continued his long-standing practice of engaging in a public dialogue with other prominent intellectuals and system change thinkers. At the beginning of the year, Gar interviewed renowned musician and philanthropist Peter Dinklage on his podcast, with the transcript subsequently published in *Alternet*. Spurred by Buffet's well-publi-

cized criticism of the "charitable industrial complex," the discussion addressed a multitude of social and economic issues through the lens of Gar and Peter's unique personal journeys. In May, *Solutions* published an exchange between Gar and Michael Shuman, author and commu-

nity economics expert, on possibilities for a new approach to local economic development and questions of scale and systems. Also in the spring, Gar participated in a discussion of alternative systemic designs with Michael Albert—developer (with Robin Hahnel) of the Participatory Economic model (Parecon)—which was published in *Truthout* and *ZNet*. In September, Gar appeared on *The Laura Flanders Show* (GRITtv and TeleSUR English) along with distinguished economic geographer and author David Harvey to discuss the history of political economic systems, their analysis of the present, and their visions for the future.



MORE FROM GAR AT:
GARALPEROVITZ.COM
AND AT: PLURALISTCOMMONWEALTH.ORG

Over the past year The Democracy Collaborative has made good progress with the design and implementation of the **Next System Project**, an ambitious multi-year initiative aimed at compelling Americans to think boldly about what is required to deal with the systemic challenges we are facing now and in coming decades. Responding to real hunger for a new way forward, and building on practical experience with thousands of new economic institutions in communities across the country and around the world, the project seeks to use research and dialogue to open up a wide-ranging public debate about the profound systemic change that is so desperately needed at home and abroad.

The project is co-chaired by Gar Alperovitz, co-founder of The Democracy Collaborative and a noted historian, political economist and long-standing theorist of system change, and James Gustave “Gus” Speth, former adviser to Presidents Carter and Clinton, former head of the United Nations Development Programme, former Dean of the Yale School of Forestry and Environmental Studies, co-founder of the Natural Resources Defense Council (NRDC), and one of the nation’s leading environmentalists and climate change activists. A small staff is also in place, and a planning workshop held at the Ash Center at Harvard’s Kennedy School brought together a select group of highly regarded scholars and practitioners to help set the terms of reference, goals and strategy for the first year of the project.

One clear finding of our extensive consultations around the project is that there is still much work to be done to put the threshold issue—that the United States is facing *systemic* problems, not



THE NEXT SYSTEM PROJECT

simply ordinary political or economic ones—on the map in a serious way. We thus crafted a short statement spelling out the systemic nature of the

current crisis and the need to think in terms of systemic solutions. We have signed up an impressive roster of several hundred prominent academics, practitioners and thought leaders to this call for a national dialogue on system change, including current or former presidents of the American Political

Science Association, the American Sociological Association and the Academy of Management. We are continuing to recruit further signatories ahead of a public release in 2015. Beyond the statement, we have also begun to commission working papers

“When big problems emerge across the entire spectrum of national life, it cannot be due to small reasons: it’s time for everyone who cares about our troubled country to face the depth of the systemic crisis we now confront as a nation.”

and reports exploring important elements of the alternative systemic design challenge for circulation among key academic and activist constituencies. Meanwhile, the need for a national conversation on system change is growing increasingly apparent. After Ferguson, we are in a crisis moment already regarding structural and institutional racism. Our second project workshop, held in December at the Massachusetts Institute of Technology and jointly convened with MIT Community Innovators Lab (CoLab), brought together thirty scholars, practitioners and activists to explore questions of race, gender, ecology and power under the interrelated

headings of research, communications, and the need to foster dialogue between academics and activists regarding system change.

“It is time to explore genuine alternatives and new models—the next system.”

Looking ahead, we will soon launch our project website and publications series and are planning our first major public conference on systemic alternatives for the second half of the year. We will look to partner with a number of like-minded organizations in the United States and beyond, recognizing that many of the problems we are facing have a global or international dimension, and that there is much to learn from developments and innovations overseas as well.

IMAGES FROM OUR NEXT SYSTEM PROJECT MEETING AT MIT



LAUNCHING IN APRIL 2015: THENEXTSYSTEM.ORG





2014 marked the fifth anniversary of the Evergreen Cooperative Laundry, the first of the **Evergreen Cooperatives**—a growing network of Cleveland-based cooperative enterprises that also includes a community-based renewable energy company, a large scale hydroponic food production greenhouse, a shared business services company, and a non-profit holding company (the Evergreen Cooperative Corporation) that provides overall guidance and direction for the initiative.

The Democracy Collaborative has been closely associated with Evergreen from its inception: in 2007, at the request of the Cleveland Foundation, we conducted the initial feasibility study that formed the basis for the Evergreen strategy. For several years, we were part of the initiative's implementation team (which, in addition to the Cleveland Foundation includes the City of Cleveland and several of the city's largest anchor institutions—Case Western Reserve University, the Cleveland Clinic, and University Hospitals). Over the years, the Collaborative has also supported Evergreen through fundraising, developing the cooperative training program for employees, and establishing the holding company structure.

Evergreen now operates independently with its own board of directors and management team.

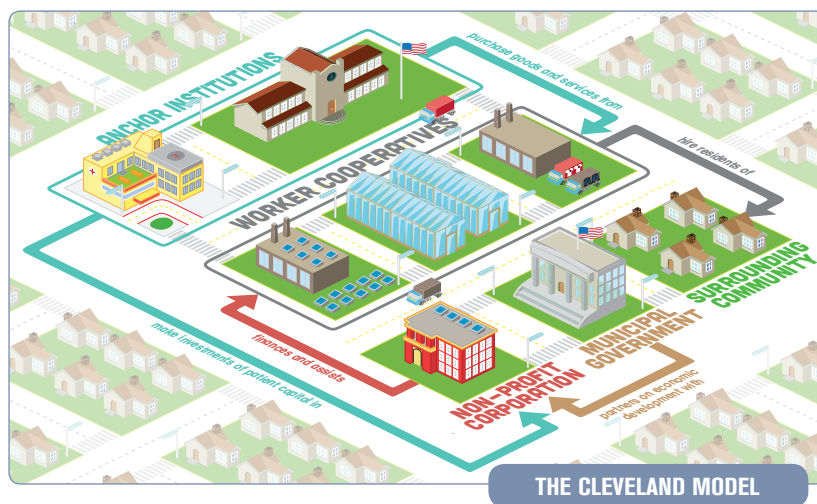
The Democracy Collaborative continues to remain committed to supporting this important cooperative business initiative's evolving needs. In 2014, for example, staff from our Cleveland office recruited and supervised four teams of highly effective undergraduate and graduate school interns to work

on special projects at Evergreen, helping increase their business capacity while exposing a new generation of future leaders to employee ownership and social enterprise. Through this program, The Democracy Collaborative has formed strong relationships with academic insti-

tutions concerned with social enterprise development, including Case Western Reserve University's Weatherhead School of Management, the Pinchot University Sustainable MBA Program, and the University of North Carolina's Public Policy Clinic.

The Democracy Collaborative looks forward to expanding these activities in the future in partnership with Evergreen, leveraging their unique expertise in cooperative development projects to support community wealth building initiatives nationwide.

LEARN MORE AT:
COMMUNITY-WEALTH.ORG/CLEVELAND
AND AT: **EVERGREENCOOPERATIVES.COM**







WORKER COOPERATIVES: PATHWAYS TO SCALE

Hilary Abell



The Democracy Collaborative
June 2014

WORKER COOPERATIVES: PATHWAYS TO SCALE

As public interest in worker cooperatives has soared, the real question to be answered is how to take the exciting experiments in workplace democracy to the next level, at a scale sufficient to truly build wealth for low-income communities. Our report *Worker Cooperatives: Pathways to Scale*, authored by longtime cooperative developer Hilary Abell, the former director of the WAGES (now Prospera) network of women's cleaning cooperatives, offered key answers drawn from best practices across the field. Highlighting real-world strategies to expand the depth and breadth of the worker coop sector, the report provides community-based developers and cooperative advocates with the essential information they need to make the case for effective and scalable democratic workplaces.

**LEARN MORE AT:
[COMMUNITY-WEALTH.ORG/
WORKERCOOPS](http://COMMUNITY-WEALTH.ORG/WORKERCOOPS)**

Photo: Opportunity Threads, Dana Dillehunt

THE ANCHOR DASHBOARD LEARNING COHORT



THE UNIVERSITY OF
MEMPHIS



BUFFALO STATE
The State University of New York

UMSL



RUTGERS
UNIVERSITY | NEWARK

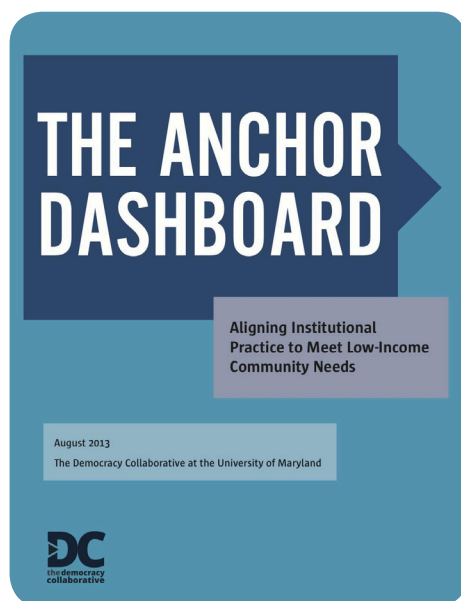
In the fall of 2014, The Democracy Collaborative, with the support of the Annie E. Casey Foundation, convened a group of anchor institution leaders from six universities to explore how to better align their operations to benefit the places they call home. These leaders make up the Anchor Dashboard Learning Cohort and represent the following institutions:

- **Cleveland State University**
(Cleveland, Ohio)
- **Drexel University**
(Philadelphia, Pennsylvania)
- **The University of Memphis**
(Memphis, Tennessee)
- **The University of Missouri-St. Louis**
(St. Louis, Missouri)
- **Rutgers University-Newark**
(Newark, New Jersey)
- **SUNY Buffalo State**
(Buffalo, New York)

Anchor Dashboard. The resulting metrics, developed and refined in light of the six participating anchor institutions' experiences and aspirations, will be used to help develop proven strategies that leverage the economic and institutional resources of anchors for community benefit.

By creating a common framework for universities to share successes and lessons learned, cohort organizations can work to better align their internal operations for effective community benefit, while also making the case for the value of their impact to the public. As Associate Provost and Dean Kevin Rai-

ley of Buffalo State noted, "these indicators frame the overall discussion of how universities and colleges contribute to the public good beyond their students. We invest money all the time, but how do we have our mission in mind when we do so? Without something like this, there are particular areas that people don't think are our responsibility. This is a tool to create rich conversations with people on our campus. It's aspirational."



Over a year-long process involving intensive site visits, group webinars, and two convenings, the Learning Cohort will work to develop shared best practices for measuring the impact of colleges and universities on their surrounding communities, building off the recommendations in The Democracy Collaborative's 2013 report *The*

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FROM COMMUNITY HEALTH TO COMMUNITY WEALTH

Following our release of *Hospitals Building Healthier Communities* the previous year, 2014 brought many conversations on how hospitals and health systems can better serve their communities as anchor institutions by aligning healthcare and community economic development. Perhaps most notably, Democracy Collaborative Research Associate David Zuckerman led a webinar organized by the American Hospital Association and the Association for Community Health Improvement, in which more than 500 healthcare professionals participated to learn how hospitals can better address social determinants of health and focus their community benefit through local purchasing and community investment.

Continuing this dialogue, we were invited to present at convenings organized by healthcare institutions (MedStar and Reading Health System), community development entities (NeighborWorks, South Carolina Association for Community Economic Development, Indiana Association for Community Economic Development, and the Federation of Appalachian Housing Enterprises), and non-profit trade groups (Community-Campus Partnerships for Health and Association for Community Health Improvement), among others, throughout the year. 2015 should be an exciting year for continuing to elevate this important conversation.

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Photo: Cleveland Clinic, kevinmnord on Flickr



COMMUNITY FOUNDATIONS: A NEW ANCHOR MISSION

Photo: Re:Vision urban farmers, Jess Elysse

With many communities in both rural and urban areas struggling with deeply entrenched economic problems like inequality and unemployment, many community foundations have begun to take up an “anchor mission.” Some are using their deep knowledge of their communities to kickstart much-needed economic development—launching worker-owned cooperatives, building local business accelerators, and providing key ways to connect resources. Others are rethinking community investment—creating loan pools and guarantees, working with community development financial institutions, and inviting donors to partner on mission-aligned local investments. Recognizing their capacity to foster inclusive and sustainable local economies, they are adopting an anchor mission that seeks to fully deploy all resources to build community wealth.

This emerging role of community foundations as anchor institutions is explored in our 2014 report, ***A New Anchor Mission for a New Century: Community foundations deploying all resources to build community wealth***. The authors, Senior Fellow and Director of Special Projects Marjorie Kelly and Community Development Associate Violeta Duncan, examined motives for this shift and lifted up the work of 30 innovative community foundations adopting new approaches in economic development and impact investing.

The challenges faced by community foundations have changed significantly since the nation’s

first, the Cleveland Foundation, was founded 100 years ago. In particular, local foundations today face not only entrenched, structural poverty in the communities they serve, but also increased competition for philanthropic dollars from donor-advised funds tied to large commercial banks and investment firms. As a consequence, they have become increasingly eager to adopt the new anchor mission.

Responding to such widespread interest, we launched the report with a national webinar, with participants from the Denver Foundation, the Greater Cincinnati Foundation, the Vermont Community Foundation, BALLE, and RSF Social Finance, who shared their community wealth building experience with coop-

erative and social enterprise development, support for small and minority-owned business, local food systems, CDFI engagement, energy efficiency, land banking, and land trusts.

Co-author Marjorie Kelly became a core consultant for RSF Social Finance and the Business Alliance for Local Living Economies’ (BALLE) Community Foundation Circle, an 18-month peer-learning project with 14 participating community foundations to help drive forward the ideas in *A New Anchor Mission*. She reported back to *Stanford Social Innovation* on the energy in this emerging movement; as one Circle participant put it: “You can feel the toe of the tsunami. There’s a great wave rising, and you can feel the power of it, even though it’s just beginning.”



Delivering printed copies of the report to more than 700 community foundations across the country, we have been excited to have been able to follow up and engage with foundations from coast to coast exploring visions for the future of their philanthropic institutions as well as broader conversations about the role their foundations can play in more equitable and sustainable economic development at a local and regional level. For example, Marjorie Kelly recently presented findings from the research to a gathering of several dozen foundation representatives at a meeting of Associated Grantmakers' Community Foundation Roundtable in Worcester,

"There's a great wave rising, and you can feel the power of it, even though it's just beginning."

MA. Other research and consulting projects with community foundations are in development.

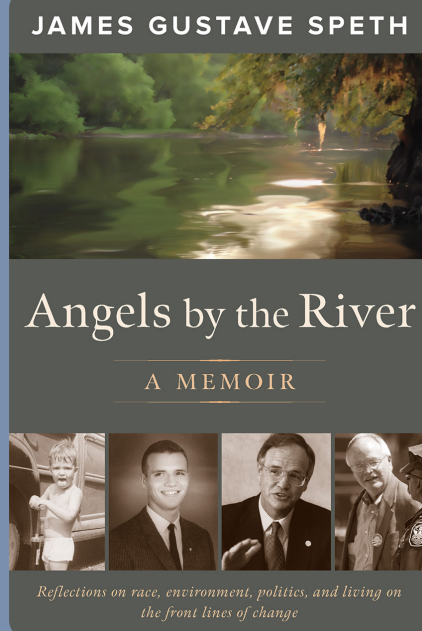
As more and more community foundations chart a course beyond the old transactional model in which they served simply as a container for donor-advised funds, to a more transformative model where they take the lead in efforts to build community wealth, we are thrilled and honored to be helping this new movement develop and grow.

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NEW-ANCHOR-MISSION**

ANGELS BY THE RIVER

In October 2014, **James Gustave "Gus" Speth**, Senior Fellow at The Democracy Collaborative and Co-Chair of our Next System Project, released a memoir. Entitled *Angels by the River*, and published by the employee-owned press Chelsea Green, it is a reflection on some of the people, places, and events that took him from a sheltered, conservative upbringing in the American South (Orangeburg, South Carolina), through a notable career in the mainstream as one of the country's leading environmentalists, to, ultimately, his current role as a leading advocate for system change.

Speth's impressive professional résumé includes founding the Natural Resources Defense Council and World Resources Institute, advising President Jimmy Carter on environmental issues, and serving as Administrator of the United Nations Development Programme. In *Angels by the River*, he discusses his experiences in these and other prominent positions, as well as more personal experiences that have influenced his life and career. The latter include his involvement in the Civil Rights movement, writing several books on the systemic roots of the nation's environmental problems, and being arrested in 2011 outside the White House for civil disobedience over the Keystone XL Pipeline.



"A longtime friend and ally, Gus Speth is a tireless advocate for the environment. His accumulated stories and knowledge, the kind that could only come from decades of experience at the highest levels, provide a unique and insightful look into our history, and the way forward from here." —Al Gore, former vice president of the United States



The Democracy Collaborative is pleased to have been able to welcome some truly excellent additions to our team in the past year. **Marjorie Kelly**, who joined the Collaborative as Senior Fellow and Director of Special Projects, is an accomplished and visionary advocate for transformative models of enterprise, and the author of the award-winning book *Owning Our Future: The Emerging Ownership Revolution*. In her first year with the Collaborative, she served as the lead author on our report *A New Anchor Mission: Community foundations deploying all resources to build community wealth*. Marjorie also directs our Learning/Action Lab initiative, working closely with a cohort of Native American organizations to develop, refine, and implement community wealth building strategies.

In 2014, we also welcomed the addition of **James Gustave “Gus” Speth**—a former Presidential environmental advisor and one of the leading ecological thinkers in the United States—as Co-Director of the Next System Project, alongside Collaborative co-founder Gar Alperovitz. Over the course of his distinguished career, Speth has led the UN Development Programme, served as the Dean of the Yale School of Forestry, and co-founded the Natural Resources Defense Council.

Also joining the Next System Project was our new Research Associate **Cecilia Gingerich**, who has a Master’s degree in Politics from New York University; this fall, she helped organize the Next

System Project’s second conference, co-sponsored by MIT’s Co-Lab, bringing together leading political economists and activists for a conversation around systemic alternatives.

2014 also saw the addition of two Community Development Associates to the Collaborative: **Violeta Duncan**, a master’s of planning graduate from Columbia University, and **Jessica Bonanno**, who earned a master’s of business administration from Notre Dame. Duncan served as Marjorie Kelly’s co-author on *A New Anchor Mission* and is the lead editor of the Community-Wealth.org monthly newsletter. Bonanno is working alongside the Evergreen Cooperatives in Cleveland as part of our ongoing strategic partnership and has been active in our advisory practice around anchor institutions and community wealth building, working with clients in New Orleans and elsewhere.

Kelly, Speth, Gingerich, Duncan, and Bonanno join a team at The Democracy Collaborative which continues to receive growing recognition as leaders in the community wealth building field and the new economy movement, with senior staff regularly invited to keynote important national convenings of policymakers, practitioners, activists, and philanthropic supporters.

GET TO KNOW OUR TEAM:
DEMOCRACYCOLLABORATIVE.ORG/STAFF

PRESENTATIONS AND PUBLICATIONS



In 2014, our Executive Director and Co-Founder **Ted Howard** contributed numerous articles to blog and magazine outlets including “Fostering the Power of Universities and Hospitals for Community Change” on the Center for American Progress’ TalkPoverty blog, “How Communities Can Make the Most of Their Anchor Institutions” in *Governing* magazine, and “What is Community Wealth Building & Why Is It So Important?” on the Veris Wealth Partners’ blog. He was also featured in a Q&A on the Initiative for a Competitive Inner City (ICIC) blog and was interviewed in *Forefront*, a publication of the Federal Reserve Bank of Cleveland. He delivered the keynote address on “Closing the Wealth Gap: the Community Wealth Building Paradigm” at the German Marshall Fund’s Strong Cities, Strong Communities National Network Workshop, moderated a plenary panel at the CleanMed 2014 conference on the Cleveland anchor institution framework, presented at the Strong Cities, Strong Communities Bootcamp on opportunities to incorporate anchor strategies into New Orleans’ Prosperity NOLA plan, and spoke at the City of Memphis’ 2014 Neighborhood Redevelopment Conference. He also contributed to the ICIC webinar “Measuring the Shared Value of Anchor Community Engagement.”

Senior Fellow and Director of Special Projects **Marjorie Kelly** wrote “A Wave is Rising” for the Stanford Social Innovation Review (SSRI) blog. She also contributed to The Corporate Social Responsibility Newswire (CSRwire), authoring “‘The World Has Changed and So Must We,’ Community Foundations Find” and “Looking towards the next century of community foundations.” She wrote an essay entitled “Living Enterprise as the Foundation of a Generative Economy” in *The Systems View of Life: A Unifying Vision* and a report for the WealthWorks Initiative entitled *Enterprise Financing for WealthWorks Value Chains*. Marjorie was the keynote speaker at several New Economy Week events in Vermont, including a keynote address called “Who Owns Vermont?” In Greenfield, Massachusetts, she keynoted a conference on “Creating a Bold New Economy.” Among other appearances,

she delivered a talk at a Sustainable Business Academy meeting in Boston, and spoke on “Investing in a Sustainable Future” at MIT. She gave a talk on ownership design that was videotaped and released as part of the 2014 Operation Bon Appétit series. At the 2014 New Economy Coalition conference, she co-led a presentation on “Why Ownership Matters in the Transition to a Just and Sustainable Economy.” At the Family Firm Institute Global Conference on Family Enterprise, she gave a presentation on transitioning to employee ownership as a pathway to preserving family legacy.

Research Director **Steve Dubb** was a regular contributor to *Rooflines: The Shelterforce Blog*, authoring the following articles: “City Halls Help Plant Seeds for Community Co-ops,” “Does Richmond Show the Future of Community Wealth Building?,” “Rethinking Community Economic Development Beyond ‘Rent or Own’,” “Building a 40-Year Vision for Community Development,” and “How Much Outside Help Do Worker Co-ops Need to Get to Scale?” He continued his long-running C-W Interview series, speaking to José Corona, Executive Director of Inner City Advisors, Ai-jen Poo, Director of the National Domestic Workers Alliance, Rey España, Director of Community Development of the Native American Youth and Family Center, and Ed Whitfield, co-founder and Co-Managing Director for the Fund for Democratic Communities. Steve was also a featured speaker at numerous conferences, including the American Independent Business Alliance’s 2014 Go Local, Grow Local conference, a PolicyLink webinar about anchor institution strategies and equitable development, the 25th anniversary conference of the Philadelphia Higher Education Network for Neighborhood Development, and the Aspen Institute’s “Big Ideas for Job Creation.”

Senior Fellow and Executive Director of the Next System Project **Joe Guinan** wrote “Modern money and the escape from austerity” in *Renewal*, “Owning the problem: Why the left needs a democratic capital strategy” in *Juncture*, and “Cooperative Enterprise and System Change” in the Grassroots

Economic Organizing *Scaling-Up the Cooperative Movement* series. He also contributed “Could the postal workers take back Royal Mail?” to *Compass* and “Preserving policy space in an independent Scotland” to *OurKingdom*, both co-authored with Senior Research Associate Thomas Hanna.

Community Development Associate **Violeta Duncan**, in addition to co-authoring our report *A New Anchor Mission*, wrote “Community Foundations in Pacific Northwest Expand Impact through Collective Impact Investing” on the CSWire blog.

Senior Research Associate **Thomas Hanna** co-edited the series *Scaling-Up the Cooperative Movement* on the Grassroots Economic Organizing blog and contributed “Cooperators Confront the ‘System Problem’” written with Andrew McLeod, and “Cooperative Movement Should Embrace Discussion of Systemic Issues.” Thomas also wrote “Kentucky Town Beats High Gas Prices—By Opening a Public Gas Station,” featured in *YES!* magazine.

Communications Associate **Benzamin Yi** created infographics describing community development financial institutions (CDFIs), cooperative development in low-income communities, and the process of starting worker-cooperatives. His “Benefits & Impact of Cooperatives” infographic and his community land trusts infographic were featured in *Upworthy* and *Shareable* respectively.

After the release of the 2013 report *Hospitals Building Healthier Communities: Embracing the Anchor Mission*, Senior Research Associate **David Zuckerman** continued to discuss the findings on how hospitals can support community wealth building. He and Research Director Steve Dubb were invited to speak at the MedStar Health Roundtable at Georgetown University and on a panel at the National Community Reinvestment Coalition’s annual conference. He also was invited to participate in an American Hospital Association-sponsored webinar, and presented with Research Associate Sarah McKinley at the Community-Campus Part-

nership for Health Conference. He presented at several NeighborWorks-sponsored convenings in New Orleans, Orlando, and Baton Rouge, in addition to speaking at other events organized by health systems and community development organizations. With Dubb, he co-authored *Building Community Wealth: An Action Plan for Northwest Jacksonville*, a set of recommendations to the City of Jacksonville.

Research Associate **Sarah McKinley** wrote “These Women-Run Co-ops Push Back Against the ‘Feminization of Poverty’” in *YES!*, co-authored with Community Development Associate Violeta Duncan. Sarah also serves as the coordinator for the Learning/Action Lab for Community Wealth Building, a collaboration designed to help Native American communities better engage in comprehensive community economic development. She described the intensive training, advisory, education, and business development program in a panel for CFED’s Asset Learning Conference, and co-authored a *Truthout* article with Marjorie Kelly about the initiative.

Communications Coordinator **John Duda** oversaw The Democracy Collaborative’s numerous contributions to Naomi Klein’s website *Beautiful Solutions*. He contributed the article “5 U.S. Cities Begin Building Cooperative Economies” to *Shareable*, authored the piece “Local policies for building community wealth” for *New Start*, and blogged about “Models for mobilizing multiple anchor institutions” on Community-Wealth.org. John also interviewed Molly Hemstreet of Opportunity Threads, a worker cooperative cut and sew factory in North Carolina, for Community-Wealth.org, and was interviewed for the Post Carbon Institute’s *Weaving the Community Resilience and New Economy Movement: Voices and Reflections from the Field* report.

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PUBLICATIONS**

DEMOCRACY COLLABORATIVE.ORG

In 2014, we relaunched our flagship organizational site for The Democracy Collaborative, highlighting the depth and breadth of our cross sectoral work to build community wealth and develop the next system.

PLURALIST COMMONWEALTH.ORG

We also launched a comprehensive living archive of The Democracy Collaborative co-founder Gar Alperovitz's decades of investigation towards new models for democratizing the economy.

THE CLEVELAND MODEL

Our brand new animated film provided an accessible introduction to the principles of community wealth building, as exemplified by the Evergreen Cooperatives.

COMMUNITY-WEALTH.ORG

Our Community-Wealth.org website, containing thousands of documents and resources for community wealth builders, researchers, and policy-makers, continued to be a key online destination for a rapidly expanding field.

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