

RETHINKING COMMUNITIES



Executive Summary

The **Rethinking Communities** Initiative is a Campus Network-wide effort to work with universities and their communities to identify and advance solutions that promote broadly shared economic progress. Students research and diagnose the local drivers of inequality and build strategies and coalitions to enact policies that contribute to shared growth and prosperity. We aim to meaningfully contribute to a movement dedicated to building an economy that works for everyone.

THE PROBLEM

Economic **inequality** is one of the **defining challenges of our generation**. We are experiencing a **second Gilded Age**, with the promise of economic opportunity far outstripping the reality of how wealth is accumulated.

We need **leadership at the national level** to **regulate Wall Street** and address trends in economic mobility, extreme consolidation of wealth, and rapidly shifting job markets. But in addition to legislative and executive fixes, we **need bold and innovative local policy solutions** that examine and **challenge the current framework of rules** that guide our institutions and **sustain inequality**. By working with and, when necessary, **confronting the institutions that drive our local economies**, there is an opportunity for a robust, multi-layered approach to **ensure fair outcomes** in our new economic reality.

THE FRAMEWORK

The Roosevelt Institute | Campus Network's **students coordinate and communicate** with community members and stakeholders to identify the pressing issues facing their towns, counties, and states – an approach that allows for solutions to the seemingly insurmountable challenge of **economic inequality to be workshopped** by those with the most at stake. As a campus-based organization, we are focused on colleges and universities as **Anchor Institutions**, which are, by definition, anchored to a particular place by mission and infrastructure. Anchors can be drivers of local economies, but they first need to be made aware of their **own potential and responsibility**. The Rethinking Communities Initiative examines how colleges and universities can be used to create economic systems that grow community wealth, **anchor good jobs to place**, and **address the very specific economic inequalities** that exist in the communities around them. If the model and resulting solutions prove viable, the **grassroots nature of the initial progressive movement** and the ways in which it informed the legacy of the Roosevelts can provide a **blueprint** for how **localized ideas can be scaled into a national agenda**.

THE EVOLVING AGENDA

To date, students have taken the Anchor Institution mission in **many different directions**. We are working with a local Chamber of Commerce to better understand what local business leaders can provide to a school (Amherst College); supporting the development work of a local CDFI (The George Washington University); and examining the ways a school has borrowed money and how that has **affected student debt and institutional stability** (Georgetown). As the students **drive the research and identify the opportunities**, we're seeing a powerful agenda emerge.

THE CHALLENGE

Underbanking

One major problem for many people looking to invest in their future is a basic lack of resources and **access to financial institutions**. The inability to get access to capital for a business loan or to buy a home effectively restricts large portions of the population from participating in our current economy.

THE SOLUTION

More Money for Loans

George Washington and NYU chapters have led the push for universities to use their banked cash resources proactively by investing in CDFIs that are actively **trying to serve the underbanked**. Larger pools of money in CDFIs mean more and larger loans, and more ability to expand a local mission of economic justice. While this is connected to the Responsible Endowment movement, it's a very specific offshoot that focuses on the **positive potential of endowment dollars**.

Underrepresentation in Procurement Contracts

Women- and minority-owned small businesses comprise 50 percent of all U.S. businesses but only receive 7.3 percent of business transactions. One of the problems confronting these businesses is an inability to scale to the size needed to take on a university contract. While there are small businesses in and around every Anchor Institution in the country, most of them don't have the scale needed to provide all of a good or service that a university might need in a timely manner. Small business owners also struggle with jumping through the sorts of hoops that are often needed to become accepted vendors for many Anchors, and women and minority businesses are even more likely to be under-resourced and undertrained.

Accountability and Direction in Procurement

Existing small businesses combined with active equity-focused incubator programs have the capacity to bring an entirely different cross section of the population into our economic debate. Students can do the **research** to discover what their university's needs are and match those against local production capacity, creating policy with clear social justice goals in mind.

Financialization of Institutions

Wall Street banks are **extracting money** from some Anchors through **shady deals and crooked financialization tools**, in the same way that they have been extracting wealth from municipalities.

Mapping the Damage

Students (in conjunction with unions and other groups doing **research** about municipalities and state governments) are completing a series of research questions to map the scope and depth of this problem. Anchor institutions, much like many state and municipal borrowers, have been victimized by the same sorts of **predatory lending practices** that have crippled other sectors, and this research is mapping the relationship between the spiraling **costs of college** and the **financialization tools** many universities are using to fund their capital projects or their budget shortfalls.

THE BIG PICTURE

These projects have a few things in common: clear connections to a source of economic inequality, clear methods for students to engage, and clear policy ramifications if and when small-scale projects have proven success in reducing economic inequality in the Anchor Institutions' communities. By tackling these projects within the **RTC framework**, they can lend to each other the coherence and logic that has been missing from other collective action efforts around the Network and build the strategies and coalitions we need to achieve shared growth and prosperity. Together, these small projects can meaningfully contribute to a movement to build an economy that works for everyone.