THE DEMOCRACY COLLABORATIVE 2017 IMPACT REPORT
2017 was a challenging year for this nation. It was a year of natural disasters and white supremacy on the march, a year in which much of our federal infrastructure for the common good was targeted, rolled back, or destroyed outright, a year in which our most vulnerable communities saw their suffering deepened and their fears multiplied.

In the face of such systemic failures, our mission here at The Democracy Collaborative has never been more clear. We work for the kind of systemic change that addresses the root causes behind the catastrophes making the headlines—and the desire and appetite for these kind of solutions is growing by leaps and bounds. This December, for instance, at the second official convening of our Healthcare Anchor Network in Chicago, I witnessed how our work around hospitals building community wealth, once just a good idea in the pages of our reports, is now the driving frame for a national collaboration of over 30 hospitals and health systems, collectively employing well over a million people. The month before, I visited the UK, where our work alongside the worker-owners of the Evergreen Cooperatives in Cleveland has ignited the imagination of key policymakers and stakeholders in the city of Preston—leading to the development of a new model for local economic prosperity that is breaking into the national press and informing the policy platform of what is likely to be the next Labour Party-led government.

Meanwhile, our team at the Next System Project has been working to kickstart a new international network on the role banking could play in the face of the climate crisis, outlining new strategies for energy democracy, and exploring system-level interventions to wind down the fossil fuel industry with key players in the climate movement, among many other initiatives. Also in 2017, our Fifty by Fifty team continued to assemble a national movement to dramatically accelerate and scale the transition to employee ownership—and published groundbreaking research on the role impact investors are playing in this movement.

Valerie Piper, who served as the HUD Deputy Assistant Secretary for Economic Development during the Obama administration, joined our team as our new Vice President for Engaged Practice. Our advisory team worked with local stakeholders in Rochester, Miami, Houston, Tacoma, and elsewhere to advance community wealth building.

Simultaneously, our higher education work grew from a pathbreaking cohort of six universities piloting key metrics on community impact to a growing national-level collaboration with the Coalition of Urban and Metropolitan Universities. Our co-founder Gar Alperovitz released a new handbook on systemic change and we distributed 4,000 copies to reading groups around the country. We also continued to facilitate collaborative networks of community wealth builders, including with the Native-led organizations in our Learning/Action Lab and a national circle of engaged community foundations. On top of all this, we published numerous reports from key system change thought leaders and engaged practitioners, established our first European outpost, launched a new website and podcast, and grew our team of committed and talented staff and board members.

This acceleration and deepening impact of our work in 2017 testifies to the urgency of our mission. If anything gives me hope in these difficult times, it is the degree to which system-changing alternatives grounded in a vision of a democratic economy are moving from the margins to the vital center of a growing national and international conversation. With your support, we will continue to play a key role in this growing movement.

Sincerely,

Ted Howard
President and Co-Founder,
The Democracy Collaborative
In 2017, our leadership dove deep into a planning process to understand the best way to connect the different pieces of our work in a comprehensive and integrated way. We reaffirmed our commitment to a deep connection between theory and practice. Our growing team is now aligned to better turn big ideas into concrete on-the-ground action, and to better capture on-the-ground learning and feed it back into our larger systemic vision.

(In the pages that follow, our theory and policy work shows up in green and our engaged practice work appears in purple.)
The Healthcare Anchor Network.

mobilizing hospitals and health systems to build community wealth

2013
The Democracy Collaborative publishes Hospitals Building Healthier Communities, authored by TDC’s David Zuckerman, highlighting some of the standout early examples of hospitals embracing an anchor mission...

2015
TDC publishes Can Hospitals Heal America’s Communities?, co-authored by TDC President Ted Howard and Tyler Norris, Vice President of Total Health Partnerships at Kaiser Permanente, and making a comprehensive case for anchor mission adoption throughout the healthcare sector...

2016
TDC’s David Zuckerman and Katie Parker, with the support of the Robert Wood Johnson Foundation, publish the Hospitals Aligned for Healthy Communities toolkit series, offering detailed roadmaps for healthcare institutions on best practices in inclusive, local hiring; inclusive, local purchasing; and place-based investment in local communities...

Building on the growing momentum around healthcare anchor strategies, TDC convenes leaders from forty health systems to explore a potential national collaboration...

2017
Launch of the Healthcare Anchor Network

The Healthcare Anchor Network brings together 33 health systems that together operate more than 1/10th of the hospitals in the nation employ more than 1 million people purchase over $50 billion annually and have over $150 billion in investment assets

In December 2016, leaders from 40 health systems across the US gathered in Washington, DC to explore how their systems could more fully harness their economic power to inclusively and sustainably benefit the long-term health and well-being of the communities they serve. This convening led to the launch of the Healthcare Anchor Network in May 2017, representing a critical milestone in mobilizing the healthcare sector towards action and collaboration. This inaugural convening, held at Kaiser Permanente’s Center for Total Health in Washington, DC, brought together leaders from the field to work collaboratively to advance both strategy and vision. A second convening in December of 2017 co-hosted by Rush University Medical Center, Presence Health, and Advocate Health Care, was held at Malcolm X College in Chicago.

The long-term goal of the Network is to build a critical mass of US-based health systems working to strategically improve community health and well-being by leveraging institutional assets. This means intentionally integrating local economic inclusion strategies in areas such as hiring, purchasing, and investing, to powerfully impact the upstream determinants of health and help build inclusive and sustainable local economies.

https://healthcareanchor.network
In 2012, The Democracy Collaborative’s Ted Howard visited the city of Preston in the north of England to help a fledgling local community wealth building initiative. Their hope was to adapt TDC’s “Cleveland Model,” connecting anchor institution purchasing with worker cooperatives, to help their city find a way out of the trap of austerity and deindustrialization.

Driven by local city councillors, supported by the UK Centre for Local Economic Strategies (CLES), and in continual conversation with TDC, the effort in Preston has subsequently grown by leaps and bounds. In just three years, this effort has:

**Increased the annual spend of local anchors with businesses located in the city of Preston by **£70 million**

**Increased the annual spend of local anchors with businesses located in the greater Lancashire region by **£200 million**

**Led to the direct support of 1,648 jobs in Preston and 4,500 jobs in Lancashire**

It has also catalyzed other key shifts towards economic localization and revitalization—including:

**a £100 million investment of public pension funds in local economic development**

**the creation of a public energy utility**

**the ongoing development of new local financial institutions including a credit union and a public bank**

And people are taking notice— with major stories in both The Guardian and The Economist, plus coverage in The Sunday Times and The Daily Mirror, especially as the Labour Party under Jeremy Corbyn has identified the Preston Model as a key plank in their platform for community economic development. According to Shadow Chancellor of the Exchequer John McDonnell:

“Labour will end the waste of potential across the UK and build an economy that works for everyone. We want other Labour councils to follow the example of Preston by working with local employers to redirect spending back into communities.”

TDC continues to play a vital role in this ongoing transatlantic conversation by:

- **contributing key testimony** to the Institute for Public Policy Research (IPPR) Commission on Economic Justice, which was incorporated into their report Capital Gains: Broadening company ownership in the UK economy;

- **bringing Andrew Cumbers, co-author of an important report on Alternative Models of Ownership developed for the Labour Party, into conversation with American policymakers via a briefing on Capitol Hill co-organized with the Congressional Progressive Caucus**

- **beginning work on a major new initiative in partnership with CLES to help the UK’s National Health Service adopt the anchor mission**
Principles of a Pluralist Commonwealth.

4,000 copies distributed free of charge
355 reading groups catalyzed

The work of our co-founder Gar Alperovitz on the contours of an alternative political economy has been a lodestone since the inception of TDC. This vision has been developed and deepened across a series of books, but none quite like Principles of a Pluralist Commonwealth, the pocket-sized guide to system change we released in May of 2017. Composed of 28 short entries, each exploring a key “principle” of the next system, the book was designed to provide accessible entry points for activists and grassroots changemakers beginning to wrap their heads around the strategy of system change. In order to best reach this intended audience, we experimented with a radical publishing strategy: we gave away the book for free, not only online (where tens of thousands of people read all or part of it), but through a program where we distributed nearly 4,000 books free of charge to anyone who asked, with one catch: you couldn’t read it alone. Small circles of people working together locally to educate themselves about systemic solutions can be a surprisingly powerful driver of change—and our distribution strategy allowed us to put copies of the book directly in their hands.

FROM THE BOOK:
Our time demands we meet the challenges inherent in an era of deepening despair and accelerating crises—political, ecological, and economic—that is also potentially the prehistory of transformative and fundamental systemic change. This requires a serious discussion of practical new economic efforts and organizing strategies as well as the steady development of both power and ideas that can help us move through and beyond the current emergency. The approach and model outlined here—the Pluralist Commonwealth—offers a trajectory and pattern for wide-ranging institutional change towards real democracy over the long haul, guided by a transformative vision beyond both corporate capitalism and traditional state socialism.

who got the book:
thenextsystem.org/principles
Fifty by Fifty. accelerating the transition to an employee-owned economy

“Research shows that when employees own the company, they make higher wages, have about double the retirement savings, and are one-fourth as likely to be laid off. Their companies are more likely to be environmental stewards, and they don’t export their jobs overseas. With employee ownership, a lot of things we worry about in the economy are on their way to being solved. That’s because you no longer have absentee shareholders looking only at their returns. It’s a radically different vision of a company. [...] I’m passionate about this work because I see employee ownership as the first alternative business model that’s ready to go to scale. It’s a significant, proven model.”

—TDC Executive Vice President Marjorie Kelly in Yes! Magazine

In 2017, the Fifty by Fifty project—a collaborative effort to accelerate employee ownership in the US, with a target of 50 million employee-owners by 2050—continued to grow, with TDC playing the central role of strategic convenor:

- Two new reports plus a convening on the role of impact investing in taking employee ownership to scale. This pathbreaking work was covered in places like Forbes, Green Money Journal, Locavesting, Digital Commons, and elsewhere.
- Keynote speech at Vermont Employee Ownership Center Conference and multiple panel presentations, including at the Council of Development Finance Agencies.
- The launch of a new blog drawing on the work of contributors from both ESOP and worker cooperative sectors, reaching 1,400 action-ready readers: https://medium.com/fifty-by-fifty.
- Multiple op-eds, articles, and interviews highlighting the promise of employee ownership as a key solution in an age of broken economic development policies and growing inequality—in places like The Hill, Common Dreams, Stanford Social Innovation Review, and Shelterforce.
- The appointment of TDC’s Marjorie Kelly as the 2017-2018 Beyster Fellow and TDC’s Jessica Rose as a Rutgers Research Fellow in Employee Ownership at the Rutgers School of Management and Labor Relations. Together they are doing research on the role of capital in catalyzing growth in employee ownership.
- A partnership with the Evergreen Cooperatives of Cleveland, to design a major new fund leveraging investment capital to finance conversions of privately held businesses to employee ownership in Northeast Ohio.
Engaged practice. Our advisory work with clients across the country to build more democratic local economies.

Networks and collaborations

We helped CFLeads, a national network of community foundations, develop strategies for building community wealth in their home communities.

Our Learning/Action Lab for Community Wealth Building, an ongoing collaboration supported by the Northwest Area Foundation, designed to accelerate peer learning among a cohort of Native organizations, continued in its fourth year, with ongoing coaching and a convening in Portland, Oregon.

Albuquerque
We continue to support the development of Healthy Neighborhoods Albuquerque, an anchor collaborative exploring the intersections of food security, local purchasing, and the economic determinants of health.

Houston
Working with the Emancipation Community Development Partnership, a collaborative of organizations committed to the revitalization of Houston's Third Ward, we are supporting the launch of an anchor collaborative to support a more inclusive local economy.

Newark
We are working with a coalition of local non-profit anchors and corporate partners to help catalyze collaborative action to build community wealth within the framework of Mayor Ras Baraka's Newark 2020 initiative.

Northern Virginia
We are working with the Community Foundation of Northern Virginia to help develop a local infrastructure for community wealth building.

Miami
Working with the Health Foundation of South Florida, we are working to mobilize local health and higher-ed anchors across Miami-Dade and Broward counties to align operations with the anchor mission.

Rochester
We helped Mayor Lovely Warren launch a new citywide nonprofit incubator to develop and scale employee-owned businesses.

Tacoma
Working with the city government, we are mobilizing local healthcare and higher-ed anchor institutions to align their economic resources with community needs.
Higher education and the anchor mission. Colleges and universities building community wealth

TDC Senior Program Associate Emily Sladek published a new report, Higher Education’s Anchor Mission: Measuring Place-Based Engagement, highlighting the lessons learned by the members of our Anchor Dashboard Learning Cohort—six universities committed to developing a shared framework to track the economic impact of their institutions as they align operations with community well-being.

Building on this experience, TDC is launching a new initiative with the Coalition of Urban and Metropolitan Universities (CUMU) to deepen commitments to the anchor mission across higher education, working alongside a greatly expanded cohort of universities.

Quantitative easing for the planet. Expanding the space of the possible in the climate conversation

Following a presentation to key climate change organizers convened in our DC office by Next System Project co-chair Gus Speth, our climate research associate Carla Skandier went on to present a model for using monetary policy to accelerate a managed and just transition away from fossil fuel production as a 2017 Oil Lab Fellow at the Climate Strategies Accelerator. The Accelerator validated this vision for deflating the carbon bubble with the award of a $100,000 challenge grant to continue advancing the model through research and strategic communication.

Mobilizing at the intersection of climate and finance. Catalyzing a growing international conversation

Working with Partners for a New Economy, Positive Money, and Co-Creative Consulting, we are helping develop a new transatlantic network exploring the role of lending in the climate crisis, oriented towards ensuring that by 2025, banking practices in the US and Europe are consistent with a maximum of 2°C global temperature increase. Network initiatives include a charter on bank decarbonization, a campaign against new fossil fuel investments, a city-level green finance laboratory, and a new international financial services intermediary focused on climate-positive lending.
The Next System Project.

2017 saw the launch of our brand-new website at thenextsystem.org—and a torrent of new writing and research by our team and other key system thinkers.

**Reports published**

- NSP Fellow Ellen Brown on *Rebuilding America’s Infrastructure*—a comprehensive look at policy alternatives to fund infrastructure more effectively with public financing
- Chuck Collins on *Reversing Inequality: Unleashing the Transformative Potential of an Equitable Economy*
- Kate Soper on *A New Hedonism: A Post-Consumerism Vision*
- NSP Research Associate Cecilia Gingerich’s *Towards Gender Liberation*—an exploration of systemic change through a gender lens
- Laura Flanders on *Next System Media: An Urgent Necessity*

“In dark times such as the present, the possibility of hope—at the level of community and the nation as a whole—depends on being able to envision and deliver an economy and a future that people can believe in.”

—Ted Howard and Gar Alperovitz, writing for thenextsystem.org

**Essay contest**

The publication of the winning essays in our next system essay contest, judged by Naomi Klein, Raj Patel, and Dayna Cunningham

**WINNERS**

- **Undergraduate:** “From Perception to Participation” by Raghav Sharma
- **Graduate:** “Locke, Marx, and Two Theories of Labor: A Philosophical Essay on How to Fix Our Political Economy” by Charles M. Rupert
- **At-Large:** “Community, Democracy, and Mutual Aid: Toward Dual Power and Beyond” by John Michael Colón, Mason Herson-Hord, Katie S. Horvath, Dayton Martindale, & Matthew Porges

**SECOND-PLACE**

- **Undergraduate:** “New Visions: Society Reimagined” by Melissa A. Padilla
- **Graduate:** “Everyday Movement Against Capitalism: Prospects for a Prefigurative Strategy toward Open Utopia” by Alexander Riccio
- **At-Large:** “A New Cooperative Economy” by Guy Dauncey

**A new Next System Podcast**

Produced by NSP Program Associate Adam Simpson and featuring conversations with key system changers

- **Episode 1:** The Next System w/ Gar Alperovitz & Gus Speth
- **Episode 2:** ‘Doughnut Economics’ w/ Kate Raworth
- **Episode 3:** Carbon Tax & Social Dividends w/ Jeremiah Lowery & Camila Thorndike
- **Episode 4:** The racial wealth gap & the job guarantee w/ Darrick Hamilton
- **Episode 5:** Toward Climate Justice w/ Jacqueline Patterson & Basav Sen
- **Episode 6:** Capital Bias vs. Generative Design w/ Marjorie Kelly
- **Episode 7:** Why Climate Change Necessitates System Change w/ Gus Speth
- **Episode 8:** The Next System of Media w/ Laura Flanders
- **Episode 9:** Energizing Democracy By Democratizing Energy w/ Denise Fairchild
- **Episode 10:** The Pluralist Commonwealth w/ Gar Alperovitz
- **Episode 11:** The Transformative Potential of Public Ownership w/ Andrew Cumbers
- **Episode 12:** Black Power Vs. Black Capitalism w/ NSP Fellow Nishani Frazier
- **Episode 13:** Building the Caring Majority w/ Sarita Gupta
- **Episode 14:** The Job Guarantee & Social Justice w/ Pavlina Tcherneva
- **Episode 15:** How Communities Can Take Control of Their Police w/ Max Rameau
New Systems: Possibilities and Proposals

An ongoing series of deep explorations of comprehensive systemic alternatives from the leading thinkers around what comes next. In 2017 we published eight new papers in this series:

- J.K. Gibson Graham on “Cultivating Community Economies”
- Michael Shuman on “The Promise of a Million Utopias”
- Christian Felber on “The Economy for the Common Good”
- Paul Raskin on “Earthland: Scenes from a Civilized Future”
- Michael T. Lewis on “Navigating System Transition in a Volatile Century”
- NSP Co-Chair Gus Speth on “The Joyful Economy”
- John Restakis on “Cooperative Commonwealth & the Partner State”
- Andrew Cumbers on “Diversifying Public Ownership”

“Why @thenation exists—to seed ideas that may not happen tomorrow but when the impossible becomes inevitable.”

—Katrina vandenHeuvel (@katrinaNation), on our 2017 article proposing the use of quantitative easing to buy out and shut down the US fossil fuel industry

Articles and papers

- Gus Speth: “Stress Test: Democracy Confronts Climate Change”
- Gar Alperovitz and Ted Howard: “After the Storms: Defeating Trumpism, Rebuilding America”
- A series of articles from NSP research intern Johanna Bozuwa on energy democracy and public power
- A series of articles from NSP Deputy Director Dana Brown on the intersections of systemic change and public health
- A series of articles and op-eds from NSP Research Associate Carla Skandier on climate change and strategies for a managed transition away from fossil fuels
- A series of articles on systemic alternatives around prisons and policing:
  - “Towards the horizon of abolition: A conversation with Mariame Kaba”
  - Toshio Meronek & Erica R. Meiners: “Beyond The Carceral Logic of Civil Commitment”
  - Max Rameau: “Community Control over Police: A Proposition”
- An interview with Joseph Blasi on “Employee Ownership & the Next System”
- A series exploring systemic change in the context of Latin America’s “pink tide”:
  - NSP Deputy Director Dana Brown on “Ecuador’s ‘citizen revolution’”
  - Linda Farthing on “Evo’s Bolivia: the Limits of Change”
  - Steve Ellner on “Social Programs in Venezuela Under the Chavista Governments”
- Profiles of DC organizations working at the intersections of race, gender, public health, and public safety by NSP Research Associate Cecilia Gingerich.
- An interview with Frances Fox Piven: “From Protest to Resistance”
- TDC Research Director Thomas Hanna and NSP Executive Director Joe Guinan on “Polanyi against the whirlwind” (published in Renewal)
- Ben Manski on “DHS Immigration Memo Underscores Urgent Need for National Guard Reform”
- NSP Program Associate Adam Simpson on “Who owns the robots?”
- Gar Alperovitz on “Black Monday, ’77, When the Mill Shutdown in Youngstown Gave Birth to the Rust Belt” (published by BillMoyers.com)
- An interview with NSP Fellow Michael Hudson on “Junk Economics”
- Gar Alperovitz, Thomas Hanna, and Joe Guinan on “The Policy Weapon Climate Activists Need” (published in The Nation)
- An interview with economist William “Sandy” Darity on reparations.

thenextsystem.org
Community Wealth Innovators.
highlighting voices from the field

We continue to publish strategic reflections with sleeves rolled up, offering practical lessons learned from leading community wealth building practitioners.

Michelle Barth, former Deputy Chief of Staff to the Mayor of Jacksonville, Florida, on “Jacksonville’s Community Wealth Building Roundtable: Local Government Convenes to Seed a New Idea for Community Development.”

Rush University Medical Center’s Shweta Ubhayakar sharing “The Anchor Mission Playbook”—a comprehensive inside account of how one anchor institution is building a deep commitment to a more inclusive local economy.

Justine Porter on “Sparking the conversation in your community: A do-it-yourself guide to planning your own community wealth building summit.” (After this report on grassroots work in Poughkeepsie, NY, Justine has joined our team and is currently Manager of Advisory Services!)

Looking ahead to 2018 and beyond...

• The release of Senior Research Associate Jarrid Green’s report on community stewardship of land and housing as a strategy against gentrification and displacement...

• The publication of a new book from Gar Alperovitz critically evaluating various possible systemic designs and synthesizing a way forward...

• The publication of a new book from Marjorie Kelly and Ted Howard telling the stories of the emerging movement to build community wealth and create a democratic economy...

• The release of a new report in our Community Wealth Innovators Series from Promedica on how anchor institutions can create and measure deep impact on community well-being...

• The publication of a “lost” book on socialized ownership from Small is Beautiful author E.F. Schumacher...

• A new crowdsourced research campaign to help American cities move their money to municipal public banks...

• The publication of a book on new possibilities for public banking in the blockchain era by NSP Fellow Ellen Brown...

• The publication of a book on 21st century models for public ownership by TDC Research Director Thomas Hanna...

• Data work quantifying the growing financialization of the economy by an international team of economists including NSP Fellow Michael Hudson...

• The release of our new report from Research Fellow Devin Case-Ruchala on strengthening, expanding, and modernizing the Community Reinvestment Act...

• The release of NSP Research Fellow Johanna Bozuwa’s report on energy democracy & public ownership...

democracycollaborative.org/communitywealthinnovators
• The release of NSP Research Fellow Nishani Frazier’s report on the **historical trajectory and future possibilities for community development corporations**…

• The release of a new report in our Community Wealth Innovators Series on **adapting community wealth building strategies to the cultural context of Native communities**…

• The launch of a new series of **policy resources exploring the elements of a systemic alternative**…

• The publication by TDC Senior Program Associate Emily Sladek and Fellow Steve Dubb on the **state of the field in community wealth building**…

• The launch of a new transatlantic network exploring the **role of lending in the climate crisis**…

• The publication of updated versions of the **alternative economic models** in our New Systems series in book form…

• A partnership working with the British Labour party to help local councillors **replicate the “Preston Model” for community wealth building**…

• A new research initiative designed to help the **National Health Service** in the UK adopt the anchor mission…

• The launch of a **new partnership around higher education and the anchor mission** with the Coalition of Urban and Metropolitan Universities…

• The third convening of our **Hospital Anchor Network**, co-hosted by Kaiser Permanente, Dignity Health, and UCSF in the Bay Area…

**help us get all this and more done:**

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...and our generous individual donors.

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democracycollaborative.org
Growing inequality, persistent place- and race-based unemployment, the decay and fragmentation of civic life, the withering of commitments to solidarity and a shared future: these outcomes are no accident but the predictable consequences of the basic institutional design of our present system, driven by the extraction of wealth from communities.

At The Democracy Collaborative, we believe that a new design, grounded in new institutions and new patterns of ownership, is needed for an economy capable of delivering the dramatically better outcomes we want: equity, justice, democracy, and sustainability. We work across the spectrum from theory to action, identifying and focusing on key points of leverage and scalable impact. In this way we help catalyze the kind of transformative change we seek, creating the actionable models and pathways that can unlock and unleash a new sense of hope and possibility.

Working collaboratively through strategic institutional partnerships and networks of innovation and engagement, The Democracy Collaborative is an action-oriented think tank helping to envision and build a next system in which wealth itself is democratized, reknitting the economic fabric of community and mutual prosperity without which our democracy cannot survive.