



Investing Upstream for Community Health Equity: Getting Started

The Case for Community Investment

Place matters when it comes to the social determinants of health. People who live, work, and play in places with excellent schools, abundant parks, clean air and water, and other conditions necessary for health live longer and healthier lives than their counterparts in nearby communities who lack these conditions. Consequently, it is incumbent upon hospitals and health systems to understand—and act to improve—the conditions in the places they serve.

Community investment—investments that finance production and preservation of affordable homes, the growth of small businesses that provide jobs and generate wealth, as well as greater access to fresh food, quality childcare, green space and other important services—is a critical strategy for improving community health and advancing health equity. **Community investments are intended to improve social, economic, and environmental conditions for individuals and communities, especially in disinvested communities of color, while producing at least some economic return for investors.** Mobilizing capital from impact investors—investors who seek to blend financial and social returns—is necessary to achieve the scale of transformation required to overcome decades of disinvestment. Market forces or grants alone will not suffice.

As mission-driven institutions and good corporate citizens, hospitals and health systems have an interest in the sustainable, long-term improvements in the social determinants that community investment can advance as well as an array of assets—land, financial resources, relationships, expertise, etc.—that they can harness in its service. When individual institutions develop community investment strategies that deploy each of these assets appropriately and work with others to leverage their investments, they can maximize financial and social impact, achieve a multiplier effect, and have a profound effect on health and equity in their communities.

Lessons for Success

Nothing about us without us: Health systems tend to underestimate the effort required to overcome a legacy of mistrust, engage communities on their own terms, and ensure that strategies reflect community priorities rather than health system mandates. Take the time to meet communities where they are. Understand how racial dynamics have shaped current realities. Commit to investing in the initiatives that matter most to communities.

Think sustained and collaborative rather than episodic and solo. Community investment is a team sport that should be played for the long haul. Identify the right community stakeholders—local leaders and elected officials, community organizations and Community Development Corporations (CDCs), foundations, faith-based institutions, mission-driven developers and business support organizations, Community Development Financial Institutions (CDFIs) and banks, large employers, etc.— who are making a difference and partner to accelerate and deepen their progress. Set multi-year targets and investment budgets to enhance predictability for your partners and allow them to make fullest use of your resources.

Engage your institution. Different staff—including clinical/community health leaders, community benefit staff, finance/investment professionals, personnel from affiliated health plan/ACOs, real estate/facilities and operations, community and government relations, strategy and innovation, research centers, and diversity and inclusion—bring perspectives, data, and resources that, when combined, create a whole greater than the sum of the parts.

Make it strategic. Understand the systems at work in the community and how your efforts can influence them to be more equitable and produce better health outcomes. Embed the effort in the institution so it becomes a part of the mindset.

Maximize impact. Seek leverage; try to unlock participation by others so your dollars and activities have the greatest ripple effect. Address root causes rather than symptoms.

Staff appropriately. Assign a staff lead and make this work part of the job description. Appoint a multi-disciplinary steering committee to conduct and oversee the work. Keep the C-suite involved.

Create accountability. Set benchmarks and a timeline for achieving them. Make your commitments visible to the board and the community. By investing in your community, you can demonstrate the good citizenship that many payers, especially those in the public sector, are seeking in their contractors.

Get started. Commit to learning while doing.

Community investments by health systems can take a variety of forms:

- Loans at below-market rates or equity investments to finance individual projects
- Participation in funds managed by Community Development Financial Institutions (CDFIs) that finance multiple developments
- Capitalization of enterprises (such as affordable housing developers, grocery stores, or specialized incubators) that are particularly important to the community
- Investment in Low Income Housing Tax Credit transactions
- Guarantees that leverage the health system balance sheet to enhance the credit profile of a fund or enterprise, thereby unlocking capital from more risk-sensitive investors
- Cash deposits in credit unions, CDARS (the Certificate of Deposit Account Registry Service), or local community banks
- Master leases of designated units or ground floor space in key projects
- Donations or leases of excess land at below-market rates for community-prioritized purposes

Investing in community health is a journey. Every step will open new possibilities, partnerships, and insights that contribute to impact. Health systems, as institutions with a mission of improving health and a long-term commitment to their communities, can make a tremendous difference. The work is essential to the future of our society. It is long-term work and requires patience. **The time is now.**

To learn more and begin your journey toward creating a strategy to invest upstream for community health equity, download *Investing In Community Health: A Toolkit for Hospitals* at <https://centerforcommunityinvestment.org/community-health-toolkit>.