

Perceptions of Anchor Businesses in a Rural West Texas Community

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Heart
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Introduction

Anchor Institution Literature

- Benefits of non-profit anchors demonstrated in the urban policy literature
- Anchors - typically non-profit education and medical institutions - invest in community development and economic growth
- Growing interest anchor organizations can address health equity in communities
- Less is known about for-profit organizations although conceptually there is potential
- Gap in the literature about low-income and rural communities

Aims

A Rural West Texas Case Study: Midland and Odessa

1. Explore perceptions of and support for anchor business concept in the general population
2. Understand the motivations, perceptions, and barriers of for-profits to be anchor institutions in Midland and Odessa, Texas
3. Understand the salience of the terms “anchor business”, “social determinants of health” and “health equity” with key business representatives

Methods

Mixed Methods Approach

1. **Quantitative:** General population survey of perceptions of anchor businesses (all industry sectors) (N=500) (Harris Poll)
2. **Qualitative:** Structured interviews with local representatives from for-profit and non-profit organizations on the motivations, perceptions, barriers and opportunities for business anchors (N = 9)

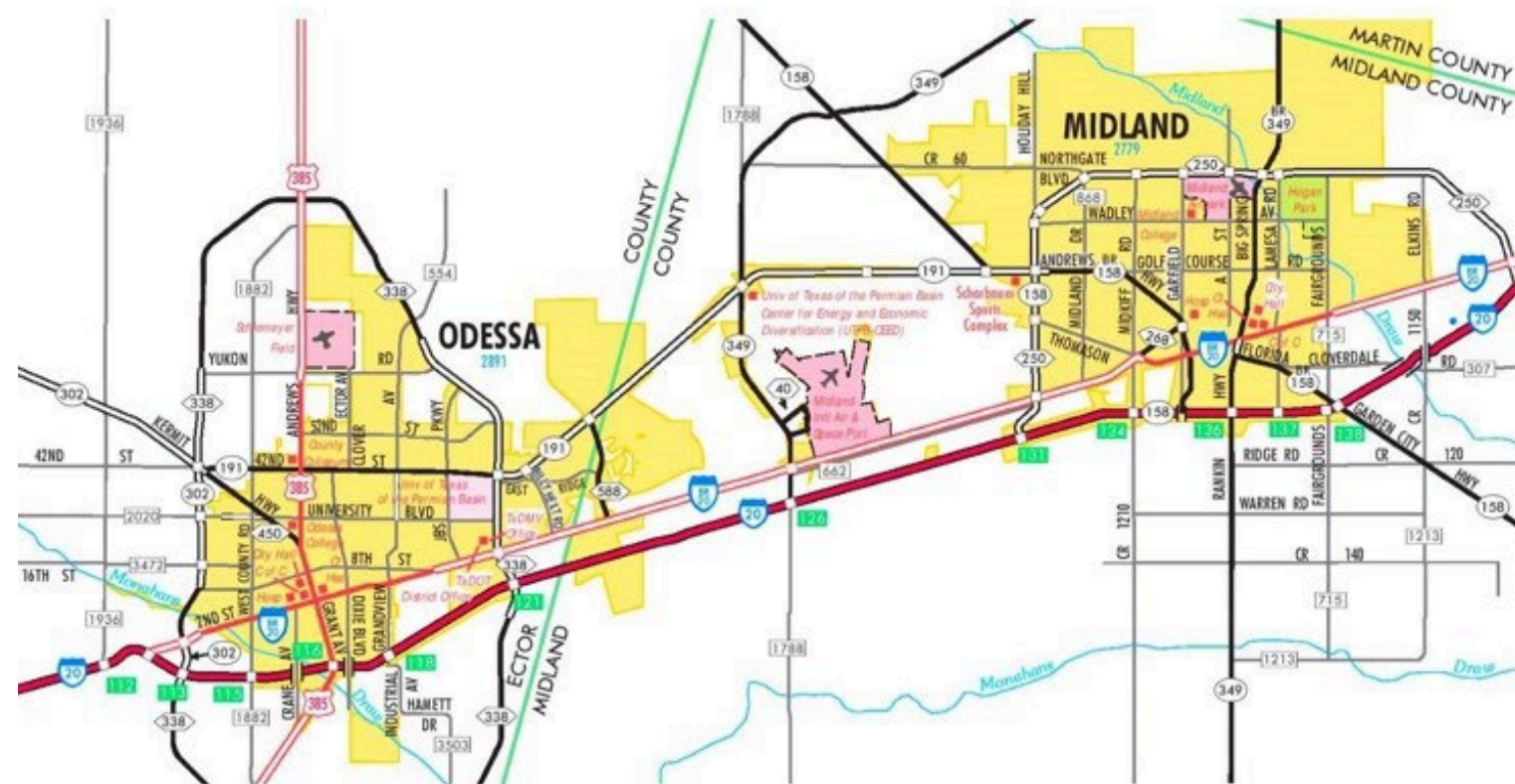
Midland and Odessa, TX

A Story of Boom and Bust

- Sibling cities about 20 miles apart with a combined population of 284,411 (Census 2020)
- Began as railroad towns - halfway points between El Paso and Dallas
- Together evolved into a cattle shipping and regional financial hub
- Today, it is the epicenter of the Permian Basin oil and gas boom (and periodic busts)
- Energy and mining is the dominant industry sector and employs 30% of the local workforce

National MSA rank = 262

National MSA rank = 243



Midland and Odessa, TX

Key Socioeconomic Indicators (Census 2020)

Characteristic	Midland, TX	Odessa, TX	Texas
Population (2020) (% Growth 2010-2020)	169,983 (24%)	99,940 (15%)	29,145,505 (16%)
% Female	49.2	50.3	50.3
% Hispanic or Latino	46	59	39.7
Median home value (2016-2020) (\$)	233,200	159,700	187,200
Median gross rent (2016-2020) (\$)	1,244	1,104	1,084
% Bachelor's degree	27.4	18.6	30.7
Median household income (2020)(\$)	83,217	63,829	63,826
Total establishments (2019)	5,783	X	2,514,301

Midland and Odessa, TX

Selected County Health Rankings

Characteristic	Midland County (Midland)	Ector County (Odessa)	Texas
Poor or fair health (%)	19	24	19
Adult obesity (%)	35	37	31
Alcohol-impaired driving deaths (%)	35	36	26
Uninsured (%)	16	21	20
Mental health providers (ratio)	1,120:1	2,370:1	1,680:1
High school completion (%)	85	76	84
Children in poverty (%)	12	17	19
Violent crime	314	809	420
Air pollution - particulate matter	6.6	6.6	7.3
Severe housing shortage (%)	16	16	17

General Population Perceptions

Responsibility To Improve Social Determinants of Health

For-profit vs. Non-profit (very large / large amount of responsibility): 42% vs. 47%

- Education non-profits rated the highest (80%)
- Retail and construction businesses rated the highest (both 76%)

For-profit domains of social determinant of health (very large / large amount of responsibility):

- Access to high-quality healthcare: 43%
- Reduce hunger or food insecurity: 42%
- Job training: 42%
- Access to high-quality education: 42%
- Ensure safe and well-maintained roads: 34%
- Improve neighborhood safety: 34%
- Access to affordable housing: 30%

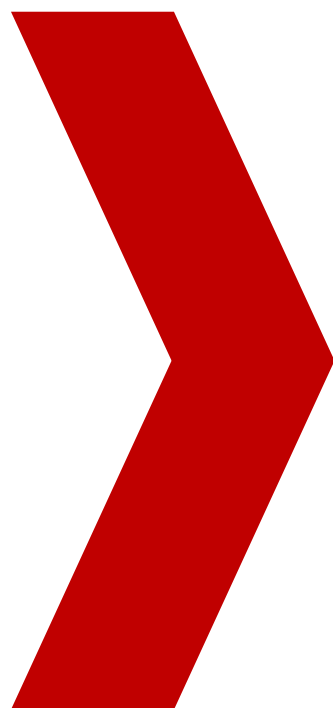
Mixed degrees of responsibility to promote SDOH based on industry sector (> 50%):

- Job training: oil and gas (62%), technology (56%)
- Safe roads: oil and gas (59%)

Interview Sample

For-profit organizations (N = 4)

Non-profit organizations (N = 5)



For-profit (45%)

- Leaders were CEOs or owners; one marketing executive
- One retail, one oil and gas business coalition, one medical system, one waste management

Non-profit (55%)

- Leaders were Executive Directors or Directors
- One school, one university, one medical system, one family foundation, one chambers of business
- **56% male**

Qualitative Results

Themes

1

Organizational Motivations

2

Organizational Barriers and Benefits

3

Approaches to Partnerships

4

Appeal of Nomenclature and Alternatives

1 Organizational Motivations

For-Profit Organizations

- Strong support for organizations having a responsibility and obligation to improving the economic health of the region
- Themes: “Just the right thing to do”; strengthens the company’s economic stability; mutual benefit
- Key social factors:
 - Housing, Education, Healthcare Access, Physical Environment and Employment

Non-Profit Organizations

- All believe that for-profit organizations have a large amount of responsibility to make improvements within the communities in which they operate
- For-profits should invest more
- Non-profits can be the planning arm for for-profits
- Government agencies should play a greater role in coordinating multi-sectoral collaborations

2 Barriers and Benefits

For-Profit Organizations

Barriers

- Economic volatility
- Limited staff capacity and time to engage in health equity initiatives
- Indifference by transient workers

Benefits

- Creates a culture of altruism
- Enhances the image of companies in the local community
- Has a positive effect on employee engagement and retention

Non-Profit Organizations

Barriers

- Economic downturns lead to less investment
- Negative perceptions of the oil and gas sector (environmental impact)

Benefits

- Generates economic stability for the for-profit organization
- Enhances marketing and communications
- Bolsters employee satisfaction
- Allows tax write-offs

3 Approaches To Partnerships

For-Profit Organizations Perceptions of Non-Profits

- Non-profits follow the rules (compliance and governance) - slows things down
- For-profits more agile and “get things done”
- Disagreement can arise about the amount of marketing and advertising spend relative to overall community investment
- For-profits believe they bring expertise, capacity, influence, and networks to the table

Non-Profit Organizations Perceptions of For-Profits

- Lack of clarity who the decision maker is - essential for a project's success
- Parties bring different priorities and agenda to the table
- Challenge of working with local business with a non-local headquarters
- Benefits include generosity of for-profits, joint commitment to position Midland-Odessa as communities of choice

4 Nomenclature and Alternatives

Anchor Business

- Generally interpreted positively
- For-profit and non-profits said the term would be accepted in their organizations
- One respondent linked the term to “anchor babies”, which has a negative and racially charged connotation in the area
- No alternatives provided by respondents

Social Determinants of Health / Health Equity

- Both terms generally positive because they sound holistic
- Health equity perceived as relating to opportunity
- Some noted that the positivity of the term depends on the audience and how they are framed
- One respondent preferred “equality” over “equity”
- Many felt that the terms needed explanation to be understandable to the general public
- Alternatives were offered:
 - Health opportunity
 - Access
 - Equal access to healthcare
 - Culture barriers to health care

Case Study

Permian Strategic Partnership (PSP)

- Group of 17 for-profit oil and gas companies (was 21 prior to COVID-19)
- Formed a separate 501(c)3 non-profit organization to invest in Permian Basin community development
- Mission: To strengthen and improve the quality of life for Permian Basin residents by partnering with local leaders to develop and implement strategic plans that foster superior schools, safer roads, quality healthcare, affordable housing and a trained workforce.
- Between 2019-2020, leveraged \$48,5M in PSP investments to \$844M collaborative investments
- Motivation: “Investing in the Permian Basin is the right thing to do...The members of the Permian Strategic Partnership feel a social responsibility to give back to this region that has given jobs, energy security, and economic stability to the U.S.”

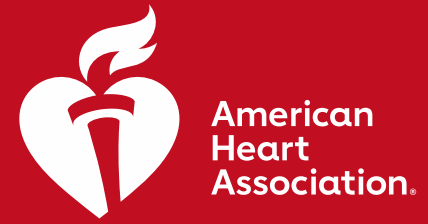
Limitations

- Volatile environment due to impact of COVID-19 on businesses and gas prices
- Non-response bias, having conducted during the pandemic
- No detailed analysis of all firms in Midland and Odessa, which was out of the scope for this research
- Role of out-of-town oil and gas firms not investigated, may play a role in community investment (e.g. the Permian Strategic Partnership)

Discussion

- Overall, <50% local residents say that for-profit businesses have a very large / large amount of responsibility to address SDOH. There is variation by industry section and type of social factor
- Strong support from for-profit businesses that they promote economic health broadly in their communities
- This is seen as the “right thing to do” as well as being linked to economic success
- Local non-profits believe that for-profits should invest more in health equity projects and believe that government agencies should actively coordinate multi-sectoral partnerships
- Key barriers to health equity investments are economic volatility, low staff capacity, and the perceived indifference of a transient workforce
- Terms like anchor business are generally acceptable, but could have political resonance in conservative towns

The impact of for-profit business coalitions like the Permian Strategic Partnership need to be studied



Thank You.
