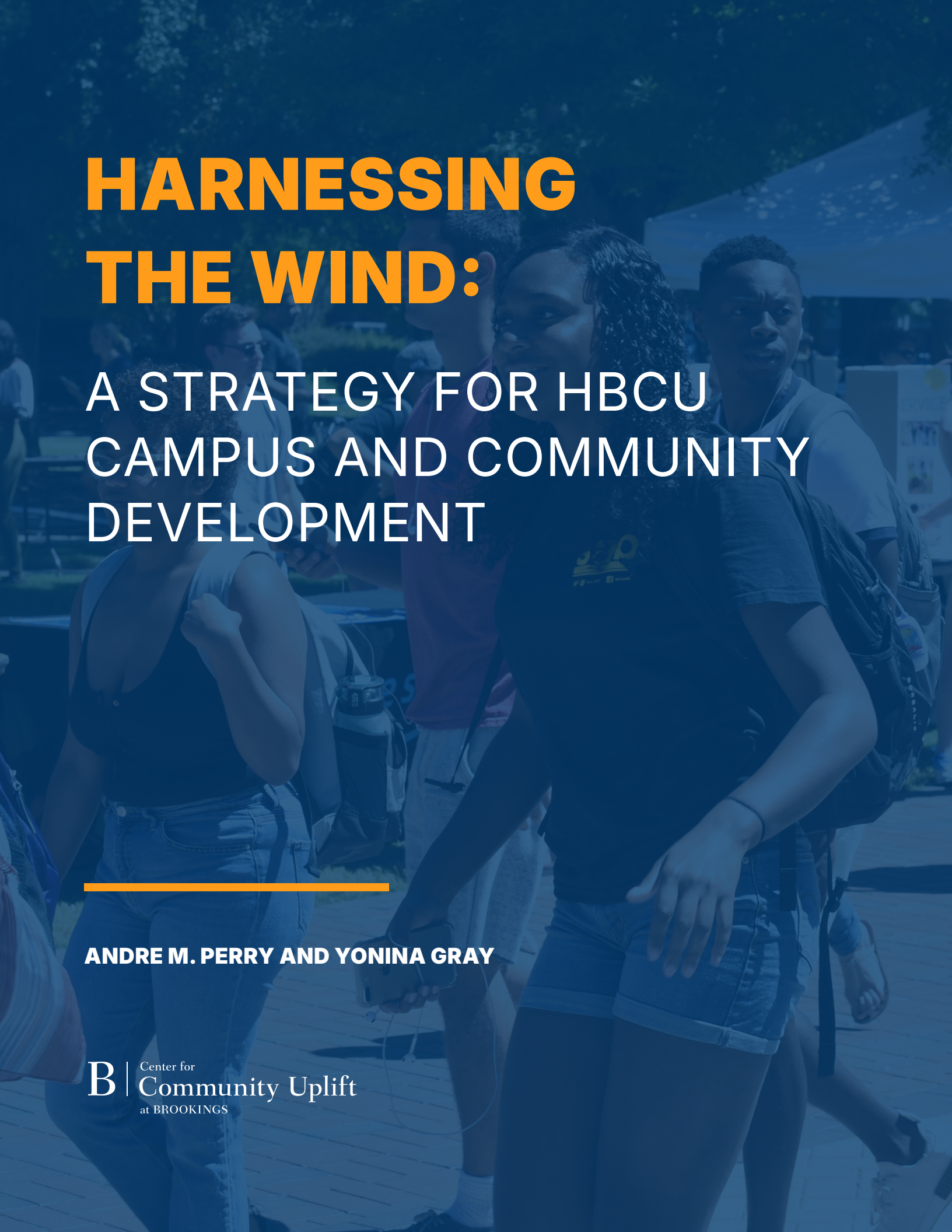


# HARNESSING THE WIND:

## A STRATEGY FOR HBCU CAMPUS AND COMMUNITY DEVELOPMENT

**ANDRE M. PERRY AND YONINA GRAY**

B | Center for Community Uplift at BROOKINGS

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# INTRODUCTION

In September 2022, Brookings published "A call to action for HBCU investment," which examined approaches for increasing access to investment capital for campus and community development for historically Black colleges and universities (HBCUs). Drawing from structured conversations with HBCU executives, bankers, and development and philanthropy professionals, the report identified three needs: 1) greater access to capital markets; 2) a clearly articulated value proposition that conveys the returns HBCUs generate for students, communities, and society; and 3) institutional capacity-building.

That report ended with a call to action for lenders, funders, and HBCU leaders to build the trust and familiarity that segregation and discrimination had foreclosed; to develop a shared, HBCU-driven theory of change that maximizes their collective strength; to translate the social and knowledge capital HBCUs hold into forms that capital markets recognize; to collaborate across sectors in pursuit of thought leadership exchange and public-private partnerships; to expand revenue support for students through the economic and community development surrounding their campuses; and to explore collective approaches to financing that draw on the shared strength of the nation's 100-plus HBCUs rather than the balance sheet of any one campus.

As a follow-up to that report, over the course of the past year, Brookings' Center for Community Uplift convened HBCU presidents, senior administrators, capital providers, developers, and policymakers in a structured listening process to identify how HBCUs are operationalizing aspects of the 2022 call to action to craft a broader blueprint for policy action.

Five central themes emerged from these listening sessions and analysis:

- The primary constraint is capital design—the structures, timelines, and underwriting rules that determine how capital reaches institutions—not institutional vision or leadership.
- Land is an asset only in combination with site control and trusted partners, particularly developers.
- Institutional capacity is systematically misread and underwritten accordingly.
- Campus and community futures are inseparable, and institutions are underwritten as though they were not.
- HBCU leaders are ready to move beyond pilot projects and create structures built to last.

This work unfolds at a moment of heightened constraint surrounding HBCUs. Place-based and equity-oriented investment frameworks face renewed legal and political challenges. Recent executive actions reshaping federal posture on diversity programs—alongside legal pressure on race-conscious philanthropy and grantmaking—have introduced hesitation across philanthropic and private capital markets at precisely the moment when HBCUs are advancing the kind of anchor-driven projects this report documents. These conditions make existing gaps in development finance more consequential, stalling otherwise viable HBCU-led projects.

This report attempts to move beyond diagnosis to outline institutional responses that can be used to build a roadmap for reform. It identifies near-term interventions—de-risking mechanisms, coordinated capital strategies, and targeted policy adjustments—that can unlock campus and community development projects and accelerate investable pipelines. It also advances longer-term structural reforms aimed at normalizing HBCUs' participation in development finance, public investment programs, and regional growth strategies.

# BACKGROUND ON HBCUS

Though they represent just 3% of the nation's four-year nonprofit colleges and universities, HBCUs enroll 10% of all Black college students, and award 15% of all bachelor's degrees as well as 19% of all STEM bachelor's degrees earned by Black graduates.

But HBCUs' economic footprint extends well beyond the campus gate. According to the United Negro College Fund's (UNCF) 2024 economic impact report, HBCUs generate $16.5 billion in direct economic impact annually and support more than 136,000 jobs; measured by job creation, the nation's HBCUs would rank among the top 50 companies on the Fortune 500. The HBCU graduating class of 2021 alone can expect $146 billion in work-life earnings—57% more than they could expect without their degrees. Moreover, HBCUs have produced some of the most impactful individuals in our nation's history, including Supreme Court Justice Thurgood Marshall, civil rights leader Martin Luther King, Jr., and Vice President Kamala Harris.

Despite these impacts, HBCUs have been underfunded for decades. Between 1987 and 2020, 16 of 19 historically Black land-grant universities were underfunded by their states by an estimated $12.6 billion, according to a 2023 joint letter from the secretaries of the U.S. Department of Agriculture and Department of Education.

For decades, public policy and capital markets have treated HBCUs the same as highly endowed, predominantly white institutions (PWIs). For instance, historic discrimination is not generally accounted for in underwriting. As a result, HBCUs pay roughly 14% higher underwriting fees on tax-exempt bonds than comparable PWIs—a gap that persists even when comparing AAA-rated HBCUs to AAA-rated PWIs (and this gap grows three times larger in Deep South states). Because credit ratings reward accumulated wealth and financial performance, past and present discrimination create a ratings gap.

The wealth gap between these institutions mimics the racial wealth gap between families, in which the average white family possesses six times the wealth of the average Black family. Based on data from the National Association of College and University Business Officers (NACUBO), the 10 largest HBCU endowments hold a combined $2.4 billion, while the 10 largest PWI endowments hold a combined $340 billion—a difference of more than 140 to 1.

Across the country, Black wealth is increasing, but so is the racial wealth gap. HBCU endowments have followed a similar course: According to HBCU Money, HBCU endowments have grown meaningfully in recent years. Yet while 169 PWIs maintain endowments above $1 billion, Howard University only just became the first HBCU to surpass that mark, and four more HBCUs crossed the $100 million threshold. Spelman College's endowment is over $500 million, reflecting sustained fundraising momentum and disciplined institutional management.

Public HBCUs hold roughly one-third the endowment per student of comparable public institutions. HBCUs comprised 1.4% of the 678 institutions reporting to NACUBO in Fiscal Year 2025, but held just 0.3% of the $953.7 billion in reported endowment assets. Meanwhile, the 32 PWIs with endowments above $5 billion control 57.4% of all reported endowment wealth. This pattern mirrors the broader national racial wealth gap: growth at the top for a few, concentrated wealth elsewhere, and a structural chasm that individual institutional success cannot alone close.

HBCU wealth levels are lower than PWI wealth levels, but the demands that families, communities, and society place on them are the same as other postsecondary institutions. Like other

postsecondary institutions, HBCUs can leverage specialized degree programs and students to support local economies, and are often the largest employers in their region. Students, faculty, and visitors desire attractive retail, housing, and hospitality markets; their spending, along with institutional contracting, help sustain surrounding communities. HBCUs provide entertainment through athletics and arts programing, and educate their communities beyond tuition-paying students with their libraries, museums, and lectures. Colleges shape the built environment and local economies with their campus footprints, housing developments, and commercial investment.

Yet about half of the nation's 100-plus HBCUs are in majority-Black cities where housing and commercial real estate are devalued. Many sit in communities that have suffered from decades of public disinvestment. When HBCUs are undervalued—including their land, infrastructure, workforce pipelines, and deep community ties—communities go underserved. They remain structurally undercapitalized and largely excluded from the policymaking and investment frameworks that shape campus, community, and regional development at scale. But despite these challenges, HBCUs continue to deliver returns in social mobility, economic resilience, and civic leadership.

This is the paradox at the heart of this report. HBCUs are proven engines of mobility, employment, and community wealth, yet the systems that price risk, allocate capital, and set development priorities treat them as marginal—restricting access to much-needed resources for campus and community development. This problem cannot be reduced simply to institutional performance; these institutions operate within a system of investment frameworks that were never designed to recognize the unique value HBCUs create. Closing that gap requires more than celebrating individual campus successes or expanding one-time philanthropic gifts. It requires rethinking how public policy and capital markets see these institutions in the first place: not as charitable causes, but as undervalued assets generating returns to students, communities, and regional economies despite systemic inequities.

That reframing raises a broader question this report sets out to address: What would it mean to treat HBCU campus and community development as a policy and investment priority?

# LISTENING TO THE FIELD

This report examines how HBCU leaders and their partners are operationalizing aspects of the 2022 call to action in service of policy and capital reforms needed to scale HBCUs' community development efforts. It draws on a yearlong engagement process between May 2025 and April 2026 structured around four convenings, a two-day site visit to Wiley University, standardized case study intakes from four institutions selected for institutional variation (Wiley University, Morgan State University, Tuskegee University/East Chop Capital, and the University of Arkansas at Pine Bluff), and supplementary individual consultations.

Across these engagements, the Center for Community Uplift engaged senior leaders from 12 HBCUs spanning the public, private, land-grant, urban, and rural categories of the field, alongside developers, capital providers, philanthropic partners, and policy thinkers from five additional organizations. (A complete list of participating institutions appears in Appendix B.) A panel session at the UNCF Unite summit in July 2025 used a live audience-response survey to capture anonymous reflections from seven additional HBCU leaders on the same themes explored in our convenings. Findings were developed through cross-case synthesis of these inputs.

Named quotations reflect on-the-record remarks recorded with participant consent. The full methodology, including case selection criteria, facilitation protocols, and limitations, appears in Appendix A.



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# FINDINGS: WHAT WE HEARD

Our analysis yielded five themes that held across institutional types, geographies, and stakeholder categories. First, the primary constraint on HBCU campus and community development is not institutional vision or leadership, but capital design—the architecture of how money is structured and delivered. Capital design includes the terms, timelines, risk allocations, eligibility rules, and underwriting standards that determine who can access capital and on what conditions. Second, land functions as an asset only in combination with site control and partners the surrounding community trusts. Third, institutional capacity is systematically misread by funders and lenders, and underwritten accordingly. Fourth, campus and community futures are inseparable, though institutions are financed as if they were not. Fifth, the field is ready to move beyond pilots and toward durable platforms and permanent capital.

These themes are mutually reinforcing rather than independent: capital design determines whether land assets can be activated; underwriting practices that misread capacity restrict the capital available for community-integrated strategies; and the episodic character of the resulting investment prevents institutions from accumulating the track record that would correct the misreading. The following sections explore each theme, illustrated with representative quotations from convening participants and supported by evidence drawn from the case study institutions. Full case study profiles appear in Appendix B.

## Theme #1: The constraint is capital design, not vision or leadership

Across every convening and case study, institutional leaders articulated specific plans for housing, mixed-use development, innovation districts, and community-serving infrastructure. What varied was not the presence of vision, but the availability of capital structured to match institutional time horizons, balance sheets, and public missions.

The case evidence illustrates the pattern at every scale. Morgan State University has secured redesignation as Maryland's preeminent public urban research university and stood up eight specialized research centers backed by recurring state appropriations. Notably, the strategy of redesignation preceded the capital. Recalling his approach to the state legislature, President David K. Wilson explained, "I didn't ask anyone for any money. I just wanted the designation at that time."

The designation established the institutional argument; the appropriations, now $22 million annually supporting 70 new tenure-track faculty, followed it. This sequence matters because it inverts the assumption embedded in most underwriting: When HBCU leadership executes sophisticated, multi-year strategy, capital follows. The constraint was never the quality of the strategy.

Yet even Morgan State University's scale does not exempt it from the structural gap. Describing the financing of the redevelopment of the long-vacant Northwood shopping center adjacent to campus, Wilson recounted the developers telling him they could not make it work financially absent federal New Markets Tax Credits (a competitive federal funding source designed to inject equity into high-impact real estate developments). This admission is analytically important: Even a community-trusted developer working with a committed anchor institution on a viable project could not close the deal on private capital alone. Public credit instruments are not subsidies for weak projects—they are structural requirements for viable ones.

At the other end of the scale, the capital margin is thinner still. Reflecting on the Reinvestment Fund's $1 million commitment to Paine College, President Lester A. McCorn observed, "That's a bit of a game changer for us to access that kind of capital." A sum that would be a rounding error at a flagship institution is transformative at a small private HBCU, which demonstrates both how constrained the current capital environment is as well as how much leverage modest, well-structured capital can achieve. (Note: Co-author Yonina Gray was previously employed by the Reinvestment Fund as director of external relations.)

Prairie View A&M University, a public land-grant institution holding roughly 14,000 acres in the fastest-growing county in Texas, is planning enrollment growth from 10,000 to 13,500 students (nearly 60% of whom are Pell Grant-eligible), and is actively seeking development partners with capital and capacity to match its scale. Wiley University's Economic Improvement Zone—a $5 million to $10 million multi-phase initiative—remains in early planning not for lack of design, but for lack of the layered federal, foundation, corporate, and CDFI capital its structure requires. In each case, the project pipeline exists—the capital architecture does not.

## Theme #2: Land is an asset, but only with site control and trusted partners

Many HBCUs hold valuable land, frequently in growth markets, yet participants consistently reported that land value is realized only when two conditions are met: 1) control of the relevant parcels; and 2) the presence of development partners the surrounding community trusts. Participants across multiple convenings described a shortage of culturally competent developers, and the case evidence documents what acquiring such partnerships costs in time and capital.

Carrington Carter—general partner at East Chop Capital, a multi-asset private equity firm with a focus on real estate development and angel investing—named the specific mechanism through which conventional deal structures push risk onto institutions: a "letter of interest," which is an informal document that signifies an institution's project intentions to help them court development partners. "Often, developers, especially if [they're] not culturally competent and don't understand the asset, want letters of interest from the university," said Carter. "We want fully leased-up apartments and dorms and homes before we even break ground. And I think a lot of HBCUs have been unwilling to do that. And I understand why."

The demand for guarantees before ground is broken asks the institution to absorb risk before the developer assumes any. East Chop Capital inverts that structure, and has spent more than three years acquiring parcels around Tuskegee University at its own risk, deliberately keeping early-stage land assembly off the institution's balance sheet before any construction begins. The inversion supplies this theme's operational definition of trust: Trust is measured by who carries early-stage risk.

Trust also carries historical weight that conventional underwriting neither prices nor funds. At Morgan State University, President Wilson described a 10-year process of community relationship-building before $100 million in New Markets Tax Credits could be deployed to redevelop the Northwood shopping center—a process that required identifying what he called "a community-trust developer." That decade was not inefficiency—it was the actual cost of repairing a trust deficit accumulated over generations of exclusion and dispossession. The same trust infrastructure subsequently produced a 470-bed student housing complex that opened in fall 2025 as well as the city of Baltimore's gift of a 59-acre former high school site after three years of engagement.

Site control extends beyond parcels to planning power. As President McCorn of Paine College observed, "Municipalities and county governments need to include our institutions in their master

plans," noting that "so many of our institutions are late to the party because the plan has been set for the next 10, 20 years and we don't even know about it. They're deciding about us, and when we try to make a move, we're restricted."

Even where an HBCU owns land, prior municipal decisions, zoning, and covenants can foreclose its use. McCorn's prior institution's experience points to the remedy: When the city of Rock Hill, S.C., co-developed a district plan with Clinton College and named it the Clinton Connection Action Plan, the institution's profile and planning position changed together. The cross-case pattern is consistent: Where site control and trusted partnerships are present, land converts to development; where either is absent, land remains a dormant asset. Ownership without access does not translate into wealth.

## Theme #3: Capacity is often misread, and underwritten accordingly

Participants rejected the prevailing narrative that HBCUs inherently lack capacity, pointing instead to a shortage of partners willing to underwrite early-stage work, fund predevelopment, or invest in the internal infrastructure that builds expertise. The distinction matters analytically: A capacity deficit is an institutional attribute, while an underwriting deficit is a system attribute, and the two imply different remedies.

President McCorn recounted this gap, and its remedy, in the same breath: "A lot of our institutions, number one, we don't even think this way. But number two, we don't have the infrastructure to do a lot of these projects. There's not the institutional knowledge. People have never done these kinds of deals. They don't know what capital stacks are...There has to be an investment in the education and development of people to build the capacity."

The framing is an investment deficit, not a competence deficit. Henry Golatt—founding member of the HBCU Coalition, a national effort to help HBCUs and minority-serving institutions grow, and leader of Growth AdvantEDGE, a private sector consulting firm that offers strategic planning and growth strategies to mission-driven institutions such as HBCUs—underscored the same point: "The work of community development is a discipline, it is long term, it is not something that happens overnight," adding that asking an academician to lead development work is "a sea change for that individual."

Community development is a field with its own expertise; institutions cannot simply reassign it to advancement offices, and underwriters should assess it as a staffing and investment question rather than a proxy for institutional quality.

Participants also reversed the standard risk narrative. Golatt noted that institutional caution is frequently justifiable: "Some of them have been burned—let's be honest about that. Investors, developers coming to the table, some able to deliver, some not able to deliver. And so there's this caution there." What underwriters read as institutional caution is often the imprint of prior partners who failed to follow through. In those cases, the burden of demonstrating reliability sits with capital providers, not with the institutions they are evaluating.

The case evidence supports the system-attribute reading in both directions. Where investment has been made, results followed: The Economic Research and Development Center at the University of Arkansas at Pine Bluff, established in the late 1980s, generated roughly $75 million in economic activity at its peak. Its subsequent stagnation following the withdrawal of sustained leadership and financial investment—rather than any change in institutional mission—demonstrates the same mechanism in reverse. The Reinvestment Fund's current pilot, which pairs 11 HBCUs with $1 million in capital each plus technical assistance, represents the category of capacity investment that participants identified as missing. Across

cases, observed capacity tracked prior investment, not institutional quality.

## Theme #4: Campus and community futures are inseparable

Participants consistently framed institutional success as inseparable from the well-being of surrounding neighborhoods, and the case evidence shows this framing operating as strategy rather than sentiment. Henry Golatt of Growth AdvantEDGE linked the supposed tension between educational mission and development work directly: "At the end of the day, you're creating education to create economic mobility for people… they're not two different things. They're really one and the same." The observation rebuts, from a practitioner's experience, the persistent claim that HBCUs should educate students rather than develop neighborhoods; in underinvested regions, the two are a single undertaking.

Yvonne Harris, vice president for research and innovation at Bowie State University, drawing on prior anchor work at Sacramento State, described the operational method that follows from that recognition: "The cry from the community is, 'Not us without us.' And we took that seriously. So we swung away from what the university needs to what [the community needs]." Harris' team convened community organizations and leaders, organized task forces around community-identified needs, and deployed university expertise, including a digital equity initiative in the region's most underserved community.

The community's refrain in that work—"not us without us"—recurred across convenings as a test of whether engagement was genuine or performative. The method is replicable: The shift from asking "What does the university need?" to "What does the community need?" changed institutional posture and produced more durable outcomes.

The inverse posture—or simply being "in the community" rather than "of the community"—was a theme that participants recognized all too well. President Wilson of Morgan State, describing an institution where he served earlier in his career, recalled that it "was in Camden but had absolutely zero desire to be of Camden." The distinction echoed the observation of one Wiley University participant who said that institutions sometimes assume they are "in the community" when community members would say otherwise; closing that gap is itself a discipline. Notably, President Wilson's example was not an HBCU, which underscores that the anchor failure mode is not unique to any institutional type. What is distinct to HBCUs is being denied the capital to do the work while being expected, by history and by their communities, to do it anyway.

Wiley University's describes its Economic Improvement Zone as "a strategy built with" the New Town neighborhood rather than a program imposed on it, targeting business incubation, workforce credentialing, and employer pipelines to the residents who live close to the institution. Participants also identified a measurable cost of treating campus and community as separate: retail leakage (the spending that students, faculty, and staff conduct outside the surrounding community because local infrastructure cannot meet their needs) and its labor market counterpart (staff who live 25 miles or more from campus because nearby housing stock cannot serve them).

## Theme #5: The field Is ready to move beyond pilots

Participants expressed little appetite for one-off demonstration projects, describing instead a need for replicable platforms, pooled capital, and approaches that scale across institutions. Several HBCU presidents observed that pilots, however well intended, often introduce new volatility once funding sunsets, leaving institutions positioned worse than before.

The problem, participants emphasized, is alignment rather than scarcity. Surveying the landscape of development programs and capital, Henry Golatt of Growth AdvantEDGE said, "There is ample supply. I don't think it's targeted and directed as much toward the needs of HBCUs. That's where the opportunity lies."

This claim reframes the theme as a systems-design finding: The field does not need new experimental programs so much as the redirection of existing capacity toward HBCU-specific structures. Golatt's proposed intervention makes the point structurally: HBCUs "should be the residency of an institute that is training future developers," so that, in his words, "we are not waiting on the next person to knock on the door. We are training them as we go." Such a proposal converts the developer shortage from an external dependency into an institutional production function, with HBCUs manufacturing the capacity the market has failed to supply.

Carrington Carter of East Chop Capital identified two further post-pilot mechanisms. The first is the sector's own constituency: alumni who hesitate to donate might readily invest. Engaging alumni as investors with a financial return, as East Chop Capital has done with Hampton University and Tuskegee University alumni, converts the sector's most loyal supporters into a capital source rather than a donor base. The second is institutional wealth itself: "It's worth having a discussion around how HBCU endowments can help participate in the revitalization of their communities," Carter said. Both mechanisms presuppose durable investment platforms rather than time-limited demonstrations, which is precisely what distinguishes them from the pilot model.

The case evidence gives this theme its sharpest expression through contrast. The University of Arkansas at Pine Bluff built one of the first HBCU-anchored economic development centers in the country; its infrastructure remains operational, but without institutionalized funding for the people and stewardship the model requires, momentum was lost across leadership transitions and budget cycles. The through-line across cases is that permanence—not novelty—is the unmet need. Participants requested continuity of capital and capacity, but the field has largely received only episodic investment.




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# POLICY RECOMMENDATIONS

The institutions profiled in Appendix B are not failing institutions. They operate inside policy and capital frameworks that were not designed to recognize the value they create or repair the inequities they were built to endure. For years, the dominant response has been to help HBCUs compete more effectively within existing rules: expand grant funding, increase philanthropic support, strengthen leadership pipelines, and deepen partnerships. These efforts matter, but they leave the underlying architecture intact.

The recommendations below follow directly from the five themes detailed in the previous section. Each recommendation was derived through the same triangulation that produced the themes: 1) field convenings with HBCU leaders and cross-sector stakeholders; 2) policy and market analysis spanning state funding formulas, federal program design, land-grant compliance history, and capital market practices; and 3) practitioner experience in community development finance. Only interventions supported across all three inputs are presented here. The list is not exhaustive; it identifies the structural changes where reform would unlock the most progress most quickly.

## Recommendation #1: Restore public baseline funding and redesign capital instruments to share early-stage risk

The first theme established that the binding constraint on HBCU campus and community development is capital design, and the origin of that constraint is public. State legislatures withheld an estimated $12.6 billion from historically Black land-grant universities between 1987 and 2020, and public policy at every level excluded HBCUs from the wealth-building systems that capitalized their peers. The consequences now surface in capital markets, where credit ratings, bond markets, and federal financing tools treat weak balance sheets as evidence of poor management rather than the predictable outcome of that exclusion. Research quantifies the cost: HBCUs pay roughly 14% higher underwriting fees on tax-exempt bonds than comparable non-HBCUs, a disparity that persists even at AAA credit ratings and grows three times larger in Deep South states. A constraint that public policy created requires a public remedy.

Philanthropy has a role, as Recommendation #5 later describes, but voluntary giving is discretionary, uneven across institutions, and subject to donor priorities and political climate. HBCUs should not have to rely on philanthropy to recover from public underfunding; restitution for a public debt is a public obligation.

Congress and the states should therefore establish baseline equity funding that gives HBCUs a durable foundation to build upon rather than a deficit to climb out of. The most direct federal vehicle would be new land-grant legislation in the tradition of the Second Morrill Act of 1890, which created many of these institutions by conditioning federal funds on the provision of higher education to Black students. A modern successor could take several forms: a federally funded endowment match that brings HBCU endowments closer to parity with PWIs over a defined period; dedicated capital funding for facilities and infrastructure comparable to what flagship institutions received during their growth decades; or stronger federal enforcement of the 1:1 state matching requirements attached to land-grant

funds, which states have repeatedly failed to meet, as documented in the 2023 joint letter from the U.S. Department of Agriculture and Department of Education.

This report supports the kind of policy recommendation that scholars and HBCU advocacy organizations have advanced: a third Morrill Act that provides baseline equity funding, lessening the need for debt financing. At the state level, the 2023 joint letter calculated the shortfall institution by institution, and repayment schedules would convert a documented debt into a funded commitment. States should also correct the funding formulas that produce weak balance sheets going forward, adjusting base formulas to account for cumulative underinvestment and separating capital appropriations from prestige-based metrics or metrics that reward institutions that benefited from discrimination.

Alongside restored public funding, federal policymakers and philanthropic capital providers should shift early-stage development risk away from individual campuses through pooled first-loss capital, federal and philanthropic guarantees, and credit enhancements that allow lenders to engage earlier in the development cycle. Baseline funding repairs the balance sheet; risk-sharing instruments correct how the balance sheet is read. Both are necessary, because absent public correction, federal guarantees and philanthropic dollars will continue to backfill state disinvestment rather than finance growth.

Neither intervention requires invention. The land-grant system itself is the founding precedent: The Morrill Acts of 1862 and 1890 demonstrate that Congress can build enduring institutional wealth by statute, and the endowments and campuses of today's flagship universities began as federal land grants sustained by public appropriations. What is proposed here is the completion of that commitment, extending to HBCUs the same patient public capitalization that built the institutions they are now measured against.

Maryland's 2021 settlement with its four public HBCUs, structured as a 15-year commitment of $577 million in supplemental appropriations, offers states a repayment template that does not require litigation. And on the risk-sharing side, the U.S. Treasury's CDFI Bond Guarantee Program, established by the Small Business Jobs Act of 2010, has guaranteed nearly $3 billion in long-term, fixed-rate capital for community development; extending or adapting that mechanism for HBCU campus and community development through CDFI intermediaries already engaged with HBCUs or through a parallel HBCU-specific authorization would directly address the documented mispricing of risk.

## Recommendation #2: Finance site control and build a pipeline of trusted developers

The second theme showed that land converts to development only when institutions or aligned partners control the relevant parcels and when the surrounding community trusts the developer. Both conditions are currently financed by exception rather than by design: Land assembly is typically carried at private risk, and the supply of developers with demonstrated cultural competence and HBCU project experience is far smaller than the project pipeline requires. If land is to function as the asset it represents on paper, both conditions need dedicated financing.

Capital providers and philanthropy should establish predevelopment and land-assembly financing that allows institutions or mission-aligned intermediaries to secure site control without carrying speculative risk on institutional balance sheets. Public and philanthropic funders should also invest in the developer pipeline directly by supporting training, mentorship, and balance-sheet growth for emerging developers with community ties. Finally, municipal and county governments should include HBCUs in master planning as a default practice; institutions cannot activate

land that prior planning decisions, zoning, and covenants have already foreclosed.

Working models exist for each element of this recommendation. The East Chop Capital approach at Tuskegee University, in which a mission-aligned private equity firm assembled parcels at its own risk over three years before construction, demonstrates the site-control function that dedicated financing could scale. Structured as risk-sharing rather than risk transfer, public and philanthropic first-loss capital would catalyze early-stage deals while preserving the incentives for developers and lenders to conduct full due diligence. The emerging-developer programs operated by the Urban Land Institute, Local Initiatives Support Corporation (LISC), and others show what pipeline investment looks like in practice, and could be adapted to HBCU markets. The city of Rock Hill, S.C.'s joint district planning with Clinton College illustrates the municipal-inclusion practice, and the West North Avenue Development Authority in Maryland, a state-created corridor authority chaired by an HBCU president, shows what formalized planning authority can look like.

## Recommendation #3: Underwrite capacity as an investment, not a screening criterion

The third theme found that institutional capacity is systematically misread. Funders and lenders treat the absence of in-house development expertise as a fixed institutional attribute, yet the evidence shows it is a function of prior investment. Federal research funding exhibits the same path dependence: Institutions with early wins build the infrastructure required to win again.

HBCUs collectively account for less than 1% of federal research and development expenditures despite producing roughly 25% of Black STEM bachelor's degree recipients. If capacity follows capital rather than the reverse, then the order of operations in funding decisions is itself the problem.

Funders at every level should therefore sequence capacity investment before competition. In development finance, this means funding predevelopment work, technical assistance, and dedicated staff positions as core project costs rather than overhead. In research policy, it means dedicated, long-term investment in laboratories, faculty support, and administrative infrastructure preceding competitive grantmaking. Underwriting standards should also incorporate institutional context: Risk assessments that ignore documented historical underfunding will systematically misjudge the institutions that survived it.

The sequencing principle has a long federal track record. For decades, the National Science Foundation's (NSF) Established Program to Stimulate Competitive Research (EPSCoR) has directed capacity-building investments to states underrepresented in federal research funding before requiring head-to-head competition; the bipartisan HBCU Research Capacity Act introduced in March 2026 would create an analogous mechanism for HBCUs. At the project level, the Reinvestment Fund's pilot pairing 11 HBCUs with $1 million commitments plus technical assistance represents the category of capacity investment the field identified as missing.

## Recommendation #4: Embed HBCUs in development policy as delivery infrastructure

The fourth theme demonstrated that campus and community futures are inseparable, yet policy treats them separately. At the federal level, HBCUs are addressed primarily through carve-outs, pilots, and special initiatives rather than embedded in the core design of workforce, infrastructure, research, climate, and economic development policy. These

dedicated programs matter, but they sit alongside federal architecture that defaults to flagship research universities when distributing the largest pools of strategic funding. Institutions that already function as community infrastructure should be treated that way in program design.

Congress and federal agencies should position HBCUs as preferred program delivery partners for federal resources—embedding them in authorizing statutes, agency guidance, and procurement frameworks from the start rather than appending them afterward. Statutes related to community development can have eligibility requirements that are inclusive of institutional types. HBCU leaders can be consultants, while colleges and universities located in low-income areas can receive preferences in competitive funding. In practice, this means both statutory eligibility (naming HBCUs in authorizing language for workforce, infrastructure, and research programs) and competitive preference (scoring bonuses or set-aside allocations in relevant federal grant programs), with formal consultation roles for HBCU leadership in program design. Because roughly half of HBCUs anchor majority-Black communities that other federal delivery channels often overlook, this is an efficiency argument as much as an equity argument: HBCUs are existing infrastructure in precisely the places federal programs struggle to reach. State and local governments should apply the same logic to economic development strategy, workforce systems, and regional planning.

Congress has already demonstrated what this looks like. The CHIPS and Science Act of 2022 authorized roughly $200 million to $250 million per year through Fiscal Year 2027 to build HBCU and minority-serving institution capacity to compete for and administer NSF grants, and directly enabled the launch of the HBCU CHIPS Network in February 2024. Writing HBCUs into the authorizing statute itself—rather than appending them to appropriations afterward—is a model replicable across other federal priority areas.

## Recommendation #5: Replace pilots with permanent platforms

The fifth theme established that the field is ready to move beyond pilots, but the funding architecture is not. HBCUs receive less than 2% of philanthropic giving to higher education instructions (much of it short-term and program-restricted), and endowment per student at private HBCUs averages roughly one-eighth that of non-HBCU private institutions. Short-term restricted grants do not stabilize institutions; in some cases, they introduce new volatility when funding sunsets. Institutions simultaneously navigate a fragmented landscape of agencies, intermediaries, funders, and compliance regimes that consumes leadership bandwidth at the institutions least equipped to absorb the cost. A field ready to scale needs architecture built for permanence.

Philanthropy should shift toward permanent capital: endowment matching, recoverable grants, guarantees, and unrestricted operating support tied to long-term institutional health. Federal agencies, philanthropy, and the HBCU community should jointly resource coordinated, HBCU-governed platforms that aggregate capital, technical assistance, guarantees, and policy advocacy—reducing the fluency burden that fragmentation currently imposes on institutional leadership. Institutions themselves hold levers as well, such as engaging alumni as investors rather than solely as donors, and exploring how HBCU endowments of all sizes can prudently participate in the development of their own communities. In practice, this participation is most likely to take the form of pooled investment vehicles that allow institutions to contribute at levels appropriate to their individual risk capacity, rather than requiring individual endowments to concentrate scarce assets in illiquid local investments. Keon Holmes of the investment firm Cambridge Associates is currently exploring exactly this structure with HBCUs.

Both halves of this recommendation have working demonstrations. Lilly Endowment's $100 million unrestricted grant to UNCF in 2024 anchors a $370 million pooled endowment shared across 37 member institutions; the endowment is large, unrestricted, structured to compound, and pooled for professional management. On coordination, EPSCoR operates across multiple agencies, the Cooperative Extension System has provided coordinated land-grant infrastructure for more than a century, and intermediaries including the 1890 Universities Foundation, the Thurgood Marshall College Fund, and UNCF are positioned to anchor an analogous HBCU platform if resourced to do so.

## Table 1. Summary of recommendations

| Theme | Recommendation | Primary actors |
|---|---|---|
| 1. Capital design | Establish baseline equity funding; pooled first-loss capital, guarantees, and credit enhancement; state funding formula correction | Congress, Treasury, states, philanthropy, large financial institutions, economic development agencies |
| 2. Site control and trusted partners | Predevelopment and land-assembly financing; developer pipeline investment; HBCU inclusion in municipal master planning | Capital providers, philanthropy, municipal and county governments, developers |
| 3. Capacity | Sequence capacity investment before competition; context-informed underwriting | Federal agencies, funders, lenders, developers |
| 4. Campus-community integration | Embed HBCUs in authorizing statutes, agency guidance, and procurement as default delivery partners | Congress, federal agencies, states |
| 5. Beyond pilots | Permanent philanthropic capital; coordinated HBCU-governed platforms | Philanthropy, federal agencies, HBCU intermediaries |

## Who belongs at the table next

The convenings that informed this report drew the right voices into the room to surface what HBCU leaders are building and where they are stalled. Acting on the recommendations above will require partners with the capital, scale, and authority to move them.

Five categories of partner are positioned to do so. Large institutional investors with an appetite for place-based, long-duration assets can supply the patient capital that Recommendations #1 and #2 require. State economic development agencies and governors' offices hold the funding formulas and planning authorities addressed in Recommendations #1 and #4. Developers with balance sheet capacity and a track record of culturally competent execution are the pipeline that Recommendation #2 seeks to finance and expand. Philanthropy positioned to provide general operating, balance sheet, or guarantee support—rather than programmatic grants alone—is the actor Recommendations #3 and #5 call on directly. And Black-owned banks and mission-aligned financial institutions—several of which are already engaged in HBCU development financing—are natural anchors for the risk-sharing structures and coordinated platforms described in Recommendations #1 and #5.



Photo credit: Shutterstock

# CONCLUSION

Taken together, this report's recommendations reflect a single structural observation: Capital without policy reform eventually hits a wall, and policy without meaningful capital allocation lives on a shelf. Progress requires the alignment of both with the operational realities of HBCUs.

The timing is consequential. Place-based and equity-oriented investment frameworks face renewed legal and political challenges, and recent shifts in the federal posture toward diversity programs have introduced hesitation across philanthropic and private capital markets at the very moment HBCU-led development is gaining momentum.

This report frames HBCUs as undervalued economic infrastructure because that is what the evidence shows, and because the case for investment must now rest on returns rather than rhetoric. The returns are documented: $16.5 billion in annual economic impact, more than 136,000 jobs, and mobility outcomes that few institutional categories match at any funding level. What the current environment changes is not the strength of that case, but the urgency of grounding it in economic rather than solely equity terms.

What HBCU leaders told us across a year of convenings is that the institutions are ready. The voices from the field that run through this report describe institutions that have carried an anchor role for generations without the systems other sectors take for granted. Executive Vice President and Chief Operating Officer Tashia Bradley of Wiley University gave this report its title when she described her institution's posture: "We are not chasing the wind. We are harnessing it." HBCUs have been harnessing the wind for more than a century. The recommendations above describe what becomes possible when they no longer have to do it alone.

Three conclusions carry the weight of the evidence. First, the undervaluation of HBCUs is structural and measurable, not anecdotal, and correcting it requires policy change at the governmental and corporate levels. Second, effective responses are systemic rather than institutional: changing the rules that govern underwriting, funding formulas, and program design, rather than only helping individual campuses navigate broken systems. Third, the case for HBCU investment rests on returns, not rhetoric, and that economic framing has proven most durable in a political environment where equity- and place-based frameworks face renewed challenges.

This report therefore closes the way its predecessor did, with an invitation. Each of the partners named in the policy recommendations section—from institutional investors to state governments to Black-owned banks—will find in this report both the evidence for engagement and a working model to follow: an investable pipeline documented in the case studies, state-level templates in Maryland's settlement and the West North Avenue Development Authority, a federal model in the CHIPS and Science Act, a demonstration of permanent capital in the Lilly-UNCF pooled endowment, and proof that early risk-sharing produces execution in the East Chop Capital and Reinvestment Fund models. HBCU leaders, who have never waited for permission, will find in one another's strategies the outlines of the coordinated platform the field is ready to govern.

The question is no longer whether HBCUs can deliver. It is whether the systems around them will be redesigned to match what they already do, and who will move first.

# APPENDIX A: METHODOLOGY

This report employs a qualitative research design grounded in a yearlong series of structured group convenings with HBCU leaders and their partners, supplemented by in-depth case studies of five institutions and cross-case thematic synthesis. The animating question is: What if HBCUs were treated as a national investment priority?

This research question is twofold: How are HBCU leaders and their partners operationalizing aspects of the 2022 call to action, and what do their efforts reveal about the policy and capital reforms needed to scale this work? A case study design was selected because these questions concern a contemporary phenomenon in its real-world context, where institutional strategy is informed by surrounding policy and capital environments. Case study methodology allows for such questions because it permits the examination of how institutions operate within and are constrained by the systems around them, rather than isolating institutional performance from context.

Our research design proceeded in three phases: 1) structured group convenings to surface field-level perspectives and generate candidate propositions; 2) in-depth case development at five institutions selected to garner institutional variation; and 3) cross-case synthesis.

Case study institutions were selected through purposeful selection to capture the diversity of the HBCU field across four dimensions: governance (public and private); land-grant status (1890 land-grant and non-land-grant); geography (urban, small town, and rural, as well as Mid-Atlantic, Deep South, and Delta regions); and enrollment (approximately 1,000 to 11,600 students). The five case institutions were Wiley University (private, rural East Texas); Morgan State University (public doctoral research, urban Baltimore); Tuskegee University in partnership with East Chop Capital (private land-grant, rural Alabama Black Belt); Coppin State University (public, urban campus), and the University of Arkansas at Pine Bluff (public 1890 land-grant, Arkansas Delta). The University of Arkansas at Pine Bluff was included as an outlying case; it is an early national model whose subsequent stagnation permits examination of the conditions under which HBCU-anchored development is and is not sustained.

Case institutions self-selected into on-the-record participation.

## PARTICIPANTS

Across all data collection activities, the study engaged senior leaders from 12 HBCUs spanning public, private, land-grant, urban, and rural institutional categories, alongside participants from five additional organizations, including mission-driven developers, community development financial institutions (CDFIs), philanthropic funders, and national policy intermediaries.

Participant roles included HBCU presidents and senior cabinet leaders; campus real estate, finance, and advancement executives; philanthropic leaders and mission-aligned funders; community investment intermediaries and CDFI partners; community and economic development practitioners; policy thinkers and national intermediaries; and mission-driven developers with active HBCU project experience.

## DATA COLLECTION

Data were collected between May 2025 and April 2026 through five complementary instruments:

- Structured convenings: Four convenings brought together HBCU leaders and cross-sector stakeholders. Each convening followed a semi-structured facilitation protocol built around open-ended questions addressing three domains: 1) the current state of campus and community development projects; 2) the constraints and opportunities institutions encounter in advancing them; and 3) the system-level changes that would permit HBCU-led work to move from concept to scale. Facilitators used open-ended prompts and follow-up probes rather than fixed-response items, allowing participants to introduce constructs the research team had not anticipated. Sessions were designed to pressure-test assumptions external stakeholders held and create a learning environment unconstrained by familiar political or philanthropic framings.
- Site visit: A two-day site visit to Wiley University in Marshall, Texas combined campus and neighborhood observation with working sessions involving institutional leadership and community partners, permitting direct observation of the physical assets, neighborhood conditions, and institution-community relationships described in convening testimony.
- Structured case study intake: Each case study institution completed a standardized written intake instrument documenting project scope, development stage, capital structure, partnerships, anticipated impact, and resource needs. The instrument used a common template across institutions to permit cross-case comparison.
- Supplementary individual consultations: Individual conversations with institutional leaders and cross-sector practitioners were used to clarify, extend, and verify material surfaced in group settings.
- Audience-response survey: A panel session at the UNCF Unite Summit in July 2025 used a live, anonymous audience-response survey to capture reflections from seven additional HBCU leaders on the same themes explored in the convenings, providing a check on whether convening perspectives extended beyond the convened group.

## ATTRIBUTION AND CONSENT PROTOCOL

On-the-record convening segments were recorded with participant consent, and quotations from those segments are attributed by name. Off-the-record sessions were conducted under a non-attribution convention to elicit candor.

# APPENDIX B: INSTITUTIONAL PROFILES

The institutions profiled here represent different scales, regions, governance models, and development strategies, but each is already advancing place-based work. None of this work is hypothetical or waiting for permission; what each is waiting for is capital, policy, and partnership infrastructure that match the scale and time horizon of its strategy.

Wiley University, a 1,000-student private liberal arts HBCU in rural East Texas, is establishing the Wiley Economic Improvement Zone (WEI), starting with the conversion of a wing of a segregation-era high school into a workforce and digital hub for the surrounding neighborhood. Morgan State University—an 11,600-student urban research HBCU in Baltimore that generates $1.5 billion in annual economic impact—is redeveloping its surrounding corridor as part of its strategy to grow into Maryland's preeminent public urban research university. Coppin State University, a 2,790-student public liberal arts HBCU in West Baltimore, is leading the first comprehensive HBCU-led community development initiative in Maryland through the West North Avenue Development Authority. East Chop Capital, a Black-led private equity firm, has spent more than three years acquiring land near Tuskegee University to lay the groundwork for a multi-phase revitalization effort designed to transform this historic town into a more vibrant, walkable, and economically dynamic campus-community ecosystem. The University of Arkansas at Pine Bluff, a 2,000-student public land-grant HBCU, built one of the earliest HBCU-anchored economic development centers in the country in the late 1980s—a model now stalled by the very capacity gaps this report describes.

What follows is a snapshot of each institution's self-reported community development projects.

# Wiley University – Marshall, Texas

A small, private HBCU in East Texas is turning a segregation-era high school into a community wealth-building engine—and a national replicability test for what anchor strategy looks like at scale below 1,500 students.

| AT A GLANCE |
| --- |
| **Founded:** 1873, by the Freedmen's Aid Society of the Methodist Episcopal Church |
| **Type:** Private, liberal arts, religiously affiliated (United Methodist Church) |
| **Enrollment:** ~1,000 students |
| **President:** Herman J. Felton, Jr. |
| **Community:** Marshall, Texas (~23,000 residents, ~40% Black); Newtown neighborhood adjacent to campus |
| **Project:** Wiley Economic Improvement Zone (WEI) |
| **Stage:** Concept/early planning, multi-phase |
| **Estimated cost:** $5 million to $10 million |

## WHAT WILEY UNIVERSITY IS BUILDING

The Wiley Economic Improvement Zone (WEI, pronounced "WE") is a place-based community and economic development initiative starting with the Wiley Pemberton Complex—once the only high school available to Black students in Marshall under segregation, and now home to Wiley University's Center for Workforce Development and the Future of Work. WEI is designed to activate the institution's role as an anchor through integrated components: revitalization or conversion of buildings for community needs, workforce development and credentialing, business and entrepreneurial incubation, and services such as a grocery store, collaborative learning and instruction spaces, and health and preventive care.

"The WEI Zone is not a program imposed on Newtown—it is a strategy built with it, designed to ensure that the economic energy generated by Wiley University's 153-year presence in Marshall is felt most directly by the people who have lived closest to it." – Tashia Bradley, Executive Vice President and Chief Operating Officer, Wiley University

## ANTICIPATED IMPACT

In the community: sustainable jobs through workforce development pipelines, access to fresh food, wellness and preventive care such as mental health services, stronger digital infrastructure, blight removal, and building renewal. On campus: experiential learning, career-aligned credentialing integrated into the academic ecosystem, community-campus learning exchanges, and applied research in AI, cybersecurity, and economic development.

## CURRENT PARTNERS

T.D. Jakes Foundation, Wells Fargo, Texas Mutual, Texas Methodist Foundation, and the Newtown Neighborhood Association.

### WHAT RESOURCES AND PARTNERSHIPS WOULD ACCELERATE THIS WORK?

Funding to move WEI from pilot to full operational scale; the capital structure most relevant here blends federal, foundation, corporate, and CDFI sources (layered rather than single-source), alongside state-level, workforce-aligned funding through the Texas Workforce Commission and Texas Economic Development Corporation.

# Morgan State University – Baltimore

An 11,600-student urban research HBCU—the third-largest HBCU in the country by enrollment, generating $1.5 billion in annual economic impact—is redrawing the boundary between campus and city one parcel at a time.

| AT A GLANCE |
| --- |
| **Founded:** 1867 |
| **Type:** Public, doctoral research |
| **Enrollment:** ~11,600 students (third-largest HBCU by enrollment, growth target ~15,000 by 2030) |
| **President:** David K. Wilson |
| **Community:** Northeast Baltimore (a predominantly Black, middle-class neighborhood) |
| **Annual economic impact:** $1.5 billion in Maryland; ~8,200 jobs supported statewide |
| **Carnegie status:** Doctoral research; redesignated 2024 as Maryland's preeminent public urban research university |
| **Recent milestones:** 470-bed student housing complex with developer David Bramble (opened fall 2025); 59-acre Lake Clifton site gifted by city of Baltimore (2024) |

## WHAT MORGAN STATE IS BUILDING

Morgan State's campus and community development strategy operates at three levels simultaneously. Adjacent to campus: the redevelopment of Northwood Commons—historic site of the first college sit-in—with $100 million in New Markets Tax Credits, anchored by a grocery store and neighborhood-serving retail. On-campus: a 470-bed student housing complex completed in fall 2025 in partnership with developer David Bramble, with another development closer to campus in planning. Beyond campus: master planning of the 59-acre former Lake Clifton High School site, which the city of Baltimore gifted to the institution in 2024 after three years of relationship-building.

"The community has to know that the institution truly cares about the neighborhood. We had to take 10 years bringing the community together, identifying a developer that was a community-trust developer." – David K. Wilson, President, Morgan State University

## WHY IT MATTERS

Morgan State has made itself an economic anchor for its city. Across more than a decade, its leadership brought neighborhood residents into the redevelopment of an adjacent shopping center, secured $100 million in New Markets Tax Credits for the project, partnered with a developer on a 470-bed student housing complex that opened in fall 2025, and received a 59-acre former high school site from the city of Baltimore in 2024. Each completed project has preceded a larger one.

## WHAT'S NEXT

Morgan State has launched eight specialized research centers backed by recurring state appropriations. The Lake Clifton site is now in master planning. Adjacent retail and student housing continue in phased development. The institution has been redesignated as Maryland's preeminent public urban research university—a status it secured by approaching the state legislature directly to request the designation.

### WHAT RESOURCES AND PARTNERSHIPS WOULD ACCELERATE THIS WORK?

Continued state and local public capital alignment; large-scale development partnerships with research and industry partners; predevelopment capital and credit enhancement structures that allow lenders to engage Morgan's next phase of corridor and Lake Clifton work at the speed the city and the institution are ready for.

# Coppin State University – Baltimore

A 2,790-student public liberal arts HBCU on the historic West North Avenue Corridor is anchoring the first comprehensive HBCU-led community development initiative in Maryland, with the university president chairing the state development authority driving it.

| AT A GLANCE |
| --- |
| **Founded:** 1900 |
| **Type:** Public, liberal arts |
| **Enrollment:** ~2,790 students |
| **President:** Anthony L. Jenkins (also chair of the West North Avenue Development Authority Board of Directors) |
| **Community:** West Baltimore, historic 2.7-mile West North Avenue Corridor; 16 surrounding neighborhoods; predominantly African American |
| **Project:** West North Avenue Development Authority Comprehensive Revitalization Plan |
| **Project horizon:** 15-year, multi-phase initiative (FY 2026 to FY 2041) |
| **Stage:** Operating, multi-phase, growth |
| **Funding to date:** Over $70 million in state-appropriated funds over three fiscal years |

## WHAT COPPIN STATE IS ANCHORING

The West North Avenue Development Authority (WNADA) is leading a 15-year revitalization initiative for the historic 2.7-mile West North Avenue Corridor in West Baltimore. Established by the Maryland General Assembly in 2021 as an independent state economic development agency, WNADA is the first comprehensive community development initiative in Maryland led by an HBCU, with Coppin State President Anthony L. Jenkins serving as chair of WNADA's Board of Directors. The governance structure intentionally positions Coppin State as the central partner alongside state agencies, local government, higher education institutions, and community leaders. Through that structure, WNADA has facilitated an historic flow of state-appropriated funding into the corridor: more than $70 million over the past three fiscal years to catalyze equitable redevelopment and long-term economic growth.

## WHY IT MATTERS

The West North Avenue Corridor holds historical significance: The practice of residential redlining in Baltimore originated near the university, shaping patterns of segregation and disinvestment that continue to influence community conditions today. Decades of concentrated vacancies, limited access to healthy food, and constrained economic opportunity have compounded that history. The WNADA model demonstrates how HBCUs can move from peripheral stakeholder to central architect of regional redevelopment by institutionalizing cross-sector collaboration and

leveraging public policy to attract investment into historically disinvested neighborhoods. This model also strengthens Coppin State's long-term sustainability by aligning campus expansion with corridor revitalization, supporting enrollment growth, and deepening community connections.

## ANTICIPATED AND REALIZED IMPACT

An economic impact analysis by the University of Baltimore's Jacob France Institute projects that over WNADA's 15-year redevelopment strategy, $290.6 million in construction expenditures will generate approximately $473.3 million in statewide economic activity, support 2,753 jobs, and produce $192.8 million in labor income. The analysis estimates the initiative will produce $10.8 million in state tax revenues and $8.1 million in local government revenues, while facilitating the development or rehabilitation of 450 single-family homes, 750 multifamily housing units, and more than 403,750 square feet of commercial space.

Between FY 2024 and FY 2026, WNADA supported $10.5 million in targeted housing investments, with eight new homes under construction, 70 properties rehabilitated, and 28 properties conveyed by the Baltimore City Department of Housing and Community Development for rehabilitation. WNADA's pilot "Live Near Your Work" program provides $25,000 to $50,000 in down-payment assistance to Maryland state employees, Coppin State faculty and staff, Maryland Institute College of Art faculty, and employees of identified community organizations within targeted ZIP codes. WNADA has voluntarily set a 31% Minority Business Enterprise (MBE) participation target (above Maryland's 29% statewide standard) and has surpassed it every fiscal year, with a peak MBE/Women Business Enterprise participation rate of 55% to date.

Coppin State itself generates substantial economic returns. For every $1 in state investment, Coppin State produces $5 in direct expenditure. The university contributes more than $200 million annually in total economic impact and supports 1,431 direct and indirect jobs in local and regional economies. In fall 2025, Coppin State employed more than 580 individuals and generated approximately 130 construction-related positions through $100 million in capital construction projects. A Coppin State graduate can expect to earn approximately $22,000 more annually than an individual holding only a high school diploma.

## CURRENT PARTNERS

Office of Governor Wes Moore, Maryland District 40 representatives, Maryland Department of Housing and Community Development, Maryland Department of Commerce, Maryland Department of Transportation, Maryland Economic Development Corporation, Baltimore City Council, Baltimore District 7, Baltimore City Department of Housing and Community Development, Baltimore City Department of Transportation, Baltimore City Department of Planning, and the Baltimore Development Corporation.

### WHAT RESOURCES AND PARTNERSHIPS WOULD ACCELERATE THIS WORK?

Mission-driven private investment, philanthropic funding, and strategic public-private partnerships would significantly accelerate this work by providing flexible capital and expanding implementation capacity.

# Tuskegee University (with East Chop Capital) – Tuskegee, Alabama

A Black-led private equity firm has spent three years acquiring land around a land-grant HBCU in Alabama's Black Belt and investing its own capital to create a long-term, sustainable development plan that will transform the community.

| AT A GLANCE |
| --- |
| **Founded:** 1881, by Booker T. Washington |
| **(East Chop Capital:** Founded 2018) |
| **Type:** Private, land-grant research institution |
| **Enrollment:** ~3,100 students |
| **President:** Mark A. Brown |
| **Community:** Tuskegee, Ala.; fewer than 10,000 residents in Macon County, predominantly African American, with persistent poverty |
| **Project horizon:** 10-plus year multi-phase initiative |
| **Stage:** Multiple phases ranging from concept and early planning to capitalized, construction, and operating |

## ABOUT EAST CHOP CAPITAL

East Chop Capital is a Black-led, multi-asset private equity firm founded in 2018 by Co-General Partners Calvin L. Butts, Jr., and Carrington M. Carter. The firm has built a network of more than 300 investors, manages $50 million in assets, and is developing a real estate pipeline of more than $500 million across commercial and residential projects spanning hundreds of acres in the Southeast. Its angel investing portfolio has deployed roughly $10 million across real estate, hospitality, fintech, insurtech, media, consumer goods, and professional sports.

Both founders are graduates of Hampton University. East Chop's work in Tuskegee is one expression of a broader pattern this report documents: HBCU-educated investors deploying private capital in communities surrounding other HBCUs.

## WHAT'S BEING BUILT

A long-term, community-centered revitalization initiative to transform Tuskegee into a model of equitable economic development through mixed-use real estate, housing, hospitality, small business growth, and cultural placemaking. The work is led by East Chop Capital in collaboration with the city of Tuskegee, Tuskegee University, and the Macon County Economic Development Authority. Since 2022, East Chop has been acquiring parcels from private citizens within a 5- to 7-minute drive of the university (with a focus on the downtown core), putting its own capital at risk so that the early-stage land assembly does not have to be

carried on any institutional balance sheet. Liberty Bank, one of the largest Black-owned banks in the country, is a long-term partner of East Chop's work and has continued a banking presence in Tuskegee since its 2015 acquisition of First Tuskegee Bank. Liberty Bank has pledged its support for the initiative, and the leadership team, including CEO Alden J. McDonald, Jr., has joined East Chop on site visits to Tuskegee.

"Often [HBCU advocates] don't control key sites and real estate parcels. Folks who care about our communities don't necessarily control the land surrounding our HBCUs, or they lack the resources and desire to maintain or develop their property." – Carrington Carter, General Partner, East Chop Capital

## WHY IT MATTERS

Tuskegee University is the city's largest economic engine, a cultural anchor, and a critical stabilizing force amid long-term regional disinvestment and constrained household incomes. The county has experienced decades of population decline and limited private sector investment. The East Chop Capital-Tuskegee partnership offers a working model for how mission-aligned private development capital can support town-and-gown revitalization, aligning an HBCU's institutional influence and community trust with patient capital, strategic planning, and private sector execution to strengthen both the campus experience and the surrounding community. The Liberty Bank partnership illustrates a broader pattern found throughout this report: how developers, investors, lenders, and community institutions can come together to revitalize HBCU communities.

"For 145 years, Tuskegee University and the city of Tuskegee have grown together. Today, as we enter a new 'Renaissance Era' of institutional growth, the need for housing and commercial development has become both urgent and strategic. With more than 1,000 students currently seeking housing beyond our county, this initiative is about more than infrastructure—it is about economic vitality, student success, and community renewal. In fact, it is directly tied to recruiting. An investment in Tuskegee is an investment in a historic American institution and a future defined by shared prosperity, as Tuskegee University remains the only university in the country designated as a National Historic Site." – Mark A. Brown, President and CEO, Tuskegee University

## ANTICIPATED IMPACT

New housing, mixed-use retail and commercial space, hospitality development, and expanded economic activity that creates jobs, attracts new residents, and strengthens the local tax base. Student engagement opportunities through internships, applied learning, entrepreneurship pathways, and stronger connections between campus life and community revitalization.

### WHAT RESOURCES AND PARTNERSHIPS WOULD ACCELERATE THIS WORK?

Capital from banks, institutional investors, family offices, philanthropy, and city, state, and federal sources to scale a model currently sustained by private partner capital alone. Coordinated decisionmaking across entities with different governance structures, with sustained alignment around equitable community outcomes. Mission-aligned co-development partners, general contractors, engineers, architects, planners, and other subject matter experts who can bring additional technical capacity, execution discipline, and long-term commitment needed to accelerate complex campus-community revitalization.

# University of Arkansas at Pine Bluff – Pine Bluff, Arkansas

One of the earliest HBCU-anchored economic development centers in the country, built in the late 1980s and now stalled—a cautionary tale that illustrates the case this report makes about why capacity-building investment must be sustained, not episodic.

| AT A GLANCE |
| --- |
| **Founded:** 1873 |
| **Type:** Public, HBCU, and 1890 land-grant institution |
| **Enrollment:** ~2,000 students |
| **Chancellor:** Anthony Graham |
| **Community:** Pine Bluff, Ark.; small town, Arkansas Delta region |
| **Project:** Economic Research and Development Center (ERDC); UAPB Business Support Incubator and Office Complex |
| **Stage:** Operating but under-resourced; in need of reinvestment and institutionalization |

## WHAT WAS BUILT—AND WHAT STALLED

The Economic Research and Development Center (ERDC) was established at the University of Arkansas at Pine Bluff (UAPB) in the late 1980s as the university's full-service community development center, alongside the UAPB Business Support Incubator and the UAPB Office Park and UAPB Plaza. At its peak, the model generated approximately $75 million in economic activity tied to the campus and city. The assets were strategically acquired and developed to anchor not just the campus, but the entire city of Pine Bluff. Today, those assets continue to operate, but without adequate leadership investment or campus-initiated financial support, the model has lost its shine.

Henry Golatt of Growth AdvantEDGE argues that the model's current stagnation reflects many of the capacity gaps identified in this report. In his role as chief of strategy and partnerships at the HBCU Community Development Action Coalition (HBCU CDAC), and through broader national work advancing inclusive development across HBCUs and other minority-serving institutions, Golatt emphasizes the need for intervention frameworks that build and deploy the structural partnerships required to overcome these challenges.

"The rise and stagnation of UAPB's Economic Research and Development Center is similar to other similarly situated centers on HBCUs. It serves as a cautionary tale to highlight the need for institutionalization of these centers in order to maintain and sustain impact as part of a university's community development ecosystem."- Henry Golatt, Managing Partner, Growth AdvantEDGE; Chief of Strategy and Partnerships, HBCU CDAC

## WHY IT MATTERS

The UAPB story is the reason this report's call for sustained capacity-building investment is not theoretical. The ERDC was a national model, and its infrastructure is still in place. What was missing—and is still missing—is institutional commitment to fund the people, the stewardship, and the operational continuity required to keep an HBCU-anchored development center functioning across leadership transitions and budget cycles. Brick-and-mortar projects without human capital investment do not sustain themselves.

## WHAT'S POSSIBLE

The ERDC, the UAPB Business Support Incubator, the UAPB Office Park, and the UAPB Plaza are still operational assets. With renewed institutional commitment and capacity-building capital, they could resume their original role: anchoring city and regional planning, generating revenue, and creating market-based income streams that fund both community development programming and student pathways into local development work. A micro-grid concept on campus-secured property is one current proposal that could enhance campus energy and create a recurring revenue base.

### WHAT RESOURCES AND PARTNERSHIPS WOULD ACCELERATE THIS WORK?

Capacity-building funding for the human capital required to steward HBCU-anchored development centers across leadership transitions. Project development funding for energy deployment and revenue-generating infrastructure. Investment in the pipeline that turns new HBCU graduates into local developers, modeled on the way the Urban Land Institute, LISC, and others invest in emerging developers in other contexts.

| Institution | Type and setting | Strategy | Stage | Primary need |
|---|---|---|---|---|
| Wiley University (~1,000 students) | Private liberal arts; rural East Texas | Place-based workforce and digital hub | Concept / early planning | Layered federal, foundation, and CDFI capital |
| Morgan State University (~11,600 students) | Public doctoral research; urban Baltimore | Multi-parcel anchor corridor and housing | Multiple phases active | Predevelopment capital and credit enhancement |
| Coppin State University (~2,790 students) | Public liberal arts; urban West Baltimore | HBCU-led state development authority; corridor revitalization | Operating, multi-phase, growth | Mission-driven private investment and philanthropic capital |
| Tuskegee University and East Chop Capital (~3,100 students) | Private land-grant HBCU; private equity firm leading nearby revitalization; Black Belt, rural | Investor-led downtown land assembly with city, county, and university collaboration | Multi-phase, over 10-year horizon | Institutional, federal, and co-development capital to scale investor-led model |
| University of Arkansas at Pine Bluff (~2,000 students) | Public 1890 land-grant; Arkansas Delta, small town | Sustaining and re-institutionalizing legacy assets | Operating but under-resourced | Capacity-building for human capital and operational continuity |

Across institutional types, geographies, and stages of work, the institutions profiled here make the same argument from different vantage points. Wiley University shows that an anchor strategy is not a function of size. Morgan State shows what happens when an HBCU operates at full anchor scale and is met with city and state alignment. Coppin State shows what becomes possible when an HBCU is positioned not as a stakeholder in someone else's redevelopment plan, but as the architect of its own. East Chop Capital's work near Tuskegee University shows what mission-aligned private capital can do when it takes on the long-term land assembly and revitalization work that would otherwise wait for an institution to lead. UAPB shows that infrastructure without sustained capacity investment does not sustain itself—a lesson the rest of the field cannot afford to relearn.

"We are community stewards whether we like it or not." – Tomikia LeGrande, President, Prairie View A&M University

These cases represent a small sample drawn from more than 100 HBCU communities nationwide. They are not the only examples of this need; they are the institutions whose leaders agreed to put their strategy on the record—because they believe, as we do, that the next phase of this work depends on more institutions doing the same. Appendix C examines the system-level barriers these institutions and the field as a whole repeatedly encounter as they move from concept to execution—and what it would take to align the systems around them with the work they are already doing.

# APPENDIX C: MYTHS AND REALITIES ABOUT HBCUS

The systems that shape HBCU operations—policy, capital markets, and institutional norms—carry structural patterns that influence how risk is assessed, how resources are allocated, and how leadership is evaluated. Over time, these patterns harden into widely accepted narratives that continue to drive decisions even when contradicted by evidence. This section places those narratives alongside observed outcomes, drawing on national data and field insights from our convenings.

| Myth | Reality | Synthesized sentiment from convenings |
|---|---|---|
| HBCUs lack capacity. | Public HBCUs hold roughly one-third the endowment per student of comparable public institutions, and 16 of 19 historically Black land-grant universities were underfunded by their states by an estimated $12.6 billion between 1987 and 2020. Despite this, HBCUs enroll roughly 10% of Black undergraduates while representing only about 3% of U.S. institutions (NCES; UNCF; USDA/ED 2023). | Fund the institution. Capacity follows capital. |
| HBCU real estate projects are too risky. Deals do not meet standard underwriting thresholds. | HBCUs control significant land assets—often in growth markets—and anchor institutions are associated with lower vacancy and long-term stability when capital is structured appropriately. Peer-reviewed research finds the disparity is in the underwriting itself, not the institutions (Dougal et al., 2019; Brookings; Federal Reserve community development research). | The risk isn't the project. It's how the deal is underwritten. |
| HBCUs should focus on educating students, not developing neighborhoods. | Housing, food security, and transportation are leading predictors of student retention; in underinvested regions, campus and community development functions as core academic infrastructure (Hope Center for College, Community, and Justice; Brookings). | If the basics fail, academics follow. |
| Capital flows to quality; strong institutions attract investment. | Capital allocation follows policy design. HBCUs have been excluded from state capital funding, federal research pipelines, and major endowment growth despite comparable outcomes (GAO, 2023; NSF HERD Survey; UNCF). | HBCUs are outside the system where capital naturally flows. |

| Myth | Reality | Synthesized sentiment from convenings |
|---|---|---|
| More pilots are needed before scaling. | HBCUs receive less than 2% of philanthropic higher education giving, much of it restricted and short term, despite decades of demonstration projects. Pilot-heavy approaches correlate with fragmentation rather than system change (Candid; Center for Effective Philanthropy; UNCF). | HBCUs do not need another pilot—they need continuity. |
| HBCUs are institutions of the past. | HBCUs enroll roughly 300,000 students annually and produce approximately 20% of bachelor's degrees for Black students, including disproportionate shares of Black professionals across medicine, law, engineering, and the judiciary (NCES; American Institutes for Research; UNCF). | HBCUs are building for the future with legacy-level resources. |
| Now isn't the right time to invest because markets are uncertain. | Current economic conditions reflect moderated but continued growth. Delayed investment reflects prioritization choices more than market constraints (Moody's Investors Service). | The market moves, but HBCUs remain paused. |

## WHY THESE MYTHS MATTER

These myths do more than shape perception—they shape decisions. When HBCUs are framed as under-capable, high-risk, or economically marginal, capital allocation, policy design, and philanthropic strategy adjust accordingly. Investment slows, eligibility narrows, and institutions are evaluated against frameworks that do not reflect their operating context.

What is often interpreted as prudence is, in practice, undervaluation. Risk is assessed without accounting for historical underinvestment, institutional roles, or long-term performance. As a result, institutions that consistently produce talent, stabilize communities, and generate durable economic value are treated as speculative rather than strategic.

The persistence of these assumptions reinforces five system-level outcomes, each of which is examined directly in the policy recommendations section.

- Underinvestment, as funding formulas and capital structures fail to account for historical gaps.
- Risk distortion, particularly in credit markets, which treat legacy exclusion as present-day weakness.
- Policy exclusion, where HBCUs are addressed through carve-outs rather than embedded in core program design.
- Fragmented capital, favoring pilots and short-term interventions over sustained investment platforms.
- Limited relationship capital, constraining cross-sector alignment and deal formation.

These dynamics are mutually reinforcing. Together, they slow otherwise viable projects and limit the scale of HBCU-led development. The underlying performance, meanwhile, remains clear: HBCUs continue to deliver measurable outcomes in workforce development, economic mobility, and community stability. The constraint is not institutional capability—it is whether capital and policy systems are structured to recognize and support that capability at scale. Removing these distortions is not narrative correction alone—it is a prerequisite for aligning capital, policy, and institutional capacity. Without that alignment, even well-designed interventions will produce limited results.

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1775 Massachusetts Ave NW,
Washington, DC 20036
(202) 797-6000
www.brookings.edu