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2004 REPORT

THE FUND FOR
OUR ECONOMIC FUTURE

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diversity collaboration

THE FUND FOR OUR ECONOMIC FUTURE: **MISSION STATEMENT**

The Fund for Our Economic Future is a multi-year collaboration of organized philanthropy in Northeast Ohio formed to encourage and advance a common and highly focused regional economic development agenda that can lead to long-term economic transformation in ways that recognize the importance of core cities, inclusion/diversity and quality of life. This will be accomplished by convening key stakeholders, tracking overall regional progress and backing key initiatives.

core cities

mission

TEN COUNTIES: **ONE REGION**

The foundations that make up The Fund for Our Economic Future represent ten Northeast Ohio counties: Ashland, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Stark, Summit and Wayne.

inclusion

quality of life

CHAIRMAN'S LETTER

Welcome to the inaugural annual report for The Fund for Our Economic Future – working proof of the benefits of acting regionally in one's own enlightened self-interest.



Robert Briggs, *Chairman*

When many of the region's philanthropic institutions embarked on this effort in February 2004, we in essence issued an informal *Declaration of Interdependence* based on our shared belief that only by acting together can we put forward innovative, regional initiatives to restore Northeast Ohio's economic health and vitality. This effort is rooted in our commitment to taking advantage of the region's diversity, revitalizing our region's core communities and enhancing the distinct quality of life that makes Northeast Ohio the special place we each call home.

Extreme economic and social challenges continue to plague our region, yet I am more optimistic today than I ever thought I would be regarding Northeast Ohio's bright future. Key accomplishments by the Fund in our first year include:

- Attracting 63 participants – up from the founding group of 28 – and raising nearly our entire three-year goal of \$30 million.
- Awarding our first round of grants to four organizations that provide a new framework of innovative, inclusive economic development activity in the region.
- Beginning development of an “economic dashboard” that will measure the region's economic health and help us evaluate our effectiveness.
- Initiating a broad-based, inclusive engagement of the entire community to develop a shared vision and agenda for the region.

Most importantly, the Fund has become a living, breathing example of successful regional action. In both its structure and its actions, the Fund has demonstrated to the region that individual institutions can indeed stay loyal to their distinct missions while at the same time uniting to act for

the benefit of the region. I believe the Fund's own practices and actions provide direction and inspiration to others committed to improving Northeast Ohio.

With all of the progress that has been made, it is important to remember that the Fund's efforts are just beginning. Northeast Ohio's economic and social crisis built over many decades and there will be no quick fix. The members of the Fund have a long track record of commitment to their respective communities and constituents, and the Fund requires a similar long-term commitment. We will strive to persuade others to join our efforts. And we will reach out to the broader community to hear their views and to inspire them to develop and act on a shared agenda for transforming the region.

The progress made in 2004 is the direct result of the commitment of time, treasure and talent by the Fund's participants – a diverse mix of foundations and organizations representing the region's families, communities, religious faiths and corporations. Daily, they demonstrate their commitment to our success by participating in our initiatives and by making their best and brightest staff available to us. Those staffers have, in essence, taken on a second full-time job – a reflection of the extra effort needed if we are to achieve our goals. For their dedication and performance, I am particularly grateful.

We at the Fund are proud, active citizens of an extraordinary region, and we are committed to doing everything we can to improve its health and vitality. We will elevate awareness and appreciation of Northeast Ohio's exceptional assets, work to connect them in ways that will highlight our distinct character and allow us to prosper in the global economy. You will find in this report evidence that our actions back up those words. I hope this report will inspire you to add your voice to our collaborative efforts to bring unity and prosperity to Northeast Ohio.

Robert Briggs, *Chairman*



Regions are.

And they force us – We the Region –
to act as we live, regionally.

The definition of “regionalism” may stir
debate, but unquestionably regions are the
defining economic unit of the 21st century.

“Regions drive local, state, national and global economies. The largest 10 regions in the country out-produce 31 states. Regions worldwide capture almost half – 47 of the first 100 slots – in the combined list of top regional and national economies,” says William R. Dodge of Strategic Partnerships Consulting, one of the nation’s foremost experts on regional economics.

The most prosperous of regions – such as Silicon Valley – can propel two large cities, San Jose and San Francisco, and dozens of smaller communities to heights that they could never accomplish on their own.

“Regions are the competing (economic) entities, both nationally and internationally,” says Lester Thurow, Professor of Economics and Management and Dean Emeritus at the Massachusetts Institute of Technology’s Sloan School of Management and a Northeast Ohio native.

Regions are the way economies organize – whether in terms of labor markets, commuting patterns, investment capital, business supplier networks or watersheds. Smart regions recognize this and take advantage of this regional behavior.

Businesses grow, jobs are created and wealth flows in regions that have strong, sustainable networks of talent, technology, capital and transportation.

The value of these intertwined networks is evident in regions like the Twin Cities, where a cluster of medical products companies, led by the giant Medtronic, consistently spin out new entrepreneurs supported by regional investors who understand what it takes to get innovative products to market. The cycle, once begun, spins faster and grows wider as more companies create more wealth that can be invested in the next great idea emerging from the next team of entrepreneurs ready to break out on their own.

Such connections power the ultra-competitive global economy.

Those connections are too rare in historically splintered regions like Northeast Ohio where long-standing divisions – both physical and jurisdictional – conspire to disrupt and fragment networks. We compete among ourselves for small prizes, lose ground to more connected regions and watch, seemingly helpless, as the spiral of job losses accelerates to a level that threatens our quality of life. Larger communities – such as New York or Los Angeles – have the sheer size to survive fractured networks, but smaller regions have no such luxury. To prosper, they must act regionally.

At the risk of offending English teachers everywhere, we need a new vocabulary to describe the kind of behavior required of regions. We propose that what we are doing is “regioning.” As gardening denotes a nurturing of environment, plant and soul, “regioning” requires a proactive nurturing of ourselves and our surroundings to create the networks that enable a region to be a distinctive place and succeed in the global economy.

Key to “regioning” is understanding that we are all in this together. By engaging every resident of Northeast Ohio in the development of an inclusive, broad-based agenda for regional prosperity, we can begin to expand and strengthen the connections and networks that make up our region. Connecting our diverse urban cores, suburban communities and bountiful farmland will allow us to preserve what is distinct about our respective hometowns while distinguishing our region on the global stage. The healthiest of regions benefit from the recognition that prosperity is linked to reducing poverty and inequality. Thus, equity must be an essential part of a regional economic agenda, not just an afterthought.

Despite our history of fragmentation and the decimating effects of the shifting economy on our manufacturing base, our region’s mix of multiple urban centers and historic hamlets gives Northeast Ohio a sense of place and charm absent from many regional centers whose only defining character is ever-extending rings of highway. When our cities, suburbs and rural areas are brought together under one Northeast Ohio roof, the result is a formidable force more than three million people strong, with a gross regional product in excess of \$130 billion. Our economy is larger than South Africa, Sweden or Israel. We cannot take for granted how truly great we are and can be.

The best of regions – like the fittest of species – are those that adapt to change. Northeast Ohio did not adapt as well as it needed to in the second half of the last century. With nearly one-fourth of Northeast Ohio residents working outside of their home counties, many of us have begun to live regionally. But we have only just begun to act regionally – to comprehend our shared destiny and plan for it together. The stories of some of those actions – and more to come – are told on the following pages. As we the Region adapt to the new vocabulary and new behaviors required by the global economy, we will bring better days to Northeast Ohio.

Regioning

(verb) *reg • ion • ing*

1. Proactive nurturing of ourselves and our surroundings to create the networks that enable a region to compete and to be a distinctive place.

With ample regioning, Northeast Ohio will have a vibrant, healthy economy.

WHY PHILANTHROPY?

Before there was philanthropy in Northeast Ohio there were phenomenally successful entrepreneurs.

The fortunes made by those entrepreneurs – Galen Roush, Edward A. Langenbach, Frederick Goff, William Mather, George Gund, Kelvin Smith and dozens more – are now being used throughout the region by philanthropic organizations to address many of Northeast Ohio's social and human needs that are exacerbated by the region's lack of recent entrepreneurial success. Indeed, philanthropy and economic prosperity are intricately intertwined. A strong, vibrant economy creates the potential for more philanthropists. If that vibrancy extends throughout the region – into neighborhoods and communities that have been left behind in the past – then demand for philanthropy will shift from basic human needs toward enhancing the region's overall quality of life.

As noted by Ronald B. Richard, president and CEO of The Cleveland Foundation, “The fundamental foundation for everything that we do is economic development.”

Indeed, economic development is perhaps the best long-term investment foundations can make in their missions.

That is why it is only appropriate that the region's philanthropic organizations – many founded by the entrepreneurs of our past, others by entrepreneurs of our present – engage the community in a broad-based effort to stimulate the next wave of great entrepreneurs and facilitate other changes that will elevate the region's economic strength.

Successful economic development efforts have involved partnerships between the public and private sectors. Such partnerships remain essential, but they need to be extended because the challenges and opportunities posed by the global economy now require regional strategies that cut across multiple sectors and multiple communities. Developing such strategies will require a greater level of collaboration and informed citizenry than when most economic development efforts were largely local in their focus.

Northeast Ohio's multitude of jurisdictional boundaries makes it very difficult for local elected officials to expend political capital on regional initiatives – particularly when their constituents have a limited appreciation of their value. Compounding the challenge faced by the public sector is the extreme financial squeeze caused by declining tax rolls that further reduce their ability to fund economic development efforts. Nonetheless, to transform our economy the region needs strategies that cross political borders.

The region enjoys a long legacy of activist private sector leadership in civic affairs. However, ongoing consolidation among the region's largest companies limits both the talent and treasure that corporations can allocate to civic endeavors.

Philanthropy is not a panacea, but it can be an important part of the regional solution.

Free from the bottom-line and political pressures faced by the other sectors, Northeast Ohio's vast and diverse philanthropic organizations – there are nearly 1,000 with more than \$6 billion in assets – bring financial resources and, perhaps most importantly, a neutral voice that can help the region forge a broad-based, courageous economic agenda. With their track record of commitment to their respective causes, ranging from education to arts to social services, the region's philanthropic organizations are well positioned to bring together diverse audiences and interests to work on that agenda and begin to implement it. Indeed, a review of our region's recent history will show that philanthropy, along with private and public sector partners, has played an essential role in bringing several “economic development” projects – including the Akron Civic Theatre, Playhouse Square in Cleveland and the NewMarket Project in Canton – to fruition. But individual projects in individual communities will not alone create a sustainable, strong economy for Northeast Ohio.

That is why the philanthropic community of Northeast Ohio has formed The Fund for Our Economic Future. We, as active citizens, are committed to engaging public officials, the private sector and the entire region in this effort to transform Northeast Ohio's economic fortunes.



What is the Fund?

The Fund for Our Economic Future is the philanthropic sector's response to Northeast Ohio's need for a two-fold transformation – in both the content of the region's economic profile and in the process through which stakeholders make decisions and frame a regional economic agenda. The Fund seeks to encourage this transformation by convening stakeholders, measuring economic progress and making grants to high-impact economic development initiatives. It intends to award a total of \$30 million in grants over three years.

Who has contributed to the Fund?

At the conclusion of 2004, there were 63 philanthropic, private and civic organizations that have contributed to the Fund. The individual amounts contributed range from \$200 to more than \$10 million – a reflection of the wide diversity and shared commitment of the Fund's participants.

Who runs the Fund?

The Fund is operated by its members. The Funders' Committee, made up of organizations that have invested \$100,000 or more, provides overall direction to the Fund. A smaller Executive Committee is responsible for establishing meeting agendas, reviewing staff recommendations and recommending proposals to the Funders' Committee. Part-time, loaned professionals from the Fund's members act as staff and facilitate the Fund's activities.

What is the Fund's vision for Northeast Ohio?

Our working vision, that will be further shaped by civic engagement, is:

Northeast Ohio can become a premier global region built upon multiple, thriving and livable core population centers. The region will restore its roots as a center of entrepreneurship and innovation. The economic base will capitalize and extend upon historic strengths in advanced manufacturing (including instruments and controls), materials science (especially polymers), life sciences, power and propulsion and financial services by developing, applying and commercializing new technologies. Northeast Ohio will be a national model for fairness and inclusion in making decisions and creating economic opportunities. The region will be viewed as a gateway to North America by foreign companies and skilled workers and as a place to build a fulfilling career by young people. Finally, it will continue to build upon its many quality of life amenities as a means to excite and attract both residents and visitors.

How will the Fund strive to realize that vision?

1. Foster an inclusive, region-wide dialogue and collaboration on key economic topics requiring regional solutions.
2. Measure and track the region's economic performance.
3. Award grants to a focused set of transformational economic development activities, evaluate the effectiveness of those grants and identify future grantmaking opportunities.

ENGAGING THE REGION

To achieve our goal of a healthier, more vibrant Northeast Ohio, we need to develop a common understanding of our distinct regional identity, forge a shared vision of our collective future, and define a collaborative agenda that we can act on to achieve that vision.

Such a vision and agenda for the region can't be successfully created by just a few, whether they are industrial leaders, political leaders or even The Fund for Our Economic Future. In today's global economy, successful models are developed by engaging the broad community in a conversation where we share with each other what makes us distinct, identify opportunities to build on our strengths and begin to act on those opportunities.

From its genesis, the Fund has valued and emphasized the importance of engaging the entire region in its mission to foster a long-term transformation of Northeast Ohio. The Great Again! Conference in February 2004 engaged a wide cross-section of Northeast Ohio to explore the role philanthropy can play in removing the hurdles that prevent us from acting regionally and competing effectively in the global economy. Ongoing community meetings throughout the region, including a Minority Forum in November in Independence, have been held to both educate and engage the broader community.

The Fund is now exploring how best to pursue an education, advocacy and outreach effort through which we can foster widespread demand for change in the way Northeast Ohio pursues regional solutions to the many complex issues it faces.

A successful effort requires three levels of engagement:

1. Provision of information and resources that help educate the region's residents and develop better understanding and appreciation for the region's distinctive assets, opportunities and challenges.
2. Broad public participation in conversations aimed at forging a shared agenda for restoring the region's economic strength.
3. Development and enhancement of leadership networks that can drive the region's response to that shared agenda.

Dialogue that engages diverse stakeholders across the region will provide a means to collect the best practices, hidden assets, deep passions, aspirations and opportunities in a way that transforms how people think about the region. Indeed, such an effort will develop the best results if thousands of residents join in an enlightened interchange that explores quality of life issues that directly influence the region's overall competitiveness.

"These issues go beyond what we normally call economic development," says David Abbott, executive director of The George Gund Foundation and co-chair (along with Deborah Vesey of the Deaconess Community Foundation) of the Fund's civic engagement committee. "But they influence our ability to be an attractive region that can compete effectively with other regions."

We the Region have already begun coming together to develop a shared understanding of our assets. That process needs to continue throughout 2005 and must strive to engage the entire community to define a shared agenda that allows us to best take advantage of those assets and enable a broad-based effort to act on that agenda. The future of the region depends on it.

GAUGING THE REGION

How will we know if regioning is working ...
whether we're moving the needle in the
right direction?

What can be *measured* about what *matters*?

Moving the Needle

To find out, we must first define the drivers and metrics of economic prosperity. These may include industry mix, measures of productivity, levels of educational attainment, costs of labor, the price of land and housing, business and marginal tax rates and various indicia of entrepreneurship.

This is a crucial aspect of our regioning process. All too often we let our worth and progress be defined by others ... for instance, the latest published rankings of think tanks and pollsters, or extrapolations performed on government research reports for selected indicators. Given the myriad methodologies underpinning these, it is appropriate for us to envision and invest in a standard of measurement that is expressly ours.

An invaluable partner in defining these indicators will be the Universities Collaborative, a consortium comprised of the University of Akron, Case Western Reserve University, Cleveland State University, Kent State University, Lorain Community College and Youngstown State University. Economists from this consortium, in conjunction with the Federal Reserve Bank and the W.E. Upjohn Institute for Employment Research in Kalamazoo, Mich., will implement and maintain the tracking project known as the Dashboard of Regional Economic Indicators.

Out of this effort will emerge a comprehensive reporting system that will help us both recognize where future grant-making opportunities exist and evaluate the effectiveness of grants already made – in short, to guide and track our growth and competitiveness, and by extension, enrich our quality of life.

It will help us answer questions such as: Does our economic base capitalize and extend upon historic strengths in advanced manufacturing, material sciences, life sciences, power and propulsion and financial services by developing and applying new technologies? Is the region viewed as a gateway to North America by overseas companies and skilled workers and as a place to build a fulfilling career by young people? Are economic opportunities created on the basis of fairness and inclusion?

But beyond simply benchmarking progress, establishing the Dashboard has another benefit: It will serve as a balancing scorecard of sorts, a way of articulating what is important to us as a society so that it can be translated into action – a discussion that is worth having at regular intervals and without which our decisions have no context other than expediency. When it is up and running, and its findings are communicated broadly and systematically to decision makers and the community at large, it will provide a platform for and stimulus to the continuing conversation over the direction of We the Region.

GRANTMAKING

In July 2004, four regional organizations received the first grants from The Fund for Our Economic Future: BioEnterprise, JumpStart, NorTech and Team NEO.

These organizations were selected based on their alignment with the Fund's first three strategic focus areas, which are to:

1. Foster entrepreneurship and business formation/acceleration;
2. Create new, high-growth industry clusters through technology innovation; and
3. Improve the marketing and business support services of the region so that established employers will locate, grow and prosper in Northeast Ohio.

To evaluate the proposals, the Fund established due diligence teams. Each team was composed of representatives from the Funders' Committee, staff members loaned to the Fund and industry experts invited to participate. Through site visits, management interviews and a review of the written proposals, the teams evaluated the candidates according to established guidelines.

In addition to the Fund's strategic focus areas, a fundamental element of the evaluation was assessing the organization's commitment to serving diverse audiences and developing programs that would assist underserved communities and groups. Each was required to demonstrate not only how they would accelerate business development in the region, but also how they would help address our overarching goal of creating a place that celebrates its diversity and offers opportunity to all.

In 2005, the Fund will expand its efforts to assist in the transformation of Northeast Ohio by identifying additional focus strategies and inviting proposals in those areas selected. The Fund has reviewed more than 20 economic development proposals from around the region to identify potential focus areas. It has invited more than 150 stakeholders to contribute ideas and perspectives on identifying initiatives that would:

- Generate region-wide benefits to the economy;
- Represent an appropriate role for philanthropy;
- Be in a position to launch quickly; and
- Integrate well with existing initiatives and activities supported by the Fund.

Regionally-based economic development must nurture innovative, risk-taking businesses built on world-class technologies that take advantage of the region's distinct assets and help them stay globally competitive. The four recipients of the Fund's first round of grantmaking share the mission of creating a regional framework that will foster and accelerate such activity for the benefit of the entire region.

 BioEnterprise


jumpstart

 NorTech


team neo

THE BIOENTERPRISE INITIATIVE, under the leadership of board chair Tom Zenty of University Hospitals, is midway through its five-year plan to transform Northeast Ohio into a nationally recognized bioscience center by supporting the growth of emerging companies. BioEnterprise collaborates with the Case Research Institute Office of Technology Transfer, Cleveland Clinic Innovations and Summa Enterprise Group to accelerate the development, recruitment and creation of bioscience companies.

The Initiative's work in 2004 was as varied as recruiting Vascular Biogenics of Israel to open an office in Northeast Ohio and conduct clinical development at The Cleveland Clinic, to creating and spinning off the company Arterioocyte from research being done at The Center for Stem Cell and Regenerative Medicine.

"With the Fund's support, we are in a position to pursue our ambitious goal of supporting the region's development into a 'major league' bioscience commercialization center," says Baiju Shah, president of BioEnterprise. BioEnterprise Initiative companies raised \$54 million in new capital in fiscal 2004; this fiscal year's target for new money is \$100 million. Subsequent annual goals are \$150 million and \$200 million.

LOOKING EVERYWHERE

To achieve its goals, BioEnterprise must find opportunities for globally competitive companies from throughout the community as well as abroad. "We have to look for ideas everywhere, not just in the usual places. When you do, you'll be surprised by what you find," says Mr. Shah. Part of that exploration includes working with MWV Pinnacle Fund, ShoreBank, the Supplier Diversity Initiative and the Urban League to find minority-owned or operated businesses that are currently in the bioscience market or interested in entering the market. This network will help extend the benefits of being a "major league" bioscience center more deeply throughout the region.

JUMPSTART is growing bright ideas into brilliant companies. Officially launched in 2004, JumpStart, as its name suggests, got off to a quick start by investing in five companies and providing business assistance services to dozens more. “The Fund’s commitment to JumpStart provided a compelling signal to the federal government that they should do the same,” says Ray Leach, chief executive officer of JumpStart. Congress has earmarked \$735,000 for JumpStart and additional federal support is expected in the future. JumpStart is chaired by Lon Schneeberger of OM Group.

ABUNDANT OPPORTUNITIES

“There are a lot more early stage companies and opportunities in Northeast Ohio than we ever imagined,” Mr. Leach said. Those opportunities extend throughout the region—which Mr. Leach and his team are getting quite familiar with through their frequent meetings with entrepreneurs and business leaders in each of the 15 counties served by JumpStart.

Companies funded in 2004 by JumpStart:

- Ayalogic Inc. is an Akron-based developer of a highly secure instant voice messaging/voice-mail system that transmits messages over both computer and phone networks.
- Day-Day, Ltd. has developed a patent-pending product that provides advertising for games of chance.
- Embrace Pet Insurance is a provider of pet health insurance policies.
- PreEmptive Solutions Inc. in Euclid is a developer of software “obfuscation” and size reduction products designed to help businesses secure their intellectual property assets.
- Stanton Advanced Ceramics has developed a patent-pending technology for producing thermally shock-resistant high temperature ceramic matrix composites.

NORTECH, a coalition of businesses, universities, research institutions and others committed to fostering region-wide, technology-driven economic development, played an integral role in the creation of two of the Fund’s grantees, JumpStart and BioEnterprise. The coalition, led by Chairman Les Vinney of Steris Corporation and Executive Director Dorothy Baunach, is developing an overall technology strategy for the region. With the Fund’s strong encouragement, a key element of NorTech’s strategy is making sure technology is used to elevate the lives of the disadvantaged living in our urban centers. NorTech hired Paula Farrell, formerly an executive with the Greater Cleveland Roundtable, to develop a strategy that will make Northeast Ohio a leader in digital inclu-

sion rather than the “digital divide.” NorTech plans to use a scenario-based process to develop the regional technology strategy. This approach is inclusive by design, bringing together representatives from all segments of the community to develop a common understanding of the issues at hand and craft a response that will adapt with the changing region.

TURNING ONECLEVELAND INTO ONE NEO

NorTech provided essential financial help to the formation of OneCleveland, which has gained national and international attention for its efforts to connect the community to its ultra broadband network. OneCleveland’s mission is to foster the creation of new businesses and economic opportunities by enabling the next generation of information technology applications and services for educational, healthcare, governmental, non-profit and arts organizations. NorTech has helped OneCleveland gain regional support for extending its network and services throughout the region so it can become OneNEO. “OneNEO can be the infrastructure that connects the region more than anything else,” Ms. Baunach says.

TEAM NEO is bringing cohesion to Northeast Ohio’s business retention, expansion and growth efforts. By offering the region – not individual communities – to businesses eager to grow or relocate, Team NEO is able to offer more options. “What the customer gets is a multitude of choices and a more holistic approach,” says Bob Farley, president of Team NEO. In 2004, Team NEO focused on meeting with 150 of the region’s largest employers. The organization helped three large employers locate or significantly expand in Northeast Ohio in 2004: Marine Mechanical, Aleris and Sky Bank. Team NEO is targeting a much more ambitious workload ahead. “We’ll more than double the number of project closes in 2005,” Farley said. Team NEO is chaired by Yank Heisler of KeyCorp.

MANUFACTURING CORE COMMUNITIES

The economic future of Northeast Ohio is directly linked to the health and vitality of its core urban centers. Despite the exodus of thousands of manufacturing jobs from Northeast Ohio, Team NEO recognizes the importance of this sector as the lifeblood of those communities. “When we reviewed the manufacturing sector we were struck by how much of it is still in the core communities,” Mr. Farley said. Team NEO in 2005 will launch an initiative designed to help manufacturers develop new products, enter new markets and expand their operations and employment within the region’s core communities. “The strategy is a nice mix of social equity and smart growth,” Mr. Farley said.

GAINING MOMENTUM

DIVERSITY / INCLUSION

One of the core principles underlying the Fund is that the region's diversity is a critical part of Northeast Ohio's identity and one of its greatest latent assets.

If the region thoughtfully explores its diversity and builds its economic agenda around the many perspectives represented within its population, Northeast Ohio can gain a decided competitive advantage in the global marketplace. If, on the other hand, the region does not undertake economic development and regional planning with a deliberate focus on the needs of its diverse population, its diversity could become a liability, posing a long-term threat to the sustainability of any short-term progress.

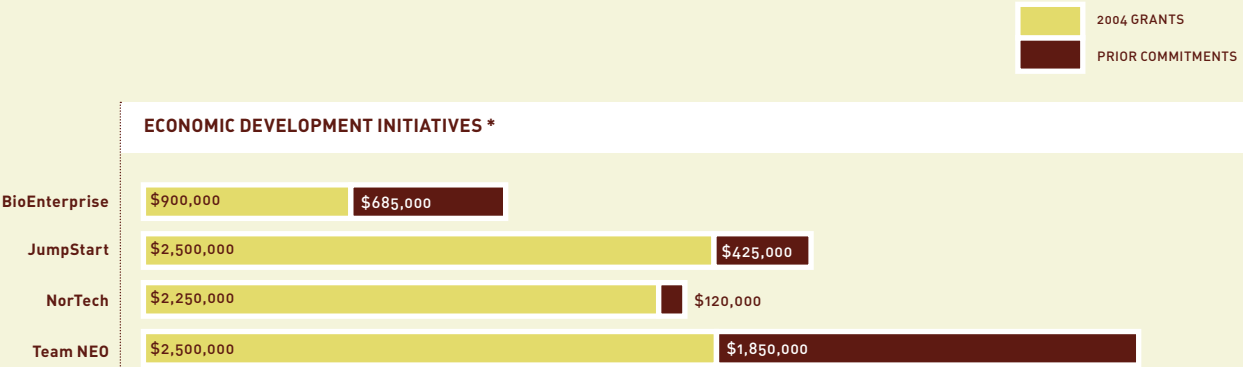
We the Region must make sure no group is left behind at the station after Northeast Ohio's economic train begins accelerating again because long-term regional prosperity is directly linked to reducing poverty and inequality. "The diversity of Northeast Ohio's population is a critical strength and leverage point that, if harnessed properly, could prove integral to economic growth and prosperity in our region," said Randell McShepard, director of community affairs for RPM International Inc. and chairman of the Fund's Diversity Committee.

For this reason, the Fund incorporates diversity and inclusion into both the content of its work and the process for completing the work.

Diversity and inclusion play a key role in each of the Fund's three main goals.

- We will actively engage minority, underserved and disenfranchised groups in our civic engagement activities.
- Our system of measures, known as the "Dashboard of Regional Economic Indicators," will assess the region's success in creating opportunities that are accessible and meaningful to all segments of the population.
- As a matter of policy, we require all potential grantee organizations to present a substantive plan outlining their strategies for serving diverse constituencies and under-represented populations. The Fund reserves the right to deny funding for any organization that fails to produce or, in later funding stages, deliver on substantive, actionable diversity plans.

The Fund also is making a concerted effort to ensure that minority perspectives are shared at the Funders' Committee level and shape the Fund's activities. After holding several community discussions in Lorain, Summit, Stark, Wayne and Cuyahoga counties with minority groups in 2004, in November the Fund hosted a regional Minority Forum. The forum explored issues of race and regionalism and also provided an opportunity for the Fund's grantees and other leading minority economic development entities to share their plans. Similar meetings and other efforts will be made to allow the Fund to capture the ideas and support of important minority communities in its decision-making process.



*Includes grants made in late 2003 by individual foundations to the organizations during formative stages of the Fund.

Total for economic development initiatives grants: \$11,230,000.

OTHER GRANTS

ECONOMIC DASHBOARD PROJECT	
W.E Upjohn Institute for Employment Research	\$ 100,000
Universities Collaborative	\$ 100,000
CIVIC ENGAGEMENT PLANNING	
America Speaks	\$ 35,000
FUND PERFORMANCE EVALUATION	
Mt. Auburn Associates	\$ 275,000
TOTAL FOR OTHER GRANTS	\$ 510,000

Fund grants are awarded by the Funders’ Committee following review by due diligence committees made up of members of the Fund’s loaned staff and industry experts.

The Fund has raised \$27.54 million of its \$30 million 3-year goal.

MEMBERS OF THE FUND FOR OUR ECONOMIC FUTURE

The 1525 Foundation, Cleveland**The Abington Foundation, Cleveland****Akron Community Foundation, Akron****Ashland County Partnership For Our Economic Future, Ashland****BP Fund of The Cleveland Foundation, Cleveland**

The Brentwood Foundation, Medina

Brian A. Bass Charitable Fund, Avon Lake

Burton D. Morgan Foundation, Akron**The Catholic Diocese of Cleveland Foundation, Cleveland****The Cleveland Foundation, Cleveland****Community Foundation of Greater Lorain, Lorain**D. Robert and Kathleen L. Barber Fund
of The Cleveland Foundation, Cleveland**David and Inez Myers Foundation, Cleveland****Deaconess Community Foundation, Cleveland****Elizabeth Ring Mather and William Gwinn Mather Fund, Cleveland****Eva L. and Joseph M. Bruening Foundation, Cleveland****The FAC Group, Cleveland****FirstEnergy Foundation, Akron**

Forest City Enterprises Charitable Foundation, Inc., Cleveland

Frances G. and Lewis Allen Davies Endowment Fund
of The Cleveland Foundation, Cleveland**Frances G. Shoolroy Donor Advised Fund, Wayne****Fred A. Lennon Charitable Trust, Cleveland****Frederick W. and Janet P. Dorn Foundation, Cleveland****The GAR Foundation, Akron****Generation Foundation, Cleveland****The George Gund Foundation, Cleveland****The George W. Codrington Charitable Foundation, Cleveland****Greater Cleveland Partnership, Cleveland****The Greater Wayne County Foundation, Inc., Wooster**

Gross Builders, Cleveland

Jane and Jon Outcalt Foundation, Cleveland**The John Huntington Fund for Education, Cleveland****John P. Murphy Foundation, Cleveland**

The Murphy Family Foundation, Beachwood

John S. and James L. Knight Foundation, Akron/Miami, Fla.

Katherine and Lee Chilcote Foundation, Cleveland

Kelvin and Eleanor Smith Foundation, Cleveland

Kulas Foundation, Cleveland

Lloyd L. and Louise K. Smith Memorial Foundation, Akron

Mandorel Fund of The Cleveland Foundation, Cleveland

Bold indicates members of the Funders' Committee.

*Denotes individuals that also serve on the Fund's Executive Committee.

FUNDERS' COMMITTEE REPRESENTATIVE

Phillip Ranney***Allen Ford****Jody Bacon****Martin Irvine****Tim Mueller****Deborah Hoover****Anthony Lang/Donna Kelly Rego****Ronald B. Richard*****Brian Frederick****Mort Epstein****Deborah Vesey****Lucy Weller/Jamie Ireland****Doug Bannerman****Amy Morgenstern*****Mary Beth Carroll****Adam Briggs****Chris Hitchcock****Robert Dorn****Robert Briggs*****Glenn Brown****David Abbott*****William Seelbach****Keith Ashmus/Joseph Roman*****Lud Huck/Richard Seaman****Ken Outcalt****Peter Adams/Ann Pinkerton Ranney****Allan Zambie****Jim Crutchfield/Vivian Neal*****William B. LaPlace/Ellen Stirn Mavec***

MEMBERS OF THE FUND FOR OUR ECONOMIC FUTURE

Meisel Family Foundation, Cleveland

Michael J. Horvitz, Cleveland

The Mt. Sinai Health Care Foundation, Cleveland**The Nord Family Foundation, Amherst**

The Norton Family Foundation, Lorain

Northern Ohio Golf Charities Foundation, Akron**Ohio Savings Charitable Fund, Cleveland**

Ralph and Esther Warburton Foundation, North Canton

RPM International Inc., Corporate Giving Program, Medina**Saint Luke's Foundation, Cleveland****The Sherwick Fund, Cleveland****The Sisters of Charity Canton, Canton****The Sisters of Charity Cleveland, Cleveland****Stark Community Foundation, Canton****The Stocker Foundation, Lorain****Susan and John Turben Foundation, Beachwood**

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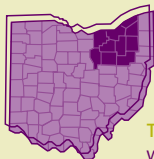
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