

2015

ANNUAL REPORT
& NETWORK MAP

“IF YOU
WANT TO
GO FAST,
GO
ALONE...”

IF YOU WANT
TO GO FAR,
GO TOGETHER.”

African Proverb

HOW ARE WE BETTER TOGETHER?

Dear friends of the Fund for Our Economic Future,

In 2015—the final year of our fourth three-year phase of work—our members spent much time reflecting on our efforts and assessing how best to build on our past successes to advance both Growth & Opportunity in the next three years of our work and beyond. The overarching conclusions that cut across this review were: (1) Philanthropy's role in transforming our region's economy is more important than ever; and (2) we are all in this together. Indeed, "We are better together" became our mantra.

How exactly are we better together? Since our inception, we have known there was something special about our collaboration, and we've prided ourselves on being more than just a piggy bank. During our strategic assessment of 2015, our members took time to distill our Fund's distinctive "know-how" that we've honed over the last decade plus. This know-how gives us a strategic advantage in our work going forward.



Brad Whitehead



Brian R. Frederick

○ We know how to build and leverage our networks.

Our members and their boards constitute one of the most robust civic leadership networks in Northeast Ohio, a network that crosses sector and geographic boundaries (as you can see from the map on the other side).

○ We know how to understand and prioritize complex economic issues.

We have invested significantly in understanding "What Matters" and what works for long-term economic competitiveness. Our applied knowledge is used to raise important issues, inform better choices, and move the community toward action.

○ We know how to build and support collaborations.

Our Fund has championed collaboration since our inception. We have deep, practical experience building, managing and supporting effective collaborations at all phases of their lifecycles, perhaps more so than any other group in the region.

○ We know how to foster effective new initiatives.

Drawing upon the expertise, commitment and energy of our members, we have proactively attracted and shaped new initiatives to effectively advance our region's economic competitiveness.

○ We know how to leverage financial resources.

We have efficiently and effectively leveraged \$100 million of direct philanthropic resources—and much more in aligned support—for our priorities.

In this report, we celebrate our successes of 2015 and the last three years of our work overall, using our know-how as a guiding frame. Before diving in, we encourage you to take a look at the map on the other side of this report, which, we hope, will serve as a valuable resource for years to come. Leveraging our member network greatly enhances our ability to drive change. That is the power of the Fund; that is how we are better together.

Ever onward,

Brad Whitehead
President | Fund for Our Economic Future

Brian R. Frederick
President & CEO | Community Foundation of Lorain County
Chair | Fund for Our Economic Future

QUICK FACTS ON OUR FUND

Who We Are

The Fund for Our Economic Future is an alliance of funders—foundations, corporations, universities, health care systems, business and civic associations, government entities, individuals—that pool their resources and collective know-how to advance economic growth and increase access to opportunity for all people of Northeast Ohio.

What We Do

Everything we do is designed to advance both economic growth and increased access to opportunity for the people Northeast Ohio—an approach we call Growth & Opportunity. We work to build shared community commitment to Growth & Opportunity, advance a regional economic competitiveness strategy that results in Growth & Opportunity, and shape and support Growth & Opportunity initiatives that lead to improved job creation, job preparation and job access.

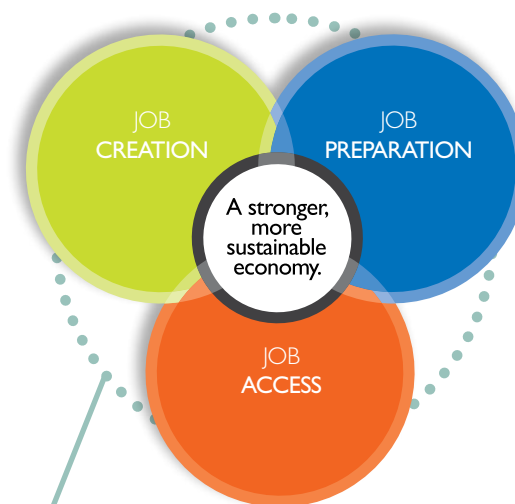
How We Do It

Together, our members collaborate to shape, measure and evaluate our work. Together, our members work to diagnose and address the underlying causes of our region's economic maladies, and seize opportunities to create the kind of changes that are sustainable and can produce maximum impact within the region. To do that, we think, plan and act regionally, while acknowledging the strength of our local communities' assets. We help to better connect those assets to the regional economy.

Our Value Proposition

Our members recognize that a strong economy is integral to each of their missions—no matter how diverse they are—and that sustained, collaborative action leads to positive outcomes for them as institutions and individuals. Through our Fund, members enhance their ability to achieve their missions; leverage their resources, both human and financial; and benefit from the experience and knowledge of their peers—our Fund "brain trust"—to guide their collaborative decision-making.

A THREE-TIERED APPROACH TO GROWTH & OPPORTUNITY



○ Job Creation

Build on distinct regional assets in order to create and retain good jobs with long-term payoffs for people of all skill levels.

○ Job Preparation

Prepare residents for current and future jobs through systems reform that promotes coordinated, employer-connected and sector-focused education and training.

○ Job Access

Strengthen connectivity between people and jobs by breaking down spatial and social barriers to job access; promote sustainable growth patterns that enable improved access to jobs in the future.

The Fund for Our Economic Future knows networks. Not only is the Fund an influential network in its own right—one that helps each of our member organizations do better—we know how to build and leverage interconnected groups of people to get things done. To achieve economic transformation, we know we need to think, plan and act regionally, while acknowledging the strength of our local communities' assets. We help to better connect those assets to the regional economy. What does this look like in practice?

In 2013-2015, we worked with members in several communities to embed Growth & Opportunity in their own local strategies and connect them to the regional economy. One such effort was our Growth & Opportunity work in Akron, which was supported by a \$2 million award from the John S. and James L. Knight Foundation and guided by our Summit County members and others. This team worked with community stakeholders to identify and advance the following three priorities:

- Strengthen the performance of the talent development system in Summit County.
- Support and sustain a vibrant entrepreneurial culture and climate in Akron.
- Maximize the Greater Akron outcomes generated by our regional job creation strategies.

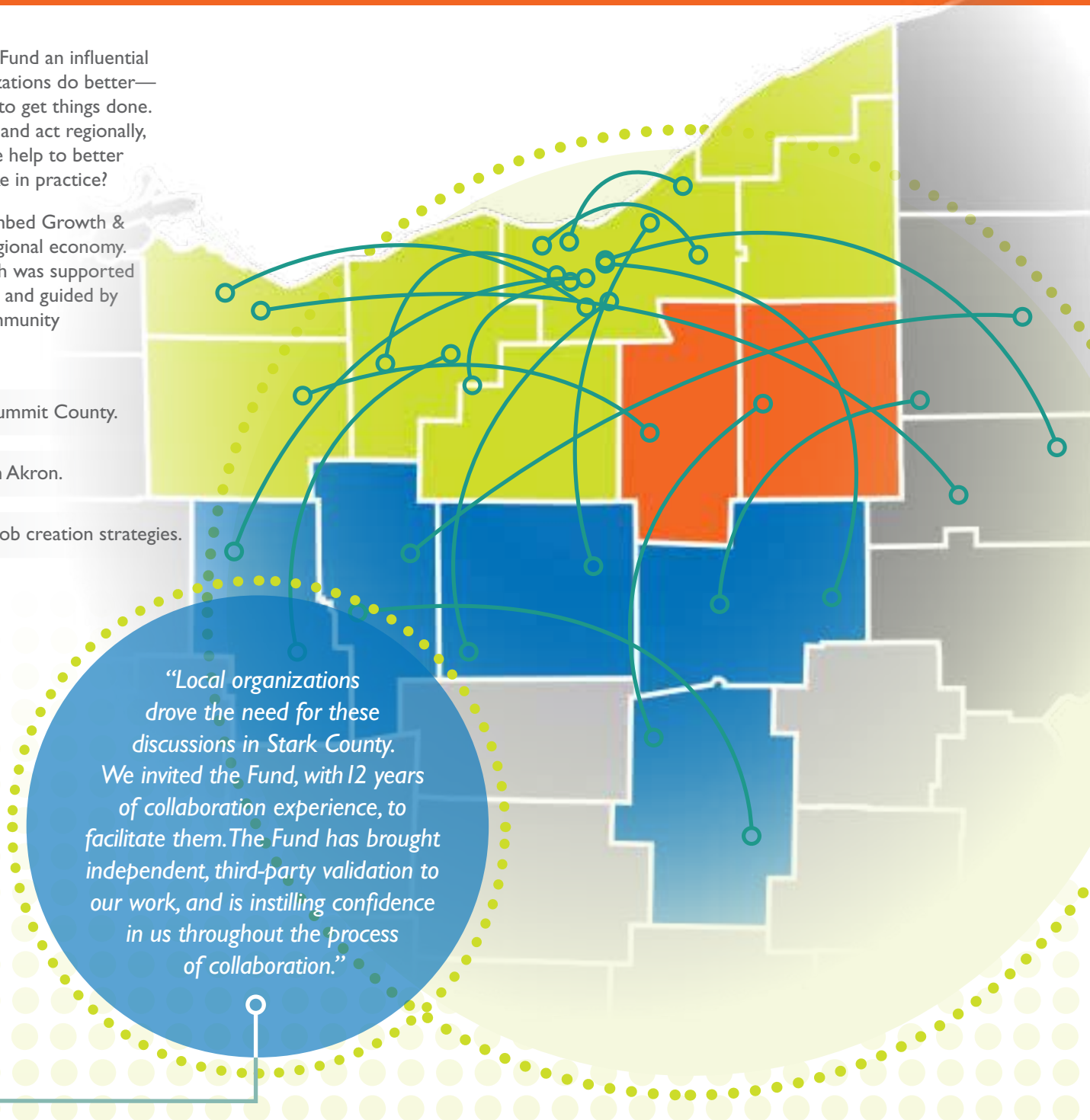
The fruits of this labor can be seen in the redesign of Summit Workforce Solutions, now called Conexus, which is coordinating cross-sector job preparation efforts in Summit County.

The work in Akron is having an impact in other communities. For example, in Stark County, at the direction of the Canton Regional Chamber of Commerce, a small group of civic leaders, including Fund member Stark Community Foundation, have come together and are beginning a dialogue around how to advance Growth & Opportunity in that community, with facilitation help from the Fund.

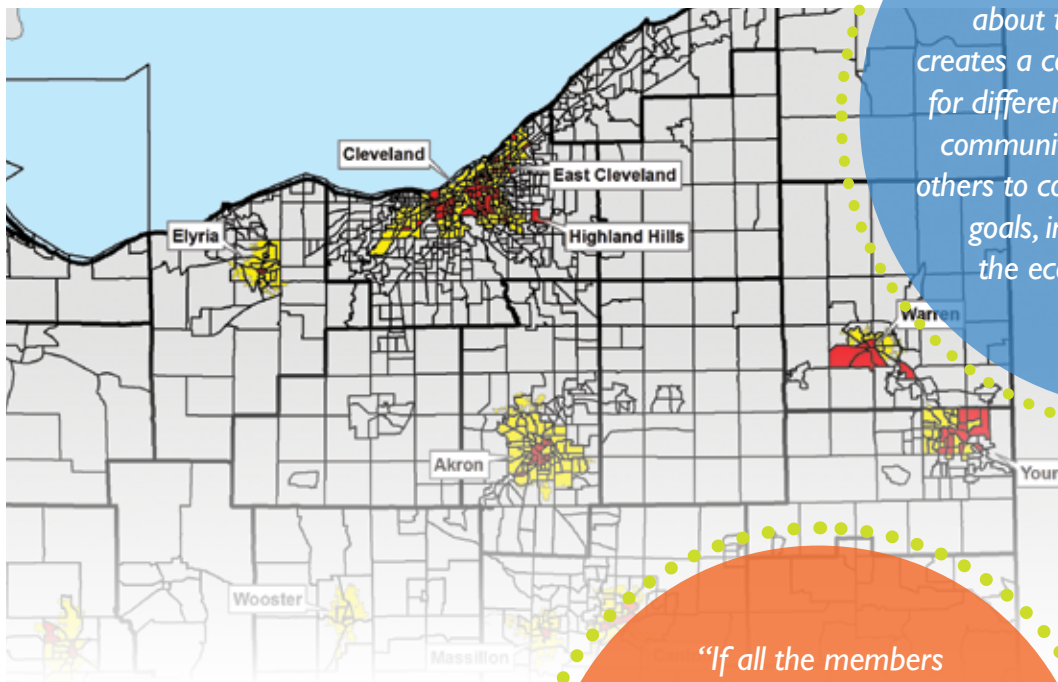


Mark J. Samolczyk
President
Stark Community Foundation

"Local organizations drove the need for these discussions in Stark County. We invited the Fund, with 12 years of collaboration experience, to facilitate them. The Fund has brought independent, third-party validation to our work, and is instilling confidence in us throughout the process of collaboration."



2013–2015 SUCCESS: UNDERSTANDING & PRIORITIZING COMPLEX ECONOMIC ISSUES



“The exciting part about the Fund is the way it creates a common convening ground for different entities in the business community, higher education and others to come together for common goals, in this case to improve the economic vitality of our great region.”

intermediaries, community development corporations) to link more fully to regional economic growth strategies. The approach specifically calls for our Fund and our community to better align strategies to advance job creation, job preparation and job access. It also calls for our region to pay particular attention to connecting residents and businesses in economically distressed areas—which are found in both urban and rural communities—to the regional economy. Now, and going forward, everything we do is designed to result in both Growth & Opportunity.

Certainly, our Fund has always been committed to the well-being of all people as we worked toward regional economic transformation. But through this G&O framework, we refined and reinforced this commitment. G&O stems from our “What Matters to Metros” economic research released in 2013. This analysis of 115 mid-size metros indicated that job growth alone would not lead to economic prosperity and that economic polarization threatened our nascent recovery. We then researched how regions like Northeast Ohio might address this threat. “Growth & Opportunity: A Framework for Stronger, More Equitable Local and Regional Economies,” released in mid-2014, made the case that economies are stronger and more sustainable when more people participate in and benefit from the growth, and introduced the three-fold job creation, job preparation and job access framework that now underpins all we do. In late 2014, we subsequently released a “Call to Action” to illustrate and encourage smart, cross-sector, collaborative strategies to create good jobs, prepare our workforce for the jobs of today and tomorrow, and better connect jobs and workers.

In 2015, we put a spotlight on the job access piece of the G&O framework—which we believe is the most important issue no one is talking about—releasing a study on where jobs are in Northeast Ohio and who has access to them. “The Geography of Jobs” report showed that a long-entrenched pattern of sprawl has reduced all residents’ access to jobs in Northeast Ohio, and that this trend most acutely affects those in economically distressed areas. Our efforts to elevate job access as a civic priority are starting to gain traction. We will continue to lift up this issue over the next few years.

“If all the members of the Fund were trying to tackle economic competitiveness alone, some of them wouldn’t even devote resources to this issue, and it would be much more fragmented and less efficient. By doing it together ... we have much greater impact.”

Perhaps the biggest headline from our work in 2013-2015 was our adoption of the Growth & Opportunity (G&O) framework, a three-fold approach to driving economic growth and equitable access to opportunity for all people of Northeast Ohio through job creation, job preparation and job access strategies.

At its core, G&O calls for civic leaders in traditional “growth” organizations (e.g., economic developers, chambers of commerce) to build equitable access to opportunity into their strategies, and for traditional “opportunity” organizations (e.g., social service/workforce



Adam Briggs
Trustee
Frances Shoolroy Charitable Fund



Dr. Jay A. Gershen
President
Northeast Ohio Medical University

2013–2015 SUCCESS: BUILDING & SUPPORTING COLLABORATIONS

In 2013-2015, we advanced a regional economic competitiveness strategy alongside our business community partners. Achieving regional alignment has always been the “Holy Grail” of our work. We have known since our Fund’s inception that to truly be effective in bringing about economic transformation, we’d need full support from and alignment with the organized business community. We are making progress toward this goal through a partnership with business leaders and JobsOhio in a newly-formed organization called Team NEO. Our Fund is a co-creator and co-owner of the new Team NEO, which has two primary roles:

**Team
neo**

To align, support and track performance of the business development network; and

To be the table around which business and philanthropy sit to align resources, advance an overarching cross-sector economic competitiveness strategy, and set and track goals.

Five representatives of our Fund serve on the Team NEO board: Deborah D. Hoover of the Burton D. Morgan Foundation, William R. Seelbach of The George W. Codrington Charitable Foundation, David T. Abbott of The George Gund Foundation, Mark Samolczyk of the Stark Community Foundation, and Dr. Alex Johnson of Cuyahoga Community College. And our President Brad Whitehead serves as a special director. This group brings experience with the regional strategy process and strong civic leadership.

Our Fund continues to believe that regional alignment will enable us to leverage our efforts of the past decade and maximize our impact in the next decade and beyond. Our Fund’s partnership with the organized business community through Team NEO is so important to get right that we’ve built it directly into our strategic direction for the next three years. Now, more than ever, our members must exercise leadership in seeing that the partnership lives up to its promise.

“I can’t think of anybody who does collaboration better than our Fund. We’ve attained a national reputation for that work, and I’m really proud of that.”



Deborah D. Hoover
President & CEO
Burton D. Morgan Foundation

“Too often when we’re trying to attack a big issue we start from scratch. We’re not leveraging the experience, the perspective, the understanding that others have. The Fund is a shortcut to getting greater impact and better results because in most cases somebody in the room has been there and done that, and by putting two of those somebodies together, we get there a lot faster.”



Steve Millard
President & Executive Director
Council of Smaller Enterprises (COSE)

2013–2015 SUCCESS: FOSTERING EFFECTIVE NEW INITIATIVES

Over the years, our Fund has become adept at developing initiatives to advance our region's economic competitiveness. We like to think of ourselves as organized philanthropy's "R&D" department, where innovative ideas gain life and are tested. The lessons learned are then reported and spread through our networks across the region and beyond. In particular, we are fostering new initiatives that support the development of a job preparation ecosystem, building on what we have learned through our long-term efforts to lift up the region's entrepreneurial ecosystem.



Anne Goodman
President & CEO
Saint Luke's Foundation

In 2013-2015, we supported two demonstration projects to test and evaluate best practice interventions in job preparation. The first of these is WorkAdvance, a national pilot with two of four sites in Northeast Ohio. In our region, WorkAdvance is targeting the health care and manufacturing sectors. It is designed to show that an integrated delivery of workforce services tied to in-demand jobs with advancement potential can improve outcomes for individuals and employers, at the same or lower cost as the existing workforce system. WorkAdvance lessons are already informing job preparation reform across the region, including efforts in Summit and Medina Counties.

The success of WorkAdvance attracted another promising pilot to our region. TalentNEO is designed to show that employers using skills scores in their hiring process can uncover hidden talent and increase their applicant pool, improve retention rates and reduce costs. This skills-based approach to hiring could also increase access to employment for candidates with the required skills, but not necessarily traditional education credentials. Implementation has begun in the manufacturing and IT sectors in Cuyahoga and Summit Counties, with other sectors and locations to potentially follow. Our Fund's grantee partner Towards Employment, along with Summit County lead Conexus (formerly Summit Workforce Solutions), is helping to support a network of nonprofits, employers, training sites, education institutions, and others to ensure the pilot's success. Our Fund has been able to leverage its own support of the pilot by attracting the additional support of many local and national funders. Through implementation, we seek to understand whether the use of skills scores can provide more effective matching of job seekers to employment, and have the potential to improve system practices.

"There's no question that when this group of funders comes together—and not just people who've pooled their money, but really smart community leaders—we can offer ideas and resources and do it in a more streamlined, effective and educated manner."

"It would be hard to think of an opportunity or a challenge that we are facing that we can solve on our own without collaboration with others."



Rob Hilton
President & CEO
The McGregor Foundation

TalentNEO



2013–2015 SUCCESS: LEVERAGING FINANCIAL RESOURCES

Our Fund raised a total of \$14.4 million to support our work in 2013-2015. We were also successful in attracting additional funding for our priorities from members, local and national funders, and others. In 2013-2015, our Fund used our resources to advance Growth & Opportunity in the following ways:

Job Creation

To create good jobs, we supported efforts to grow biosciences and other targeted industry clusters, including additive manufacturing; promote entrepreneurship networks and outcomes; support existing high-growth potential companies through innovation; and strengthen business development (business attraction, retention and expansion) networks and outcomes. We also advanced a regional economic competitiveness strategy to bring more jobs and opportunities to our region.



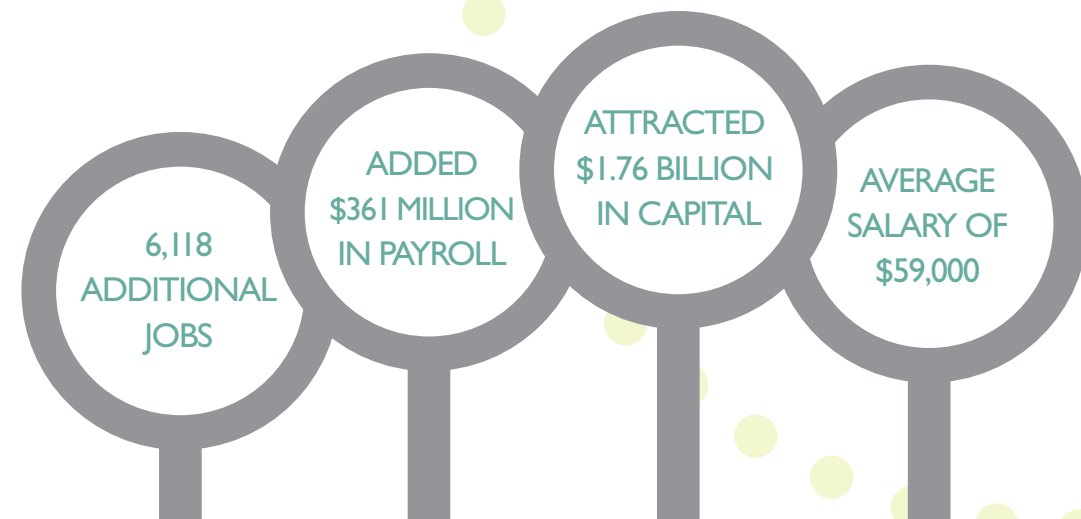
Job Preparation

To prepare our residents for current and future jobs, we supported efforts to strengthen the service delivery ecosystem for adult workforce through the WorkAdvance pilot. We also worked with a multi-sector group of stakeholders led by Summit County Executive Russ Pry to design and implement an industry-focused, demand-driven talent system in Summit County. And we provided philanthropic “R&D” to test new workforce system practices through the TalentNEO pilot, and supported efforts to increase apprenticeship opportunities.



Job Access

To better connect people and jobs, we championed—through research, communications and engagement—the need for sustainable growth patterns and improved access to jobs in the future. We supported an effort to identify abandoned properties and development opportunities in Summit County through a systematic property survey. And we promoted the development of an economic growth strategy for Cleveland’s Opportunity Corridor to bring good jobs to people in economically distressed communities. Additionally, we continue to explore next steps for implementing the recommendations of Vibrant NEO 2040, a guidebook for a sustainable Northeast Ohio.



**EXCEEDED OUR PAYROLL
AND CAPITAL GOALS**

2013-2015 RESULTS

In 2013-2015, our job creation grantees generated 6,118 additional jobs (76 percent of our goal), added \$361 million in payroll (120 percent of our goal), and attracted \$1.76 billion in capital (117 percent of our goal). The jobs added over this three-year period continue to be high-paying jobs, with an average annual salary of about \$59,000,

compared to a regional average of just over \$47,000.

Since our founding in 2004, our efforts have helped retain or create more than 18,500 jobs, add nearly \$760 million in payroll and attract just over \$4 billion in capital to Northeast Ohio.

LOOKING AHEAD: 2016-2018 STRATEGIC DIRECTION

Over the last dozen years, our members have learned to build and leverage networks; understand and prioritize complex economic issues; build and support collaborations; foster effective new initiatives; and leverage financial resources to mobilize and align funding, measure and evaluate our effectiveness, and promote financial sustainability. With this “know-how” in mind, our members have approved a strategic direction for 2016-2018 that centers on three inter-related objectives and underlying strategies that we believe will advance Growth & Opportunity.

We will promote shared civic understanding of Growth & Opportunity principles and their adoption into the strategies of key stakeholders. How? Together, we will sponsor targeted research on “What Matters” and what works; serve as a forum for Fund member learning; and engage with key civic leaders, encouraging them to embed Growth & Opportunity into their own strategies.

We will advance a regional economic competitiveness strategy that results in Growth & Opportunity. How? Together, we’ll coordinate philanthropic input to our partnership with the business community in Team NEO; act as full leadership partner with business members of Team NEO, working with board and staff to set priorities, mobilize resources, establish metrics, track performance, and make course corrections; and support Team NEO’s efforts to strengthen business development networks and outcomes.

We will shape and support Growth & Opportunity initiatives that lead to improved job creation, job preparation and job access. How? Together, we’ll build on our past job creation successes, supporting initiatives that grow biosciences and other industry clusters; promote entrepreneurship; accelerate companies; and strengthen the business development network. We’ll support networks that strengthen the service delivery ecosystem for adult workforce, foster industry-focused talent initiatives, and provide philanthropic “R&D” to test new workforce system practices. We’ll champion initiatives that bring good jobs to people in economically distressed communities and enhance connections of people to jobs; and support regional efforts to address social barriers to job access.

As 2016 unfolds, we certainly have our work cut out for us. But an undeniable synergy pulsates through our Fund. Truly, we are better together as we advance Growth & Opportunity in ways that can transform the Northeast Ohio economy.



Deborah Vespy
President & CEO
Deaconess Foundation

“Joining the Fund is not about pushing our own agenda, it’s really about working together toward shared goals.”

“The Fund member experience is really what you make it; The Fund provides ample opportunities for learning and connecting with those across Northeast Ohio who share a similar vision for a great community. At the Wean Foundation, we are putting those connections, particularly as they relate to workforce development, to good use in the Mahoning Valley.”

EXECUTIVE COMMITTEE & STAFF

EXECUTIVE COMMITTEE

Brian Frederick | Community Foundation of Lorain County – **Chair**
Christine Mayer | GAR Foundation – **Vice Chair**
Mark J. Samolczyk | Stark Community Foundation – **Vice Chair**
William R. Seelbach | The George W. Codrington Charitable Foundation – **Vice Chair**
William LaPlace | The Kelvin and Eleanor Smith Foundation – **Treasurer**
Tom Wagner | Eva L. and Joseph M. Bruening Foundation – **Secretary**
Brad Whitehead | Fund for Our Economic Future – **President**
Robert Jaquay | The George Gund Foundation – **Vice President**

David T. Abbott | The George Gund Foundation
Adam Briggs | Frances Shoolroy Charitable Fund
Anne Goodman | Saint Luke’s Foundation
Deborah D. Hoover | Burton D. Morgan Foundation
Steve Millard | Council of Smaller Enterprises (COSE)
Phillip A. Ranney | The Kent H. Smith Charitable Trust
Kirstin Toth | GAR Foundation
Deborah Vespy | Deaconess Foundation
Byron White | Cleveland State University

FULL-TIME STAFF

Brad Whitehead | President
Bethia Burke | Director of Grantmaking, Evaluation and Emerging Initiatives
Karen Mozenter | Director of Funder Engagement
Chris Thompson | Director of Regional Engagement
Carolyn Cleveland | Manager of Operations
Sara Lepro | Manager of Communications

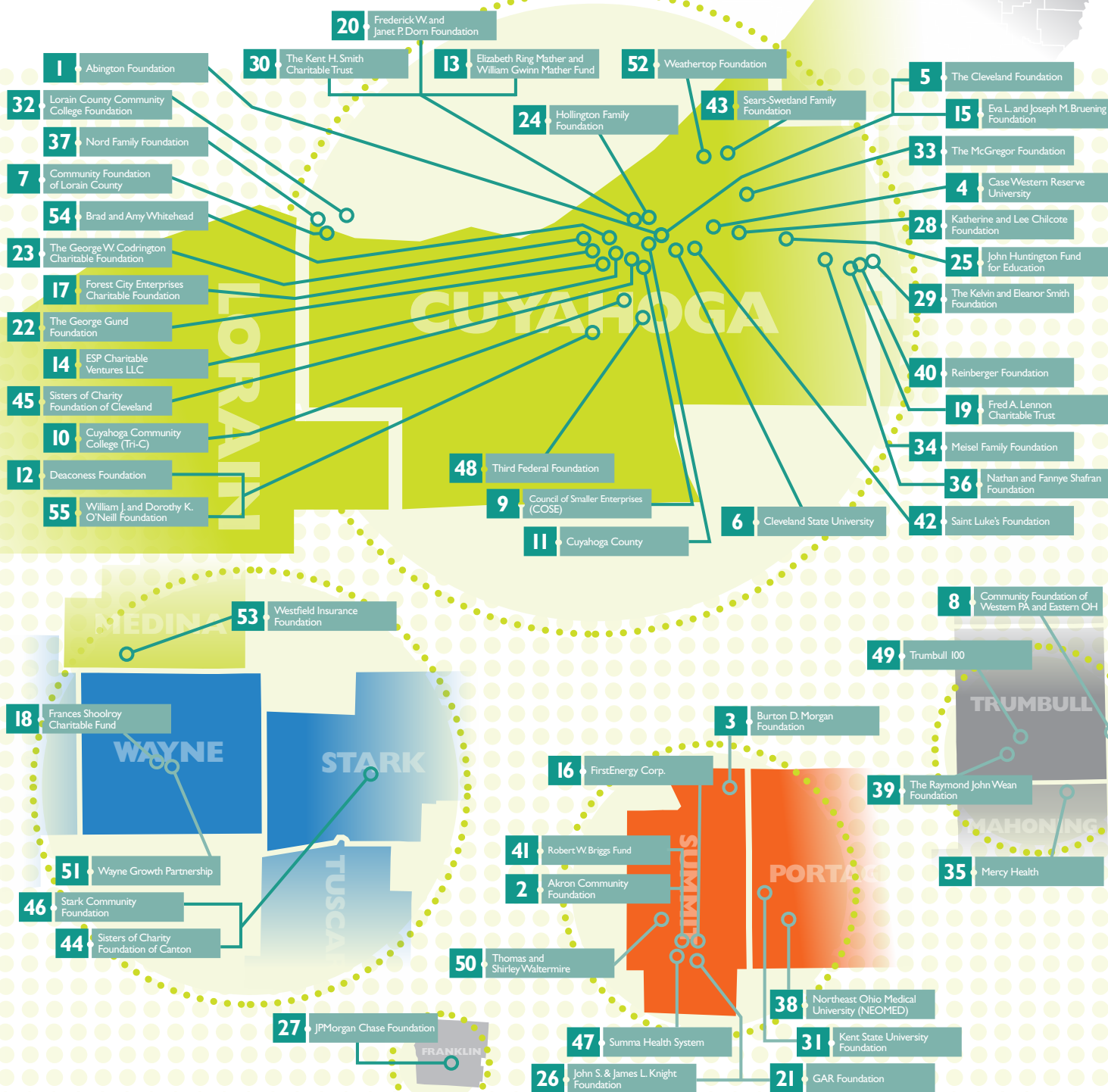


Jennifer Roller
President
The Raymond John Wean Foundation

**FLIP OVER
TO VIEW
NETWORK
MAP!**

2015 MEMBER NETWORK

Our funders and their boards constitute one of the most robust civic leadership networks in Northeast Ohio, a network that crosses sector and geographic boundaries, and extends beyond these organizations to touch many, many more.



Together, we advance our missions.
Together, we enhance our knowledge.
Together, we leverage our impact.

We are better together.



/FundforOurEconomicFuture



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