



Strengthening Northeast Ohio's Economic Competitiveness

**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, including diversity and quality of life. This will be accomplished by convening key stakeholders, tracking overall regional progress and backing key initiatives.**

# Dear Friends of the Fund,

2008 is a year of transition for both the Fund for Our Economic Future and for regionalism in Northeast Ohio. We are confident that the outcome of both transitions will be a stronger, more globally competitive region.

In March 2008, our collaboration underwent its first transition in board leadership since philanthropy united in 2004 to help strengthen our region's economic competitiveness through grantmaking, research and civic engagement. We are proud to jointly share with you our perspective of the Fund's success over the last year and our outlook on the work ahead.

The Fund's grantmaking stoked the fires of economic competitiveness in the region and helped produce such encouraging outcomes in 2007 as:

**I \$46 million in new annual payroll and more than 1,500 new jobs**

**I \$318 million in growth capital raised by the region's most promising companies, more than twice the capital raised in 2006**

**I \$124 million in state investment through the Third Frontier Program**

Northeast Ohio is building exciting new industries, growing new enterprises and attracting new companies that promise a stronger economic future. These successes and many others came despite persistent pressures that challenge the region's economy. Ultimately, the Fund's success will be determined by our ability to help unite the region to ease those pressures and accelerate economic growth. In 2007, we made significant progress by building awareness and support for **Advance Northeast Ohio**, the region's economic action plan.

## **Advance Northeast**

**Ohio** is a set of regional initiatives that is both improving the region's economic competitiveness and building greater loyalty to the region. Increasing support for regional approaches to our challenges is vital, particularly as the Fund's research and civic engagement efforts in the areas of government, education and inclusion transition from the evaluation and development phase to implementation.

In the months ahead, the Fund will work with its partners to build support for regional initiatives to:

**I Connect growing employers to the talent, capital and innovation they need to succeed**

**I Provide all residents, especially those who have been traditionally disadvantaged, access to the educational and economic opportunities that assure lifelong employability**



Rob Briggs



David Abbott

**I Improve the efficiency and effectiveness of government**

Thanks to your ongoing support and participation, we are confident that the Fund will continue to demonstrate to the region that when we collaborate and share we can build a stronger economy and a brighter future for Northeast Ohio.

Warm wishes,

*Rob Briggs*

Rob Briggs  
Chair (2004-March 2008)

*David Abbott*

David Abbott  
Chair



**The Fund for Our  
Economic Future unites  
philanthropy in Northeast  
Ohio to strengthen  
the region's economic  
competitiveness through  
*GRANTMAKING,*  
*RESEARCH* and  
*CIVIC ENGAGEMENT.***

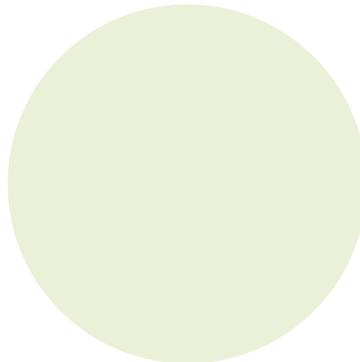
## **Grantmaking Research Civic Engagement**

The Fund for Our Economic Future's grantmaking is targeted in four action areas:

- I Business Growth & Attraction**
- I Talent Development**
- I Growth through Racial & Economic Inclusion**
- I Government Collaboration & Efficiency**

The majority of grants are awarded to regional economic development organizations.

The Fund also awards grants to accelerate the development of regional approaches to Northeast Ohio's economic development priorities.



## Business Growth & Attraction

**TOTAL FUND SUPPORT:  
\$5.3 million**

**MISSION:** Form, recruit, accelerate and grow health care and bioscience companies.

**UPDATE:** In the past 12 months, 36 BioEnterprise companies received investments totaling \$271 million, far exceeding any previous totals and placing Northeast Ohio first among all Midwest regions. The increased flow of quality deals has convinced four national VC firms to open offices in Cleveland and the region's increased vibrancy and national visibility has helped attract five non-Ohio companies to the area. Lastly, the overall bioscience business infrastructure from Cleveland's core to the center of Akron continues to grow across the region.

[www.bioenterprise.com](http://www.bioenterprise.com)

**TOTAL FUND SUPPORT:  
\$6.75 million**

**MISSION:** Accelerate growth of early-stage businesses and ideas into venture-ready companies.

**UPDATE:** JumpStart portfolio companies raised more than \$14 million in follow-on capital since July 2007 – \$33 million since inception – validating their commercialization potential and progress. JumpStart's first Cleveland Angel Fair in November hosted 160 attendees and 12 companies presented their business plans to investors from Northeast Ohio and neighboring states. The 2007 Venture Capital Report for the Cleveland Plus region, a joint effort of JumpStart, BioEnterprise and NorTech, revealed that Northeast Ohio companies raised \$318 million in capital – twice the amount raised in 2006.

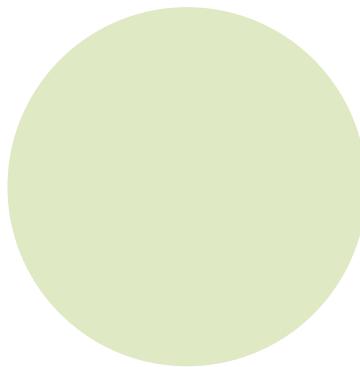
[www.jumpstartinc.org](http://www.jumpstartinc.org)

**TOTAL FUND SUPPORT:  
\$1.7 million**

**MISSION:** Support, educate and champion manufacturing in Northern Ohio.

**UPDATE:** MAGNET partnered with NorTech to launch the Innovation Accelerator, with 125 companies attending the opening event. Additionally, MAGNET's first Competitiveness Challenge, which evaluated projects from 13 companies generating \$28 million in economic impact, named as its winners: McNeil Industries, Astro Manufacturing & Design and MTD Products, Inc. *The Plain Dealer* published a special section highlighting the participants.

[www.magnetwork.org](http://www.magnetwork.org)



---

**TOTAL FUND SUPPORT:  
*\$5.9 million***

**MISSION:** Lead, link and leverage the region's technology and innovation assets to build a globally competitive regional economy.

**UPDATE:** NorTech partnered with MAGNET to launch the Innovation Accelerator to stimulate innovation in small and medium-size manufacturers in Northeast Ohio, with the goal of generating \$5 million in economic impact. NorTech also launched TechLift to provide business advice to growing technology companies in targeted industries. Since mid 2007, TechLift's five signature entrepreneurs-in-residence have provided 200 regional technology entrepreneurs with 2,700 hours of support and services, with expectations to provide 7,000 hours of support in 2008.

[www.nortech.org](http://www.nortech.org)

**TOTAL FUND SUPPORT:  
*\$5.6 million***

**MISSION:** Increase high quality lead flow for companies interested in locating or expanding in Northeast Ohio by marketing the region and providing site selection services.

**UPDATE:** Outperforming its metrics by more than 200 percent in the past year, Team NEO attracted 95 new qualified business investment opportunities and worked on projects that attracted \$46 million in new annual payroll, accounting for more than \$90 million in economic impact region-wide annually. It also launched the Cleveland Plus marketing campaign with regional partners, and developed personal relationships with more than half of targeted site selection consultants.

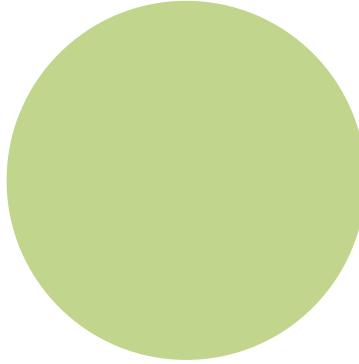
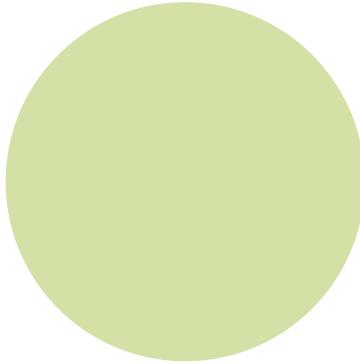
[www.teamneo.org](http://www.teamneo.org)

---

**I Talent Development**

**TOTAL FUND SUPPORT:  
*\$120,000***

The Fund joined with three foundations to invite a diverse group of leaders from throughout the region to re-imagine the education of Northeast Ohio's youth (focusing initially on 15- to 25-year-olds) to prepare them to succeed in the 21st century. The leaders met in February to begin the process of identifying potential initiatives for the region to pursue. The group's aspiration is to create a movement to change the region's culture as it relates to education. The leadership group is scheduled to reconvene in May 2008 to continue its work.



### ***Minority Business ACCELERATOR 2.5+***

#### **Growth through Racial & Economic Inclusion**

TOTAL FUND SUPPORT:  
**\$1 million**

MISSION: Increase the capacity of existing minority-owned enterprises so that they can significantly boost sales and employment.

UPDATE: The Accelerator, officially launched in January 2008, is currently accepting applications from minority companies. Since the launch, it has received high levels of traffic on its Web site and 10 inquiries from minority businesses, of which two signed up and three have high potential to move forward. The Accelerator aims to sign on 10 minority businesses this year.

[www.mbaccelerator2-5.com](http://www.mbaccelerator2-5.com)

#### **Government Collaboration & Efficiency**

### **NEO | SO**

TOTAL FUND SUPPORT:  
**\$1.3+ million**

MISSION: Aggregate the buying power of public sector entities (including municipalities, school districts, counties, special districts, colleges and universities) across the region to achieve best-in-class pricing and improved service levels for products, services and back office functions.

UPDATE: Since January 2007, NEO ISO has nearly doubled to 68 members, who are saving anywhere from 10-30 percent on products and services by utilizing its contracts. NEO ISO is now partnering with several associations including Ohio Foundation of Independent Colleges, whose membership will soon benefit. Along with the association partnerships, NEO ISO also secured a partnership to allow members/associations access to nearly 30 additional contracts by the spring of 2008.

[www.neoso.org](http://www.neoso.org)



#### REGIONAL ECONOMIC REVENUE STUDY



#### COST OF FRAGMENTED GOVERNMENT STUDY

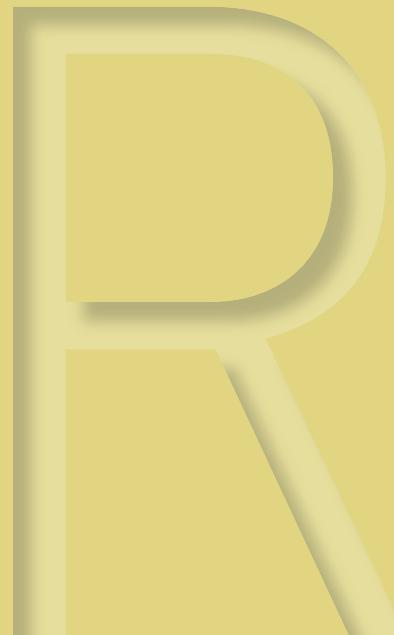
**TOTAL FUND SUPPORT:  
\$90,000**

In partnership with the Northeast Ohio Mayors and City Managers Association, the Fund is supporting an exploration of how the region could implement tax revenue sharing and common land use policies to spur economic development. A task force of government officials from each of the region's 16 counties is examining alternative forms of tax sharing and regional planning. Recommendations are expected in the first half of 2008.

[www.revenuestudy.org](http://www.revenuestudy.org)

**TOTAL FUND SUPPORT:  
\$100,000**

Northeast Ohio is home to more than 500 different (and sometimes competing) governmental entities. The Fund, along with the Youngstown-Warren Regional Chamber, The George Gund Foundation, Greater Cleveland Partnership, Canton Regional Chamber of Commerce and the Samuel H. and Maria Miller Foundation, awarded a grant to the Center for Governmental Research, Inc. of Rochester, N.Y., to help answer the question: What is the economic cost to residents of fragmented government? A final report is scheduled for the second quarter of 2008.



## ***NORTHEAST OHIO ECONOMIC DASHBOARD INDICATORS***



SKILLED WORKFORCE  
AND R&D



BUSINESS DYNAMICS



RACIAL INCLUSION &  
INCOME EQUALITY



TECHNOLOGY  
COMMERCIALIZATION

# Grantmaking Research Civic Engagement

The Fund relies heavily on economic research to guide its efforts to strengthen the region's economic competitiveness. In 2007, the Fund issued the second edition of The Dashboard of Economic Indicators for the Northeast Ohio Economy.

The 2007 Dashboard measured the economic performance of 136 metropolitan statistical areas (MSAs) in the United States and identified nine common growth factors in the metropolitan areas. The Fund is focusing its efforts on improving the region's performance in four of those factors:

## I **Skilled Workforce and R&D**

Measures the quality of a region's labor force and advanced research activities

## I **Technology Commercialization**

Primarily focuses on patents and venture capital in a region

## I **Racial Inclusion & Income Equality**

Measures poverty and racial segregation

## I **Business Dynamics**

Measures the ratio of business openings to closings in a region

### **The Fund identified four important lessons from the Dashboard:**

1. There is no single solution to turning around a \$170 billion economy.
2. The region's past dictates much of its present economic performance, but it doesn't preordain Northeast Ohio's future.
3. Regional economic development efforts need to stay focused on the factors tied to growth, in particular the essential role talent and entrepreneurship play in a knowledge-based economy.

4. Regional goals need to be incorporated into **Advance Northeast Ohio** to boost the region's aspirations and its economic performance.

To help the region's economic development professionals use the Dashboard to guide their efforts, the Fund hosted a regional colloquium in November 2007. More than 200 government and private sector officials participated in the session.

Mark Barbash, chief economic development officer for the Ohio Department of Development, presented the state's economic development strategy at the colloquium.

## **Other Research Projects**

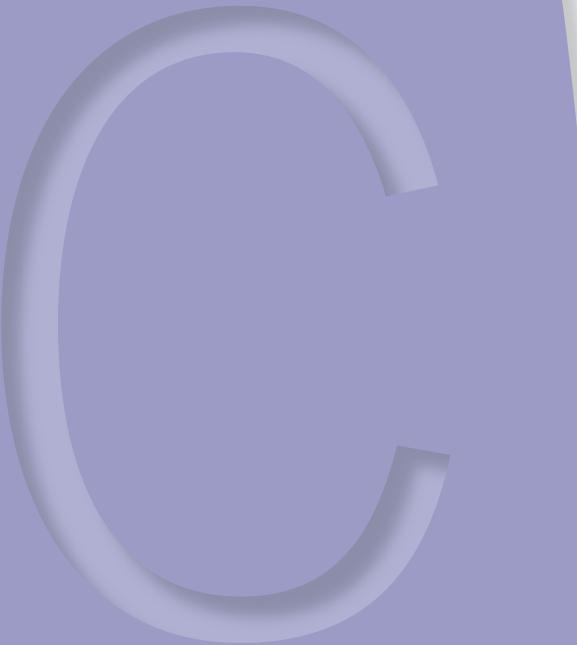
The Fund joined with several other organizations, including the Cleveland Foundation and Cuyahoga County, to support research into the feasibility of installing wind turbines in Lake Erie. The Wind Turbine Feasibility Study



will draw attention to Cleveland as an attractive manufacturing site for wind turbine components for the growing U.S. market, creating new jobs in Northeast Ohio. The study is expected to be completed in 2009.

The Fund sponsored the 2007 Venture Capital Report for the Cleveland Plus region. The report found that investments in Northeast Ohio companies totaled \$318 million in 2007 – twice the dollars invested in 2006.

Research under way in 2008 includes an examination of the effect union activity plays in the economic competitiveness of Northeast Ohio and a public opinion survey of the region's attitudes regarding the state of the economy and the region's future.



# Grantmaking Research Civic Engagement

---

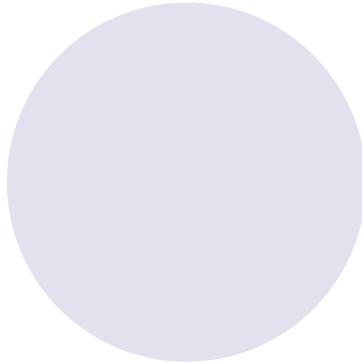
## I Transforming Talent Development

Building awareness and support for the economic action plan, **Advance Northeast Ohio**, is essential to the Fund's mission of strengthening the region's economic competitiveness.

In addition to promoting the overall plan, the Fund helps bring together constituencies from throughout Northeast Ohio to develop regional approaches to specific initiatives of the action plan.

At the direction of Gov. Ted Strickland, Ohio is transitioning its workforce development efforts from a social services orientation to one focused on economic development. The Fund for Our Economic Future embraced that change in philosophy in 2007 and began working with state, regional and local officials to develop a more regional approach to talent development in Northeast Ohio.

Throughout the winter of 2007-08, the Fund helped bring together representatives from the state Department of Development, the region's community colleges and universities, county-based Workforce Investment Boards and many others to evaluate how best Northeast Ohio can



use its talent development resources to meet the needs of growing employers and provide lifelong employability to the region's residents.

Talent development will continue to receive a significant amount of the Fund's attention throughout 2008 as we work to improve the economic competitiveness of Northeast Ohio.

## advancenortheastohio.org

The Fund operates the Web site [advancenortheastohio.org](http://advancenortheastohio.org) to promote hundreds of examples of local and regional efforts under way that address the plan's four action areas:

- I Business Growth & Attraction**
- I Talent Development**
- I Growth through Racial & Economic Inclusion**
- I Government Collaboration & Efficiency**

The Fund also issues a monthly newsletter to more than 8,000 regional leaders and residents.

## Regional Day 2007

On Oct. 30, 2007, Fund Chairman Rob Briggs provided a six-month update on the progress of **Advance Northeast Ohio** to more than 400 regional leaders who participated in the fifth annual Regional Day sponsored by the Northeast Ohio Regional Leadership Taskforce. Members of more than a dozen regional leadership programs heard Rob describe how the region has moved from a "Quiet Crisis" to a "Noisy Renaissance." The "Noisy Renaissance" is distinguished by high-growth companies, increased venture investments and emerging global industries.

Participants in Regional Day also helped shape the region's economic development goals.

## Director of Regional Partnerships

In October 2007, the Fund hired Laura Steinbrink to serve as director of regional partnerships. Laura engages the region's public and private sector leaders to accelerate the development and implementation of the regional initiatives that make up the action plan.

# Phase 2 Fund Participants

Phase 2: March 2007 - March 2010

Funder	Funders Committee Representative
Abington Foundation	Allen Ford
Akron Community Foundation	Jody Bacon
AmTrust Charitable Foundation	David Goldberg/Michael Goldberg
Ashland County Partnership for Our Economic Future	Evan Scurti
Ashtabula County Partnership	Stuart Cordell
Benesch, Friedlander, Coplan & Aronoff LLP - in honor of Kirtland Capital Partners	
Brentwood Foundation	
Brian A. Bass Charitable Fund	
<b>Burton D. Morgan Foundation</b>	<b>Deborah Hoover</b>
Case Western Reserve University	John Wheeler
Catholic Diocese of Cleveland Foundation	Patrick Grace
<b>The Cleveland Foundation</b>	<b>Ronald Richard/Robert Eckardt</b>
Cleveland Clinic Foundation	Oliver Henkel, Jr./Gayle Agahi
Cleveland Indians	Paul J. Dolan
Cleveland State University	Michael Schwartz/Jack Boyle
<b>Community Foundation of Lorain County</b>	<b>Brian Frederick</b>
Community Foundation of Mahoning Valley	Craig Follins
Cuyahoga Community College	Paul Oyaski/Greg Zucca
Board of County Commissioners, Cuyahoga County	Mort Epstein
David and Inez Myers Foundation	Deborah Vesy
Deaconess Community Foundation	
Elizabeth and Ellery Sedgwick Fund of the Cleveland Foundation	Lucy I. Weller/James Ireland III
Elizabeth Ring Mather and William Gwinn Mather Fund	Susan Althans
Eva L. and Joseph M. Bruening Foundation	
<b>Foundation Advisory Council Group</b>	<b>Kim Pesses/Peter Meisel</b>
FirstEnergy	Mary Beth Carroll
Forest City Enterprises Charitable Foundation	Albert Ratner/KC Yasmer
Frances G. and Lewis Allen Davies Endowment Fund of the Cleveland Foundation	
Frances Shoolroy Charitable Fund, a component of the Wayne County Community Foundation	Adam Briggs
Fred A. Lennon Charitable Trust	Chris Hitchcock
Frederick W. and Janet P. Dorn Foundation	
<b>GAR Foundation</b>	<b>Rob Briggs</b>
Generation Foundation	
<b>The George Gund Foundation</b>	<b>David Abbott</b>
George W. Codrington Charitable Foundation	William R. Seelbach
Greater Cleveland Partnership	Joseph Roman/Shana Marbury
Gwendolyn McDay	
Gross Builders	
Harry K. and Emma R. Fox Charitable Foundation	Harold Friedman/Stephen Strayer

<b>Funder</b>	<b>Funders Committee Representative</b>
Huntington Bank	Richard Hull/Brian Matthews
J.M. Smucker Company	Paul Smucker Wagstaff
Jane and Jon Outcalt Foundation	Ken Outcalt
John G. and Karen R. Nestor Fund of the Cleveland Foundation	John and Karen Nestor
John Huntington Fund for Education	Peter W. Adams/Ann Pinkerton Ranney
John P. Murphy Foundation	Allan Zambie/Richard Clark
<b>John S. and James L. Knight Foundation</b>	<b>Vivian Neal</b>
Katherine and Lee Chilcote Foundation	Lee Chilcote
<b>Kelvin and Eleanor Smith Foundation</b>	<b>William LaPlace/Ellen Mavec</b>
<b>Kent H. Smith Charitable Trust</b>	<b>Phillip A. Ranney</b>
Kent State University Foundation	Lester Lefton/Patricia Book
Kirtland Capital Partners	
Kulas Foundation	
Lake-Geauga Fund of the Cleveland Foundation	Raphael Omerza
Lloyd L. and Louise K. Smith Memorial Foundation	
<b>Lorain County Community College Foundation</b>	<b>Roy Church</b>
Lubrizol Corporation - in honor of Gwendolyn McDay	
Mandorel Fund of the Cleveland Foundation	
Marcia and Harold Levine Philanthropic Fund of the Jewish Community Federation of Cleveland	George Milbourn
Martha Holden Jennings Foundation	Kim Pesses/Peter Meisel
Meisel Family Foundation of the Jewish Community Federation of Cleveland	
Michael J. Horvitz	
Mount Sinai Health Care Foundation	Tom Adler/Mitchell Balk
The Nathan and Fanny Shafran Foundation of the Jewish Community Federation of Cleveland	
Nord Family Foundation	John Mullaney
Payne Fund	Oliver Gratry
Reinberger Foundation	Karen Hooser
Richland County Coalition for Our Economic Future	Robert Cohen/Robert Stimpert
<b>RPM International, Inc.</b>	<b>Randell McShepard</b>
<b>Saint Luke's Foundation</b>	<b>Denise Zeman</b>
Sally and Richard Hollington, Jr.	Janet Burney/Sally Hollington
Samuel H. and Maria Miller Foundation	
Senkfor Family Foundation	
<b>The Sherwick Fund of the Cleveland Foundation</b>	<b>John Sherwin, Jr.</b>
Sisters of Charity Foundation of Canton	Victoria S. Conley
Sisters of Charity Foundation of Cleveland	Susanna Krey
Stark Community Foundation	James Bower/Cynthia Lazor
Stocker Foundation	Patricia O'Brien
Summa Hospitals Foundation	August A. Napoli

## Phase 2 Fund Participants (Continued)

Funder	Funders Committee Representative
Susan and John Turben Foundation	John Turben
Third Federal Foundation	Kurt Karakul
Thomas and Joann Adler Family Foundation of the Jewish Community Federation of Cleveland	
University Hospitals	
University of Akron Research Foundation	Heidi Gartland/Edgar Jackson
Vincent K. and Edith H. Smith Memorial Trust	Luis Proenza
<b>Wayne Growth Partnership</b>	
Weathertop Foundation	<b>Lud Huck</b> /Rod Crider
Westfield Insurance Foundation	
Whitehead Family Fund of the Cleveland Foundation	Jani Davis
William J. & Dorothy K. O'Neill Foundation	
The Wuliger Foundation, Inc.	William O'Neill/Leah Gary

*Note: Members of the Steering Committee are in bold.*

### Fund Officers

**Chairman**  
David Abbott  
The George Gund Foundation

**First Vice Chair**  
Randell McShepard  
RPM International, Inc.

**Vice Chair**  
Christine Mayer  
GAR Foundation

**Vice Chair**  
Brian Frederick  
Community Foundation of Lorain County

**Treasurer**  
William LaPlace  
Kelvin and Eleanor Smith Foundation

**President**  
Bradley Whitehead

**Vice President**  
Robert Jaquay  
The George Gund Foundation

### Fund Action Team Chairs

**Business Attraction, Retention and Expansion**  
Kim Pesses  
Foundation Advisory Council Group

Peter Meisel  
Foundation Advisory Council Group

**Talent Development**  
Randell McShepard  
RPM International, Inc.

**Entrepreneurship & Innovation**  
Adam Briggs  
Frances Shoolroy Charitable Fund

Deborah Hoover  
Burton D. Morgan Foundation

**Racial & Economic Inclusion**  
Vivian Neal  
John S. and James L. Knight Foundation

Denise Zeman  
Saint Luke's Foundation

**Government Collaboration & Efficiency**  
Robert Jaquay  
The George Gund Foundation



### Staff

**President**  
Bradley Whitehead

**Fund Coordinator**  
Michael Shafarenko

**Director of Marketing, Communication and Civic Outreach**  
Chris Thompson

**Director of Regional Partnerships**  
Laura Steinbrink

**Administrative Assistant**  
Angela Maldonado

# Phase 2 Financials

## Phase 2 Fundraising

**\$29.6 million**  
(as of March 2008)

## Economic Development Organization Grants

**\$7,100,000 Total**

\$875,000	\$1,650,000	\$2,750,000	\$2,100,000	\$335,000
NorTech	BioEnterprise	JumpStart (2-year grant)	Team NEO (2-year grant)	NEOISO

## Structural Change & Design Grants

**\$510,000 Total**

\$200,000	\$120,000	\$100,000	\$90,000
Wind Energy Feasibility Study	Education Works	Cost of Fragmented Government Study	Regional Economic Revenue Study

## Research and Measurement Grants

**\$242,434 Total**

\$102,000	\$15,000	\$51,350	\$74,084
Dashboard of Economic Indicators 2007	Ohio Venture Capital Report	Regional Competitive- ness Labor Study	Barometer of Economic Attitudes



FUND FOR OUR  
ECONOMIC FUTURE

1422 Euclid Avenue, Suite 1500

Cleveland, Ohio 44115

216.925.4900

[www.futurefundneo.org](http://www.futurefundneo.org)