

WEAVING THE REGION TOGETHER.

Fund for Our Economic Future of Northeast Ohio

Phase 3 Update

March 2010 to June 2011

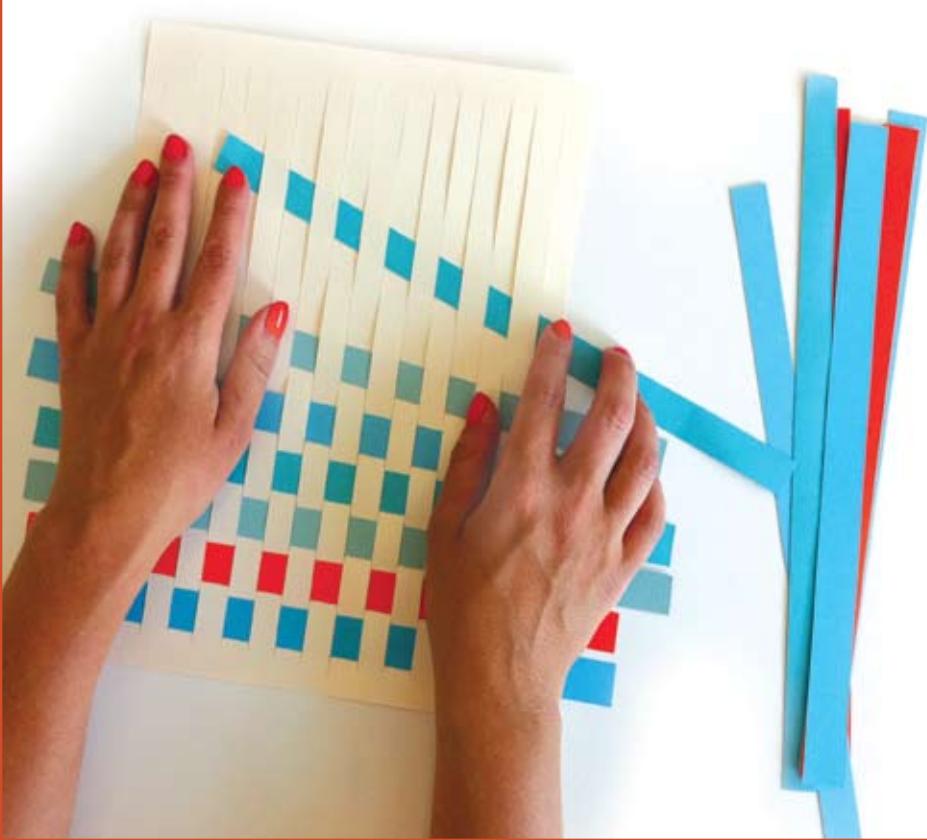
Weaving
together
an engaged,
empowered
and competitive
region.

To advance
a regional
economic
competitiveness
agenda.

WEAVE [weev]

v. wove (wv), wo·ven (wvn), weav·ing, weaves

- a.** To interweave or combine (elements) into a complex whole
- b.** To introduce (another element) into a complex whole; work in
- c.** To interlace various elements into one whole





A Letter from the Fund Chairman

David Abbott

The mission of the Fund for Our Economic Future is to advance a regional economic competitiveness agenda: Advance Northeast Ohio. And as you will see in the following pages, we are making meaningful progress on our mission to weave together a united, prosperous region. This progress in fiscal year 2010 can be measured in economic terms, including:

2,004 jobs created | 43 companies attracted | \$371 million capital attracted

Perhaps more importantly, we can measure our progress in the dramatic changes in how our region works together to strengthen our economic future. We have bolstered our ability to think, plan and act as a region. Our ability to collaborate helped:

- Persuade the White House to pursue strategies to support our region's economic competitiveness agenda.
- Encourage the State of Ohio to align its economic development strategies to take full advantage of our region's assets.
- Unite public officials from across the region to plan together for a more prosperous and sustainable economic future.

Our region's progress toward achieving the vision of Advance Northeast Ohio – building the most vibrant regional economy in the country – inspires us to tackle the significant challenges and opportunities ahead. Together we – the members of the Fund and our partners in Advance Northeast Ohio – will strengthen our regional leadership, our commitment to collaboration, and our ability to sustain the successful and emerging regional initiatives that are generating jobs, elevating incomes and reducing poverty. Together we will advance Northeast Ohio.

Warm wishes,


David Abbott
Chairman



THE FUND FOR OUR ECONOMIC FUTURE

We are a collaboration of philanthropic organizations and individuals that have united to strengthen the economic competitiveness of Northeast Ohio.

Formed in 2004, the mission of the Fund is to encourage and advance a regional competitiveness agenda which will lead to long-term economic revitalization that strengthens our region's core cities, encourages inclusion and enhances the region's quality of life.

The Fund unites philanthropy to support Advance Northeast Ohio, the region's economic competitiveness agenda, and builds regional support that helps implement the agenda, throughout Northeast Ohio through financial support, convening, research and measurement.

The Fund is a 501(c)3 organization governed by its members. Voting members include organizations and individuals who have committed \$100,000 or more to the Fund over a three-year period. Since its inception, the Fund has raised more than \$70 million and the majority of the Fund's grantmaking goes to regional economic development organizations.

The Fund works with partners in Advance Northeast Ohio, the region's economic competitiveness agenda, to develop and implement regional strategies that address four key priority areas:

- Business growth & attraction
- Talent development
- Growth through racial & economic inclusion
- Government collaboration & efficiency



(QUICK FACT)

We unite philanthropy to support regional economic competitiveness.

- > More than 100 participants in the Fund
- > More than \$70 million raised since 2004



ABOUT THE FUND

THINK,
PLAN &
ACT
LIKE A
REGION

STRENGTHENING the Economic Competitiveness of Northeast Ohio

Our economic future – the future of every individual, business and community in Northeast Ohio – depends, in part, on our region's overall economic competitiveness.

If our region is competitive, our individual economic futures will be more vibrant.

The Council on Competitiveness, a Washington, D.C.-based partnership of business, labor and academic leaders, makes three important observations that influence the Fund for Our Economic Future's efforts to strengthen the region*:

- Regions that are able to think, plan and act regionally are more competitive.
- To think, plan and act regionally demands collaboration.
- The ability to think, plan and act regionally is enhanced by “an organization or organizations that serve as systems integrators.” This “regional leadership body” has the ability to create a shared regional narrative, take action, empower others to act, and promote “the ongoing regional conversation about how, in a rapidly changing global economic environment, their regions can pursue strategies that adapt to changing circumstances, meet market demands and assure that success is defined by the prosperity of the regions’ citizens.”



**Weaving
our region
together.**

* “Collaborate: Leading Regional Innovation Clusters.” Published June 2010, www.compete.org

(QUICK FACT)

The Fund organized the development
of the region's economic competitiveness
agenda, Advance Northeast Ohio.
www.advancenortheastohio.org



NORTHEAST OHIO REGIONAL SKILLS

THINK. PLAN. ACT.

- To **THINK, PLAN** and **ACT** like a region demands collaboration because regions do not have traditional organizational structures (regions are defined by markets, not governments or other institutions) that can unilaterally address regional economic competitiveness priorities.

□ To **PLAN** regionally means stakeholders collaborate to identify, develop and coordinate specific regional strategies that are aligned with local initiatives and address the goals of that regional agenda.

- To **THINK** regionally means stakeholders together reach agreement on *what matters* and will be the focus of a regional economic competitiveness agenda.

□ To **ACT** regionally means stakeholders collaborate to implement regional programs and initiatives that deliver value to local communities and the region as a whole.

- To **THINK** regionally builds a region's ability to **PLAN** together and strengthens its ability to **ACT**.

CURRENT MEMBERS & PARTICIPANTS

MEMBERS

(Members contribute a minimum of \$100,000)

Akron Community Foundation
Ashtabula County Partnership*
Case Western Reserve University
Cleveland Clinic Foundation
Cleveland Foundation
Cleveland State University
Community Foundation of Lorain County
Cuyahoga Community College
Cuyahoga County
David and Inez Myers Foundation
Deaconess Community Foundation
Elizabeth Ring Mather and the William Gwinn Mather Fund
Eva L. and Joseph M. Bruening Foundation
FirstEnergy Corporation
Forest City Enterprises Charitable Foundation
Frances G. Shoolroy Donor Advised Fund
GAR Foundation
John Huntington Fund for Education
John P. Murphy Foundation
John S. and James L. Knight Foundation
Katherine and Lee Chilcote Foundation
Kelvin and Eleanor Smith Foundation
Kent H. Smith Charitable Trust
Lorain County Community College
Mahoning Valley Community Foundation
Martha Holden Jennings Foundation
Meisel Family Foundation
Nord Family Foundation
Oberlin College
Payne Fund
Saint Luke's Foundation
Sisters of Charity Foundation (Canton & Cleveland)
Stark Community Foundation
Stocker Foundation
Summa Hospitals Foundation
Surdna Foundation

Tecovas Foundation
The Abington Foundation
The Burton D. Morgan Foundation
The Fred A. Lennon Charitable Trust
The George Gund Foundation
The George W. Codrington Charitable Foundation
The J.M. Smucker Company
The Mt. Sinai Health Care Foundation
The Raymond John Wean Foundation
The Sherwick Fund of the Cleveland Foundation
Third Federal Foundation
Trumbull 100/Trumbull County Community Economic Coalition
University Hospitals
University of Akron Foundation
Wayne Growth Partnership
Westfield Insurance Foundation
William J. & Dorothy K. O'Neill Foundation

Members listed in bold are members of the Fund's Steering Committee

* Pending renewal

PARTICIPANTS

Individuals and Foundations that have contributed to the Fund
Frederick W. and Janet P. Dorn Foundation
Hollington Family
John G. and Karen R. Nestor Fund of the Cleveland Foundation
Joyce Foundation
Kulas Foundation
Marcia and Harold Levine Fund
Michael V. Shafarenko
Nathan and Fanny Shafran Foundation
Ray Murphy
The Susan and John Turben Foundation
Weathertop Foundation
Whitehead Family Fund



WEAVING OUR REGION TOGETHER

(QUICK FACT)

Economic outcomes generated by the Fund's support of Advance Northeast Ohio include:

- > 43 growing companies attracted to region and
- \$143 million in initial year payroll since 2007
- > \$476 million in Third Frontier investments
- > Region's research spending growth outpacing nation

HOW NORTHEAST OHIO.....

THINKS. PLANS. ACTS.

To help the region begin to think regionally, the Fund for Our Economic Future engaged more than 20,000 residents and partnered with more than 80 stakeholders to develop an economic competitiveness agenda, called **Advance Northeast Ohio**, to identify the economic priorities that set the framework for a regional competitiveness plan.

Advance Northeast Ohio is the most comprehensive effort by the region to establish a regional vision, values, beliefs and priorities and is recognized by many as the framework for our regional efforts. There is significant civic leadership for the individual priorities contained within the agenda: business growth, talent, inclusion and efficient government. However, most of the “regional thinking” is focused on individual pieces, rather than the whole, of the Advance Northeast Ohio agenda. While many stakeholders work with the Fund on Advance Northeast Ohio, the Fund encourages current and new stakeholders, such as business leaders, big cities, etc., to view the plan as their own.

In Northeast Ohio’s most recent effort to plan regionally, the Fund and Advance Northeast Ohio partners recently worked with the Brookings Institution to develop, strengthen and link the region’s economic competitiveness strategies and their related local initiatives into an integrated regional business plan. That plan includes strategies and initiatives that promote innovation, entrepreneurship, key industry and job clusters, educational attainment, quality places and effective public and civic institutions.

The regional business plan is being held up by the Brookings Institution as a national model and has generated support for individual strategies included in the plan from national funders and the federal government. The federal government will pilot an initiative to organize its programs around an integrated plan for Northeast Ohio. Several regional strategies that address the agenda’s priorities, particularly in the area of business growth, are fully developed and are aligned with local initiatives. However, much of the regional planning is still done around specific initiatives versus a fully integrated plan linking the diverse initiatives to the broad regional agenda.

Northeast Ohio is acting regionally and delivering regional value at a high level as collaborations, both formal and informal, have worked for several years to strengthen the region’s ability to attract growing businesses, accelerate industry cluster development, foster entrepreneurship, promote inclusion, increase educational attainment and promote more efficient government.

Increasingly the various regional initiatives are collaborating with each other to generate more results. Northeast Ohio is well positioned to accelerate its ability to act regionally based on its recent successes and growing recognition among stakeholders of the importance of regional economic competitiveness. The next challenge is to better integrate its various regional actions, secure broader support for regional action and strengthen its ability to act.

Not all economic competitiveness programs and initiatives generate the most value when delivered regionally. Indeed, more actions occur at the local level than at the regional level. Regional and local initiatives need to be aligned and mutually supportive. Regional work is an addition to, not a replacement for, local work.

There is no single formula that “regional actions” follow. They will vary based on the value being delivered and the stakeholders involved. The most visible regional actions are those undertaken by regional entities that deliver a specific regional service. Examples of this type of regional action include business attraction (Team NEO, Cleveland Plus), industry cluster development (BioEnterprise, NorTech), growth services (MAGNET, Minority Business Accelerator 2.5+) and venture business developments (JumpStart) that are delivered by regional organizations. But not every regional action demands a regional entity. A regional perspective is also important in areas such as educational attainment and transportation.

Other regional actions of value include:

- > Technical assistance that supports collaborations aligned with regional priorities, including advocacy for federal, state and national philanthropic support.
- > Regional performance measurement, communications and marketing.
- > Best-practice and next-practice sharing.

DELIVERING REGIONAL VALUE

A region's ability to think, plan and act regionally is measured by its ability to deliver value to individual stakeholders, and ultimately the region's residents.

(QUICK FACT)

Economic outcomes generated by the Fund's support of Advance Northeast Ohio

- > Since 2004 55 JumpStart portfolio companies attracted more than \$157 million
- > \$1 billion in venture investments raised by 205 bioscience companies since 2006
- > 18 minority-owned businesses added 250 jobs, 54 deals generated \$131.6 million in new revenue since 2008

MEASURE

Measurement plays a key role in determining the Fund's effectiveness. It also allows for early course correction when needed, ensuring maximum results for continued economic development in the region.

Evaluation is helping the region to THINK, PLAN and ACT collectively.



FUND FOR OUR ECONOMIC FUTURE



In the implementation of Phase 3 goals, measurement of grant-making, research and civic engagement remain a priority. Areas measured include business growth and attraction, inclusion, talent development, government collaboration and financial leverage. We encourage you to follow our progress and to join with us as we work to move the needle for even greater regional gains.

RESEARCH

Economic research plays an essential role in guiding the work of the Fund and our efforts to strengthen the region's economic competitiveness. It focuses our work on the issues that matter most to our region.

The Fund values this research and views it as an important component of our region's efforts to improve the trajectory of our economy — especially those efforts seeking to improve the measures of economic vitality.

DASHBOARD OF ECONOMIC INDICATORS

In 2010, the Fund produced the Fifth Edition of The Dashboard of Economic Indicators, which measured the economic performance of 136 metropolitan statistical areas (MSAs) in the United States.

The Fund uses the Dashboard to identify common characteristics of high-growth regions and to assess how our region's economy is performing in comparison to other markets.

The 2010 edition highlights the latest findings measuring economic variables and four of the region's leading economists and policy analysts wrote essays exploring *What Most Matters*. The four essays examine some of the most critical issues – skilled workforce and R&D, technology commercialization, racial inclusion and income equality – to improving Northeast Ohio's economic trajectory.

THE 2010 CLEVELAND PLUS VENTURE CAPITAL REPORT

The Fund for Our Economic Future supports the annual production of the Cleveland Plus Venture Capital Report. The report, published by the Venture Capital Advisory Task Force, details angel and venture capital investment activity in Northeast Ohio.

The 2010 Cleveland Plus Venture Capital Report shows an increase in start-up investments in the region. Northeast Ohio companies procured \$237 million in funding from venture capitalists and angel investors – double the amount raised in 2009. Other significant findings include: \$121 million invested in growth stage companies, 28 regional companies attracted capital from 42 investors located out of the region.

OPPORTUNITY ABOUNDS: LOCAL GOVERNMENT COLLABORATION CAN BE A BUILDING BLOCK TO ECONOMIC COMPETITIVENESS

The Fund for Our Economic Future, in partnership with Advance Northeast Ohio, issued a report highlighting some of the regional efforts under way to support more efficient and collaborative local government. Local government efficiency and collaboration can lead to significant savings to protect vital local services and ensure that our communities make the necessary investments in innovation and education that will create jobs and keep Northeast Ohio competitive in the global economy.



The full reports are available at
www.futurefundneo.org/research

CONVENE

The Fund engages the public and leaders from the private, civic, labor, education, government and other sectors to strengthen Northeast Ohio's capacity to build a strong regional culture and to support and implement the key economic growth strategies of Advance Northeast Ohio, the region's economic competitiveness agenda.

Over the past year, the Fund has been working with regional partners and the Brookings Institution in Washington, D.C., to pilot the development of a regional business plan to accelerate economic growth. The Northeast Ohio plan incorporates strategies and initiatives being deployed as part of Advance Northeast Ohio. The Brookings Institution is touting Advance Northeast Ohio as a national model.

The Advance Northeast Ohio agenda has helped accelerate business growth, strengthen talent development, foster inclusion and promote more efficient local government. Elements of the regional plan developed with Brookings have been in place for years, and some elements are new initiatives. For example, one new initiative to expand small- to mid-sized manufacturers by boosting their capacity for product innovation is incorporated into the plan. That initiative, called the Partnership for Regional Innovation Services to Manufacturers (PRISM), is being led by MAGNET, the region's manufacturing advocate.

Partners in Advance Northeast Ohio will use the regional business plan to encourage the federal government to develop policies and programs that target the region's economic priorities. The Fund, Greater Cleveland Partnership, NorTech, MAGNET and others have been working together to promote the regional business plan with federal officials.



To learn more about Advanced Northeast Ohio, visit: www.futurefundneo.org/about/advance www.advancenortheastohio.org



CIVIC COMMONS

The Civic Commons offers online tools and in-person experiences to citizens who want to learn about and be involved in key civic decisions, and to community leaders who seek citizen input when shaping initiatives or making decisions that affect communities.

The Civic Commons builds conversations and connections that have the power to become informed, productive and collective civic action.

The Civic Commons was formed in early 2010 with a \$3 million grant from the John S. and James L. Knight Foundation and technical support from the Fund for Our Economic Future. The Civic Commons currently has more than 1,500 registered users and partnerships with more than 80 community organizations. Citizens and civic institutions are engaging in a number of topics including sprawl, workforce development, and economic inclusion.

Initially focused on Northeast Ohio, The Civic Commons has the potential to become a national model for increasing citizen engagement and involvement with community improvement.

www.theciviccommons.com

AG-BIO

Northeast Ohio is home to a network of key players in the region's agricultural-bioscience industry – the largest single industry in Ohio. The Agriculture-Bioscience Industry Cluster (Ag-Bio) is a collaboration among the Wayne County Economic Development Council, Ohio Agricultural Research and Development Center (OARDC), Ashtabula Growth Partnership and more than 100 other regional partners.

The collaboration is working to build local and regional economies in Northeast Ohio by developing clusters of locally owned businesses that substitute locally produced food, energy and manufactured goods for costly imports. Ag-Bio aims to guide the development of these clusters into an integrated business ecosystem. Building closer connections among farmers, advanced energy companies, restaurants and others will foster opportunities for new business growth for new sustainable products. Surplus agricultural products and bio-waste can be used to create new, sustainable products for other sectors. That business growth will result in job and income growth, preserve and enhance the value of our region's working lands, contribute to the overall quality of life in the region and discourage no-growth sprawl.

www.localfoodsystes.org



Learn more about the
Agriculture-Bioscience Industry Cluster
visit www.localfoodsystes.org



NORTHEAST OHIO SUSTAINABLE COMMUNITIES CONSORTIUM

The Northeast Ohio Sustainable Communities Consortium is an initiative designed to support regional approaches to land use, housing, transportation, environmental and economic development issues. The Consortium is leading the development of a collaborative regional sustainability plan for Northeast Ohio. Funding comes from the U.S. Department of Housing and Urban Development (HUD), along with the Environmental Protection Agency and the Department of Transportation, which awarded Northeast Ohio \$4.25 million as part of the new federal Sustainable Communities Initiative. Led by The Fund and several of its member foundations, more than 20 public and private sector organizations submitted the grant application in an unprecedented example of regional cooperation.

CONTINUED

CONVENE

SOCIAL INNOVATION FUND

Northeast Ohio was one of 11 communities and organizations selected to receive an inaugural federal grant from the Social Innovation Fund (SIF), a new initiative of the federal Corporation for National & Community Service. The region, along with a collaboration led by the New York City Center for Economic Opportunity (CEO), was awarded a \$5.7 million grant for SIF's WorkAdvance program.

WorkAdvance aims to prepare, train and place under-employed, low-wage workers in good quality jobs with pre-established career tracks giving participants the best possible opportunity to advance in their careers. The program emphasizes close connections to employers in growth industries, such as healthcare and manufacturing.

SIF funding will help Northeast Ohio expand, test and maximize the impact of this innovative workforce development program.

The Fund and its national partners selected a collaborative led by Towards Employment based on its close connections with employers in two important growth sectors in Northeast Ohio: healthcare and manufacturing.

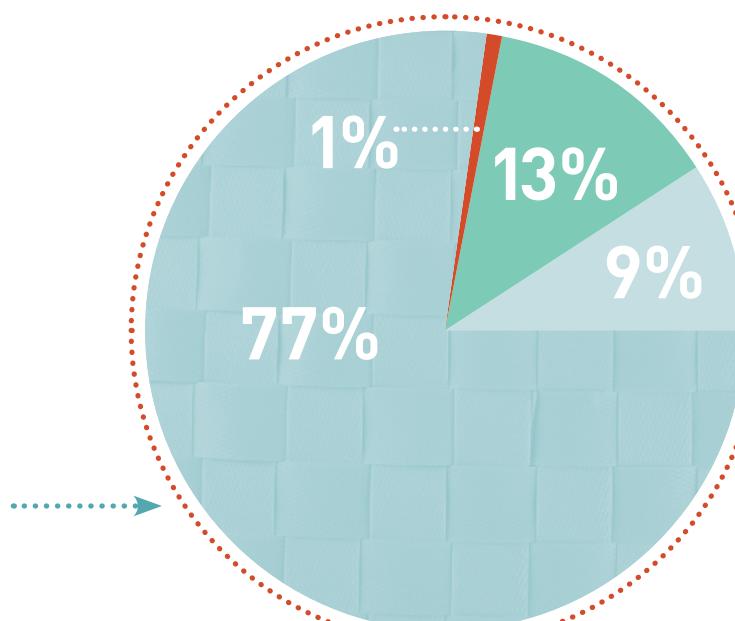
Towards Employment will lead manufacturing and healthcare programs in the region working closely with partners in Cuyahoga County and Mahoning County.

The programs will serve both employed and unemployed low-wage workers with a goal of connecting them to jobs with career tracks so that once placed, the participants, with on-going assistance, have the opportunity to advance in their careers.

The Fund organized regional civic and political partners to participate in this grant. The Fund also attracted national philanthropic support for this and other workforce initiatives. The Surdna Foundation, based in New York City, awarded a \$500,000 grant for a workforce innovation program under development, and the Chicago-based Joyce Foundation provided a \$20,000 grant in support of WorkAdvance.

COMMITTED FUNDS

MARCH 1, 2010 TO JUNE 30, 2011



77% = **\$10,372,000**
Economic Development
Organization Grants

13% = **\$1,685,000**
Regional Initiatives

1% = **\$71,500**
Research & Measurement

9% = **\$1,233,000**
Communications & Operations

OUR NEXT STEPS

Individuals seek a clearer understanding of what it means to think, plan and act like a region. What will they have to do differently? What impact will it have on their community? Fundamental change takes time and what regionalism means will vary by person, institution and issue. We are in this for the long haul, but we must still evolve to meet changing needs and circumstances.

While there is no single regional formula, there does need to be a shared process used to assess whether and how Northeast Ohio should think, plan and act like a region. What is the set of questions we ask each time the region must decide whether and how we think, plan and act as a region? Who will ask those questions and who will be asked to help develop the answer? The Council on Competitiveness suggests that is the role of a “regional leadership body.”

In some ways, the Fund for Our Economic Future has performed that role. However, the Fund acknowledges that its membership and operating structure does not presently enable it to either fully represent the region or perform all of the functions identified by the Council.

The Fund is committed to engage with other stakeholders, particularly in the public and private sectors, to explore whether and how to develop such a “regional leadership body” to enhance Northeast Ohio’s ability to think, plan and act like a region. This will be a focus of the Fund’s work in the remainder of Phase 3.

OUR LEADERS

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The George Gund Foundation

Vice Chair
BRIAN FREDERICK
Community Foundation of Lorain County

Vice Chair
DEBORAH HOOVER
The Burton D. Morgan Foundation

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FUND FOR OUR
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ADVANCE
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