



The **Fund for Our Economic Future** ("The Fund") unites philanthropy in Northeast Ohio to strengthen the region's economic competitiveness through **grantmaking, research** and **civic engagement**.

The Fund strengthens the region's economic competitiveness by providing operating **grants** to regional economic development organizations focused on:

- Business Growth and Attraction
- Talent Development
- Growth Through Racial and Economic Inclusion
- Government Collaboration and Efficiency

The Fund sponsors **research** that guides the region's economic development efforts, assesses the region's economic performance and measures the public's opinion of the region.

And the Fund's **civic engagement** efforts bring together a variety of organizations, individual leaders, and institutions to accelerate the development and implementation of regional initiatives that strengthen the economic competitiveness in the 16 counties of Northeast Ohio.

Launched in February 2004, more than 100 foundations, organizations and individuals have contributed to the Fund. The Fund began its second, three-year phase of work in March 2007 and has raised more than \$30 million to support its Phase 2 work. The primary objective of the Fund's second phase is to collaborate with partners in the public and private sectors to develop and implement **Advance Northeast Ohio**, the region's economic action plan. The plan is built on the premise that when the region's business, government, education, philanthropic and other sectors collaborate together then our region is better positioned to compete in the global economy.

Fund Structure

The Fund is a collaboration; not a legal entity. The collaboration's operations are guided by a Memorandum of Understanding. The decision-making body of the Fund is the **Funders Committee**, which consists of all participants that have committed \$100,000 or more to the Fund's second phase. There are about 66 members of the Funders Committee.

David Abbott, executive director of The George Gund Foundation in Cleveland, is chair of the Funders Committee.

Randell McShepard of RPM International, Inc., in Medina; Brian Frederick of the Community Foundation of Lorain County; and Christine Mayer of the GAR Foundation in Akron are vice chairs.

The Fund's **Steering Committee** consists of members who have made commitments of \$1 million or more to Phase 2 of the Fund, the Fund's vice-chairs and four at-large members from the Funders Committee. The Steering Committee recommends action items to the Funders Committee.

Fund members also serve on one of five **Action Teams**, which are charged with identifying, evaluating and supporting grantmaking, research and civic engagement activities of the Fund. The five action teams cover the four priority areas of the Fund. There are two separate teams for the Business Growth & Attraction action area – one team deals with matters associated with growing existing companies and the other team deals with issues associated with entrepreneurship and innovation.

Bradley Whitehead is president of the Fund and leads a staff of four.

Updates on the Fund's grantmaking, research and civic engagement work are available at www.FutureFundNEO.org.

Funders Committee Members

The Abington Foundation
Akron Community Foundation
The University of Akron Foundation
Ashland County Partnership for Our Economic Future
Ashtabula County Partnership
Eva L. and Joseph M. Bruening Foundation
Case Western Reserve University
The Catholic Diocese of Cleveland Foundation
Katherine & Lee Chilcote Foundation
The Cleveland Clinic Foundation
The Cleveland Foundation
The Cleveland Indians
Cleveland State University
The George W. Codrington Charitable Foundation
The Community Foundation of Lorain
Cuyahoga Community College
Cuyahoga County Board of County Commissioners
Deaconess Community Foundation
FirstEnergy Corporation
Forest City Enterprises Charitable Foundation
Foundation Advisory Council Group
Harry K. and Emma R. Fox Foundation
The GAR Foundation
Greater Cleveland Partnership
The George Gund Foundation
The John Huntington Fund for Education
Martha Holden Jennings Foundation
Kent State University
John S. and James L. Knight Foundation
Lake Geauga Fund
Lakeland Community College
The Lennon Charitable Trust
Lorain County Community College
Elizabeth Ring Mather and the William Gwinn Mather Fund

Meisel Family Foundation
David and Inez Myers Foundation (JCF)
Samuel and Maria Miller Foundation
The Burton D. Morgan Foundation
Mount Sinai Healthcare Foundation
John P. Murphy Foundation
John and Karen Nestor
The Nord Family Foundation
Oberlin College
Jane and Jon Outcalt Foundation
(AmTrust) Ohio Savings Charitable Foundation
William J. & Dorothy K. O'Neill Foundation
Payne Fund
Reinberger Foundation
Richland County Coalition for Our Economic Future
RPM International, Inc.
Saint Luke's Foundation
The Sherwick Fund of the Cleveland Foundation
Sisters of Charity Foundation of Canton
Sisters of Charity Foundation of Cleveland
Kelvin and Eleanor Smith Foundation
The Kent H. Smith Charitable Trust (1525 Foundation)
Vincent K. and Edith H. Smith Memorial Trust
J.M. Smucker Company
Stark Community Foundation
Stocker Foundation
Summa Hospitals Foundation
Tecovas Foundation
Third Federal Foundation
Susan and John Turben Foundation
University Hospitals
Wayne Growth Partnership
Westfield Insurance Foundation



Phase 2 Outcomes and 2009 Outlook

The Fund for Our Economic Future unites philanthropy in Northeast Ohio to strengthen the region's economic competitiveness.

Guided by economic research and input from the region's residents and leadership, the Fund's work is focused in four priority areas that are interconnected and fundamental to any effort to transform a region's economic future:

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

These four priority areas are shared by ***Advance Northeast Ohio***, the region's economic action plan.

The Fund uses grants, research and civic engagement to achieve its mission of economic transformation by:

- Providing operating funds and organizational support to six regional economic development organizations that directly accelerate new industries, foster new companies or help existing companies grow.
- Supporting collaborations among the business, government, civic, educational and philanthropic sectors to implement the strategies of ***Advance Northeast Ohio*** and strengthen our region's overall economic competitiveness.

Of course, no one organization or funding collaborative can claim "credit" for the region's progress: economic development – at its best – is undeniably a team sport. The Fund is part of the region's team and we point to three clear signs that the Fund is playing a significant role in setting the stage for a long-term economic transformation in Northeast Ohio:

1. Our six major grantees generate meaningful economic outcomes that collectively exceed \$1 billion. During, 2007-08 these outcomes include:
 - a. Attracting new companies to the region that generate more than \$78 million in annual payroll, with a projected five-year payroll of more than \$500 million
 - b. Securing more than \$106 million in state investments for innovation and commercialization projects
 - c. Attracting more than \$571 million in venture capital to high-growth companies, and establishing Northeast Ohio as a leading destination for bioscience venture capital

- d. Helping companies generate more than \$125 million in new sales.
2. A close partnership between the Fund and the State of Ohio has encouraged and provided increased resources for greater collaborations among our region's business, government, education, civic, business and philanthropic sectors to meet the priorities of **Advance Northeast Ohio**. Once the exception, collaborative, regional approaches to economic development are now commonplace in Northeast Ohio.
3. Our philanthropic collaboration itself continues to expand and attract participants. In 2008, eight new philanthropic organizations joined our collaboration and contributed a total of \$910,000. Overall, the Fund has received financial commitments from 90 organizations and individuals totaling \$30.1 million for Phase 2, which concludes on Feb. 28, 2010. The Fund anticipates implementing a third phase of its collaboration, and anticipates announcing those plans in September 2009.

Major Grantee Performance and Projections

Six grantees have received the vast majority of the Fund's grant dollars. The following offers an overview of our grantees performance and their projected outcomes for 2009.



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

Performance: BioEnterprise has helped established Northeast Ohio as a global bioscience center: With more than \$150 million in venture capital raised annually and more than a half dozen bioscience investors with offices located here, the region is now the largest market for bioscience venture firms between the coasts. BioEnterprise has helped more than 60 companies raise capital.

2009 Projected Outcomes:

- Assist the region's bioscience companies in raising \$170 million in growth capital as part of a five-year, \$500 million goal.
- Recruit eight bioscience companies to the region.
- Help establish or attract two new venture capital firms to the region.
- Assist the BioInnovation Institute in Akron in raising \$50 million in additional financial support.



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

Performance: Companies assisted by JumpStart have raised more than \$100 million in growth capital. JumpStart had directly invested in 34 companies and in 2008 those companies raised a total \$38.6 million in capital.

2009 Projected Outcomes:

- Directly invest \$3.75 million in 14 early-stage companies.
- Help the North Coast Angel Fund to invest \$1.6 million in three new companies.
- Support existing portfolio companies in raising \$77 million in additional growth capital.
- Assist portfolio companies in attracting C-level executive talent to accelerate growth.



Mission: Support, educate and champion manufacturing in Northern Ohio.

Performance: In the first three quarters of 2008, MAGNET worked with manufacturers to increase their top-lines by \$103 million. Those companies developed and introduced 115 new products. Half of the company's helped by MAGNET in that period were new clients. The companies created and/or retained 1,466 jobs---90% of which were non-automotive or truck industry related. Increased investment by manufacturers in plant, equipment, operations and human capital was \$36 million.

2009 Projected Outcomes:

- Increase top-line revenue growth of client companies by \$75 million.
- Assist client companies in creating or retaining 654 jobs.
- Assist client companies reduce costs by \$11.25 million.
- Client companies to invest \$19.6 million in operations.
- Assist client companies bring 63 new products to market.



Mission: Increase the capacity of existing minority-owned enterprises and create new business opportunities so that they can significantly boost sales and employment.

Performance: Launched in January 2008, the accelerator has assisted five companies to secure large contracts that will result in a significant increase in sales and employment. The average contract size is \$500,000. The accelerator expects to help its clients close five more deals by the end of 2008.

2009 Projected Outcomes: Assist 12 African American- or Hispanic-owned companies in securing large business deals that will increase the individual company's sales at least 20% and double employment over three years.



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

Performance: NorTech worked with the State of Ohio to extend the Third Frontier program, which invests more than \$100 million a year in the region's technology and commercialization efforts. It successfully launched the TechLift program, which supports small companies with technology-based innovation projects.

2009 Projected Outcomes:

- Develop industry cluster plans for two industries: advanced energy and polymer-based liquid crystal displays.
- Secure broad support for reauthorization of state's Third Frontier Initiative, which in the past has invested more than \$120 million annually in Northeast Ohio.



Mission: Advance Northeast Ohio's economy by attracting businesses worldwide to the 16-county Cleveland Plus region.

Performance: Team NEO worked with its partners in the region to attract more than 20 companies to Northeast Ohio, with 2,200 new jobs, \$78 million in new annual payroll, and a total estimated annual regional economic impact of \$150 million.

2009 Projected Outcomes:

- Attract \$40 million in new payroll to the region.
- Generate 80 qualified new business attraction leads.
- Reside on the "short list" for 20 business attraction opportunities.

Fund's Role with Grantees

The Fund has played a significant role in shaping the strategies of each of our major grantees. For example, Fund members worked closely with NorTech to narrow its scope of work and focus the organization more directly on accelerating the development of a handful of key industries. We have also been major partners in strategy development at the MBA 2.5+, BioEnterprise, Team NEO, and MAGNET.

In addition, we have encouraged greater collaborations among the grantees. For example, BioEnterprise has partnered with Team NEO to attract medical device and other health care related companies to Cleveland and the region.

While the Fund is not the sole supporter of these grantees, we are an essential source of their operating budgets. And while we do not take full credit for the outcomes they

generate, the direct economic impact of these grantees is expected to exceed \$500 million in 2009.

Economic Competitiveness Initiatives

Each of our six major grantees are leaders in the region's efforts to increase collaborations that strengthen Northeast Ohio's ability to compete. The Fund also supports several other regional initiatives that are addressing the four priority areas of Advance Northeast Ohio.

The following is a summary of the grantmaking anticipated or committed by the Fund in 2009 for collaborations that are working to strengthen the region's economic competitiveness:



Background: The Regional Talent Network is a regional collaboration supported by the State of Ohio to revamp the way workers are trained and prepared for employment in the region. The region's investment in the talent development system is about \$522 million a year. Other partners in the initiative include the region's universities and community colleges, chambers of commerce and workforce development entities. This work is directly tied to the Fund's efforts to support high-growth industries.

2009 Projected Outcomes:

- Implement regional health care pathways initiative, which will result in more residents being trained more quickly for careers in health care fields.
- Develop career pathways initiatives in two other key employment sectors (to be identified).
- Win state financial support for a regional internship and co-op initiative.
- Implement job skills enhancement program for low-skilled workers with support of national foundations, i.e. National Fund for Work Force Solutions and Joyce Foundation.



Background: Education Works is a regional collaborative initiative to create a 21st century learning community in Northeast Ohio. It is intended to strengthen our schools' capacity to develop 21st century skills, which include more experiential learning (e.g., co-ops and internships) as well as employment-relevant critical thinking skills.

2009 Projected Outcomes:

- Implement four pilot projects that will expand 21st century skills development in our region's schools.
- Implement a regional network to support 21st century skills education in the region.



Background: The Northeast Ohio Mayors & City Managers Association is leading the Regional Prosperity Initiative that is developing a framework to implement broader regional planning that will accelerate economic growth and ensure that the benefits of that growth would be shared among participating communities, thereby reducing inefficient intra-regional competition and limit no-growth sprawl.

2009 Projected Outcomes:

- Establish the legal capacity to support a regional revenue sharing plan.
- Develop a regional planning framework that is supported by state officials, the region's municipal planning organizations and local governments.
- Implement a sub-regional pilot of the regional planning and revenue sharing plan.

Fostering Regional Collaboration: Advance Northeast Ohio

Launched in spring 2007, Advance Northeast Ohio is the region's economic action plan that was called for in the Fund's Phase 2 strategy. The plan is rooted in research and public input, and is increasingly embraced by leaders and organizations who appreciate that the fate of our region is inextricably linked to the fate of our core cities.

Clear signs that the region is uniting behind this economic action plan include:

- The State of Ohio economic development goals and strategy are aligned with Advance Northeast Ohio, and Lt. Gov. Lee Fisher cites Advance Northeast Ohio as a key element to the state's overall economic development strategy.
- The number of partners in Advance Northeast Ohio has grown from 40 to more than 80. Membership and involvement by partners will continue to expand with increased awareness and demonstration of impact of greater regional collaboration.
- Business, civic and governmental leaders are proactively aligning their work to address the four priorities of Advance Northeast Ohio.

The Fund has helped build consensus that not only are the four priority areas of Advance Northeast Ohio the right things to focus on, but there is now broad general agreement that these priorities need to be addressed on a regional level. The Fund's members and our partners in Advance Northeast Ohio support the thesis that without healthy core cities the region's economy will not prosper and without a strong region our core cities will continue to decline.

Without the shared recognition of our common fates, we would not be able to leverage the resources needed to take advantage of the many opportunities before us. Over the last few years, we have moved from talking about the need to be regional to beginning to act like a region. Examples of this essential evolution include:

- Philanthropy and chambers of commerce uniting to address the high-cost of local government and the need for fundamental government reform.
- Business, philanthropic and educational interests uniting to work with the state to implement a single (rather than three separate) employer-driven Regional Talent Network
- Foundations and other endowed entities uniting to invest more than \$15 million dollars in the NEO Capital Fund, which will ultimately invest in promising early-stage companies

One of the key objectives in the remainder of Phase 2 is to build on this early success and expand support for regional priorities and our ability to act regionally. We are confident that we have entered a new era of regional collaboration and cooperation because we now have a new model to accelerate positive change.

Uniting Philanthropy to Strengthen Our Region

Philanthropic organizations in Northeast Ohio play an increasingly active role in strengthening the economic vitality of the communities we serve, and they anticipate playing such a role into the foreseeable future.

Since 2004, philanthropic organizations in Northeast Ohio have collaborated through the Fund for Our Economic Future to strengthen the region's overall economic competitiveness. Philanthropy organized the Fund to address regional economic challenges and opportunities because in the 21st century regions are the defining economic units that compete in the global marketplace for investment and jobs. For Northeast Ohio's individual communities to be economically vibrant, the overall region must be economically competitive.

The process of uniting philanthropy to help address Northeast Ohio's economic opportunities is, in itself, one of the most important outcomes of the Fund's work. Prior to the formation of the Fund, collaborations and partnerships among philanthropy in the region were limited and narrow. After five plus years of working together on the Fund, philanthropic organizations regularly collaborate with each other and increasingly expect their other partners to do the same. .

Members of the Fund believe that only by uniting together can our region achieve its economic potential. The Fund's collaboration serves as a model to the region as to how we can unite together to create positive change and transform our region.