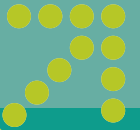


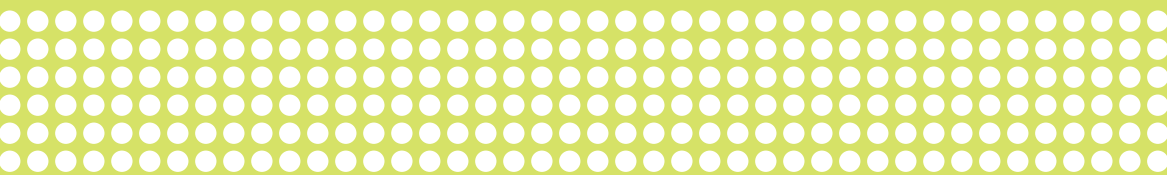
2013

Annual Report
Phase 4, Year 1



GROWTH & OPPORTUNITY

IT'S WHAT MATTERS



FUND FOR
OUR
ECONOMIC
FUTURE

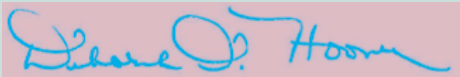
WHAT MATTERS: *Growth & Opportunity*

In 2013, the Fund for Our Economic Future began the tenth year of our unique collaboration. When philanthropic organizations joined together in 2004 to create our Fund, economic competitiveness was not the usual focus for philanthropy. But our region's economy was in serious trouble, and we were committed to doing something about it. We knew we could be stronger and more effective if we banded together. And we had a vision for our region and our communities: a growing, opportunity-rich economy.

A decade later, I am very proud of what we have accomplished together. Over the past ten years, our efforts have helped bring nearly 15,000 jobs, over \$550 million in payroll and more than \$3 billion in capital to our region. Our work has increased understanding and appreciation for the fact that – while our region is made up of many distinct communities – it is home to one economy. The culture of collaboration our Fund has helped to create suggests we will be able to build on and sustain our progress.

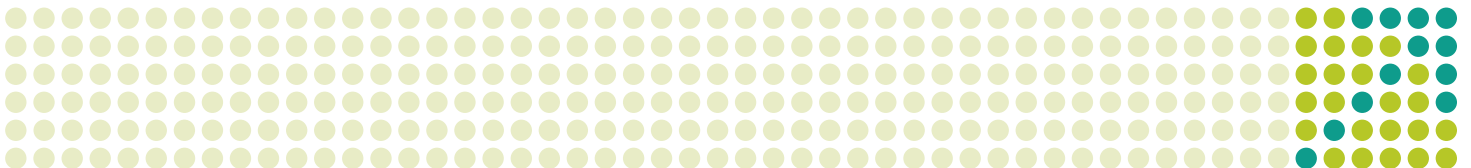
During this fourth phase of our Fund's work, we are committed to accelerating job creation, job preparation and job access. We continue to advance strategies that will foster both economic growth and more equitable access to opportunity, a priority reinforced by important research our Fund completed in 2013. That research and our ten years of experience form the basis for our Growth and Opportunity Initiative in 2014. We also continue our commitment to an evolving partnership with the business community, which holds great promise for increasing our impact through the alignment of resources directed toward regional economic competitiveness.

In 2013, I was honored to be elected to lead our Fund into this next phase of our work. It is my great pleasure to work with my fellow Fund members and our talented Fund staff as we continue advancing our vision of a growing, opportunity-rich economy for the people of Northeast Ohio.



Deborah D. Hoover

*President and CEO, Burton D. Morgan Foundation
Chair, Fund for Our Economic Future*



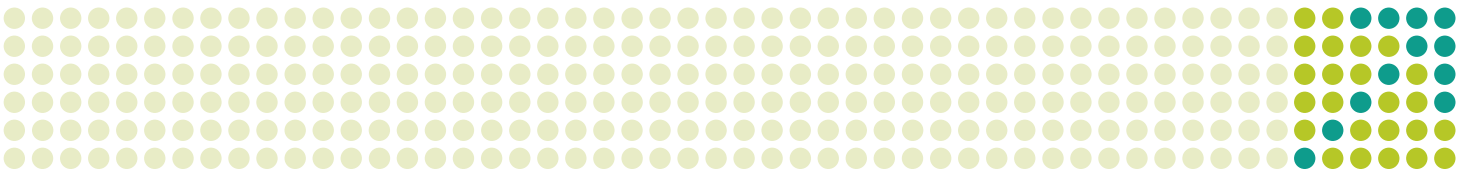
WHY *Growth & Opportunity* MATTERS

The overall health of an economy and a region cannot be measured simply by job growth, particularly when research – including our Fund's own *What Matters to Metros™* study – indicates that metropolitan areas experiencing the most job growth are also experiencing significant increases in poverty, crime and income inequality. It is becoming increasingly clear that growth alone cannot be sustained over the long haul and, unfortunately, does not result in vibrant, healthy communities. A strong economy is defined not by *whether* it grows, but also by *how* it grows. Economic growth must be accompanied by increased access to economic opportunity. This is particularly true for those who historically have been disconnected, and may lack the education or skills demanded by the marketplace or be cut off from job opportunities by transportation policies and development patterns that encourage job growth outside established communities, including our core cities. Our Fund's focus on "growth & opportunity" is not simply a moral imperative; it is a fundamental economic requirement as well.

Achieving our vision of a growing, opportunity-rich economy will require a change in the way key stakeholders have traditionally operated. The efforts of those working in separate "growth camps" and "opportunity camps" may generate isolated successes, but not the sustained, positive change required for transformation. Our Fund is working to foster a broad coalition of philanthropy, business, government, nonprofits and individuals in a new "growth and opportunity camp." We realize that deep experience and expertise already exists in our communities; our job is to support and connect those who know best what works and what is needed. By aligning resources and actions that promote **job creation, job preparation, and job access**, we will work together to create and sustain both growth and opportunity for the people of Northeast Ohio.



Brad Whitehead
President, Fund for Our Economic Future



OUR MISSION

The Fund for Our Economic Future is a philanthropic collaboration committed to promoting the well-being of the people of Northeast Ohio by shaping and sustaining a long-term economic competitiveness strategy. Working with others, we bring the skills, convening power, networks, and resources of our members to align, connect, and strengthen the region's assets and address economic competitiveness priorities in ways that promote good jobs, vibrant cities and communities, and equitable access to opportunity.

In 2013 we began our fourth, three-year phase of work with these goals:

- 1 CIVIC ALIGNMENT**
Increase alignment of philanthropic and private sector resources and actions by co-creating, implementing and sustaining a multi-sector regional economic competitiveness strategy for Northeast Ohio.
- 2 STRATEGIC SUPPORT**
Promote good jobs, vibrant cities/communities and equitable access to opportunities by supporting specific efforts that address our region's economic priorities.
- 3 PHILANTHROPIC ENGAGEMENT**
Strengthen philanthropy's influence on the region's economic competitiveness efforts by creating an enriching and engaging environment for philanthropic organizations to collaborate on economic issues and achieve maximum impact.

Our Fund Progress on Phase 4 Goals

- 1 CIVIC ALIGNMENT**
To advance civic alignment we worked with key partners to develop a shared understanding of key issues and a common agenda.

DETERMINING *What Matters*

What Matters to Metros™ (www.whatmatterstometros.org) was released in May as the latest in our Fund's ongoing research series tracking economic indicators. Led by Fund members and staff in partnership with Cleveland State University, the study identified factors associated with economic growth in 115 mid-sized U.S. metros, including four Northeast Ohio metros.

What Matters to Metros™ primary findings:

- > **The Risk of Job Creation without Income Generation.** Many metros that experienced high levels of employment growth did not see these jobs translate into higher per capita income; in fact, inequality, poverty and crime tended to be more prevalent in those metro areas that saw the most job gains.
- > **The Criticality of Education and Innovation.** Together, higher education and innovation are associated with per capita income, productivity and GMP growth. The factor is neither positively nor negatively associated with job growth.
- > **The Benefits of Diverse Entrepreneurial Ecosystems.** Business starts and/or self-employment are associated with every measure of growth – jobs, income, productivity and BMP – and are especially pronounced in metro areas with more diverse and racially integrated populations.



IMPACT OF *What Matters to Metros™*

Through a series of discussion forums, our Fund's research reached more than 600 regional and national civic leaders. Local community forums were held in Akron, Canton, Cleveland and Youngstown, and additional presentations were given to regional and national audiences, including Philanthropy Ohio, the Northeast Ohio Sustainable Community Consortium, Toledo Community Foundation, Community Indicators

Consortium, the Southeast Michigan Funders Group, U.S. congressional staff from Northeast Ohio, the Federal Reserve Bank's Philanthropy Network and the Regional Prosperity Partnership. Much of the discussion focused on the observation that job growth cannot be a region's only measure of success and has led to additional conversations and strategic planning about how to better link economic growth to equitable opportunity.



COLLABORATING *with the* BUSINESS COMMUNITY

Our Fund knows we cannot advance a growing, opportunity-rich economy for the people of Northeast Ohio by acting alone.

In 2013, we worked to leverage philanthropic resources and broaden our impact by strengthening our partnership with the private sector. Teams of business and philanthropic leaders joined forces to strengthen existing efforts and develop and test new high-impact initiatives to advance regional priorities. One such jointly-supported initiative is a “gazelles” pilot to help promising smaller companies become high-growth enterprises. Additional efforts focused on improving the effectiveness of our region's business retention and expansion efforts and strengthening the outcomes of regional workforce development systems. By collaborating across sectors, we hope to increase the alignment of our respective resources and actions and more effectively address our regional economic competitiveness priorities.

CONNECTING LOCAL *and* REGIONAL STRATEGIES

Advancing a growing, opportunity-rich economy requires action at both the local and regional levels. Our Fund works with our members and other stakeholders within local communities to identify opportunities to strengthen community assets and enhance connections to the regional economy.

For example, Fund members and staff are working with business, social service and political leaders in the Mahoning Valley to increase that community's ability to meet growing businesses' employment needs in an inclusive manner. We also supported the development of a strategic plan for Team Lorain County, a key business development organization serving that community.

Our work building networks of stakeholders aligning their efforts to address regional economic priorities was the focus of a chapter in Bruce Katz and Jennifer Bradley's 2013 book *The Metropolitan Revolution*.

2

STRATEGIC SUPPORT FOR SPECIFIC INITIATIVES

Our Fund continued to support the network of economic development organizations we have helped develop and sustain. Through these grantee partners, we work to advance regional job creation, job preparation, and job access.



OUR FUND'S 2013 INVESTMENT: \$500,000

JumpStart's strategies to build a more inclusive entrepreneurial ecosystem are showing results. Through actively building partnerships with African-American and Hispanic professional associations – including the National Society of Black Engineers and the National Society of Hispanic MBAs – we are raising awareness of and connecting minorities to entrepreneur-focused opportunities in Northeast Ohio. Today, 36% of the companies receiving JumpStart's business assistance are owned or led by minorities and/or women.

The organization is focused too on increasing the number of minority applicants for jobs within the region's entrepreneurial ecosystem by promoting open positions through multiple channels, including JumpStart's inclusion-specific newsletter. JumpStart is also collaborating with the National Black MBA Association to develop a four-part entrepreneurship series focused on minorities, which includes a session on working for a tech startup.

All of these efforts enhance our community's vitality by more fully engaging diverse populations in the growing innovation economy.

Ray Leach, CEO



OUR FUND'S 2013 INVESTMENT: \$640,000

WorkAdvance is an innovative national workforce initiative being piloted by our Fund in Cuyahoga and Mahoning Counties with support from the New York City Mayor's Center for Economic Opportunity and a White House Social Innovation Fund grant. WorkAdvance is designed to increase job placement and career advancement for low-wage workers, through employer-connected, sector-focused service delivery and to do so without increased cost to tax payers. In addition to training and job placement assistance, WorkAdvance provides two years of career coaching to participants – a significantly longer period than traditional workforce programming. A collaborative effort involving employers, social service agencies, educators and training organizations, WorkAdvance is coordinated in Northeast Ohio by Towards Employment. In Ohio, the program is focused on career pathways in health care and manufacturing, and business partners include MetroHealth System, University Hospitals, Eaton and Dearing Compressor. Although the program is in the early stages, initial data on placements is promising, with 35% of working participants achieving advancements. Advancements in wages average \$2.23/hour. The payroll generated by WorkAdvance is estimated to be nearly \$5 million dollars.

Jill Rizika, Executive Director, Towards Employment



OUR FUND'S 2013 INVESTMENT: \$500,000

The Fund for Our Economic Future helped Team NEO, in partnership with local economic development organizations and JobsOhio, recruit a record 16 companies to Northeast Ohio in 2013. These companies represent nearly 1,400 new jobs and more than \$85 million in new annual payroll – the highest payroll in our history.

The Fund also sponsored six benchmarking trips to competitive markets to examine funding models in similar organizations and best practices in business attraction and business retention and expansion (BR&E). Output from these trips will help Team NEO develop a sustainable funding model and enhance its business attraction efforts. The information will also provide valuable input into the Fund's regional strategy collaboration with the business community.

Tom Waltermire, CEO



OUR FUND'S 2013 INVESTMENT: \$632,500

With the Fund's support, NorTech has taken on a broader role by helping organizations of all sizes accelerate the pace of innovation in Northeast Ohio.

By building networks of companies, colleges and universities, government and economic development organizations, and private funders, NorTech is accelerating the commercialization of products and services in the region's flexible electronics, advanced energy and water technologies industries. The organization is also increasing the speed to market for cluster members by helping them identify resources in the regional value chain, meet workforce needs, attract capital and capture customers.

NorTech is proud its members attracted \$65.1 million in capital, created 196 jobs and generated \$12.8 million in payroll in 2013 and it strengthened its efforts to connect Northeast Ohioans of all backgrounds to opportunities within the innovation economy.

Rebecca Bagley, President & CEO



**OUR FUND'S
2013 INVESTMENT:
\$550,000**

BioEnterprise provides management guidance and business development support to over 140 client companies. In 2013, BioEnterprise initiative companies attracted \$188 million in equity capital and added 361 new jobs. In coordination with Team NEO and JobsOhio, 9 companies either moved to or expanded operations in the region. These 9 companies are projected to add 223 jobs and \$17,995,000 in annual payroll within the next three years.

In 2013, the BioEnterprise Initiative secured over 150 national, trade and regional media placements promoting the biomedical industry (e.g. *The Economist*, *Washington Post* and *Industry Week*). To increase regional proficiency in biomedical innovation and commercialization, BioEnterprise organized 8 educational programs and funding workshops in 2013. The initiative is active in its support of the Cleveland Health-Tech Corridor and the Akron Biomedical Corridor. BioEnterprise participated in the initial Global Center for Health Innovation Steering Committee that set in place the GCHI leadership and Industry Advisory Committee.

Aram Nerpouni, President & CEO



**OUR FUND'S 2013
INVESTMENT:
\$400,000 FOR PRISM**

In 2013, MAGNET applied the Fund's grant award to help build-out services and expand working relationships for the Partnership for Regional Innovation Services to Manufacturers (PRISM) initiative. The Fund's commitment enabled MAGNET to secure corporate matching contributions from the Lincoln Electric Company, Swagelok Corporation, and the Timken Company.

PRISM combines MAGNET's proven experience with helping manufacturers improve their top-line sales and bottom-line results with a powerful network of innovation-driven higher education and research institutions in Northeast Ohio. These PRISM partners and their resources are helping to maintain, evolve and accelerate manufacturing as a critical driver of the region's economy. For example, the NASA Glenn Research Center now supports PRISM as a mechanism "to infuse NASA-Glenn's technology assets into the Northeast Ohio community," according to NASA Glenn Director James Free.

Vitamix, a leading global manufacturer of mixing and blending products for the consumer and hospitality marketplace, experienced substantial growth as a result of its participation in PRISM. The Olmsted Falls-based company increased production from 4,000 to 5,000 units a day, resulting in \$18 million in new sales and the creation of 40 new jobs.

Daniel E. Berry, President & CEO



**OUR FUND'S
2013 INVESTMENT:
Continued work on
2012 grant**

Fund support enabled the Northeast Ohio Sustainable Communities Consortium (NEOSCC) to deliver Vibrant NEO 2040, a regional vision and tools for making Northeast Ohio more vibrant, resilient and sustainable. The report makes clear that present development patterns are fiscally wasteful/unsustainable, isolate vulnerable urban populations from job opportunities, and undermine our environmental health and quality of life. The Vibrant NEO Vision, Framework and Action Products describe in detail the roadmap, initiatives, policy changes and leadership needed to create a stronger region. This alternative vision would result in lower taxes, greater equity and capital-efficient economic growth. The Fund's interest and support for this unprecedented initiative ensured the robust regional collaboration needed to create the Vision and develop 41 specific Initiatives and four Action Products – a Dashboard of Regional Indicators, Policy Recommendations, Toolkit & Best Practices, and Pilot Projects – needed to implement the Vibrant NEO Vision.

Hunter Morrison, Executive Director

AG-BIOSCIENCE INITIATIVE

**OUR FUND'S 2013
INVESTMENT:
\$100,000**

Our Fund awarded \$100,000 to the Ohio State University's Ohio Agricultural Research and Development Center to continue efforts to develop Northeast Ohio's ag-bioscience sector.

REGIONAL STRATEGY DEVELOPMENT

**OUR FUND'S 2013
INVESTMENT:
\$302,500**

Our Fund is bringing business and philanthropy together to develop regional strategies that will help achieve our vision of an opportunity-rich economy for all Northeast Ohio residents. We invested \$302,500 in that effort during 2013.

The following organizations assisted our Fund with our work in 2013:

- BUSH CONSULTING**
- CLEVELAND STATE UNIVERSITY**
- IDEASTREAM**
- PETER CARLSON**
- STRATEGY DESIGN PARTNERS**
- THE CIVIC COMMONS**
- THE UHL GROUP**

THE IMPACT of OUR WORK

We have traditionally measured the economic impact of our efforts through the jobs, payroll and capital attracted to Northeast Ohio. These metrics show accelerating progress, much of it in the past four years, suggesting a compounding effect.



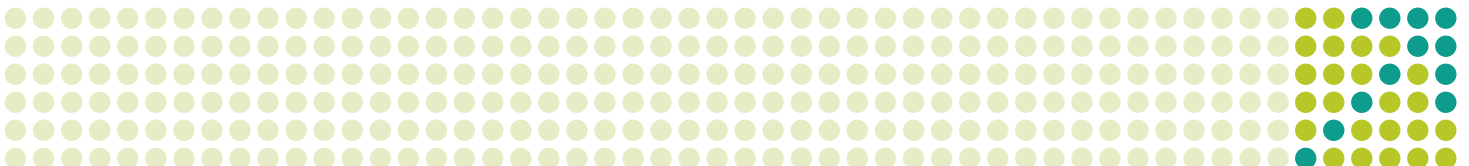
	Phase I (2004-2006)	Phase 2 (2007-2009)	Phase 3 (2010-2012)	Phase 4 year 1 (2013)***
JOBS	487*	4,416*	7,544** (103% of goal)	2,286** (29% of 3-year goal)
PAYROLL	Not available	\$97 million	\$301 million (241% of goal)	\$153 million (51% of 3-year goal)
CAPITAL RAISED	\$156 million	\$1 billion	\$1.14 billion (104% of goal)	\$575 million (38% of 3-year goal)

*Jobs created or retained **Jobs created ***Data through March 1, 2014

for 2013

- > **10% of the 447 companies served through our grantee partners are minority owned or led.**
- > **Companies served by our grantee-partners are located across the entire region of Northeast Ohio.**
- > *The average salary for jobs created was a record-high \$67,195 – up 34% from 2012.*

As part of our Growth & Opportunity Initiative we are developing additional metrics beyond business growth indicators. To ensure our efforts advance both growth and opportunity, we must more fully understand the kind of business growth and who it benefits. These additional metrics will include *labor force participation and per capita income in economically distressed neighborhoods* throughout Northeast Ohio.



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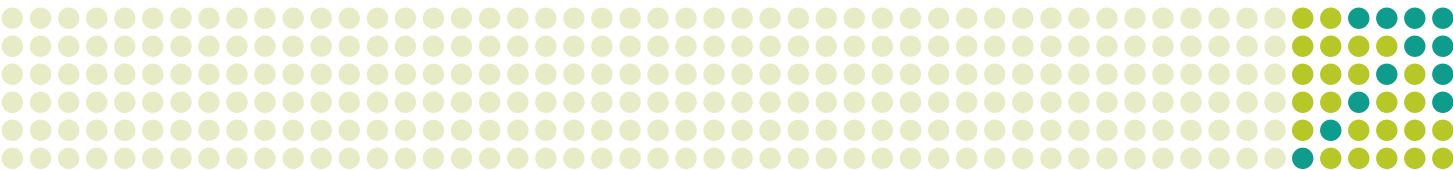
PHILANTHROPIC ENGAGEMENT

Our Fund serves as the collective voice of our members – representing community, private and corporate foundations, higher education institutions, health care systems, political districts, individuals, and community collaborations.

Fund members are spread across the 16-county region of Northeast Ohio, including the metropolitan areas of Akron, Canton, Youngstown, and Cleveland and their surrounding communities. While our members' missions and geographic scopes vary broadly, all agree that a growing, opportunity-rich economy is essential for the health of our region, as well as the success of their distinct individual missions.

We are grateful to our Fund's members and participants, who had committed more than \$11.3 million to our Phase 4 efforts by the end of 2013. Additional membership renewals and other fundraising to support our work is ongoing.

In 2013, our members engaged in our work by attending Fund meetings and learning opportunities, leading Fund committees, due diligence teams, and affinity groups; sponsoring and addressing community forums and other groups interested in economic competitiveness; and spearheading local and regional strategy development and implementation. Fund members expressed a high degree of satisfaction with their Fund engagement during 2013, in terms of value received for time spent.



"The Wayne Growth Partnership was formed because we wanted a seat at the table as the region's economic competitiveness agenda was being developed. Our members realize that the whole region is interconnected – through industries, supply chains, transportation, logistics and employment in general. For example, recent statistics show that 29% of employees who work in Wayne County live in other counties and 24% of Wayne County residents work outside of our county. A healthy regional economy is essential to the economic health of Wayne County; we all rise and fall with the same tide."

Rod Crider and Lud Huck, Wayne Growth Partnership

"Fund membership amplifies our philanthropic voice; we get back 8-fold what we put into the Fund. My board members tell me Fund membership is the most important thing the foundation has ever done."

Brian Frederick, President and CEO, Community Foundation of Lorain County

"The Fund links us to regional efforts and helps us ensure that issues we care about are being addressed and supported. It's important for Stark County to have a voice on regional issues of economic competitiveness. I appreciate the connections I've developed with Fund members and the access the Fund provides to both people and information. As a small organization, we use the Fund to outsource our grantmaking in certain areas, such as workforce development."

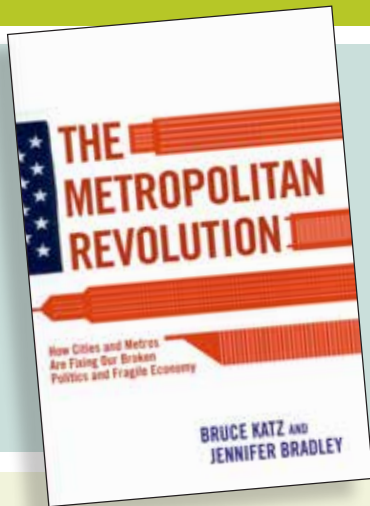
Joni Close, President, Sisters of Charity Foundation of Canton

"Involvement in the Fund has given us the opportunity to see how other foundations operate and learn from them, as opposed to operating within a vacuum. I've learned so much about the economic development arena, which – on a basic level – touches everything we do. I value the many relationships we have made in the foundation community and the opportunities to share and collaborate. We have also benefited from the expertise of the Fund staff, as well as that of other foundation professionals."

Kim Pesses, Meisel Family Foundation

IN 2013, OUR FUND

was honored to be recognized as a national model for innovative, pragmatic problem-solving.



“Metropolitan areas are so big, so complicated and so diverse that they don’t need heroes they need networks...*Northeast Ohio’s efforts to use networks to bring about a new economy – built on the foundations of its old economy – are aligned with powerful, social, economic and cultural forces...* The Fund for Our Economic Future has been... successful at bolstering a network of economic development organizations that are changing the economy of Northeast Ohio.”

The Metropolitan Revolution by Bruce Katz and Jennifer Bradley, which features our Fund’s work in Chapter 4, “The Post-Hero Economy”

In June of 2013, *The National Journal* honored “pragmatic problem solvers” in several categories in its **Back in Business Special Report**. The Fund was named the national winner in the area of developing regional economic strategies. The *Journal* praised our Fund for taking “the lead in implementing a comprehensive plan that has ignited a tangible turnaround in a region that has symbolized American industrial decline since the 1970s.”

National Journal



JOHN S. AND JAMES L. KNIGHT FOUNDATION

As part of our continuing assessment efforts, our Fund partnered with the John S. and James L. Knight Foundation on a report that offers civic leaders practical lessons for building regional collaborations to address challenges and opportunities too big to take on alone. The report, ***Catalyzing Regional Economic Transformation: Lessons from Funder Collaboration in Northeast Ohio***, outlines experiences and tactical lessons that can be adopted in regions facing similar struggles.

“Funders and institutions are increasingly realizing the importance of addressing complex economic and social issues through greater collaboration. This report identifies ways to increase the effectiveness of funder collaboration... The lessons, based on almost a decade of work at the Fund, including successes and struggles, can be **tremendously valuable for businesses, nonprofits and governments who adopt collaboration as a way to strengthen economic opportunity.**”

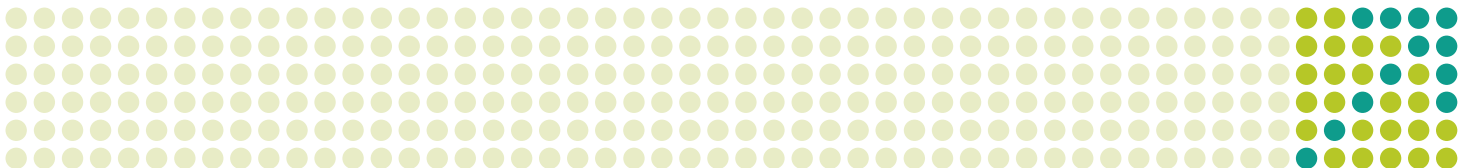
Jon Sotsky, Director/Strategy and Assessment,
John S. and James L. Knight Foundation

FUND MEMBERS

Abington Foundation
Akron Community Foundation
Burton D. Morgan Foundation
Case Western Reserve University
Cleveland Clinic Foundation
Cleveland State University
Community Foundation of Lorain County
Cuyahoga Community College
Cuyahoga County
Deaconess Community Foundation
Elizabeth Ring Mather and William Gwinn Mather Fund
Eva L. and Joseph M. Bruening Foundation
FirstEnergy Corporation
Forest City Enterprises Charitable Foundation
Francis G. Shoolroy Charitable Fund
Fred A. Lennon Charitable Trust
GAR Foundation
George Gund Foundation
Growth Partnership for Ashtabula County
J.M. Smucker Company
John Huntington Fund for Education
John S. and James L. Knight Foundation
Katherine and Lee Chilcote Foundation
Kelvin and Eleanor Smith Foundation
Kent H. Smith Charitable Trust
Kent State University
Lorain County Community College
Meisel Family Foundation
Nord Family Foundation
Oberlin College
Reinberger Foundation
Saint Luke's Foundation
Sherwick Fund of the Cleveland Foundation
Sisters of Charity Foundations – Canton and Cleveland
Stark Community Foundation
Summa Health System
Tecovas Foundation
The Cleveland Foundation
The George W. Codrington Charitable Foundation
The Raymond John Wean Foundation
Third Federal Foundation
Trumbull 100 & The Community Foundation of Western PA and Eastern OH
University Hospitals
University of Akron
Wayne Growth Partnership
Westfield Insurance Foundation
William J. and Dorothy K. O'Neill Foundation

FUND PARTICIPANTS

Frederick and Janet Dorn Foundation
Hollington Family
Lincoln Electric Foundation
Sears-Swetland Family Foundation
Weathertop Foundation
Whitehead Family Foundation





FUND FOR
OUR
ECONOMIC
FUTURE

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