

A photograph of a man and a young girl working together in a garden. The man, wearing a light-colored long-sleeved shirt, a pink baseball cap, and work gloves, is kneeling and holding a small green seedling. The girl, with long blonde hair and wearing a pink shirt and pink shoes, is also kneeling and looking at the seedling. They are in a garden bed with dark soil and some small plants. In the background, there is a wooden building with a window and some greenery. The title "REGIONAL OPPORTUNITY SCORECARD" is overlaid in large white letters, with horizontal lines on either side of "REGIONAL OPPORTUNITY".

# — REGIONAL OPPORTUNITY — SCORECARD

2016 EDITION





## HOW AND WHY WE MEASURE

The Regional Opportunity Scorecard represents just one way the Foundation for Appalachian Ohio tracks regional indicators to provide a snapshot of quality of life in our region. The Regional Opportunity Scorecard was first created to give us all a rallying point for tracking progress, a kickstarter for discussions, a place where organizations could turn for access to data at the regional level, and, most importantly, a tool that could be developed over time to reflect our region's progress more accurately and more deeply.

This year marks the fourth edition of the Scorecard, providing insights on the philanthropic, educational, and economic progress of our region. We look forward to future editions of the Scorecard, where, in partnership with others across our region, we can build it out to reflect other areas vital to a robust quality of life for our region's citizens and communities.

Our Regional Opportunity Scorecard continues to look at eight indicators of prosperity, selected to help us track progress in areas of significance for our region's growth and development. These indicators, and the Scorecard itself, serve as a conversation starter for the citizens, communities, nonprofits, schools, businesses, and other leaders throughout Appalachian Ohio to work together to create opportunities in philanthropy, education, community and economic development, and beyond.

This year's Scorecard shows areas where we continue to see progress as well as areas where we may need to take a step back and reflect on how we can better serve our region and its citizens. Once again, we have seen an increase in the philanthropic assets per capita in Appalachian Ohio, which shows that our work with local communities to build philanthropic resources is making an impact. This represents a concrete step we can take to increase resources available for nonprofits, schools, and communities to address challenges in the areas featured here and in many others, like health, arts and culture, and environmental stewardship.

These indicators also show that slowly but surely, we are moving out of the Great Recession and are starting to see economic growth in terms of not only jobs, but in GDP as well as household income and earnings. Because of this, we see positive movement towards regional prosperity.

We look forward to the conversations that will come as a result of this year's Scorecard and how it can serve in partnership with other reports addressing similar indicators throughout the region. By working together, we can develop a fuller picture of Appalachian Ohio, our assets, and our challenges so that together we can find ways to invest in our region's future to grow generational prosperity for all of our citizens and communities.



GOAL 1

## LOCAL PHILANTHROPY

Ensure every county in the region is served by a source of locally-focused community philanthropy

Progress



GOAL 2

## PHILANTHROPIC RESOURCES

Secure more philanthropic endowed gifts and assets per capita

Progress



GOAL 3

## EDUCATIONAL ADVANCEMENT

Raise Appalachian Ohio's educational attainment levels

Stable



GOAL 4

## POST-GRAD RETAINMENT

Increase the number of post-secondary graduates employed in Appalachian Ohio

Stable



GOAL 5

## ECONOMIC INNOVATION

Increase the number of business start-ups and expansions in the region

Progress



GOAL 6

## A THRIVING ECONOMY

Raise the regional Gross Domestic Product (GDP)

Significant Progress



GOAL 7

## CITIZENS' PROSPERITY

Increase regional personal income and wealth to meet or exceed Ohio's averages

Significant Progress



GOAL 8

## REGIONAL PROSPERITY

Raise the number of counties identified as prosperous

Mixed Progress





## LOCAL PHILANTHROPY

Progress

Measured in permanent endowments and annual grantmaking ability, Appalachian Ohio falls behind other areas of the state (read more about the philanthropy gap in **Goal 2**). Goal One focuses on building local philanthropy because of the transfer of wealth opportunity in Appalachian Ohio over the coming years in communities that haven't historically had local philanthropic resources.

### 2010 BASELINE

**16** COMMUNITY FOUNDATIONS

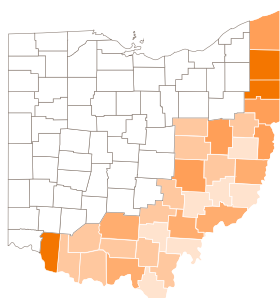
**121** MILLION DOLLARS IN ENDOWED FUNDS

**8.5** MILLION DOLLARS IN GRANTMAKING

Source: IRS 990 Reports provided by the Foundation Center for calendar year 2010.

### PROPOSED BENCHMARKS FOR DISCUSSION

- 90% of communities have active community foundations or local leadership supporting local philanthropic development.
- 50% of communities are actively building permanent grantmaking endowments.
- 50% of communities are actively building funds to support philanthropic development.
- 10% of communities have realized 5% Transfer of Wealth giveback goal by 2020.
- 25% of communities are actively employing strategic grantmaking.



### 2010-2020 TRANSFER OF WEALTH OPPORTUNITY

- \$3,000,000,001 to \$3,600,000,000
- \$2,000,000,001 to \$3,000,000,000
- \$1,000,000,001 to \$2,000,000,000
- \$750,000,001 to \$1,000,000,000
- \$250,000,001 to \$500,000,000
- \$115,000,000 to \$250,000,000

The role of community foundations like FAO is to grow the local and flexible funds communities, especially those without philanthropic resources historically, need to support local priorities. FAO serves not only Appalachian Ohio, but also ten communities as they grow resources to support local opportunities. Led by local committees, these leaders are building new resources in their communities to create opportunities for their citizens. To support these communities as they build resources for their citizens, a comprehensive mapping project documenting the presence of local charities and their resources would be beneficial.

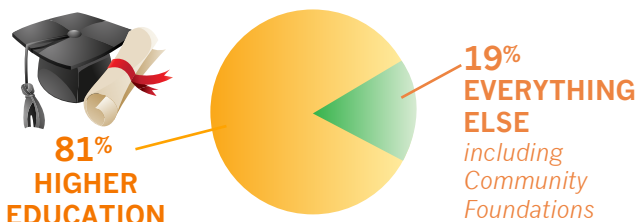
### The Opportunity is Now

While too many American families have too little, many have wealth and are very philanthropic. Over the coming 50 years, this region's transfer of wealth opportunity is estimated at \$145 billion. Achieving a 5% voluntary giveback goal to permanent, flexible resources like community foundations would create a collection of endowments of \$7.3 billion. These endowments, in turn, could generate over \$363 million in grantmaking, forever! And with a 30% increase in current net worth between 2010 and 2015 in Appalachian Ohio, outpacing growth in the U.S. and Ohio, we see promise for growing philanthropy.

Source: Center for Rural Entrepreneurship. Updated Transfer of Wealth Analysis for Appalachian Ohio, June 2013.

### MOST MILLION-DOLLAR GIFTS INVEST IN EDUCATION

Source: Indiana University Lilly Family School of Philanthropy





## PHILANTHROPIC RESOURCES

Progress

The philanthropic dollars available to nonprofits, schools, and communities are at the heart of what allows citizens and organizations to address local and regional challenges and pursue new opportunities. With fewer philanthropic dollars comes less access to opportunities. Appalachian Ohio still has far fewer philanthropic dollars than the rest of the state, but progress has been made since we started tracking the Philanthropy Gap.

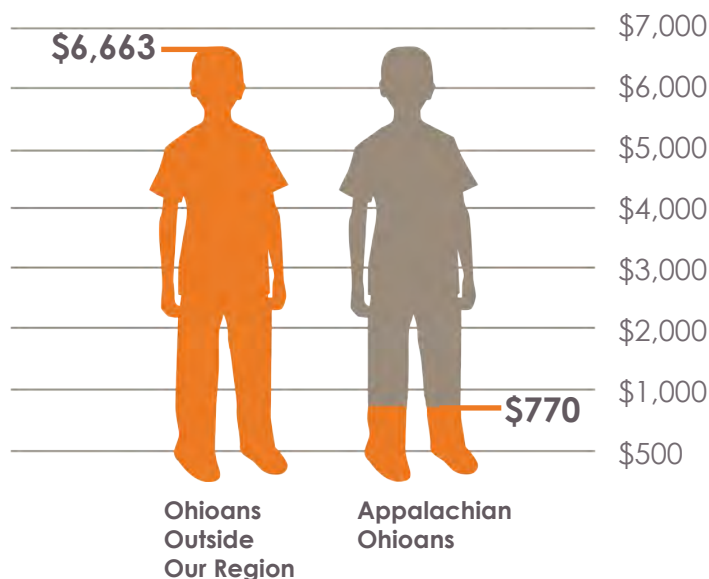
### PHILANTHROPIC RESOURCES

- Grantmaking Assets in Appalachian Ohio: **\$1.55 billion**
- Grantmaking Assets in the Rest of Ohio: **\$70.76 billion**

### PROPOSED BENCHMARKS

- A 10% decrease in the gap between Appalachian Ohio and the rest of Ohio by 2020.

### Philanthropic Dollars Per Capita



Source: Foundation Center, 2016

### What does this mean?

There remains a philanthropy gap in Appalachian Ohio, where philanthropic assets are significantly lower than the rest of Ohio or the United States. Appalachian Ohio remains at a disadvantage for funding sources and philanthropic assets to support its nonprofits, communities, and schools despite slight decreases in the number of grantmakers in Ohio in 2016. But, that does not negate the progress we have made as a region.

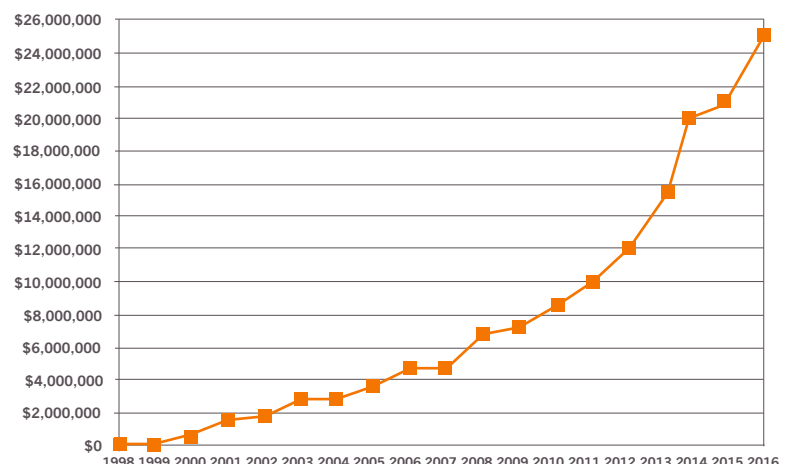
Over the course of the past year, Appalachian Ohio has shown growth in philanthropic assets per capita. Appalachian Ohio once again did not lose ground and continued to grow its assets, despite a slight decrease in the comparative value to the rest of the state. When considered with the Transfer of Wealth data for our region in Goal 1, there is tremendous opportunity for the continued development of philanthropic resources in Appalachian Ohio.

### One foundation's work

FAO continues our efforts to build permanent assets for Appalachian Ohio, with a goal of growing \$100 million in new philanthropic assets by 2030. As we work towards this goal, we will track our progress to ensure the philanthropy gap at the forefront of all our efforts. We are just one organization, but in working with many others we believe shrinking the philanthropy gap will impact all scorecard indicators as well as other important quality-of-life indicators.

### FAO Asset Growth

*from Founding to Today*





## EDUCATIONAL ADVANCEMENT

Stable

Increasing educational access and attainment is fundamental to increasing prosperity in Appalachian Ohio. Degrees have importance beyond their advantage in a competitive marketplace. They equip individuals with the skills and experiences needed to be part of a thriving economy. There is no doubt that communities with greater educational achievement do better economically and socially.

### 2010 BASELINE

- Less Than 9<sup>th</sup> Grade: **5.6%**
- 9<sup>th</sup> to 12<sup>th</sup> Grade: **11.5%**
- High School or GED: **44.7%**
- Some College (no degree): **17.6%**
- Associate's Degree: **7.3%**
- Bachelor's Degree: **8.2%**
- Graduate or PhD: **5.0%**

Source: 2007 – 2011 American Community Survey, 5-Year Estimates. U.S. Census Bureau, 2013.

### PROPOSED BENCHMARKS FOR DISCUSSION

By 2020 –

- 10% reduction in those with less than a high school or GED education.
- A 10% improvement in high school graduation rates.
- A 10% improvement in associate's degree rates.
- A 5% improvement in bachelor's degree rates.
- A 2.5% improvement in graduate or professional degree rates.

### How Are We Doing?

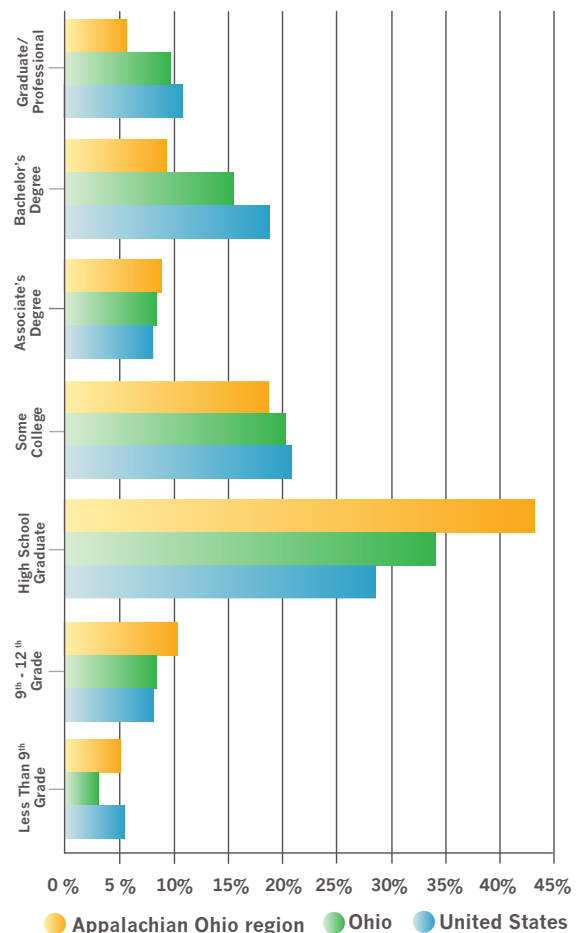
We are heartened by the increase of associate degree attainment in the region, higher than state or national figures. This indicates that the importance of attaining post-secondary degrees and credentials is gaining ground in Appalachian Ohio. However, Appalachian Ohioans are not obtaining bachelor or graduate and professional degrees at the rate of Ohio or the United States. The slight decreases in these two categories may reflect changes in corresponding age groups highlighted in Goal 4.

Trends in Appalachian Ohio may reflect broader trends throughout Ohio and the United States, in part due to the continued conversation about college affordability and debt. Recent studies have shown that Ohio faces a challenge in meeting future job needs in part because of a gap in workers with necessary skills and education. This reinforces the need for robust support for Appalachian Ohioans pursuing post-secondary education to ensure that our region's citizens graduate. Possible supports include rigorous academic training, scholarship dollars, and peer and community support from those who share our students' backgrounds.

Tracking changes in educational attainment for those 25 and older is a leading indicator of whether or not the region is improving educational attainment or is falling behind compared to the U.S. and Ohio. Changes in this demographic will indicate the region's ability to educate and retain our own citizens while also attracting others with post-secondary education to the region, which has a direct effect on Post-Grad Retainment (Goal 4).

### Educational Attainment

Population 25 and Older



Source: American Community Survey, 2011-2015



## POST-GRAD RETAINMENT

Stable

Increasing students' educational advancements and experiences is one important focus for ensuring the region and its students have more opportunity. However, unless Appalachian Ohio can retain its educated residents, the connection between improving educational levels and regional prosperity will be eroded.

### 2010 BASELINE

**No Good Metrics.** Unfortunately, there is currently limited information on where Appalachian Ohio's graduates are going. **The good news is that efforts are underway at both the secondary and post-secondary levels to track what is happening to students and where they are ending up.**

**In the Meantime—Our Metric.** We are using an indirect method to look at the share of the population for specific age cohorts relative to both U.S. and Ohio averages.

### PROPOSED BENCHMARKS

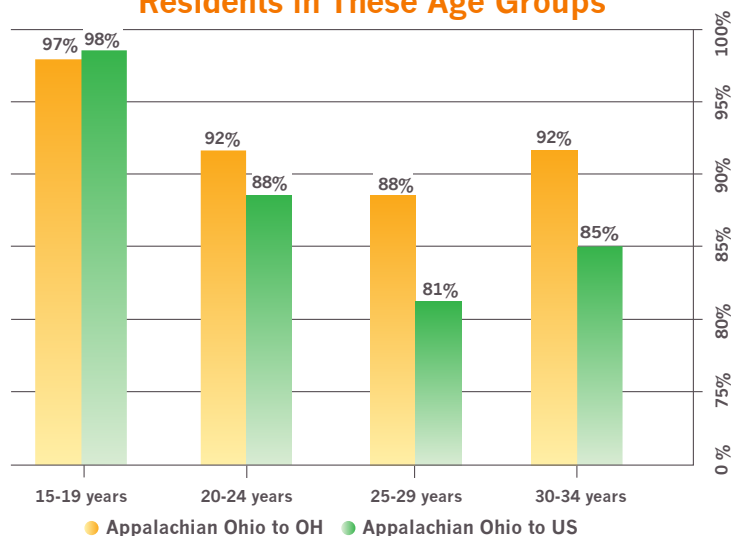
To retain and attract talent by 2020:

- Maintain the region's 15 – 19 year olds at 95% – 100% of the U.S. average.
- Increase the region's 20 – 24 year olds from 87% of the U.S. average by 10%.
- Increase the region's 25 – 29 year olds from 85% of the U.S. average by 10%.
- Increase the region's 30 – 34 years olds from 89% to over 90%. **This age bracket is especially significant.**

### What's Changed?

While the changes are modest, decreases in the 30-34 and 25-29 age cohorts in Appalachian Ohio compared to state and national figures should give those throughout our region pause. For the second straight year, the 30-34 age cohort, which is essential to rooted populations in the region, decreased compared to state and national figures and represents a downward trend from our initial benchmarks. Stakeholders throughout the region should take these trends into consideration as strategies are developed to retain and attract these age cohorts in our region.

### Residents in These Age Groups



Source: American Community Survey, 2009-2013 Five-Year Estimates

### Why Are These Ages Important?

A healthy demographic balance—a population with relatively equal shares of all age cohorts—is essential to regional prosperity and economic growth.

- Age 15 – 19. Life's aspirations are being firmly set. This population is foundational to future demographic health.
- Age 20 – 24. Typically the years that youth head to college, vocational school, the military, and the like. How can the region draw more of this talent back?
- Age 25 – 29. The early years in careers, find first jobs, marriage, and additional education. A competitive economy and stronger quality of life offerings attract these family and career builders into the region.
- Age 30 – 34. Careers and families are being formed and set. Once rooted, there is a good probability that this talent will contribute to regional prosperity for the balance of their lives.



## ECONOMIC INNOVATION

Progress

Appalachian Ohio has struggled with chronic economic distress for generations. The Great Recession (2007-2010) was the deepest and longest economic recession in the United States since the Great Depression in the 1930s. The Great Recession Recovery (2010 to present) has been slow, though it appears that the recovery is starting to pick up through additional jobs and increased wages despite parts of the country, including our region, experiencing the recovery at different rates. All levels experienced strong growth in proprietorship, a positive sign for business development in Appalachian Ohio.

### 2010 BASELINE

**Start-Ups:** 4.5% Per Year  
Establishment Growth

**Expansions:** 2% Job Growth &  
5% Sales Growth

### PROPOSED BENCHMARKS

**Start-Ups:** 5% Per Year  
Establishment Growth

**Expansions:** 2.5% Job Growth &  
7% Sales Growth

**Start-Ups** Economic renewal begins at the base of our economy where new ideas, energy, and capital combine to create new ventures. Measuring start-up activity is the first step to measuring a region's capacity for economic renewal in the face of competition.

**Expansions.** Expansions refer to ventures that are growth-oriented and have the capacity to reach new and outside markets, create new jobs, and generate both taxes and opportunities for other businesses.

### How Are We Doing?

Entrepreneurial ventures are an important component of a community's business sector. When family-owned, local businesses prosper, they hire more employees, pay more local taxes, and are able to actively support their communities. Proprietorships represent these kinds of entrepreneurial ventures.

There is much to be optimistic about with the most recent data measuring economic innovation in Appalachian Ohio. While growth in proprietorship is not quite as strong as the United States and Ohio, Appalachian Ohio is not far behind. This indicates that businesses are being created locally in our region. We are also pleased to see that between 2010 and 2015, job creation in Appalachian Ohio is outpacing the United States and Ohio.

### Growth in Proprietorship

(Number of Jobs) 2014 – 2015

**United States 2.91%**

**Ohio 2.83%**

**Appalachian Ohio 2.66%**

Source: U.S. Bureau of Economic Analysis, 2015

This also ties, in part, to the 2010 through 2015 net positive **growth in business establishments**, including social ventures in the

**United States +2.7%**

**Ohio +2.6%**

and **Appalachian Ohio +2.2%**

Source: YourEconomy.org, 2015

The creation of new businesses is directly related to job growth and creation. Between 2010 and 2015, **job creation is positive**, with Appalachian Ohio outpacing the

**United States +0.7%**

**Ohio +1.9%**

and **Appalachian Ohio +2.6%**

Source: YourEconomy.org, 2015





## A THRIVING ECONOMY

Significant  
Progress

Gross Domestic Product is a measure of a nation's, state's, region's, or even community's, economy. Economies with higher GDP values relative to populations (e.g., per household values) typically are stronger, more prosperous, and create more widely-shared wealth, which means more opportunity. As expected, Ohio and the nation's values of GDP are greater than Appalachian Ohio's, but the good news is that between 2010 and 2015 Appalachian Ohio's GDP grew at a slightly faster rate than the U.S. and almost as fast as Ohio.

### 2010 BASELINE

GDP values can vary from year to year based on fluctuations in key industries. For purposes of the Scorecard, we are setting the 2010 baseline using the average value from 2009 and 2010.

**\$65,550 GDP Per Household**

Source: IMPLAN, 2013.

### PROPOSED BENCHMARKS

By 2020, Appalachian Ohio will average 6% annual GDP growth hitting the following per household targets:

**2015** = \$87,721

**2020** = \$116,804

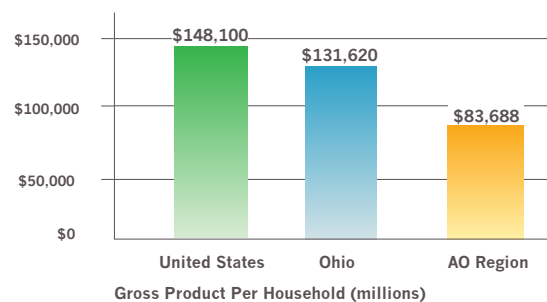
*This scenario assumes 6% nominal growth with 3% inflation and 3% real economic expansion.*

### U.S. & Ohio Benchmarks

Gross domestic product grew nationally, in Ohio, and within Appalachian Ohio between 2010 and 2015. This growth reflects a strengthening overall economy as we continue to climb out of the effects of the Great Recession. While Appalachian Ohio did not achieve the 2015 benchmark we proposed for per household GDP, the region did achieve 95% of that goal. Considering the struggles the entire country has faced during the Great Recession Recovery and the challenges of data precision, this result is still notable, especially as a rural, regional economy which will be smaller than the home state or national economy.

Yet, the rate of growth for our region's GDP continues to be positive. In looking at the growth in GDP between 2010 and 2015, we see that Appalachian Ohio's GDP grew at a slightly faster rate than that of the U.S. And while Appalachian Ohio's rate of growth was still slower than that of Ohio, growth in Ohio's GDP is good for the whole state, including the Appalachian region.

### 2015 Gross Domestic Product



### Total Change in GDP per Household 2010 – 2015

United States

**24.2%**

Ohio

**33.1%**

Appalachian Ohio

**25.1%**

Source: IMPLAN, 2016.



## CITIZENS' PROSPERITY

Significant  
Progress

At the heart of this goal is that household wealth cannot be created until a family has met its basic needs. Appalachian Ohio residents and supporters will be encouraged that the region has experienced improvement in average earnings per job over the past year. As household income grows in proportion to that of citizens outside of our region, we anticipate seeing increased ability to invest in the economy as well as in philanthropy.

### 2010 BASELINE

**\$78K** MEAN HOUSEHOLD  
PERSONAL INCOME

**\$38K** AVERAGE EARNINGS  
PER JOB

**\$296K** MEAN HOUSEHOLD  
CURRENT NET WORTH

Source: ESRI, 2013.

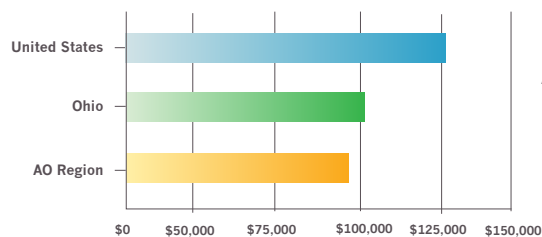
### PROPOSED BENCHMARKS

By 2020, to close the personal income and wealth gaps with Ohio, Appalachian Ohio will need to sustain 5 – 6% personal income growth and 3 – 4% current net worth growth.

Closing the gap with the U.S. would be very challenging as it requires a generation (25 years) of sustained above-average growth.

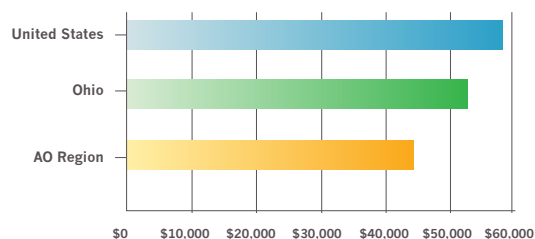
### Per Household Indicators of Personal Income & Wealth

#### Per Household Personal Income



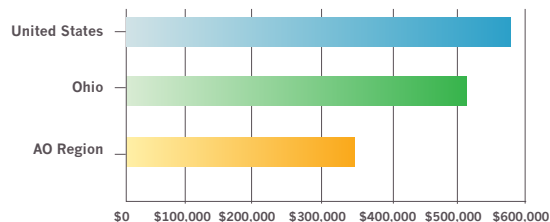
**85%**  
Appalachian Ohio  
Compared to  
State Average

#### Average Earnings Per Job



**83%**  
Appalachian Ohio  
Compared to  
State Average

#### Mean Household Current Net Worth



**77%**  
Appalachian Ohio  
Compared to  
State Average

Source: ESRI, 2016

### How Are We Doing?

Appalachian Ohio saw growth in household personal income when compared to national figures, as the region narrowed the gap over the past year. This indicates that household income is rising as citizens find higher paying jobs, or as family members return to the workforce following the Great Recession.

The region also saw significant growth in average earnings per job. This is a positive sign as rising average earnings per job indicate that the region's citizens are benefitting from higher wages from better paying jobs, allowing them to put more money back into the regional economy while providing better lives for them and for their families. This also reflects that the region is creating better paying jobs, which indicates that jobs regionally are improving. While still lagging state and national figures, regional growth in average earnings per job is a positive sign particularly as we see wage stagnation nationally.



## REGIONAL PROSPERITY

**Mixed  
Progress**

The 32 counties of Appalachian Ohio are part of America's vast Appalachian region running from Maine into Georgia. The Appalachian Regional Commission (ARC) maintains a comparative measure of prosperity for all ARC counties, ranging from economically distressed to attainment, meaning a county has exceeded economic performance relative to U.S. averages.

### 2010 BASELINE

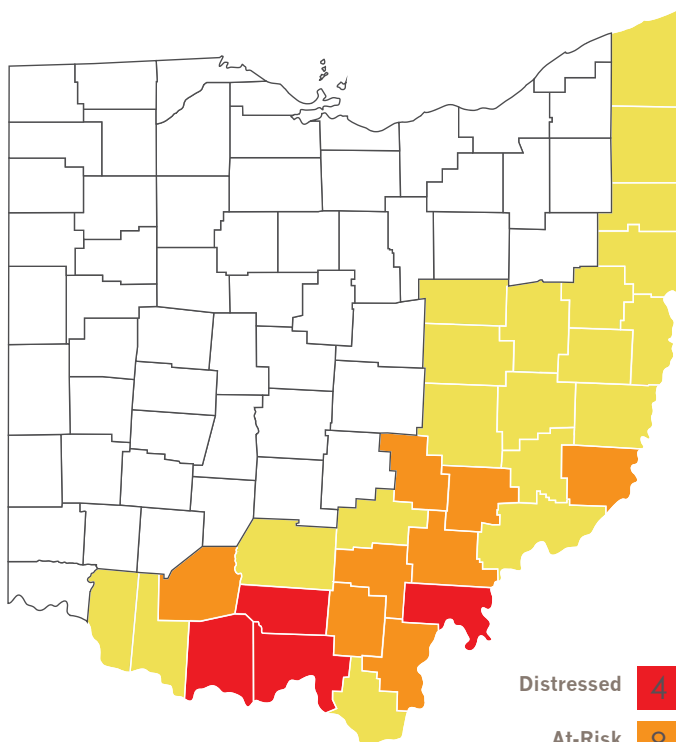
Attainment =	<b>0 Counties</b> (0%) At or better than U.S. performance.
Average =	<b>1 County</b> (3%) Nearing U.S. performance.
Transitional =	<b>16 Counties</b> (50%) Improving from At-Risk.
At-Risk =	<b>9 Counties</b> (28%) Moving toward Distressed.
Distressed =	<b>6 Counties</b> (19%) Significantly below U.S. performance.

Source: Adapted from Appalachian Regional Commission, County Economic Status, 2013

### PROPOSED BENCHMARKS

Attainment =	<b>3 Counties</b> (9%)
Average =	<b>5 Counties</b> (15%)
Transitional =	<b>15 Counties</b> (47%)
At-Risk =	<b>6 Counties</b> (19%)
Distressed =	<b>3 Counties</b> (9%)

These changes are comparable to the tipping points being realized in other Appalachian states.



Source: Appalachian Regional Commission, 2016

Distressed	4
At-Risk	8
Transitional	20
Average	0
Attainment	0
NOT CURRENTLY PRESENT IN THE REGION	

Much of Appalachian Ohio has been economically stressed and challenged for at least two generations. As a mega-region, Appalachia has improved dramatically with many parts now solidly in the top two tiers, described here as Average and Attainment. Appalachian Ohio continues to lag in this progress, but the most recent measures seem to show some county-level progress in Appalachian Ohio. **On average, when looking at the counties together as a whole, our region would be considered At-Risk but is moving steadily toward Transitional.**

While we saw no counties in our region move into the Average or Attainment categories since last year's Scorecard, we did see another increase in Transitional counties, which reflects the progress shown in this year's Scorecard. Additionally, we saw three counties move from Distressed to At-Risk. While we want to see greater improvement, we are heartened by shifts in a positive direction.

Many leading indicators like personal income, average earnings per job, change in GDP per household, and growth in proprietorship in this report indicate growth. Therefore, we have cause to be optimistic about future years of the ARC's prosperity measures for Appalachian Ohio.



As with all progress, partnership has made the Regional Opportunity Scorecard possible. An initial investment from the JPMorgan Chase Foundation allowed FAO to begin work with others around the creation of the first Regional Opportunity Scorecard in 2013. Its continuation and its growth have been made possible because of the support of many other partners, including Rocky Brands, and the support of partners across many fields. They have been part of the conversation surrounding the indicators, the data, and the gaps that we must work to address in both the existing indicators and in those indicators not yet represented.



At FAO, we are excited to be building regional endowments called the ***Pillars of Prosperity*** to support five areas essential to a prosperous region – Arts & Culture, Community & Economic Development, Education, Environmental Stewardship, and Health & Human Services. We are emphasizing an approach that is interwoven, where success in one area will help to develop success in the other four areas. We view the Regional Opportunity Scorecard similarly. We must look across the indicators to see not only how they affect one another now, but how we can influence one by supporting progress in another.

It will only be through continued and new partnerships that the Scorecard will continue to mark progress, expand the indicators included in the Scorecard, and marshal together collaborations across the various areas to focus on change. We hope you will join us in discussing how we can use the Scorecard, and build it out further, to help us all make a difference in Appalachian Ohio.

Please contact the Foundation for Appalachian Ohio with any questions, feedback, or ideas on how we can use this Scorecard to create more opportunity in our region. We're listening.

**Thank you for being a part of the discussion.**



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