

A photograph of a forest floor covered in a dense carpet of small, light blue flowers with green leaves. In the background, several thin, light-colored tree trunks are visible, slightly out of focus. The overall scene is bright and natural.

— REGIONAL OPPORTUNITY — SCORECARD

DECEMBER 2015



HOW AND WHY WE MEASURE

At the outset of the Regional Opportunity Scorecard, the Foundation for Appalachian Ohio and its many partners were excited about the prospect of being able to gather data into one place and track progress in our region. But we were also hesitant to sum up Appalachian Ohio in a few pages of statistics, especially since we envisioned that the Scorecard would need to grow over time to truly shine a light on the many aspects that comprise quality of life.

As we release this third edition of the Scorecard, we look forward to the ways that it can grow over the coming years to reflect the richness of our region as well as the diverse yet interwoven concerns that require investment. In the meantime, we are pleased to share a look at how we have seen changes in benchmarks since the start of 2010 data.

Our Regional Scorecard continues to be a look at eight indicators of prosperity, selected to help us all track progress in areas of significance for our region's growth and development. However, it also serves as a catalyst for the citizens, communities, nonprofits, schools, businesses, and other leaders across Appalachian Ohio so we can create ways of working together in the areas of philanthropy, education, and community and economic development highlighted here.

This year's Scorecard has shown us a few areas of progress, which you can find on the following pages. As we look through the eight indicators, we see promise. We have seen an increase in philanthropic assets per capita in Appalachian Ohio, showing progress in our goal to grow more permanent assets that will create opportunities. Though the ratio of assets as compared to the rest of the state has not changed, we did not lose ground and our assets are growing. This is a significant first step in having more resources available to address challenges across each of the focus areas featured here as well as in many others—health, arts and culture, and environmental stewardship among them.

We look forward to the conversations to come as well as the ways other reports being released this year can add additional information and perspectives on Appalachian Ohio. Together we can develop a fuller picture of Appalachian Ohio, our assets, and our challenges so that we can together find ways to invest in our region's future to grow generations of 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

Mixed Progress



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

Mixed 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

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**). A comprehensive mapping project to better document the presence of community foundations and community endowments, as well as their levels of activity, would greatly support these efforts. In the meantime, we focus on growing local philanthropy across Appalachian Ohio.

2010 BASELINE

16

COMMUNITY FOUNDATIONS

121

MILLION DOLLARS IN ENDOWED FUNDS

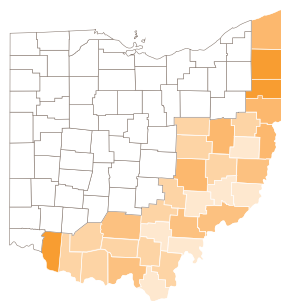
8.5

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.
- 10% of communities have realized 5% Transfer of Wealth giveback goal by 2020.
- 50% of communities are actively building funds to support philanthropic development.
- 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

Communities without local leadership engaged in local philanthropy have little or no philanthropic resources to support local priorities. The role of community foundations is to grow the local and flexible funds these communities need. At FAO, we not only serve the Appalachian Ohio region, but we also support nine counties in growing the resources needed to grow local opportunities.

The Opportunity is Now

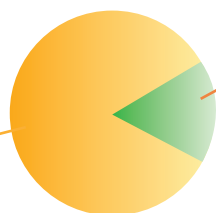
While too many American families have too little, many have wealth and are very philanthropic. Over the coming 50 years, this region's transfer of wealth opportunity is estimated at \$145 billion. Achieving a 5% voluntary giveback goal to permanent, flexible resources like community foundations would create a collection of endowments of \$7.3 billion. These endowments, in turn, could generate over \$363 million in grantmaking annually, 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.

MOST MILLION-DOLLAR GIFTS INVEST IN EDUCATION

Source: Indiana University Lilly Family School of Philanthropy



81%
HIGHER
EDUCATION



19%
EVERYTHING
ELSE
including
Community
Foundations

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



PHILANTHROPIC RESOURCES

Progress

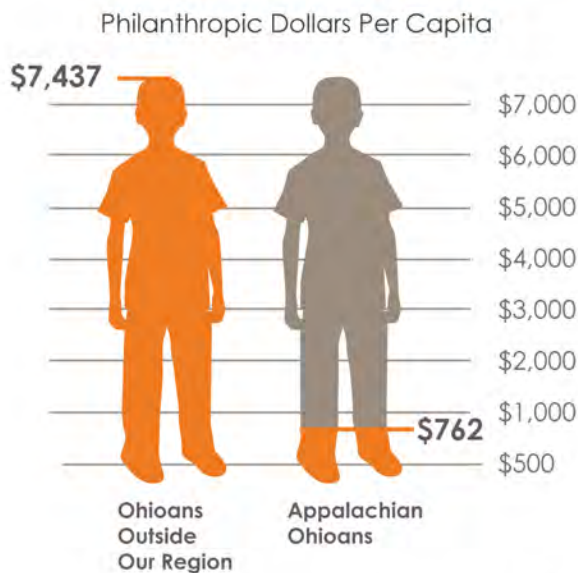
The philanthropic dollars available to nonprofits, schools, and communities are at the heart of what allows citizens and organizations to address local and regional challenges and pursue new opportunities. With fewer philanthropic dollars comes less access to opportunities. Appalachian Ohio currently has far fewer philanthropic dollars than the rest of the state.

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.



Source: Foundation Center 2015

What does this mean?

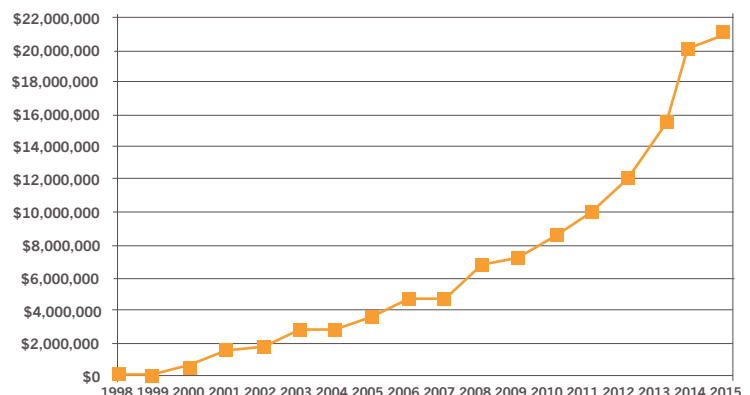
It means there is a philanthropy gap in Appalachian Ohio, where philanthropic assets are significantly lower than the rest of Ohio or the United States. With the smallest portion of grantmakers in the state (17.6 grantmaking organizations per 100,000 people compared to 45.1 grantmaking organizations per 100,000 people in the rest of the state), Appalachian Ohio is at a disadvantage for funding sources and philanthropic assets to support its nonprofits, communities, and schools. We are, however, seeing progress.

Over the course of the last year, Appalachian Ohio has shown growth in philanthropic assets per capita, growing from \$693 per capita to \$742. And while the comparative value to the rest of the state (approximately 10%) did not change over the course of the year, Appalachian Ohio did not lose ground and continued to grow its assets. 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.

One foundation's work

As FAO builds permanent assets, with a goal of growing \$100 million in new philanthropic resources over the next 15 years, we will be tracking our progress to ensure we keep our work to shrink this gap at the forefront of all of 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 1998 Founding to Present





EDUCATIONAL ADVANCEMENT

Mixed Progress

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 9th Grade: **5.6%**
- 9th to 12th 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?

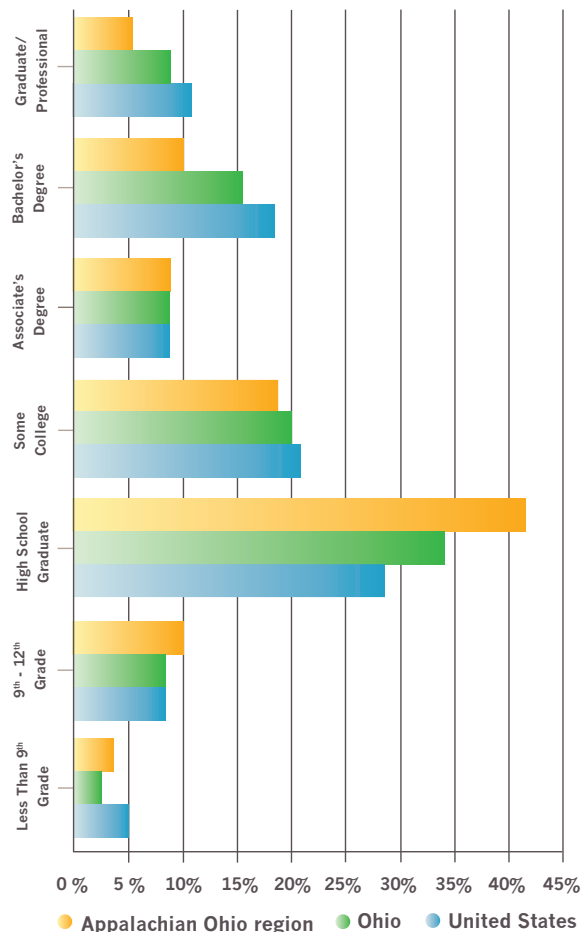
The latest data shows improvement among those with some college education, but no degree, moving closer to state and national figures in that category. This reflects national trends showing increased college-going rates and steps taken to encourage citizens to pursue a post-secondary education.

Bachelor's degree attainment in the region continues to lag national and state figures. It is important to note, however, that national bachelor's degree attainment and completion rates have decreased, reflecting a national discussion of college affordability and debt. This reinforces a need for robust support for Appalachian Ohioans attending college to ensure that our region's citizens graduate. Possible supports include rigorous academic training, scholarship dollars, as well as peer and community support from those who share our students' backgrounds.

Tracking changes in educational attainment for those 25 and older will provide a leading indicator of whether or not the region is improving educational attainment or falling behind when 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.

Educational Attainment

Population 25 and Older





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?

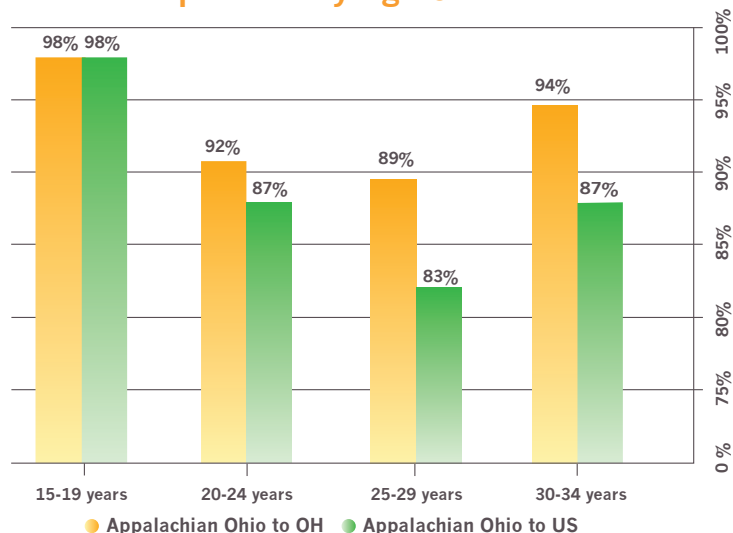
While there has been some decrease in the 30-34 and 20-24 age cohorts in Appalachian Ohio compared to state and national figures, these changes are not substantial enough to indicate overall trends in demographic cohorts in the region. At this point, there is no pattern to suggest an overall trend in retention or contraction among the four age cohorts highlighted.

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, including 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.

Population by Age Cohorts





ECONOMIC INNOVATION

Mixed
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 uncertain and slow. Though the data from the Edward Lowe Foundation, which is used to assess the Scorecard's goal on Economic Innovation each year, has not been updated as of print time, we have seen other economic data indicate some progress.

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.

While the latest data is not available at print time to track progress in economic innovation, data from the U.S. Bureau of Economic Analysis (BEA) shows Appalachian Ohio's proprietorship business growth rate (1.45%) is strong relative to both the U.S. and Ohio values and is a positive sign of rooted business development.

Growth in Proprietorship

(Number of Jobs) 2013 – 2014

United States -0.08%

Ohio 1.28%

Appalachian Ohio 1.45%

Source: U.S. Bureau of Economic Analysis

This also ties, in part, to the 2010 through 2013 net positive job growth and job creation in the

United States (+6.2%),

Ohio (+5.9%),

and **Appalachian Ohio (+2.3%)**

Source: YourEconomy.org

This data source also shows the rate of job growth in the region is lagging behind both Ohio and the U.S. In the 2012 – 2013 time period, job creation is positive, but somewhat weaker in

Appalachian Ohio (+0.2%)

when compared to **Ohio (+1.5%)**

and the **United States (+0.7%).**

Source: YourEconomy.org



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 population (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 – 2014 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 targets:

2015 = \$87,721

2020 = \$116,804

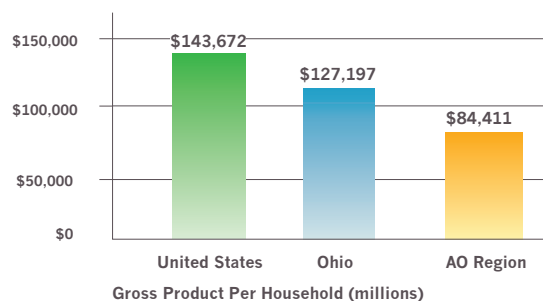
This scenario assumes 6% nominal growth with 3% inflation and 3% real economic expansion.

U.S. & Ohio Benchmarks

Gross domestic product grew nationally, in Ohio, and within Appalachian Ohio between 2010 and 2014. This is the leading edge of the economic recovery following the Great Recession. Adjusted for population and benchmarked to per household values for comparison purposes, the United States continues to have a higher value when compared to Ohio and Ohio has a higher value when compared to Appalachian Ohio. This is to be expected as a regional economy, particularly a predominantly rural one. A rural economy will be relatively smaller when compared to its home state or the national economy. Metropolitan economies tend to have higher relative GDP values because of the concentration of higher value economic sectors.

While there is no denying Appalachian Ohio's GDP values are weak, there is good news in the rate of growth in our region's GDP. In looking at the growth in GDP between 2010 – 2014, 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, the marked progress for Ohio's GDP is good for the whole state, including its Appalachian region.

2014 Gross Domestic Product



Total Change in GDP per Household 2010 – 2014

United States

19.5%

Ohio

27.9%

Appalachian Ohio

21.5%



CITIZENS' PROSPERITY

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.

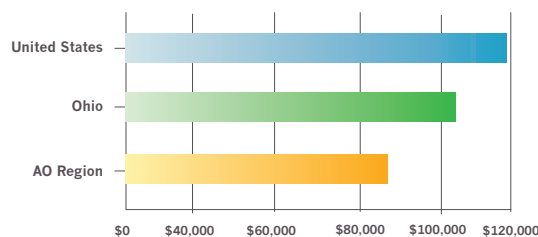
PROPOSED BENCHMARKS

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

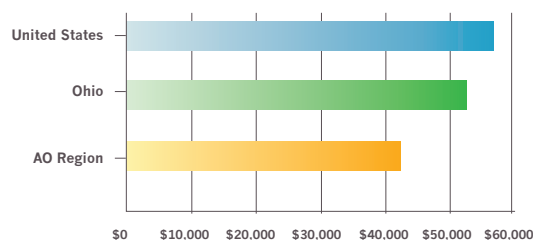
Per Household Personal Income



84%

Appalachian Ohio
Compared to
State Average

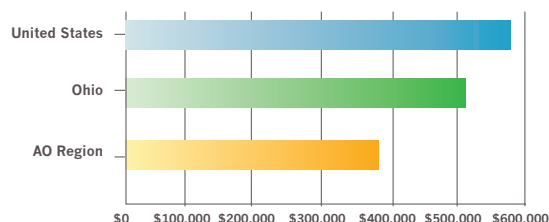
Average Earnings Per Job



80%

Appalachian Ohio
Compared to
State Average

Mean Household Current Net Worth



76%

Appalachian Ohio
Compared to
State Average

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

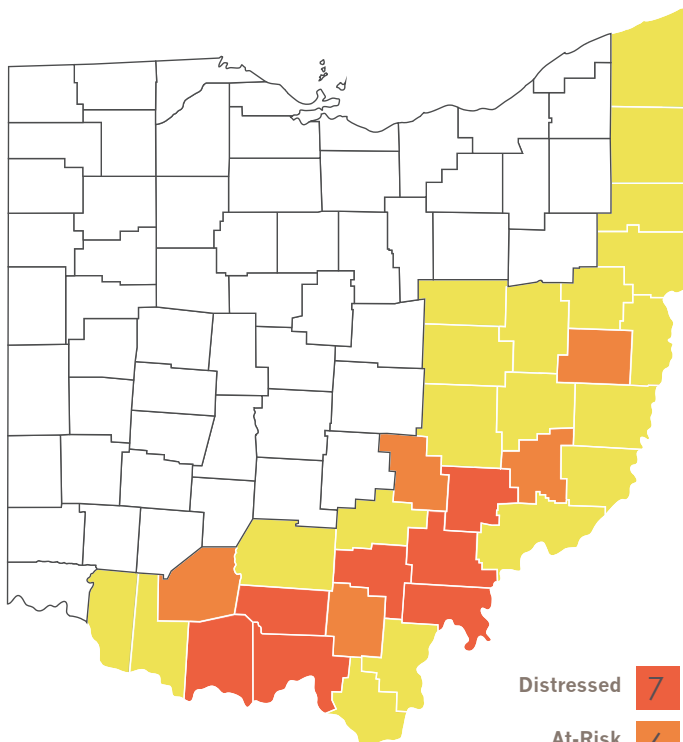
Attainment =	0 Counties (0%) At or better than U.S. performance.
Average =	1 County (3%) Nearing U.S. performance.
Transitional =	16 Counties (50%) Improving from At-Risk.
At-Risk =	9 Counties (28%) Moving toward Distressed.
Distressed =	6 Counties (19%) Significantly below U.S. performance.

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

PROPOSED BENCHMARKS

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

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



Distressed	7
At-Risk	6
Transitional	19
Average	0
Attainment	0

NOT CURRENTLY PRESENT IN THE REGION

Much of Appalachian Ohio has been economically distressed 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. However, Appalachian Ohio continues to lag and while indicators for goals 1 – 7 show progress, it is not seen here at the county level just yet. **On average, when looking at the counties together as a whole, our region would be considered At-Risk.**

We saw no counties in our region move into the Average or Attainment categories since last year's ratings. However, there was an increase in Transitional counties, which reflects the progress shown in this year's Scorecard. While the number of counties labeled as At-Risk decreased from our 2010 baseline, we have not seen tremendous change in the region.

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

It has only been through partnership that the Regional Opportunity Scorecard has been developed over the years. It was with an initial investment from the JPMorgan Chase Foundation that FAO began working 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 across five areas that we know are essential to a prosperous region—Community & Economic Development, Education, Arts & Culture, Environmental Stewardship, and Health and 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.

Thank you for being a part of the discussion.



FOUNDATION FOR
APPALACHIAN OHIO

PO Box 456
35 Public Square
Nelsonville, Ohio 45764
740.753.1111

www.AppalachianOhio.org