

“THIS YEAR’S REPORT IS ALL ABOUT THE FUTURE”
Annual Address of the Foundation for Appalachian Ohio
Presented at FAO’s *I’m a Child of Appalachia* Celebration
November 13, 2014

Remarks of Cara Dingus Brook, President and CEO:

Good evening and thank you all for joining us. This year’s report is all about the *FUTURE*. As many of you know, an unusual campaign has been underway to bring the Foundation for Appalachian Ohio’s capacity to scale with our vision.

Tonight, I have the distinct privilege to announce our success in this campaign – and to share the good news of what this success means for the region we love.

How it is now possible for us to establish a **bold goal** – that of building \$100 million dollars in new funds to advance sustainable transformations in our region;

And how the unusual campaign we just completed creates an opportunity for all of us to make our gifts even more transformational.

Why we’re here.

We’re all here because we seek to invest our dollars in ways that bring sustainable transformations to our region.

We’re proud of Appalachian Ohio; but our pride is not blind.

Generational poverty continues.

Many children in our region, as well as adults who have stayed – struggle to access educational and career opportunities...and often the very basics in life, like health care and proper nutrition.

And we all know there is something about generational poverty that can *infiltrate* a region’s culture – diminishing expectations and creating barriers in the form of low self-confidence.

At its heart, our *Child of Appalachia* initiative tackles this tough problem, because we know a positive mindset is a cornerstone to everything else.

The Philanthropy Gap

An additional barrier holds back every effort to advance sustainable transformations and that is the “philanthropy gap” in our region.

If we look at our philanthropic assets, we find our citizens access less than \$1,000 in per capita philanthropic support.



While this data may seem discouraging, I see so many here, who, like me, have found it to be just the opposite:

In a region where the challenges are complex, interwoven, multi-generational – *overwhelming to say the last...*

We have identified a *specific* challenge we *can* solve. And in solving the challenge of the philanthropy gap, we can empower many other solutions and opportunities – not only today but for generations to come.

FAO's Next 15 Years:

I mentioned, a campaign has been underway – to bring FAO's capacity “to scale” with the region's potential to develop philanthropy.

In celebration of our first 15 years, we took a strategic pause, to envision what could be achieved in the next 15 years.

As we studied the opportunities, we realized it is now possible to build philanthropic support for our region at an entirely new pace and scale.

And we are not talking about just any kind of support, but the kind of funding necessary to generate *sustainable transformations*.

FAO's Two- Part Goal:

So we set a **bold, two-part goal**:

Our first goal is to build **\$30 million for region-wide grant-making endowments – funds we are calling the *Pillars of Prosperity***.

These new *Pillar* endowments will provide permanent support to advance sustainable transformations in five areas of need important to all communities in our region:

1. Education;
2. Health and Human Services
3. Arts & Culture,
4. Community & Economic Development, and
5. Environmental Stewardship.

Across our region, we have courageous leaders working in each of these *Pillar* areas to generate transformational changes – including the five leaders you hopefully met tonight during our reception.

They were very gracious to don orange *Pillar of Prosperity sashes* and greet you with their personal stories of how philanthropy has strengthened the impact of their work.

They, like us, know the problems of generational poverty are interwoven:

It is hard to create an educational opportunity for children who come to school *too hungry* to learn; without a job, it is hard for their parents to provide *healthy food*; and we all know how the *arts* and *environmental stewardship* are linked to the vibrancy of our communities and *everything* else.

So what are we saying?

To create sustainable transformations, we must advance innovations, remove barriers and create opportunities across all five *Pillar* areas.

Growing Home

While our work with *the Pillars* will span region-wide, we understand the vital importance of addressing *unique local needs*.

For this reason, the second part of our 15-year goal is to build **\$70 million for local initiatives**.

This will include new endowments and growing existing ones,

And as you probably guessed, advancing the goal we have held from the beginning – that every county in Appalachian Ohio is supported by a strong local community foundation.

Together, these goals combine to a total of ***\$100 million dollars in new philanthropy*** for Appalachian Ohio.

The IMPACT of \$100 million in endowment

With this level of funding, FAO will be able to invest \$5 million in our region *each year*.

This will be almost ten times what we can give now.

In 20 years' time, the impact of giving \$5 million a year is *\$100 million* given to activities that advance sustainable changes.

Repeating this cycle over several generations will produce the support our region needs to *replace generational poverty with generations of opportunity*.

Have you ever heard the expression: *You can't un-ring the bell?*

Once we had envisioned what \$100 million in new endowment could achieve – the way it would lead to sustainable transformation for the region we love – we had no choice but to make it happen!

Leadership 100

We faced one slight challenge in getting our vision out of the starting gate:

Due to our relatively small asset size, we still raised 80% of our annual operating dollars. This distracted precious time from raising transformative gifts.

However, we knew that with working capital, we could generate gifts for our region at a pace and scale previously unimaginable. As we succeeded, we would also build the base of assets needed to support our own operations.

What we didn't have in cash, we made up for in board leadership. Our board recognized our start-up challenge was no different than that experienced by many private sector enterprises trying to expand.... So, we borrowed from the practices of business – and launched an IPO!

Our *Initial Philanthropic Offering* sought 100 “shares” of the working capital needed. Our planning started at our January 2014 board meeting. By the end of our April meeting, **100% of our board members** were share-holders.

With that support, we came to many of you, and I could not be more excited or more grateful to share that this afternoon at 4:30pm we rang the bell, “going public,” with not 100 shares, which had been our goal, but with **106** shares!

Altogether, our IPO has raised an investment of **\$3.4 million** to offset the operational costs needed to build \$100 million in new funds for our region.

You can watch the historic moment in this 30 second video:

<http://www.appalachianohio.org/give/leadership-100/>

The ringing of this bell was a historic moment for Appalachian Ohio – and for philanthropy. We are not aware of anywhere else this has been done!

It is important to celebrate how the gift of FAO's IPO now extends to all of us....And this is why each table this evening is celebrated with a *Pillar* centerpiece, to help us imagine what our region will be like when it is abundant in opportunities in the *Pillar* areas.

So, why did they do it? Well, we think it is best said in their words:

<http://www.appalachianohio.org/give/leadership-100/> Interview with *Leadership 100* donors (3 minutes)

What a gift to give! It is a very special pleasure to invite you to join me in thanking our shareholders with our applause.

Our Strength Comes from All of You

What we are doing tonight is not the typical way a \$100 million vision would be launched. Most times, you would not hear about it until seventy-five percent of it was in the bank!

So, what gives us the confidence to be so unconventional?

Are we staking our future on new wealth from energy? Our region's entrepreneurial success? The unprecedented transfer of wealth occurring from older to younger generations and the opportunities this presents for planned gifts?

While the data in all of these areas is promising, it is not what emboldened us.

The driving factor in our decision was all of **YOU**.

This is a vision you have been writing for the Foundation for Appalachian Ohio from the beginning.

The Foundation a Region Built

Together, we started FAO with the humblest of beginnings –

Our start-up looked more like an Amish barn-raising than the launch of a community foundation. Everyone brought the tools, ideas and resources they had – and joining together we got to work!

Together, we have built \$20 million across 146 different charitable funds.

And, together, we have given over 3,000 grants and scholarships – totaling more than \$6.4 million.

Growing Home

To share just one story, this year FAO's Harrison County Community Foundation fund gave their first grant and bought a book for every child in Harrison County, aged Kindergarten through 3rd grade.

For many kids, this was the very first time a children's book came into their home.... the very first time. And it was their book! They owned it!

This grant instilled so much joy for reading and learning – a positive influence that will continue with the younger generation of Harrison County for a lifetime.

In addition to members of the founding board of the Harrison County Community Foundation, we have with us, this evening, leaders from nine efforts to build local foundation funds with FAO, including from Guernsey, Perry, Jackson, Gallia and Monroe counties.

These leaders are developing truly innovative approaches to closing local philanthropy gaps. They see how philanthropy will generate sustainable transformations in their communities and are volunteering their time to make it happen.

To give you a sense for the opportunity we wanted to share just one example.

Our first pilot of a local partnership was developed with leaders from **Guernsey County**. This year they celebrated three major milestones:

1. The addition of their 32nd fund for Guernsey County
2. Meeting their goal of ensuring *every school district in Guernsey County* is supported by a philanthropic fund
3. And through a recent pledge, will soon be celebrating having built \$5 million in local philanthropic assets

With the support from **Leadership 100**, FAO and these local communities will be able to significantly expand our partnerships, bringing us much closer to the day when every county in Appalachian Ohio is supported by a strong local community foundation.

It would not be happening without the vision, persistence and passion of our local leaders, and we can't thank them enough!

What this Means for All of Us

From the beginning, The Foundation for Appalachian Ohio has let the needs of our region – and *not* the conventions of traditional fundraising – drive our decisions and activities. By underwriting FAO's operational costs, our **Leadership 100** shareholders have removed the need for us to ask you to give to that.

They have made it possible for 100% of your investments in FAO to go directly to the transformational activities of building the *Pillars of Prosperity* for our region and communities.

Just as it took everyone to build a Foundation for Appalachian Ohio, *it will take everyone* to build the *Pillars of Prosperity*!

- OUR region needs your transformative gifts.
- YOU are our region's answer for creating sustainable transformation.
- By working together, WE can bring about the day we have all longed for – when generational poverty is replaced with generations of opportunity.

It will not happen without you, but *because of you*, it CAN happen.

And as a Foundation for Appalachian Ohio, we could not be more grateful for the difference you are making in the region *closest to our hearts*. Thank you!