

**Springfield Foundation**  
**60<sup>th</sup> Anniversary Celebration**  
**October 22, 2008 – May 7, 2008**  
**Springfield, Ohio**

*(Introduced by Executive Director Ted Vander Roest)*

Thank you, Ted, for your kind introduction. And congratulations to the Springfield Foundation on your 60<sup>th</sup> anniversary. You, the donors to the Springfield Foundation, are vital to its success.

In the next few minutes, I want to touch on four areas: First, a brief look at our history, past to present; second, an overview of ways in which we as a community foundation have changed; third, a look at the most significant new area we have moved into – economic development on a scale highly unusual for a community foundation; and fourth, some thoughts about the recent downturn in our economy and what it means to a community foundation.

Let me start with a snapshot of the foundation and our history. We were founded in 1914 as the world's first community foundation. Though our formal mission statement has been tinkered with over the years, it has remained essentially unchanged: To enhance the quality of life for all residents of Greater Cleveland, now and for generations to come, by building community endowment, addressing needs through grantmaking, and providing leadership on key community issues. Today we are the third largest community foundation in America, with assets of approximately \$1.7 billion dollars. That enables us to give back to the community some \$85 million dollars a year ... and more than \$1.2 billion dollars since our inception 94 years ago.

Today, our foundation's primary focus is in five vital areas. They are: Economic development and transformation, which includes a number of areas I'll get to later, including the environment, advanced energy and globalization; public education; neighborhoods and housing; early child and youth development, and other human services; and arts advancement. I understand that many of these areas mirror the same areas that the Springfield Foundation supports here in Clark County.

And this brings me to the second area I want to talk about: how our foundation is changing. Sometimes it's hard to imagine change, much less embrace it – like the bumper sticker that says: "Change Is Good. You Go First." But community foundations are always changing as our community's needs change. It's in our DNA. Let me share with you some of the changes at our foundation.

In our recent past, approximately 2/3 of our discretionary dollars were awarded in traditional "community responsive grantmaking" – that is, in response to specific requests from the community. The other 1/3 was awarded proactively – that is, to areas that we proactively identified as vital to the community. Remember that ratio: 2/3 responsive to 1/3 proactive.

Today, that ratio has been flipped. Today, 2/3 of our grants are awarded proactively as we seek to anticipate, identify and effectively respond to the community's greatest needs. The other 1/3 is awarded in the more traditional, responsive mode. And to meet those changing needs, we have made a number of changes in our staffing ... but I'm not going to bore you with all of them!

The 3<sup>rd</sup> area I want to talk about and spend some time on is the economic transformation of Cleveland.

Cleveland needs an economic transformation. Once we were the 5<sup>th</sup> largest city in America, but by the late 20<sup>th</sup> century, Cleveland – like many cities in America's "Rust Belt" – had faltered. Just like Springfield, we had lost huge amounts of our manufacturing base. Today we are seeking its rebirth as a "*post*-industrial city" ... a city that has moved away from smokestack factories ... and toward an economy based on medical research, new technologies, professional services, and clean-air, advanced manufacturing.

To flourish in today's world means that "Greater Cleveland" must become "Global Cleveland." The city must produce more products for international trade ... and at the same time attract more global businesses, more foreign patients to our world-class hospitals, more foreign scientists and engineers, and more visual and performing artists from around the world. And that's where our foundation can be especially effective: in helping transform the city's economy into a global economy. And so we ramped up our support of economic development. We did it with dollars and we did it with some very creative thinking by some very bright people. Dollar-wise, over the past five years we have invested some \$35 million dollars to support economic development ... and in doing so, were able to spark other foundations to join in.

We also knew that competing in a world economy starts with telling the city's story and raising global awareness about what Cleveland has to offer. So, beginning in 2007, our foundation made major strides helping develop international connections and partnerships to spread the word. Key to that was hiring our first Director of International Relations. To our knowledge, this is the first time any community foundation has ever brought someone on board to head up international relations ... but we knew how important globalization would be for Cleveland's future. The results of these efforts have exceeded our expectations.

For example, IBC Solar, a top German manufacturer of solar energy components, has selected Cleveland as the site of its U.S. headquarters. The decision followed visits with our staff, Cleveland's mayor, and other key public officials. And twelve Costa Rican companies and Costa Rica's trade organization are relocating to Cleveland from Miami, after the foundation worked closely with that country's government. Not only are these results tangible, but even more important, they serve as a clear demonstration of Cleveland's potential to become "Global Cleveland."

Forging ahead on another big economic development idea, the foundation and its business and community partners are working together to create an advanced energy industry. Not just a company. But an entire industry. Why this push in advanced energy? Because business-wise it is the smart thing to do ... and in terms of the environment, it is the right thing to do. Globally, more than \$4 trillion dollars is spent each year on conventional energy. In the coming decades, that industry will be replaced by a multi-trillion-dollar “advanced” energy industry, which must be invented largely from scratch.

Although advanced energy opportunities are being pursued aggressively worldwide, no single city, region or country has much of a head start. I believe that Cleveland should aim to become one of the world’s leading hubs of activity in advanced energy. If we succeed – if we become America’s leading supplier of wind turbines, solar panels, fuel cells, clean coal and other new technologies that supply the ever-growing demand for energy – then we envision new factories, where wind turbines and solar panels are made ... and where good jobs are in demand. And an industry that can create new wealth in our community and produce future employment – employment that won’t fade away from globalization’s magnetic pull of jobs toward low-wage nations.

To give the community a glimpse into this vision for Cleveland’s future we supported several demonstration projects: A wind turbine and solar panels at the Great Lakes Science Center on the shores of Lake Erie; solar panels at Progressive Field, home of the Cleveland Indians; and an anemometer on Lake Erie, measuring year-round wind force and velocity to determine the feasibility of an offshore wind farm that would be the first freshwater wind farm in the world. And to support research, our foundation awarded a \$3.6 million grant to launch the Great Lakes Institute of Energy Innovation at Case Western Reserve University.

In addition, we have supported economic development in literally dozens of other ways. To cite just a few examples: we have supported JumpStart, a local venture capital organization that stimulates economic growth by funding emerging, high-potential business ideas; and we have supported Cleveland’s most visible industry –world-class healthcare – with numerous grants to expand the frontiers of medicine. Among those grants are \$1.5 million to support creation of a nationally-recognized center for minimally invasive pediatric surgery, and \$5 million to create a center for proteomics and immunology at Case Western Reserve.

For those of you not familiar with the term, proteomics refers to the study of proteins. Along with “genomics,” which is the study of genes, the field of proteomics represents the cutting edge of biomedical research. So, supporting research in proteomics is really supporting the future of medicine and, in part, the economic future of Cleveland, were we to become a world leader in that field.

What is common in all of these grants is that they are designed for long-term benefits. As the Cleveland *Plain Dealer* so aptly put it, “Think of them as investments,

not handouts.” Those words alone capture the essence of our grantmaking philosophy ... and, I’m sure, yours too.

But big grants and demonstration projects are never enough. Enlightened public policy to support economic development is also essential. And so we are feeling our way in a new arena: public policy. We see ourselves as an advocate for enlightened advanced energy policies in Ohio, and for legislation requiring a portion of the state’s electricity to come from renewable energy sources, such as wind or solar power. And the proof of the pudding is an advanced energy bill – setting specific, renewable energy standards for the state of Ohio – that was signed into law in May. This is so important, because the potential windfall is huge from a strong, state energy policy. It will drive economic development by creating market demand and fueling a new, advanced energy industry in our region, the benefits of which would be felt throughout Ohio, including here in Springfield.

Let me make some observations about the future.

Looking ahead, I see our foundation continuing to do extremely important work in the traditional areas of education, housing, neighborhoods, human services and the arts. We don’t see that changing. Nor do I see us losing our focus on economic development and globalization. Clearly, those areas are key to our city’s future by providing jobs and a tax base.

And as we move forward, I also foresee the following: We will direct more dollars to foundation-initiated grants and strategic projects that connect together. We may award fewer grants, but they will be but larger grants ... to tackle city’s and the region’s most pressing problems. We will seek to better leverage our resources by attracting outside dollars to Greater Cleveland.

We need to because of challenges all foundations are facing, including yours: Lower investment returns than prior decades, competition for donor dollars, and persistent cuts in federal and state dollars.

We will place more emphasis on public policy, advocacy and incentives. You see, the U.S. takes little advantage of public policy compared with other countries. Yet public policy is central to addressing big issues. We believe we can impact public policy, helping to create jobs, clean our environment, and educate our children.

Management guru Peter Drucker once stated the following: “In the future, there will only be two types of CEOs: those who think globally and those who are unemployed.” Well, I think we can say the same thing about cities, whether Cleveland, Ohio or Springfield, Ohio. In the future there will only be two types of cities: those that think globally and will succeed, and those that don’t and will fall by the global wayside in our increasingly flat world.

I see our role – and perhaps your foundation’s role as well – as helping ensure the former. We believe there is a place for Ohio in the global community ... there is a place for Cleveland in the global community ... and there is a place for Springfield in the global community. It’s all a matter of degree.

Let me share some final thoughts about the economic slowdown. Today’s economy is scary. No doubt about it. We have seen markets erode worldwide and the value of our portfolios decline. We have been warned that unemployment may rise and our economy slow down. We know that recovery won’t happen overnight but may take years. All this has had a serious impact on all foundations by diminishing the value of our assets, so that in the short run there may be fewer dollars to distribute at a time when needs are greater.

However, history tells us – and I truly believe – that we will recover. There’s a story worth repeating, how in ancient times an eastern monarch once charged his wise men to invent a single sentence – one that would be true and appropriate at all times and in all situations. So after much deliberation they presented him with these words, “And this, too, shall pass away.”

Well, I believe that is true of the current economic crisis. “This too, shall pass.” In the meantime, I urge you, as donors, to continue your support of the Springfield Foundation – this marvelous organization that has done so much good for Clark County. You are the wellspring of its success, and it needs you today, more than ever. Happy 60<sup>th</sup> birthday ... and thank you for letting me be part of your celebration!