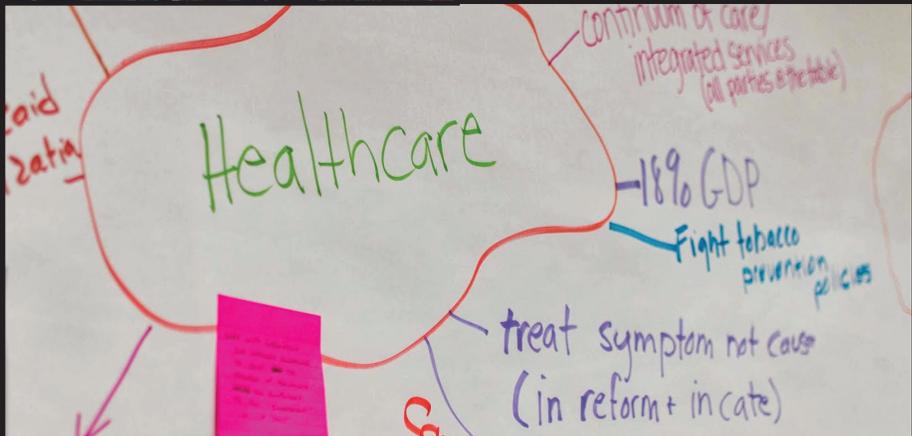


The **POWER** of **PARTNERSHIPS**

The Appalachia Funders Network
5th Annual Gathering, April 2014



A LETTER FROM SANDRA MIKUSH, Outgoing Chair of the Appalachia Funders Network

Dear Members, Partners, and Supporters of the Appalachia Funders Network:

Five years ago, at the first gathering of what would become the Appalachia Funders Network, we found common ground around the region's need for an economic transition but tip-toed around how and when this transition would occur. Now, at the close of this year's 5th annual Gathering in Athens, Ohio, it is clear that transition is upon us. The rapid decline in coal production has led to a shift in public dialogue around the region's economic future, which presents an urgent opportunity to align the political will and investment necessary to advance the just and sustainable transition first envisioned by the Network in 2010.



Photo courtesy of Kevin Manuel

Since that first gathering, we have developed a vision of an Appalachian economy that is based on the region's unique assets, that builds local wealth, and that offers widely-shared prosperity. We have worked continuously to develop a common analysis, shared strategies, and ultimately a framework for how philanthropy can accelerate the economic transition of Central Appalachia (see Appendix A or [click here](#) to download the framework). We have learned together about entrepreneurial opportunities in promising sectors like clean energy, local foods and health care (see page 7 for a summary of our learning from site visits that explored these sectors).

As our common analysis and partnerships have grown stronger, so too has the local and regional movement for Appalachian transition. We are seeing sparks of inspiration in eastern Kentucky and West Virginia, where people are coming together across traditional differences to call for a new path forward. Here, in a region where 50 years of the war on poverty have reduced the worst ravages of poverty but failed to produce a just and sustainable economy, historic meetings between policymakers and community members have drawn record numbers to design the future we want and deserve. The time is right for new ideas and new approaches.

There has been pain and sadness, as well. The chemical spill and water crisis in West Virginia brought to light the interconnection between public health, the environment and the economy. In response to this crisis, local communities united to hold industry and government accountable, and coverage in the national media reflected the movement for greater transparency. We began to see the case for transformative and large-scale change gain traction in Appalachian communities. (See pages 6 and 12 for federal and regional economic development strategies.)

These events and trends set the stage for this year's Network gathering. Participants unequivocally recognized that Appalachia's economy is at a crossroads, and that our actions in the next five years will shape what happens across the region for the next twenty-five. With this charge in mind, 150 individuals, representing different 97 organizations, affirmed their commitment to act boldly and harness their collective resources to shift the traditional development paradigm and work toward a just economic transition in the region.

It has been a great honor to serve as your chair for the past four years. As I said at the gathering, I would hold up the leaders in Appalachia against those of any region in the country. Acting in unison, we can seize the opportunity to advance promising sectors, align our investments, speak with a collective voice, and influence policy change. Working together, we can move with unwavering determination to capture this moment of promise and realize our vision for Appalachia.

Appalachia's bright future is on the horizon. Be part of it.

Sandra Mikush
Chair of the Appalachia Funders Network, 2009–2014
Interim Executive Director of the Mary Reynolds Babcock Foundation

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CONTEXT

Appalachia Funders Network

The Appalachia Funders Network is a group of over 80 national, regional, and local grantmakers who envision an Appalachian economy that provides opportunity for all, while sustaining the environmental and cultural assets of our region. Our work is focused in Central Appalachia, which we define as the Appalachian counties of Ohio, Kentucky, Tennessee, Virginia, West Virginia, and North Carolina.

The Network's Purpose & Goals

The purpose of the Network is to organize grantmakers, engage partners across sectors, and develop shared strategies to accelerate Appalachia's economic transition. Our vision and plan of action for our collective work are outlined in the [Network's 2014-2015 Road Map](#). Our work is organized around the following four goals:

- Build trust and relationships among grantmakers who share the Network's interest.
- Develop a common analysis, shared vision, and collectively defined strategies for accelerating the region's economic transition.
- Foster cross-sector collaboration among nonprofits, businesses, local, state, and federal agencies to leverage additional investments for the region.
- Create an effective structure for the Network to focus the collective energy of grantmakers.

“It would be scary if you thought you had to do all of this by yourself. [Working] together is always better so we can have a broader perspective... Through the Network, we have a smarter way to gain traction for the region.”

~Gerry Roll, Executive Director, Foundation for Appalachian Kentucky

Collective Impact

The Network uses the strategy of [collective impact](#) as a cornerstone of our work to advance shared development strategies that make a difference in the region. [The Stanford Social Innovation Review](#) defines collective impact as “the commitment of a group of important actors from different sectors to a common agenda for solving a specific social problem.” As funders, we work to catalyze cross-sector partnerships to create a movement around the region's transition that is better connected, informed, and positioned to solve complex challenges and accelerate large-scale change.

Network Gatherings

Since forming in 2010, the Appalachia Funders Network has hosted five annual gatherings. These annual meetings are hubs for learning and analysis, where members build trust and relationships, expand their connections, align their development approaches, and develop a focused course of action that moves the Network toward its goals.

This paper shares the learning, analysis, and strategies developed at the 2014 Gathering.

EXECUTIVE SUMMARY

In April of 2014, 150 individuals representing 97 organizations attended the 5th annual Gathering of the Appalachia Funders Network. This year's gathering, held in Athens, Ohio, brought to life the urgency of this moment for Appalachian transition, as the region is immersed in unprecedented public and political dialogue around ways to build a more diverse and resilient regional economy. We believe that the Network is uniquely positioned to help harness this energy for a transition that advances large-scale economic change. Our efforts to build trust and relationships among grantmakers, a common analysis, shared development strategies, and partnerships across sectors are some of the key levers that will help guide the region towards a lasting economic transition.

Reflecting on the 2014 gathering, we see the following results emerging out of the Network's efforts:

1. Cross-sector relationships are contributing to a more connected and coordinated movement for Appalachian transition. We strengthened our existing partnerships with federal agencies, including the Federal Reserve Banks of Richmond, Atlanta, and Cleveland, the Appalachian Regional Commission, and USDA Rural Development. We built new relationships with state and regional funders' networks, including the Appalachian Ohio Funders Group and Philanthropy Ohio. We also engaged over 30 nonprofits and businesses to share their economic development models and practices during our site visits. This cross-sector participation within the Network helps us to deepen our understanding of the issues, opportunities, and resources within the region, align development strategies across sectors, and create new collaborations that increase our capacity to affect large scale economic change.



Photo courtesy of Heather Hartley, USDA

2. Honest dialogue between entrepreneurs, practitioners, and grantmakers is deepening our analysis and understanding of promising economic sectors. Our goal at this year's site visits was to understand the key relationships, lessons learned, and out-of-the-box thinking that has been essential to the success of efforts in promising sectors like food, health, technology, and arts and tourism. These conversations lifted up best practices and sparked ideas for new strategic partnerships that will contribute to greater economic impacts across the region.

3. A shared framework for accelerating the economic transition of Central Appalachia is helping create a common language and vision. As the momentum for transition continues to gain traction with community members and political leaders across the region, it is critical that we engage new voices in this dialogue and speak with a collective voice as we advocate for a more locally rooted economic model. The Network's working framework for Appalachian transition was used to guide the conversation and analysis within each of the Gathering's site visits and is being used by members to align development strategies across the region. See Appendix A or [click here](#) to download this framework.

4. Collaboration is beginning to happen across national, federal, and regional-scale grantmakers. In the Gathering evaluation, Network members shared that their participation in the Network resulted in more impactful grantmaking, increased knowledge, more connections, and new co-funding partnerships. For example, the Ford Foundation, Claude Worthington Benedum Foundation, and the Mary Reynolds Babcock Foundation worked together to co-fund the launch of a regional [Appalachian Transition Fellowship Program](#), whose vision grew out of a conversation at the 2012 Gathering.

PARTNERSHIP SESSION: “A CAPITAL IDEA: CREATING INVESTING PARTNERSHIPS IN APPALACHIA”

Co-hosted by the Federal Reserve Banks of Atlanta, Cleveland, and Richmond, in partnership with the Appalachia Funders Network

For the second consecutive year, the Network co-hosted a partnership session that brought together bankers, grantmakers, and development practitioners. The purpose of this session was to expand our knowledge around how to create public, private, and non-profit investment partnerships that can help diversify the Central Appalachian economy. Together, we identified the following strategies:

- 1. Understand boom and bust industries and ways to retain local wealth after these industries decline.** Participants identified strategies to ensure that wealth from the current shale gas boom is captured and retained in the region. Strategies include: (1) encourage industry leaders to invest a percentage of the wealth created from gas exploration into local community foundations, and (2) advocate for policies that establish set-aside trusts or endowments from oil and gas profits that can be reinvested back into communities (*see box at right for examples*).
- 2. Invest in locally-owned small businesses to diversify local economies and increase regional economic resilience beyond boom and bust cycles.** Participants identified the following small business development strategies that will result in greater economic resiliency: (1) bring together investors interested in the growth and retention of both new and existing local businesses, to increase the pool of available funds and create collective strategies for growing local businesses; (2) increase connections between rural and urban investors to expand capital and market access for rural-based enterprises and sectors, and (3) develop investment partnerships between venture capitalists, Community Development Financial Institutions, and foundations in order to provide access to capital for the various stages of business development.
- 3. Create a robust entrepreneurial ecosystem that provides the access to capital, peer mentorship, and incubation services that allow entrepreneurs to start and grow viable businesses in Central Appalachia.** Successful entrepreneurial support in rural communities requires a network of institutional partners who collaborate to offer critical services and capital to entrepreneurs. For example, the [Ohio Third Frontier’s Entrepreneurial Signature Program](#) uses a coordinated network of service providers to support and incubate technology-based entrepreneurs and grow small tech companies in the region, while also providing both early stage and long-term capital to help young tech companies get off the ground and succeed.

Models for Natural Resource Set-Aside Funds

- **West Virginia Future Fund:** This is a new endowment that will use taxes to capture wealth from the natural gas boom to be reinvested into infrastructure, education, and job training programs in local communities.
- **Minnesota’s Iron Range Resources and Rehabilitation Board (IRRB):** Since 1971, one percent of iron production tax goes to the IRRB, which promotes and invests in business, community, and workforce development in northeastern Minnesota.
- **Norway Oil Fund:** The Government Pension Fund of Norway is an oil fund established in 1990 that collects taxes from oil profits and invests the money for future generations in Norway. To date, it is the world’s largest pension fund and controls nearly a trillion dollars.

OPENING & WELCOME

Opening remarks brought to life the opportunity the Gathering provides to strengthen our relationships, share expertise, and align our approaches toward a more just and sustainable regional economy. Speakers included Margo Miller from the Appalachia Funders Network, Bobby Lewis and Tony Logan from USDA Rural Development, and Terri Donlin Huesman and Susan Urano from the Appalachian Ohio Funders Group.



Photo courtesy of Heather Hartley, USDA

SITE VISITS: MODELS FOR SUSTAINABLE DEVELOPMENT

The Network believes that hands-on learning and analysis around successful development strategies helps us be more effective in how we work and invest in our communities. Therefore, each gathering includes a half-day of site visits to lift up and explore examples of creative models, approaches, and strategies that empower communities and improve local economies.

2014 Site Visits: Food Systems, Healthcare, Arts & Tourism, and Entrepreneurship

The Network has a dedicated learning agenda around ways to use our assets to support entrepreneurs, grow small businesses, and accelerate the development of promising economic sectors. To date, we have explored models in energy, food systems, and healthcare. This year we included a new sector, arts & tourism. Our learning from the past five years suggests that targeted investments in these sectors will contribute to greater economic and social impacts in the region.

“Appalachia is the next great investment opportunity in America; our challenge is to leverage opportunities, support entrepreneurs, and grow supportive ecosystems.”

~Earl F. Gohl, Federal Co-Chair, Appalachian Regional Commission

Athens, Ohio

The Gathering host city of Athens, Ohio, is characterized by a robust network of strong non-profit anchor organizations, development agencies, grantmakers, and institutions such as Ohio University, who work together to advance an entrepreneurial and sustainable economy in Southeast Ohio. Site visit participants toured facilities and engaged with local businesses, farmers, artists, and healthcare providers to learn about the partnerships and strategies that have been essential to their success. The next section summarizes each site visit and highlights some of the key ideas and strategies from each that can be replicated across the region.



SITE VISIT 1: Local Food Value Chains

Speakers: Leslie Schaller, [Appalachian Center for Economic Networks \(ACEnet\)](#); Michelle Decker & Tom Redfern, [Rural Action](#); Chef Alfonso Contrisciani, [Hocking College](#); Mary Nally, [Community Food Initiatives](#); Chris MacNeal, [SE Ohio Food Bank](#); and Brandon Jaeger, [Shagbark Seed & Mill](#).

Overview: Rural Action and ACEnet showcased various components of Southeast Ohio's thriving local food value chain (see definition box at right). Participants engaged various components of the value chain, including Green Edge Gardens as the production, ACEnet's Nelsonville Food Hub and Hocking College's Culinary Arts Program as processing, aggregation, and distribution, and the local school system as a buyer. [Click here](#) to see what this value chain looks like.

Site visit participants identified the following ways that value chains help strengthen local and regional food systems:

1. Value chains promote partnerships that lead to increased production, access to institutional markets, and expanded local food access.

- Cross-sector partners collaborate to build the skills, knowledge, and resources to increase local farm production. In the Ohio value chain, Rural Action and Green Edge Gardens partner to incubate and train farmers on season creation models that help them increase production and meet demand outside the growing season. Rural Action provides the grant funding and coordinates grower attendance for the in-depth workshops that Green Edge provides, increasing the skills and income of value chain producers.
- Collaboration within the value chain allows local organizations to meet the institutional purchasing requirements of the local school system. Rural Action partners with Hocking College's Culinary Arts Program to supply, prepare, and deliver ready-to-cook meals to public schools. The school district purchases local food from Rural Action's Chesterhill Produce Auction. The food gets delivered to Hocking College, where culinary students are trained to prepare the meals for commercial use. Rural Action then distributes the meals to participating schools. Through this partnership, farmers access new markets, Hocking College students gain essential skills and experience, and institutional buyers such as public schools are able to provide fresh and local produce to their students.
- Value chain partners are tied together by shared social and economic values. Community Food Initiatives, a nonprofit focused on food security, partners with ACEnet and the Athens Farmers Market to generate donations that are used to purchase local produce that is distributed through area food banks. This partnership prevents farmers from taking a loss on excess crops and increases access to fresh local food for vulnerable community members.

2. Value chains create broader impacts through shared infrastructure, leveraged assets, and increased communication.

- Value chains allow partners to connect existing food hubs and food-related infrastructure, such as ACEnet's processing center and Nelsonville Food Hub, with emerging initiatives. Access to this network of food hubs and distribution infrastructure expands local and regional business opportunities for area producers.
- A value chain intermediary shares information, establishes connections, and maintains relationships with actors across the entire network. This person or organization (Rural Action and ACEnet play this role in SE Ohio) analyzes and supports the entire operating system of a value chain. They gather and share resources, broker relationships, build capacity, foster collaboration, and coordinate all the pieces that make the value chain thrive as a whole.

What is a Value Chain?

"A network of businesses, nonprofit organizations, and collaborating players who work together to satisfy market demand for specific products or services."

SE Ohio Local Food Value Chain: Economic Impacts

- **Job Creation:** Over 350 full-time & seasonal jobs provided by 85 different producers.
- **Sales:** \$9 million annually.
- **Value Chain Investments:** Over \$1.1 million in grants, loans, technical assistance, and in-kind investments.
- **Visitor Attraction:** The 30 Mile Meal initiative attracts over 3,350 visitors a year for tours, festivals, and events.

~Data from the [Central Appalachian Network](#)



SITE VISIT 2: Partnerships to Impact Health

Speakers: Amy McGee, [Health Policy Institute of Ohio](#); Steve Davies, [University Medical Associates](#); Jason Roush, [West Virginia State Oral Health Director](#); Theresa Wukusick, [The HealthPath Foundation of Ohio](#); Susan Zepeda, [Foundation for a Healthy Kentucky](#); Kim Tieman, [Claude Worthington Benedum Foundation](#)

Overview: Participants traveled to the [Ohio University Heritage College of Osteopathic Medicine](#) to discuss strategies for increasing access to rural healthcare services and strengthening the region's medical workforce. Site visit participants identified the following key strategies for growing the healthcare sector:

1. Promote policies, incentives, and projects that cultivate new types of healthcare providers and help increase access to care in rural communities.

- Support workforce development programs that recruit and train mid-level health providers such as certified nurse practitioners, community health workers, community navigators, and dental therapists.
- Research the current demand for health services to identify gaps in current care and the investment needs within the healthcare sector. Use this research to inform and align collective grantmaking strategies that capture multiple opportunities.
- Support changes to regulations, licensing, and certifications that expand the scope of practice for both advanced registered nurses and community health workers.
- Fund projects that demonstrate the value and economic impact of these new types of health workers, and use these examples to influence policy changes.
- Develop loan assistance, repayment, or forgiveness programs to incentivize healthcare providers to work in rural communities.

*[Click here](#) to view the Health Policy Institute of Ohio's presentation, "Regional Analysis: Access, workforce, and health in Appalachia."

2. Foster partnerships between funders, rural hospitals, health departments, service providers, and community organizations to drive new models of healthcare delivery in rural communities.

- Bring together physicians, nutritionists, behavioral lifestyle specialists, dentists, mid-level practitioners, and community health workers to discuss the creation of more integrated treatment services.
- Convene a diverse group of healthcare actors to assess, analyze, and recommend shared strategies to strengthen the healthcare sector in a particular sub-region. For example, the Foundation for a Healthy Kentucky worked to create better connections between various community health coalitions throughout the state. The foundation encouraged these coalitions to collaborate for funding opportunities and to use their collective voice to advocate for policy changes.

*[Click here](#) to view the Foundation for a Healthy Kentucky's presentation, "Finding Opportunities in Appalachian Health: Doing Care Differently."

Useful Definitions

- Advanced practice registered nurse, or APRN, is an umbrella term that includes nurse practitioners, certified nurse-midwives, clinical nurse specialists, and certified registered nurse anesthetists.
- A community health worker is a trusted member of a community who provides health education, links individuals and families to health services, and deeply understands the culture and people served.

Economic Impact of the Healthcare Sector in Southeast Ohio

- **Total Economic Impact:** In 2006, this sector was directly responsible for 9.7% of SE Ohio counties' employment and 11.3% of payroll. Hospitals, Nursing & Residential Care employed a total of 57% of healthcare workers. (*Ohio University Voinovich School: The Economic Impact of the Health Sector in Rural Ohio, 2006*)
- **Future Growth:** By 2018, healthcare practitioners and technical occupations are projected to grow by 20.8%; healthcare support occupations by 28.8%; Medical and Public Health social work occupations by 10%. (*Ohio Department of Job and Family Services: 2018 Ohio Job Outlook*)



Photo courtesy of Kevin Mannuel

SITE VISIT 3: Arts & Tourism as an Economic Driver

Speakers: Bob Winters, [Athens Area Citizens for the Arts \(AACAA\)](#); Paige Alost, [Athens County Convention and Visitors Bureau](#); Tim Peacock, Max Mark, Emily Prince, & Bob Garbo, [Stuart's Opera House](#); Rachel Clark, [Majestic Galleries](#); Paul Harper, [Hocking College](#)

Panelists: Bill L'Heureux, [L'Heureux Properties](#); Ann Judy, [Starbrick](#); Barb Campenello, [Paper Circle](#); Lynn Garbo, [Historic Downtown Nelsonville Association](#); Jennifer L'Heureux, [Nelsonville Emporium](#)

Overview: The Network's first look at arts and tourism as economic drivers included a tour of Stuart's Opera House, an anchor institution that provides exposure and support for arts and tourism development. Participants had fun making balloon hats while learning from entrepreneurial artists about how to use arts and tourism as a small town economic development strategy.

Site visit participants identified the following ways to strengthen the arts and tourism economy:

1. Support entrepreneurial artists through specialized business development training, mentorship, technical resources, and investments that grow creative industries in Appalachia.

- Help artists to develop an entrepreneurial mindset and build business-planning skills that turn their creative ideas into profitable ventures.

2. Harness the arts to repurpose, renovate, and revitalize public spaces and historic downtown buildings.

- Make use of underutilized public spaces for art activities, events, and creative businesses. The City of Nelsonville, Hocking College, and others partnered to revitalize Nelsonville's public square and promote the surrounding area as a thriving historic arts district. Partners supported the renovation of Stuart's Opera House, a century-old theater and historic landmark, to offer space for art openings, live performances, and educational workshops. This effort encouraged more development in the area, including a student art gallery, a quilt company, and other unique boutiques that draw tourists to the square.

3. Build relationships between artists, the visitor's bureau, the tourism development authority, government officials, and cultural anchor organizations.

- Partner to create and market unique cultural events that attract tourists to the region. Ohio University's Learning Community Programs and Arts for Ohio collaborate to host the city's annual puppet parade, "Honey for the Heart," where community members spend 3 weeks making giant wearable puppets from recycled materials and parade them through downtown Athens on Halloween. In addition, the City of Athens and Ohio University have partnered to turn the town's traditional Halloween block party into one of the largest Halloween celebrations in the country, which attracts 30,000 visitors a year.
- Commission a study on the economic impacts of arts and tourism in relation to job creation, consumer spending, and attracting tourists to the region. Use this data to educate policymakers and funders on the impact of arts and tourism on the local economy and to attract additional investments to this sector.

Arts & Tourism: Economic Impact in Athens, Ohio

- **Overall Impact:** In 2010, every additional \$100,000 in arts expenditures created almost \$80,000 in local household income, more than \$7,000 in local and state tax revenues, and 3.18 full time equivalent local jobs.
- **Job Creation:** Over 730 full-time jobs in the arts and tourism.
- **Visitor Attraction:** Of the 259,000 participants in nonprofit art events, 67% of participants came from outside of the area.
- **Total Expenditures by Nonprofit Arts & Culture Organizations and Their Audiences:** Over \$24 million was spent by arts based nonprofits (employers, producers, promoters, and consumers), as well as their audiences, who visited local restaurants, hotels, and retail stores.

~ Americans for the Arts: Arts & Economic Prosperity IV Report



Photo courtesy of Heather Hariley, USDA

SITE VISIT 4: Creating Entrepreneurial Ecosystems

Speakers: Jennifer Simon and Anna Jensen, [Innovation Center](#); Lissa Jolick, [Small Business Development Center](#); Lynn Gellerman, [TechGROWTH Ohio](#); Chris Gerig, [Athens Angels and East Central Ohio Tech Angel Fund](#); John Molinaro, [Appalachian Partnership for Economic Growth](#); Neill Lane, [Global Cooling](#); Kent Shields, [E3 Clean Technologies](#); Jan Vander Werff, [Ecolibrium Solar](#)

Overview: Participants traveled to the Ohio University Innovation Center (OUI) to learn how the university collaborates with entrepreneurs, policymakers, funders, and investors to create a strong entrepreneurial ecosystem in Southeast Ohio.

Site visit participants identified the following strategies for building a strong entrepreneurial ecosystem:

1. Engage the public sector to promote a new vision for economic development and support this vision with compelling data.

- Organize local leaders to craft a shared vision for the economy that supports new and existing local businesses rather than recruiting businesses from outside the region.
- Increase capital investments in technology-based businesses and promising sectors like food systems, energy efficiency, healthcare, and manufacturing.
- Conduct research and collect data on the economic impacts of promising sectors. Share findings with local leaders to influence small business development incentives, like tax credits and support for infrastructure.

2. Build upon efforts to develop an entrepreneurial support system that links training, mentorship, technical assistance, infrastructure development, and early-stage investments with promising economic sectors.

- Use a sector-targeted approach to entrepreneurship development to help businesses connect to the right mentors, coaches, tools, financing, marketing, and incubation services.
- Conduct an analysis of the promising economic sectors and gaps in entrepreneurial services; connect providers in the region to fill the gaps and promote collaboration.

3. Develop innovative ways to fill gaps in capital access for small and early stage businesses.

- Organize for-profit investors to develop rural-focused investment funds that support emerging entrepreneurial companies. For example, the East Central Ohio Tech Angel Fund (ECOTAF) works with over 340 high net worth investors to provide funds for early stage tech companies in Ohio.
- Develop lending partnerships between banks, venture capitalists, and Community Development Financial Institutions (CDFI's) that provide the forms of capital that small businesses need.
- Encourage microloan programs that provide longer-term, flexible capital at low interest rates.

*[Click here](#) to view the Appalachian Regional Commission's report, "Access to Capital and Credit in Appalachia and the Impact of the Financial Crisis and Recession on Commercial Lending and Finance in the Region."

4. Establish an entrepreneurship pipeline for youth, to develop the next generation of entrepreneurs in Central Appalachia.

- Connect youth to internships with local businesses.
- Incorporate entrepreneurship curricula and competitions in schools, technical colleges, and universities to help students develop the confidence and skills for successful entrepreneurship.

What is an Angel Investor?

Angel Investors are higher wealth individuals that are interested in both earnings on their investments and business development in their community. They are called "Angels" because they typically provide the first outside investment to a company.

Economic Impact in Southeast Ohio

- **Job Creation:** In 2013, employers assisted by the Appalachian Partnership for Economic Growth created 981 jobs. (*Appalachian Partnership for Economic Growth: APEG Update*)
- **Business Creation:** Between 2008 and 2010, 9 businesses opened with the help of the Ohio University Innovation Center. (*The Athens News*)
- **Leveraged Investments:** Between 2007 and 2012, entrepreneurs leveraged \$110 million dollars in support from outside investors to startup and grow businesses. (*Ohio University: How Southeast Ohio is becoming a hotspot for technology commercialization and entrepreneurs*)
- **TechGrowth Ohio:** Generated over \$143 million dollars in economic activity in southeast Ohio since their launch. (*Ohio University: Economic Impact Assessment*)



PANEL DISCUSSION: CHARTING APPALACHIA'S BRIGHT FUTURE

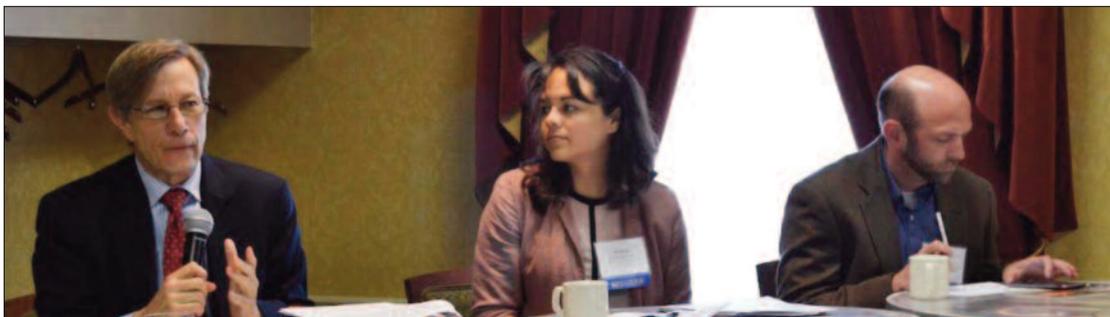
Speakers: Earl F. Gohl, Federal Co-Chair of the [Appalachian Regional Commission](#); Dee Davis, [Center for Rural Strategies](#); Justin Maxson, [Mountain Association for Community Economic Development](#); Stephanie Tyree, [West Virginia Community Development Hub](#); and Sandra Mikush, [Mary Reynolds Babcock Foundation](#)

After a full day of exploring promising economic sectors, participants convened as a large group to discuss the shifts in public and political dialogue that are building momentum for Appalachia's economic transition. We heard from the perspectives of federal agencies, private foundations, and regional practitioners. All spoke to the historic shifts they are witnessing, from Washington, DC to the coalfield communities of eastern Kentucky and West Virginia. To capitalize on this changing political landscape, speakers made the following recommendations:

- 1. Engage a diverse group of community actors to inform and shape economic development strategies.** Organize opportunities for local community members to participate in economic development planning efforts. For example, the [Shaping Our Appalachian Region \(SOAR\) Summit](#) brought over 1,500 community members together with bipartisan policymakers to discuss the type of economic future they envision for eastern Kentucky.
- 2. Lift up strategies that are creating positive social, economic, and environmental impacts across the region.** Focus investments on promising sectors that support our vision for more diverse and sustainable local economies. These sectors include small-scale manufacturing, wood products, broadband, energy efficiency, healthcare, local food, textiles, and arts/tourism, among others. Bring to life this vision by sharing examples from Whitesburg, KY, Parkersburg, WV, and Thomas, WV, where community members are revitalizing rural towns through locally-owned small businesses.
- 3. Invest in development processes that build capacity and connect efforts across the region.** Recognize that economic transition is large-scale systems change work, and requires thoughtful long-term planning as well as impactful short-term projects. Encourage capacity building, civic engagement, peer learning, community organizing, and network and coalition building. Support anchor organizations that do the early community engagement work to prepare towns and regions to seize economic opportunities. And most importantly, invest with the understanding that this transition will be hard, slow, and expensive.
- 4. Engage in conversations around hard topics—including climate change, economic equity, political corruption, and social justice—that impact Appalachia's transition.** Use the stock of trust and relationships built over the past four years and share in open and honest dialogue about the systemic challenges that hold our communities back and threaten our region's transition to a more just and sustainable economy.

“We know a lot about development; it is not a technical problem, primarily, but rather a political one. None of the technical things we know will scale without public engagement and good political leadership.”

*~Justin Maxson, President,
Mountain Association for Community
Economic Development (MACED)*



FUNDERS-ONLY SESSION: MOVING THE NETWORK FORWARD

Driving the Network: Working Group Priorities

Our working groups are the engines that maintain the momentum of the Network between each annual Gathering. Over the past year, the working groups grew considerably thanks to consistent leadership and inclusion of new partners for learning and action. As a result, working group members are developing deeper analysis and collective strategies for strengthening communities and accelerating the development of promising sectors. The next steps of each working group are summarized below.

- **Food Systems Working Group:** Expand the funder-practitioner learning partnership with the [Central Appalachian Network \(CAN\)](#) to strengthen the capacity of sub-regional food systems efforts. Members of this working group will be involved in developing strategies for a joint application for a USDA Rural Communities Development Initiative Grant in the fall of 2014, to leverage additional capacity building resources for the region. [Click here](#) to view the working group's vision, objectives, and geographical focus areas.
- **Health Working Group:** Identify the opportunities and service gaps in the current healthcare landscape and determine collaborative strategies to grow the health sector workforce and ensure healthcare access in rural areas. Members will convene this fall to develop a common vision, agenda, and next steps to grow Appalachia's healthcare economy.
- **Rooting the Transition Working Group:** This is a group of community foundations that have come together to build relationships and develop strategies to grow regional endowments, for the purpose of strengthening community capacity in the region. [Click here](#) to view their collective strategy and [here](#) for a presentation of next steps.



“We have already seen the value of our partnership with the Appalachia Funders Network and hope to make it even more valuable going forward.”

~Paul Kaboth, Vice President and Community Development Officer, Federal Reserve Bank of Cleveland

Sustaining the Network: Membership and New Leadership

We are committed to maintaining a low-cost network, where participation is accessible to members with financial limitations. During our business meeting, attendees offered helpful feedback on how to accomplish this goal. Our second annual membership campaign will reflect their recommendations for a more flexible membership dues structure.

Network members elected two new co-chairs and four new representatives to serve on the Network's Steering Committee. The knowledge and experience these members bring will add a fresh perspective and renewed energy to the Network's leadership.

New Steering Committee Co-Chairs

- **Mary Hunt**, Claude Worthington Benedum Foundation
- **Margo Miller**, Appalachian Community Fund

New Steering Committee Members

- **Terri Donlin Huesman**, Osteopathic Heritage Foundation
- **Cuong P. Hoang**, Chorus Foundation
- **Marlo Long**, BB&T
- **Joe Woody**, USDA Rural Development

CLOSING REFLECTIONS

We closed this year's gathering energized by the region's historic shifts and openness to transition. While the momentum towards a new path forward is strong, we recognize that the change we envision will take long-term partnerships, shared leadership, and sustained investments to be fully realized. We are excited to use the Appalachia Funders Network as a vehicle to help grantmakers deepen their analysis, build constructive relationships, and make strategic investments that strengthen our communities and economy for a lasting transition.

Moving forward, the Network will build on the energy and momentum of our partnerships to:

- 1. Deepen the learning, analysis, and relationships of our working groups, currently focused on local food systems, healthcare, and community philanthropy.** Our working groups allow members to help shape the network's priorities, to take up leadership in their field of interest, and to build real connections that advance their work. These working group relationships are growing into working partnerships that leverage the power of the network to problem solve and align individual efforts. To support this goal, we will work to focus their learning objectives and identify concrete ways for members to collaborate across their shared interests leading up to the 2015 annual Gathering in eastern Tennessee.
- 2. Partner with the Appalachian Regional Commission (ARC) on a new campaign targeted at increasing philanthropic investments that accelerate the region's economic transition.** Over the next year, the Network will develop an analysis of the major funding trends and investment priorities of foundations, corporations, and high net worth individuals who have interest in the region but are not currently investing here. As part of this effort, we will explore ways to connect their funding priorities to targeted investment opportunities in Appalachia.
- 3. Build an online interactive tool that brings to life the components of our working framework for an Appalachian Transition.** The Network plans to develop a user-friendly version of the framework to host links to the research, publications, and learning of our partners, members, and working groups. The online version of this tool will also be connected to a multimedia story bank that shares examples of efforts that incorporate the partnerships, strategies, and promising sectors that we believe will advance the transition.
- 4. Position the Network as a trusted vehicle to serve the interests of national, federal, and regional-scale grantmakers.** Members agreed upon the following strategies to strengthen the Network: (1) connect to other national and regional funder networks to align our goals, share knowledge, and support each other across our common efforts, (2) assess our value to members and adapt our activities to best meet their needs, and (3) develop flexible membership dues to maintain our long-term work.



Photo courtesy of Heather Hartley, USDA



Photo courtesy of Kevin Manuel



Photo courtesy of Kevin Manuel

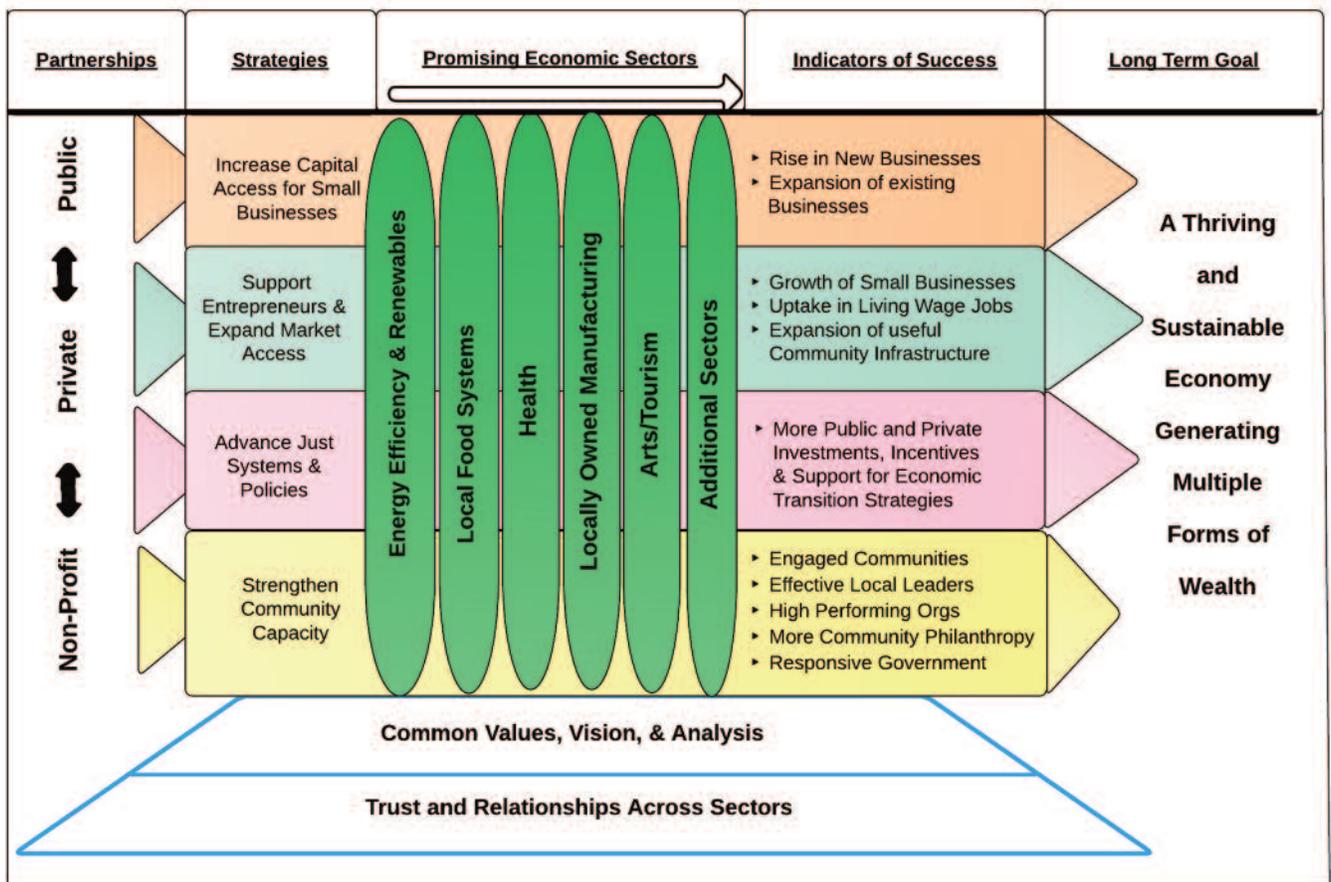
Thank you to everyone who attended and we hope to see you next year at our sixth annual gathering on April 14, 15, and 16 in Kingsport, Tennessee.

APPENDIX A: WORKING FRAMEWORK FOR APPALACHIAN TRANSITION

Over the past four years, Network members have worked to develop a common analysis and set of shared strategies to accelerate Appalachia’s economic transition. This body of knowledge was brought together into a working framework for the purpose of aligning individual efforts and creating a more coordinated body of development work in the region. This framework is continuously adapted as we learn, take action, and reflect on our work. [Click here](#) to download this framework.



Working Framework for Appalachian Economic Transition

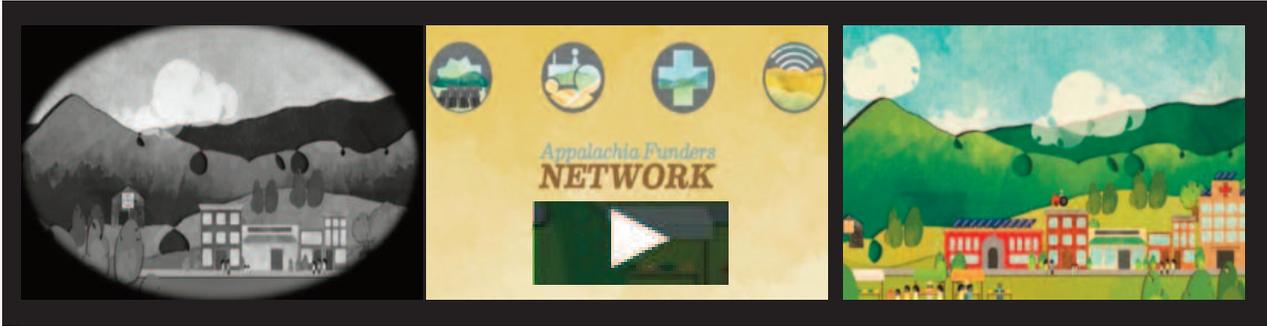


APPENDIX B: TOOLS TO SHARE AND CONNECT

Share the Network's Animated Video

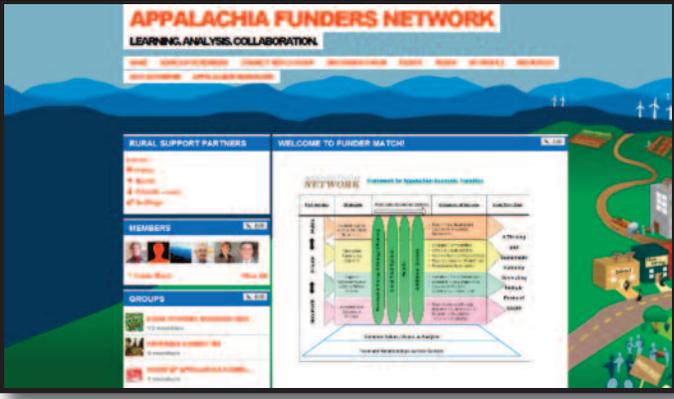
This short video highlights the partnerships and strategies we believe will advance Appalachia's just and sustainable economic transition. If you are a dues paying member of the Network, send us your foundations logo and we will personalize the video for you to share on your website. Email appalachiafundersnetwork@gmail.com.

Thank you to the Mary Reynolds Babcock Foundation for the production of this video.



Connect on Funder Match

Funder Match is a search engine and forum for funders to discuss topics and connect across their similar interests and geographic focus. [Click here](mailto:appalachiafundersnetwork@gmail.com) to log in or email us to sign up: appalachiafundersnetwork@gmail.com.



Become a Network Member



Join over 30 grantmaking organizations who have affirmed their commitment to collaborate and sustain the Network over the long-term. [Click here](#) to learn about the benefits of membership and how you can join.

APPENDIX C: EFFORTS TO OFFSET THE GATHERING'S ENVIRONMENTAL IMPACT

The Network is committed to reducing our environmental impact and supporting regional partners dedicated to these causes.

Zero Waste Gathering

The Network collaborated with Rural Action to make the Gathering a “zero waste event”. The conference venue served all food and drinks in bulk and on reusable dishware. Offsite meals, catered by Hocking College and Ohio University, were served on reusable, recyclable, or compostable service ware. Ohio University picked up the recycling and processed the compost to serve a soil amendment.



The [Appalachian Ohio Zero Waste Initiative \(AOZWI\)](#) collaborates with communities to build local wealth and environmental health by increasing waste diversion and supporting the development of a zero waste economy. The Zero Waste Initiative is coordinated by Rural Action in partnership with the Voinovich School of Leadership and Public Affairs at Ohio University and is funded by the Sugar Bush Foundation.

Appalachian Carbon Partnership

The Network is proud to have partnered with the Appalachian Carbon Partnership for a second year to offer Gathering participants the opportunity to offset the emissions incurred by travel and lodging. In total, participants’ voluntary donations offset 11.31 metric tons of carbon dioxide.



The [Appalachian Carbon Partnership](#) is a project of the Mountain Association for Community Economic Development (MACED) and is a powerful model for promoting the practice of sustainable forestry management on private, non-industrial forestland. This program is the first in Central Appalachia to compensate forest landowners for the carbon sequestered by their sustainably managed forests.

APPENDIX D: GATHERING PARTNERS AND SPONSORS

Gathering Partners



Gathering Sponsors

Appalachian Ohio Funders Group



AOFG is an informal funder group supported by
 Philanthropy Ohio



APPENDIX E: PARTICIPATING FUNDERS, PRACTITIONERS & PARTNERS

Steering Committee Members

[Appalachian Community Fund](#): Margo Miller
[Appalachian Regional Commission](#): Ray Daffner
[BB&T Bank](#): Marlo Long
[Chorus Foundation](#): Cuong P. Hoang
[Claude Worthington Benedum Foundation](#): Mary Hunt
[Foundation for Appalachian Kentucky](#): Gerry Roll
[Greater Kanawha Valley Foundation](#): Becky Ceperley
[Mary Reynolds Babcock Foundation](#): Sandra Mikush
[Osteopathic Heritage Foundations](#): Terri Donlin Huesman
[USDA-RD](#): Lisa Sharp and Joe Woody

Participating Funders, Practitioners, & Partners

[ACENet](#): Leslie Schaller, Angie Hawk Maiden
[Amesville Elementary](#): Jamie Linscott
[Appalachian Community Capital](#): Lori Glass
[Appalachian Community Fund](#): Darryl Cannady, Ethan Hamblin, Margo Miller*, Lorelei Scarbro
[Appalachian Partnership for Economic Growth](#): John Molinaro+
[Appalachian Regional Commission](#): Ray Daffner, Earl F. Gohl, Guy Land, Sue Moreland
[Appalachian Sustainable Foods Collaborative](#): Michelle Ajamian
[Appalachian Sustainable Development](#): Kathlyn Terry
[Appalshop](#): Ada Smith
[Arts West](#): Chelsa Peterson
[Athens County Economic Development](#): Sara Marrs
[Athens Foundation](#): Judith Millesen, Susan Urano*
[BB&T](#): Marlo Long
[Berea College](#): Peter Hackbert
[Blue Grass Community Foundation](#): Jane Higgins
[Buckeye Hills-Hocking Valley Regional Development District](#): Deborah Shaffer
[Center for Economic Options](#): Pam Curry
[Charleston Area Alliance](#): Cullen Naumoff
[The Chorus Foundation](#): Farhad Ebrahimi, Cuong Huang
[City of Parkersburg](#): John Whitmore, Rickie Yeager
[Claude Worthington Benedum Foundation](#): Mary Hunt, Kim Tieman
[Coalfield Development Corporation](#): Brandon Dennison
[Colony Theatre](#): Robert Brawley
[Community Action of Scioto County](#): Daniel Mault
[Community Farm Alliance](#): Martin Richards
[Community Foundation of Perry County](#): Tom Johnson
[Community Foundation of Western North Carolina](#): Tim Richards
[Council of Michigan Foundations](#): Donnell Mersereau
[Dairy Barn Arts Center](#): Jane Forrest Redfern

[Department for Local Government](#): Harry Carver
[DHHR Office of Maternal, Child and Family Health](#): Dr. Jason Roush
[Federal Reserve Bank of Atlanta](#): Kyan Bishop+
[Federal Reserve Bank of Cleveland](#): Bonnie Blankenship*, Paul Kaboth*+
[Federal Reserve Bank of Richmond](#): Jen Giovannitti+, Karen Huffman, Sandra Tormoen
[Feeding America](#): Elaine Waxman
[Foundation for a Healthy Kentucky](#): Susan Zepeda
[Foundation for Appalachian Kentucky](#): Gerry Roll, Allison Tse
[Foundation for Appalachian Ohio](#): Cara Dingus Brook+, Joy Padgett*
[Foundation for the Tri-State Community](#): Kathryn Davis
[Frontier Community Service](#): Amy Newlun
[Global Cooling](#): Neill Lane
[Good Works](#): Chris Linscott
[Greenbrier Valley Economic Development Corporation](#): Stephen Weir
[HealthPath Foundation of Ohio](#): Theresa Wukusick
[Highlander Research and Education Center](#): Elandria Williams
[Innovation Forward](#): Mark Butterworth
[Kate B. Reynolds Charitable Trust](#): Abena Asante
[Kentucky Highlands Investment Corporation](#): Michael Hayes
[Kirwan Institute](#): Christy Rogers
[Live Healthy Appalachia](#): Sherri Oliver
[Marietta Community Foundation](#): Carol Wharff
[Mary Reynolds Babcock Foundation](#): Dee Davis, Sandra Mikush
[Meigs County Council on Aging](#): Beth Shaver
[Mid-Ohio Valley Health Department](#): Richard Wittberg
[Mid-Ohio Valley Regional Council](#): Carol Jackson
[Mountain Association for Community Economic Development](#): Justin Maxson
[Muskingum County Community Foundation](#): David Mitzel
[National Brownfields Assistance Center](#): Terry Polce
[Natural Capital Investment Fund](#): David McCann, Marten Jenkens
[Ohio Children's Foundation](#): Peggy Calestro
[Ohio University](#): Phyllis Bohning, Michael Boyle, Sarah Davis, Michell Ferrier, Shiyong Wu
[Ohio University Innovation Center](#): Anna Jensen, Jen Simon
[Ohio Valley Environmental Coalition](#): Janet Keating
[One Foundation](#): Ashley Dennison
[Operation Unite](#): Debbie Trusty
[Osteopathic Heritage Foundation](#): Terri Donlin Huesman*
[People BuildersUSA](#): Deanna Pierson
[Philanthropy Ohio](#): Susan Beaudry*, Tiffanni Gottlieb
[Philanthropy West Virginia](#): Paul Daugherty
[Randolph County Housing Authority / Highland Community Builders](#): Karen Jacobson
[Rural Action](#): Michelle Decker, Tom Redfern
[Sisters of St. Joseph Charitable Fund](#): Sr. Molly Bauer, Cynthia Drennan, Renee Stephen, Christine Hedges, Diane Ludwig
[Solar Holler / Community Power Network](#): Dan Conant
[Stuart's Opera House](#): Emily Prince
[Sugar Bush Foundation](#): Linda Clark, Mary Anne Flournoy*, Alan Geiger, Carol Kuhre, Ed Newman, Hylie Voss
[SustainFloyd](#): Mike Burton

- [TechGROWTH Ohio](#): Christin Tripp, Leslie Dunn, Jane New
- [The Alcohol, Drug Addiction and Mental Health Services Board Serving Athens, Hocking and Vinton Counties](#): Diane Pfaff
- [The Alleghany Foundation](#): Leo Mulcahy
- [The Greater Kanawha Valley Foundation](#): Becky Ceperley, Nelle Chilton, Sheri Ryder
- [The Ross Foundation](#): Tres Ross
- [Tucker County Development Authority](#): Anne Jones
- [US Small Business Administration](#): Scott Hardin, Martin Golden
- [University of Cincinnati Economics Center](#): Brad Evans
- [USDA Rural Development](#): Chris Beck, Dennis Delong, David Douglas, Heather Hartley, Bobby Lewis, Tony Logan*, Timothy McNeilly, Debbie Rausch, Michael Rutherford*, Lisa Sharp, Kent Ware, Joe Woody
- [Voinovoch School, Ohio University](#): Robert Gordon, Jason Jolley, Amista Lipot, Scott Miller+, Mark Weinberg
- [Washington-Morgan Counties Community Action](#): David Brightbill
- [WCCED / First Microloan of WV](#): Daniel Reitz
- [West Virginians for Affordable Healthcare](#): Perry Bryant
- [Westmoreland County Community College – ShaleNET](#): Byron Kohut
- [WV Center on Budget and Policy](#): Ted Boettner
- [WV Community Development Hub](#): Kent Spellman, Stephanie Tyree
- [WV Development Office](#): Monica Miller
- [WV Food & Farm Coalition](#): Elizabeth Spellman

* 2014 Gathering Planning Team
 + Speaker at the Federal Reserve Partnership Meeting

Appalachia Funders Network Coordinator

This paper was written by [Rural Support Partners \(RSP\)](#), a social enterprise that serves as network coordinator for the Appalachia Funders Network. RSP works across the rural southeastern United States to strengthen anchor organizations, foster strategic networks, and support asset-based economic development efforts.



www.ruralsupportpartners.com



www.appalachiafunders.org