

# HATCHED

Empowering  
New Generations  
of Entrepreneurs

## The Foundation's Mission

To strengthen the free enterprise system by investing in organizations and institutions that foster the entrepreneurial spirit.

The  
Burton D. Morgan  
Foundation

Committed to the Free Enterprise System®

## The Intent of the Donor

The purpose of the Foundation is “the preservation of the free enterprise system...to help preserve what we have in this country.”

— Burton D. Morgan, 1994

“The Foundation’s...aim is to preserve the private enterprise system, which is America’s number one advantage over the rest of the world.”

— Burton D. Morgan, 2003

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## Burton D. Morgan (1916-2003)

There’s long been a vigorous debate about whether entrepreneurs are born or made. Either way, it’s clear that many successful entrepreneurs got an early start on their enterprising ways. Their entrepreneurial impulses were apparent even in childhood.

That was certainly true of Burt. Even as a boy, spending summers on his grandparents’ farm, one could see obvious glimpses of the engineer and inventor he would later become. We especially cherish the photo of Burt atop an engineering experiment from his college days (below). His smile suggests the supreme joy he found in tinkering with machines and trying to overcome engineering challenges.

With the example of his life as our continuing inspiration, the Foundation Burt Morgan established champions the cause of supporting entrepreneurs through every stage of life. Many organizations focus on helping adult entrepreneurs thrive. But we know that’s not always enough. By inspiring young people to consider the possibility of launching their own ventures, and then continuing to support them along the rest of that life journey, we do our part to help people achieve their dreams and build a thriving regional economy.

And we think *that* really would have brought a smile to Burt’s face.



## Dear Foundation Friends,

Our *HATCHED* theme captures the essence of our work in 2011: hatching new programs and plans for the future. *HATCHED* is particularly appropriate, given that our founder, Burt Morgan, established HATCH – Hudson Advanced Technology Corporate Headquarters – a collection of businesses he helped nurture under one roof in the old Morgan Bank building in Hudson, Ohio. We continue his catalytic role, supporting educational and experiential opportunities that equip entrepreneurs to tackle the myriad challenges of creating new ventures.

In the spring, the Foundation drew students, teachers, and parents into the world of entrepreneurship through a national program, Lemonade Day, introduced in Northeast Ohio in 2011. We traveled the region on May 1st, sampling lemonade recipes and engaging students and their parents about the lessons learned from planning and staging their stands.

As the Northeast Ohio Collegiate Entrepreneurship Program (NEOCEP) entered its final year of funding through our collaboration with the Ewing Marion Kauffman Foundation, we focused on sustainability for the five programs during a workshop featuring faculty from other successful programs across the country. The five NEOCEP campuses have established vibrant programs that will endure and thrive beyond the grant term, reflecting the culture and spirit of those schools.

In partnership with the Blackstone Charitable Foundation, we hatched a major collegiate initiative to establish Blackstone LaunchPad programs on several Northeast Ohio campuses, part of Blackstone's nationwide effort to foster economic growth through entrepreneurship. These campuses will incorporate methodology developed at the University of Miami, including use of volunteer venture coaches to counsel students through the start-up process.

The Foundation worked closely with venture- and cluster-development organizations, building connections and contributing to the strength of the regional entrepreneurial ecosystem. In the fall, we put the final touches on a new strategic plan to guide the Foundation's future work around entrepreneurship, emphasizing evaluation, continuous learning, and sharing.

We thank all our colleagues and partners who are working to build the region's entrepreneurial culture, and look forward to continuing our collaborations to hatch the new ideas that will secure Northeast Ohio's future prosperity.

**Deborah D. Hoover**  
President & CEO



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# YOUTH entrepreneurship



HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCH

Northeast Ohio has a rich ecosystem of support for adult entrepreneurs, which has recently been supplemented by an increasingly vibrant collegiate network. But when it comes to planting the seeds for entrepreneurs earlier, at the high school and even middle and primary school levels, there are far fewer players laboring in these vineyards. For that reason, it is this portion of the regional venture-hatching ecosystem that is perhaps among the Foundation's most important work – providing risk capital and bleeding-edge ideas for introducing entrepreneurship principles at the earliest stage of life.

The Foundation participates actively in the energetic constellation of institutions, organizations, and talented, passionate individuals who have been making serious strides in the area of teaching entrepreneurship to young people. It includes such groups as the four Junior Achievement affiliates in Northeast Ohio, the Girl Scouts and Boy Scouts, and a variety of business camps and invention camps for kids. Sometimes the Foundation serves as funder, other times as convener of the conversation. But always, the goal is to help connect promising initiatives, effective resources, and proven best practices.

## Lemonade Day: Providing an Early Entrepreneurship Experience

The seeds of giant global ventures can sometimes be found in the smallest fledgling initiatives. In fact, some of the largest companies in the world were founded by people who ran lemonade stands as children. Through its regional support of Lemonade Day, the Foundation hopes to systematically expose thousands of young people to the simple, time-honored act of running one's own neighborhood lemonade stand – which rewards initiative and drive and provides direct experience with pleasing customers.

Lemonade Day is the brainchild of Michael Holthouse, a successful software entrepreneur in Houston. “Six years ago I did a lemonade stand with my then 10-year-old daughter and her best friend. It was the first time she experientially learned how America works,” he recalls. “We sat down at the end of the day, with a big tablet and a crayon, and did a balance sheet. It showed her exactly how she fared. It was awesome.”

He later established the nonprofit organization Prepared 4 Life, as a platform for his philanthropy and to help spread the concept beyond Houston. The program sets aside a day each spring on which a child – guided by a trusted adult (a parent, teacher, or mentor) – sets up and runs an actual lemonade stand. Led through the process step-by-step by means of workbooks explaining the basics, Lemonade Day encourages kids to set goals, consider service to others, and to think beyond their own driveway, even as it teaches such basic business tactics as advertising, product development, and pricing.

The program is designed for flexibility. School districts, cities, and entire regions can take part. But so too can smaller groups,

such as scout troops and church youth groups. Lemonade Day is meant to send a simple but powerful message, to children and their families, about the value of entrepreneurship.

Since the program's founding in 2007, it has grown rapidly. In 2010, 160,000 children in 14 cities participated. Twice as many cities took part in the program a year later, providing thousands of additional children with an entrepreneurship experience. In 2011, the regional collaborators in Northeast Ohio ran a small Lemonade Day pilot program with four schools and support from The Burton D. Morgan Foundation. It turned out well for the children and their families, who found the experience to be rewarding on so many levels. So in 2012, with participation from more than 20 partner organizations in the region, as many as 1,500 kids in Northeast Ohio will dream up lemonade stand ideas, calculate pricing, entice customers, and experience the thrill of entrepreneurship firsthand.

“If you think about it, a lemonade stand has all the pieces of a business, scaled to the micro-/nano-level,” says Greg Malkin, who serves as the program's coordinator in this region. “They've got pricing, inventory, product development, manufacturing, advertising. You've got everything in it, so it really turns out to be a wonderful vehicle for teaching entrepreneurship to elementary school kids.”

Says Lemonade Day founder Michael Holthouse: “I see a revitalization of America through a simple little lemonade stand.”



### HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCHING THE ENTREPRENEURIAL ECOSYSTEM.

Greg Malkin, a former serial entrepreneur and now a high school teacher, helps glue many of these efforts together. With support from the Foundation to University School, the math and entrepreneurship teacher runs the Entrepreneur Institute at his school. He also has become a roving regional ambassador for teaching entrepreneurship to young people, serving as an advisor to several emerging initiatives, and facilitating training sessions for educators who teach youth entrepreneurship elsewhere in the region.

“Not everybody is going to be an entrepreneur. But there are a couple of fundamental characteristics of entrepreneurship that I think are truly life skills,” he explains. “One of them is the idea of ownership. The difference between a manager and an entrepreneur is literally ownership. But ultimately, if we can get our young people to take ownership of their lives, take responsibility for their actions, and control of their careers, that's huge. These leadership skills and the idea of being passionate about what they do are transferable to the rest of life, whether or not you're an entrepreneur.”

# COLLEGIATE entrepreneurship



HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCH

Northeast Ohio clearly recognizes the value of tapping the energy, smarts, and youthful spirit percolating on its college campuses. One of the best ways to capture some of that renewable energy and convert it into sustainable economic development is to help young people turn good ideas into fledgling companies. Research suggests that happens through a multi-pronged strategy of on-campus learning, off-campus internships, business competitions, and lots of mentoring.

Over the last five years, The Burton D. Morgan Foundation has served as the primary funder for the Entrepreneurship

Education Consortium (EEC), composed of nine public and private colleges and universities in the region that are engaged in educating future entrepreneurs. It has become a vibrant learning community for the cross-fertilization of new ideas and the sharing of best practices in the field.

Says Baldwin-Wallace's Phil Bessler, former president of the EEC: "Northeast Ohio is blessed with a robust collegiate entrepreneurial ecosystem. Programs like ARCHangels, the EEC, and now Blackstone LaunchPad – as well as other student-friendly programs like LaunchHouse, JumpStart, and others – make this region

## Blackstone LaunchPad Program: Promoting Entrepreneurship As a Viable Career Path

Boston, Austin, and Silicon Valley do one thing better than most other regions: they harness the intellectual capital of college students, recent graduates, and faculty experts and tightly connect it to the larger regional job-creation efforts, thus helping create and sustain thriving regional economies.

An exciting new program being rolled out in Northeast Ohio focuses on building that kind of essential infrastructure, by helping college students connect to the resources – including experienced mentors – they’ll need to build successful companies. Yet, its trickiest task will be less tangible: to promote entrepreneurship as an enticing career path.

At a formal kick-off in Cleveland in November, the program partners – The Blackstone Charitable Foundation and The Burton D. Morgan Foundation – were joined by a long list of dignitaries, including Ohio Board of Regents Chancellor Jim Petro, U.S. Senator Sherrod Brown, and Dr. John Holdren, Assistant to the President for Science and Technology and Director of the White House Office of Science and Technology Policy.

“The entrepreneurial tradition is embedded in the culture” of Northeast Ohio, said Blackstone Chairman, CEO, and co-founder Stephen Schwarzman, citing oil industry pioneer and Cleveland native John D. Rockefeller.

The program’s original concept sprung from a meeting University of Miami Senior Vice Provost and Dean of Undergraduate Education William Green convened with the deans of his university’s nine undergraduate

schools three years ago, to discuss the career center of the future. “It was clear from listening to the things that they wanted, that what they really needed was an entrepreneurship center, one that would treat entrepreneurship as a career path, as a normal activity, as opposed to an abnormal activity or abnormal career path,” Dr. Green recalled.

Dr. Green soon implemented The Launch Pad at the University of Miami, and subsequently, The Blackstone Charitable Foundation funded the concept – dubbed Blackstone LaunchPad – on two Detroit college campuses. Now, with substantial support from The Burton D. Morgan Foundation, the program is expected to roll out on four Northeast Ohio campuses – Baldwin-Wallace College, Case Western Reserve University, Kent State University, and Lorain County Community College.

“Northeast Ohio has become a proving ground for innovative entrepreneurship education programs,” said BDMF president Deborah Hoover. “Blackstone LaunchPad is a comprehensive experiential entrepreneurship program that will offer college students, faculty, and alumni the opportunity to develop their ideas into viable businesses with the guidance of talented venture coaches. The coaching process will link emerging businesses and entrepreneurs to the fabric of the community and contribute to the creation of jobs and economic revitalization for the region. Blackstone LaunchPad will become a critical component of our vigorous regional entrepreneurial ecosystem.”



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unique. The Foundation’s commitment to the EEC has allowed us to deliver on our collective vision of assisting students who likely grew up in Northeast Ohio, have decided to be educated here, and then [decided] to stay in the region by not just getting a job, but learning the skills that will allow them to make jobs for the region.”

The Foundation also supports a number of collegiate business-plan competitions throughout the region, including those sponsored by LaunchTown and the EEC (ideaLabs). Developing more internships at the collegiate level is a final crucial element of the strategy – as a way to

introduce students to the myriad entrepreneurship opportunities in the region and to offer exposure to start-ups and the innovators behind them. Grant support in 2011 included college internship programs in Northeast Ohio run by Entrepreneurs EDGE, BioEnterprise, the Northeast Ohio Council on Higher Education (NOCHE), and Purdue University.

The depth and breadth of such programs and learning opportunities are contributing substantially to one of the nation’s healthiest collegiate entrepreneurial ecosystems.

# ADULT entrepreneurship



## HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . . HATCH

Only a decade ago, it would have been difficult to identify a lineup of groups devoted to helping support entrepreneurs in Northeast Ohio. They mostly amounted to a few scattered and isolated efforts. Today, the region boasts a flourishing and cohesive ecosystem of support, from the public sector to the leading research institutions, economic development and venture-support organizations, foundations, and others.

It includes such diverse organizations as BioEnterprise, which advises bioscience start-ups, the Akron and Canton chapters of SCORE, which counsel small businesses, and the Hudson Library, which draws hundreds annually for its workshops, speaker series, and online resources for entrepreneurs. These ecosystem constituents collaborate and help connect the dots, each focusing on the tasks for which they're best suited. Each was among the Foundation's 2011 grantees that made a difference to the region's aspiring entrepreneurs.



## Helping the Flexible Electronics Regional Cluster Reach Critical Mass

Since at least 1990, when the influential Harvard-based management guru Michael Porter helped vault the concept to international prominence, the development of rich, geographic industry clusters as a surefire way to boost regional competitiveness has been a key goal in economic development circles. Northeast Ohio is focused on two clusters – advanced energy and flexible electronics – which hold the greatest promise for the region. In 2011, the Foundation chose to invest in the flexible electronics collaboration, known as FlexMatters, because of the region's potential to be one of the top two or three industry centers globally.

The FlexMatters initiative grew out of Kent State University's Liquid Crystal Institute and the University of Akron's world-renowned polymer research capabilities. The goal, explains NorTech's Dr. Byron Clayton, the project's leader, is to create a critical mass of new companies in the flexible electronics arena, which will in turn generate additional investments and a host of good, new sustainable jobs in the region. The initiative gained considerable traction in 2011, with the support of \$2 million in federal funds.

"One of the challenges for regions, in the Midwest especially, is that we come up with great ideas and great technology, but if we don't build a critical mass of organizations around it, it's easy for people in another region or another country to license the technology and build [the products] somewhere else," he says. "We want to build the supply chain here, so that not only do we come up with the good ideas, but we also build and commercialize them here, so we keep the jobs here."

Flexible electronics refers to methods of designing and building products on flexible platforms, where advanced materials, nanotechnology, and other emerging technologies help drive continuous innovations in such fields as consumer electronics, solar

panels, advanced batteries, and imaging devices. Such local companies as AlphaMicron, with its auto-tinting flight deck and ski goggles and auto-dimming automotive mirrors, and Kent Displays, with its Boogie Board writing tablet, are at the forefront of flexible electronics innovation.

With funding from the Foundation and other sources, FlexMatters hired an experienced senior consultant to spearhead outreach and mentoring with companies in this sector, helping meld them into a collaborative ecosystem. Tim Fahey, the former CEO of a successful flexible electronics company in the region, will help manage the efforts of the flexible electronics cluster, which has grown from about two dozen members to approximately 40 since he joined the effort in mid-2011.

Mr. Fahey points to two current projects as among the kinds of ambitious initiatives FlexMatters hopes to champion.

"You know those greeting cards that make sounds or light up when you open them? American Greetings designs those electronic parts here, but then sends them to China to be prototyped. But that takes a long time, so they'd prefer to do that here. So we're helping them set up a supply chain of local partners and vendors who can help them do that locally." Always eager to add value to his cluster participants, he even helped the greeting card giant identify a college intern who's knowledgeable about flexible electronics.

Mr. Fahey also has helped GE Lighting connect with potential process partners in this region to collaborate on the continuing investigation of organic lighting, a promising next-generation advance that's still in the R&D phase. "It uses a polymer-based light source that could revolutionize the economics of the lighting industry."



Photo: Cleveland State University



### WINNING THE ENTREPRENEURIAL ECOSYSTEM. . . . .HATCHING THE ENTREPRENEURIAL ECOSYSTEM. . . . .HATCHING THE ENTREPRENEURIAL ECOSYSTEM.

Brad Whitehead, head of the Fund for Our Economic Future – one group that has been at the forefront of the region's economic development initiatives – calls the Foundation "a touchstone" in the efforts to build an adult entrepreneurial ecosystem in Northeast Ohio. "In the early days, we didn't have a critical mass of participants in this area, but now we do. There are now more players involved, so it helps to have a touchstone."

Adds JumpStart president John Dearborn: "Probably the biggest effect of [the Foundation's] support is cultural: with their help, entrepreneurship has become part of the region's conversation."

The regional ecosystem's profile got a healthy boost in February 2011, with a visit by President Obama and several members of his cabinet, who met with representatives of more than 100 small and emerging area businesses at a mini-summit at Cleveland State University. The Foundation's president, Deborah Hoover, joined President Obama and Small Business Administration chief Karen Mills in a session on entrepreneurship. The President pointed to Northeast Ohio's entrepreneurial ecosystem as a promising national model.



# HUDSON community

BUILDING COMMUNITY. . . . . BUILDING COMMUNITY. . . . . BUILDING COMMUNITY. . . . . BUILDING COMMUNITY.

As an enthusiastic citizen of Hudson, the Foundation is committed to supporting a wide range of activities that enrich community life. In addition to the Farmers Market, in 2011, the Foundation also invested in such initiatives as a local children's concert by the Akron Symphony Orchestra and production of the cablecast *A Good Day in Hudson*. Small grants also helped Destination Hudson outfit and promote the Hudson Visitor Center and supported Hudson Community First's career panels and internship program for high school students.

Two years ago, BDMF initiated a new holiday tradition: The Foundation and its staff choose a nearby organization to support at the holiday season. In 2011, the staff chose Newborns in Need (NiN) as the beneficiary of the annual holiday gift. The Hudson chapter of the national group sews blankets and basic items for babies born into families in need. Grant dollars are being used to purchase new sewing machines, material, and supplies for the volunteers. Additionally, Foundation staff members donated items of clothing and supplies, so NiN also can provide baskets full of basics for several families whose babies are born into fragile circumstances.

## Nurturing Community by Supporting the Local Food Movement

Nothing happens in a vacuum. Even virtual businesses and institutions are nourished by a sense of place, by a deep and enduring connection to where their various stakeholders live, work, and play. As both our headquarters and our founder's adopted home, Hudson has always been a special place for The Burton D. Morgan Foundation.

For years, the Foundation has supported institutions key to Hudson's unique charm, vitality, and sense of community. One of the newest also happens to be one of the more ambitious – the Hudson Farmers Market.

First created as a project of the Leadership Hudson class of 2007 and other local citizens and area merchants, the market has since grown to attract about three dozen vendors from within a hundred-mile radius of Hudson. Held each Saturday from June to early October, it draws between 600 and 1,000 visitors a week, many of whom will visit other nearby establishments. The market may soon be adding one additional Saturday each month the rest of the year, at Hudson High School.

"It was founded because we wanted to provide local organic fruits to the community," says the market's president Kate Harmon, a former Hudson merchant who closed her home furnishings shop to concentrate on growing the farmers market. "Also a big part of it was to help very small, home-based, local farmers grow their businesses. And we've been very fortunate that several of our vendors that started with us have been able to expand their businesses into several other farmers markets in the region. Some have also expanded into having collaborations with local restaurants and grocery stores."

With the Foundation's support, the market is taking a number of steps to transition its operations to the next level, including embarking on a marketing campaign to build broader awareness. The market is considering hosting workshops to teach vendors various operating skills. "For instance, our Amish vendors don't know how to take credit card payments through wireless technology, but we can show them how to do that," says Ms. Harmon.

Having recently completed its fifth year in operation, the market is proud to have crossed a significant milestone. "Only about 25 percent of farmers markets survive after five years. And we've managed not only to survive, but to grow and to be quite healthy," Kate Harmon says. Eight of the market's original vendors are still involved.

Says Deborah Hoover, president of the Foundation: "Burt Morgan took great pride in enhancing the quality of life for residents of his adopted hometown of Hudson. He was especially moved by Hudson's traditional village green as a place that captured the essence of community life. Burt spearheaded the project to build a bandstand that remains the focal point for visits with Santa, wedding photos, and community concerts. This sense of community is no doubt the reason he wanted his foundation located close to the Green, and he would be gratified to see this space once again being reinvented through the vibrancy of the Farmers Market."



### .....BUILDING COMMUNITY.....BUILDING COMMUNITY.....BUILDING COMMUNITY.....BUILDING C

Hudson Community Service Association (HCSA) and Hudson Job Search are among the other local organizations that received grant support in 2011. The all-volunteer HCSA quietly supports the area's needy, tending to families' and individuals' need for food, clothing, and utilities, with dignity and respect. With HCSA's help, local school children have shoes that fit when the first day of school arrives, families have food on their Thanksgiving tables, and the unemployed can buy gas to drive to a job interview.

Hudson Job Search offers free outplacement service to area residents. Services include workshops and one-on-one advising from skilled volunteer advisors, who provide practical and moral support during the traumatic period of job transitions. HJS has helped hundreds of unemployed people find good jobs, and many clients "pay it forward" by becoming volunteer advisors once they've secured employment. BDMF support in 2011 was used to provide materials to help clients determine where and how to focus their job search efforts.

# grant summary

## Youth Entrepreneurship

<b>Austen BioInnovation Institute in Akron</b> BEST Medicine science and engineering fair	\$5,000
<b>Consortium for Entrepreneurship Education</b> 2011 annual conference, including scholarships for Northeast Ohio teachers, and Youth Entrepreneurship Alliance support	\$20,000
<b>Entrepreneurial Engagement Ohio</b> SEE Economics & Entrepreneurship classroom program and the Science & Technology Forum	\$50,000
<b>Foundation for Teaching Economics</b> <i>Economics for Leaders</i> high school summer program in Northeast Ohio	\$44,000
<b>Friends of Breakthrough Schools</b> Middle school entrepreneurship program	\$53,200
<b>Gilmour Academy</b> Entrepreneurship programming	\$5,000
<b>Girl Scouts of North East Ohio</b> Expansion of the <i>Teen CEO</i> entrepreneurship program and NFTE certification for two staff members	\$20,000
<b>Great Trail Council Boy Scouts of America</b> Entrepreneurship Merit Badge program at Camp Manatoc	\$10,000
<b>Hudson City School District</b> Mini-grants for teachers, supporting entrepreneurship lessons	\$15,000
<b>Invent Now</b> Camp Invention programs in Akron and Wooster	\$75,500
<b>Junior Achievement of East Central Ohio</b> High school programs	\$22,000
<b>Junior Achievement of East Central Ohio</b> 2010 challenge grant satisfied	\$5,000
<b>Junior Achievement of Greater Cleveland</b> High school and middle school programs	\$45,500
<b>Junior Achievement of Mahoning Valley</b> Entrepreneurship-related programs	\$25,000
<b>Junior Achievement of Mahoning Valley</b> 2010 challenge grant satisfied	\$5,000
<b>Junior Achievement of North Central Ohio</b> Business, entrepreneurship, and financial literacy programs and relocation help	\$80,000
<b>Junior Achievement of North Central Ohio</b> 2010 challenge grant satisfied	\$10,000
<b>Network for Teaching Entrepreneurship</b> Digital Teacher Network and Washington, DC event	\$50,720
<b>Prepared 4 Life</b> Lemonade Day Northeast Ohio 2011 and 2012	\$11,865
<b>University School</b> Entrepreneurship programs and outreach to other schools and teachers, and regional coordination of Lemonade Day Northeast Ohio 2012	\$66,500
<b>Western Reserve Public Media</b> Production of <i>Micro Business for Teens: Starting a Micro Business</i> television program	\$55,000
<b>Youth Opportunities Unlimited</b> Akron <i>BizCamps</i> and capacity building associated with the E CITY-Y.O.U. merger	\$35,000
<b>Total for Youth Entrepreneurship Grants</b>	<b>\$709,285</b>

## Collegiate Entrepreneurship

<b>Blackstone LaunchPad Initiative</b> Programs at Baldwin-Wallace College, Case Western Reserve University, Kent State University, and Lorain County Community College, and technical support	\$542,234
<b>College Now Greater Cleveland</b> Renewal of two scholarships for students pursuing entrepreneurial studies	\$4,500
<b>Entrepreneurs EDGE</b> EDGE Fellows summer intern program	\$50,000
<b>Entrepreneurship Education Consortium</b> Entrepreneurship Immersion Week and ideaLabs regional competition	\$80,000
<b>Kent State University Foundation</b> Burton D. Morgan Technology Endowment	\$4,000
<b>Kenyon College</b> Innovation Greenhouse entrepreneurship program	\$20,400
<b>LaunchTown</b> Collegiate business idea competition	\$10,000
<b>Northeast Ohio Council on Higher Education</b> "Engaging College Students with Entrepreneurs II" internship program	\$36,000
<b>Small Business Development Center - Canton</b> Stark County Entrepreneur Experience	\$5,000
<b>University of Mount Union</b> Entrepreneurship programming and faculty professional development	\$10,000
<b>Total for Collegiate Entrepreneurship Grants</b>	<b>\$762,134</b>

## Adult Entrepreneurship

<b>Akron Community Service Center &amp; Urban League</b> Partnership for the Minority Business Accelerator (PMBA) II	\$10,000
<b>Akron SCORE</b> Operating and computer expenses	\$20,000
<b>BioEnterprise Corporation</b> Business development and internship programs	\$200,000
<b>Canton Regional SCORE</b> Marketing and outreach	\$5,000
<b>Hudson Library &amp; Historical Society</b> Business collection development, entrepreneurship programs, and video streaming equipment	\$30,500
<b>ideastream</b> <i>Nightly Business Report</i> in 2012 on WVIZ-TV	\$40,000
<b>North Union Farmers Market</b> "A Time to Grow," 2012 business development conference	\$5,000
<b>Northeast Ohio Technology Coalition</b> Support of FlexMatters senior staff and conference sponsorships	\$56,000
<b>TechBelt Initiative</b> Life sciences and energy industry job creation in the Cleveland-Youngstown-Pittsburgh region	\$5,000
<b>Western Reserve Public Media</b> Season two of <i>NEOTropolis</i>	\$56,500
<b>Total for Adult Entrepreneurship Grants</b>	<b>\$428,000</b>

## Hudson and Community

<b>City of Hudson</b> Production of <i>A Good Day in Hudson</i> on Hudson Cable TV	\$1,200
<b>Akron-Canton Regional Foodbank</b> General support	\$12,000

<b>American Red Cross of Summit and Portage Counties</b>	
Local disaster relief, earthquake/tsunami relief efforts in Japan, and tornado relief efforts in Joplin, Missouri	\$50,000
<b>Everest Soccer Club Boosters</b>	
Sponsorship of the Friendship Cup 2011 soccer tournament	\$500
<b>First Congregational Church of Hudson</b>	
Annual giving and Building Preservation Endowment	\$40,000
<b>The Foundation Center</b>	
Cleveland Center initiatives and support of the Collaboration Project	\$7,500
<b>Grants Managers Network</b>	
Operating support	\$250
<b>Greater Akron Musical Association</b>	
Concert for Kids performance in Hudson	\$5,000
<b>Habitat for Humanity of Summit County</b>	
"A Home of Our Own" capital campaign	\$10,000
<b>Hattie Larlham Community Living</b>	
Retail sales operation at Hattie Larlham	
Doggie Day Care and Boarding	\$9,850
<b>Hudson City School District</b>	
Inflatable Globe Earth Balloon visit	\$1,500
<b>Hudson Community First</b>	
Career Panel and Intern for a Day program	\$10,000
<b>Hudson Community Foundation</b>	
July 2011 fireworks and the Destination Hudson Visitor Center	\$9,650
<b>Hudson Community Service Association</b>	
Assistance for Hudson residents in need	\$8,000
<b>Hudson Farmers Market</b>	
Market research and the development of a marketing plan	\$4,000
<b>Hudson Heritage Association</b>	
Annual support	\$250

<b>Hudson Rotary Foundation</b>	
Hudson High School Scholarship Fund	\$1,000
<b>Hudson Job Search</b>	
Materials and assessments for job search clients	\$6,550
<b>Kent Historical Society</b>	
"Made in Kent" permanent exhibit	\$5,000
<b>Laurel Lake Retirement Community</b>	
Youth philanthropy program with Seton Catholic School	\$2,500
<b>Newborns in Need</b>	
Sewing machines and supplies for the Hudson chapter	\$3,000
<b>Ohio Grantmakers Forum</b>	
Operating support and 2011 annual conference support	\$12,475
<b>Stan Hywet Hall &amp; Gardens</b>	
"Power of Innovation" interactive displays for children	\$15,000
<b>Other Community Grants</b>	\$7,100

<b>Total for Hudson and Community Grants</b>	<b>\$222,325</b>
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<b>SUBTOTAL FOR ENTREPRENEURSHIP-RELATED GRANTS (Youth, Collegiate, and Adult)</b>	<b>\$1,899,419</b>
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<b>SUBTOTAL FOR HUDSON AND COMMUNITY GRANTS</b>	<b>\$222,325</b>
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<b>SUBTOTAL FOR DISCRETIONARY GRANTS</b>	<b>\$931,000</b>
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<b>GRAND TOTAL</b>	<b>\$3,052,744</b>
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Note: Listed grants reflect grants awarded, but not necessarily paid, in 2011. Multi-year grants awarded in a previous year are not included, even if partial payment was made in 2011. All challenge grants that were satisfied in 2011 are included, regardless of the year the challenge was awarded. Grants paid in 2011 totaled \$5,127,393.

## financial summary

### Statement of Position

Year Ending December 31, 2011

#### Assets

Cash or Equivalents	\$14,758,400
Other Current Assets	54,100
	<u>14,812,500</u>

#### Investments at Market

Equities	83,090,400
Mutual Funds	2,169,400
Exchange Traded Funds	4,837,800
Private Equities	10,557,000
Real Estate	3,157,900
Equipment	175,600

<b>Total Assets</b>	<b>\$118,800,600</b>
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#### Liabilities and Net Assets

##### Liabilities

Current Liabilities	\$2,667,000
Long Term Liabilities	170,000
	<u>2,837,000</u>

##### Net Assets

Unrestricted Net Assets	115,963,600
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<b>Total Liabilities and Net Assets</b>	<b>\$118,800,600</b>
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Financial Notes: The Foundation is incorporated in Ohio as a private foundation defined under the 1969 Tax Reform Act and is subject to Federal Excise Tax on net investment income, including realized gains. Under provisions of the act as amended in 1981, the Foundation is required to make distributions generally equal to 5% of the Foundation's net investment assets. These statements are presented predominantly on the accrual basis, in accordance with generally accepted accounting principles. The figures have been rounded to the nearest hundred.

These statements are based on the information available at the time of publication and are subject to change.

### Statement of Activities

Year Ending December 31, 2011

#### Income

Dividends, interest and other income	\$1,964,800
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<b>Total income</b>	<b>\$1,964,800</b>
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#### Expenses

##### Program

Grants Awarded	\$3,052,700
Direct Charitable Activities	21,200
Program Support	644,700

##### Investment

Investment Management Fees	465,300
Investment Consultant Fees	125,900
Bank Custodial Fees	66,700
Excise Tax	128,000

##### Other

Management and General	352,900
Communications	30,300
Events	33,800
Insurance Premiums	22,700
Consulting	10,700
Professional Services	36,200
Miscellaneous Expenses	22,300
Depreciation	172,100

<b>Total Expenses</b>	<b>5,185,500</b>
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Expenses in Excess of Revenue	3,220,700
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Realized Gains on Investments	5,144,600
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Unrealized Losses on Investments	8,980,000
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<b>Change in Net Assets</b>	<b>-\$7,056,100</b>
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# STRATEGIC PLAN

in brief

In 2011, the Foundation staff and Trustees completed work on a new strategic plan to help guide our decisions and activities through 2014. The Foundation's focus is firmly grounded in Mr. Morgan's vision for targeted support of youth, collegiate, and adult entrepreneurship in Northeast Ohio.

The new plan builds upon the Foundation's directions from past plans but also places greater emphasis on strengthening ecosystems, pathways, and enhanced modes of sharing results and best practices. We believe that the Foundation has become a repository of valuable data and information on entrepreneurship education, which we plan to share as widely as possible.

## Highlights from the 2011-2014 Strategic Plan

### Entrepreneurship Ecosystem

- Build networks of grantees to amplify the impact of our grants
- Develop learning communities among grantees to maximize opportunities to share knowledge
- Disseminate information and knowledge through multiple modes of communication
- Leverage Foundation grant dollars and other resources to promote entrepreneurship

### Youth Entrepreneurship

- Enhance teacher training opportunities in entrepreneurship
- Support a strong portfolio of grants in entrepreneurship, financial literacy, and economics
- Strengthen pathways in entrepreneurship

### Collegiate Entrepreneurship

- Support the sustainability of our collegiate entrepreneurship programs
- Promote experiential learning opportunities
- Build and optimize the network of collegiate entrepreneurship programs

### Adult Entrepreneurship

- Invest in Northeast Ohio venture-development organizations
- Build pathways from collegiate to adult entrepreneurship
- Address gaps in the entrepreneurship support system
- Support region-wide economic development through entrepreneurship

### Community Support

- Support the vitality of the Foundation's hometown of Hudson, Ohio
- On a proactive basis, support community needs through selected organizations

**Trustees**

Keith A. Brown  
 J. Martin Erbaugh  
 Stanley C. Gault  
 Mark D. Robeson  
 Richard N. Seaman

Richard A. Chenoweth  
*Emeritus*

John V. Frank  
*Emeritus*



Keith A. Brown



J. Martin Erbaugh



Stanley C. Gault

**Officers**

**President**  
 Deborah D. Hoover

**Vice President**  
 J. Martin Erbaugh

**Treasurer - Assistant Secretary**  
 Richard N. Seaman

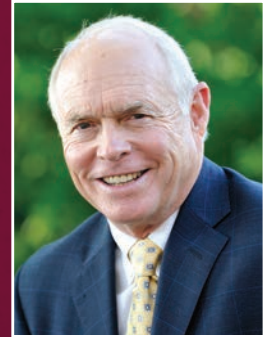
**Secretary - Assistant Treasurer**  
 Denise M. Griggs



Deborah D. Hoover



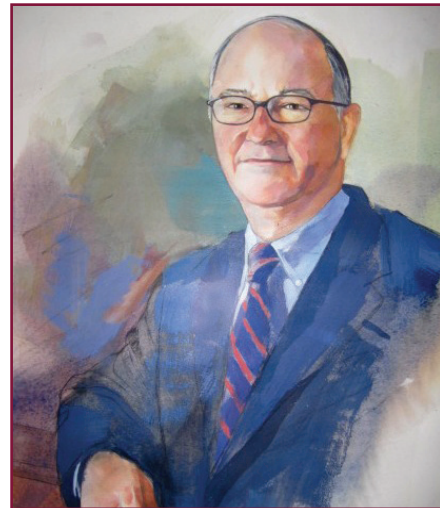
Mark D. Robeson



Richard N. Seaman

**John V. Frank Retirement**

John V. Frank served as President and Trustee of The Burton D. Morgan Foundation from 1976 to 2006, and was charged with carrying out Burt Morgan’s philanthropic vision and growing the Foundation’s assets. Under Mr. Frank’s stewardship, the Foundation realized Burt’s dreams of six major building projects and the relocation of its headquarters to Hudson, Ohio. He continued as a Trustee from 2007 until his retirement from the Board in 2011. The Foundation is grateful to him for his many years of dedicated service. In recognition of his longstanding commitment to the Foundation, Mr. Frank was named Trustee Emeritus.



staff

**Denise M. Griggs**  
 Chief Financial Officer

**Leslie G. Nelson**  
 Senior Program Officer

**Alison J. Burner**  
 Program Officer

**Dianne L. Ketter**  
 Grants Manager &  
 Social Media Coordinator

**Paula J. McCulloch**  
 Office Manager

**Diane V. Rafferty**  
 Executive Assistant





The  
Burton D. Morgan  
Foundation

Committed to the Free Enterprise System®

22 Aurora Street | Hudson, Ohio 44236  
Phone: 330-655-1660 | Fax: 330-655-1673  
[www.bdmorganfdn.org](http://www.bdmorganfdn.org)