



**Finding Competitive Capital  
and Workforce Solutions in Inner Cities**

**Ray Leach, CEO**

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A man with dark, curly hair, wearing a light blue button-down shirt, is standing on a staircase. He is looking upwards and to the left with a slight smile. The staircase has a metal railing. The background is a yellow wall with a circular light fixture and some framed documents. A large red semi-transparent rectangle is overlaid on the left side of the image, containing the text.

# JumpStart's Mission

To strengthen the economic vitality  
of Northeast Ohio and the U.S. by helping  
communities realize their entrepreneurial  
potential

Juventas Therapeutics  
Cleveland, Ohio

# Struggling Economy, Non-Existent Ecosystem

Beginning in 1991, Cleveland spent 12 years as one of the bottom 3 cities for “friendliness for entrepreneurs.” **In 2002, it ranked dead last out of 61 metro areas.**

## ENTREPRENEUR 2002 RANKINGS (61 METRO AREAS)

- 
- 1 Washington, D.C.
  - 2 Dallas, TX
  - 3 Raleigh/Durham, NC
  - 4 Middlesex/Somerset/Hunterdon, NJ
  - 5 Fort Lauderdale, FL
  - 6 Fort Worth/Arlington, TX
  - 7 Orlando, FL
  - 8 Houston, TX
  - 9 Monmouth/Ocean, NJ
  - 10 Nashville, TN
  - ...
  - 15 Columbus, OH
  - 15 Minneapolis, MN
  - ...
  - 30 Baltimore, MD
  - ...
  - 46 Pittsburgh, PA
  - ...
  - 51 Indianapolis, IN
  - ...
  - 54 Cincinnati, OH
  - ...

**61 Cleveland/Lorain/Elyria, OH**



# Community Creates New Non-Profit



2002

Northeast Ohio's civic, community and philanthropic leaders come together to address the region's need for **more entrepreneurial companies and job creation.**



2004

**JumpStart** is launched as a private-public nonprofit partnership, tasked with bringing the concept of **venture development\*** to Northeast Ohio.



2005

JumpStart's original supporters are joined by the **Ohio Third Frontier**, the state's emerging technology-based economic development initiative.



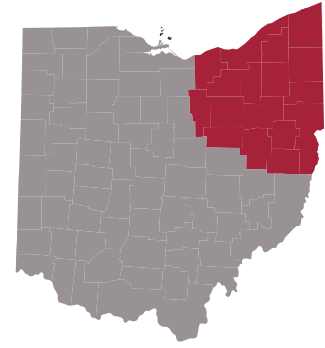
**Third Frontier**  
Innovation Creating Opportunity

**\*Venture development** - venture capital investment combined with mission-based economic development.

# Evolutions To Address New Challenges

2008

JumpStart begins leadership of a 10-organization regional entrepreneurial ecosystem collaboration that has now generated **\$1B+ in economic impact in Ohio.**



2009

JumpStart receives the **Excellence in Economic Development Award** from the U.S. Commerce Department.



2011

JumpStart begins **assisting leaders in communities outside Ohio** who are interested in creating economic opportunities via startups and small businesses.

2013

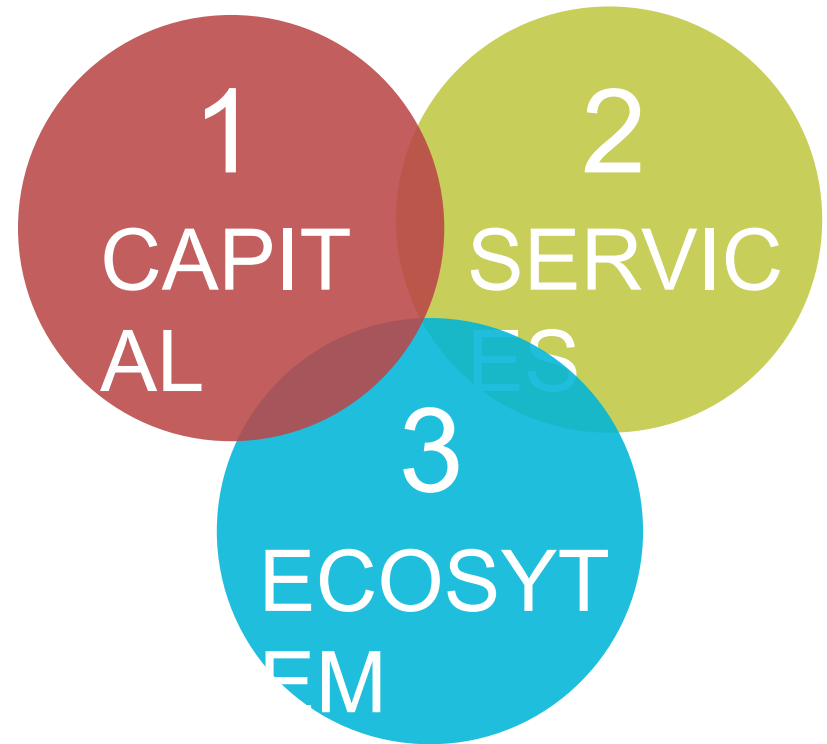
JumpStart begins to focus a similar approach to **helping existing “Scaleup” small businesses** in urban neighborhoods.





# Balanced Model With Secret Sauce

A balanced approach leveraging **capital investment**, intensive **technical assistance** (talent recruiting, marketing services, mentoring support, etc.) and collaborative **ecosystem building** to help high-potential companies attract follow-on capital and create jobs in Northeast Ohio.



# Economic Outcomes To Date:



**\$31 million** has been invested in high-growth Ohio companies by JumpStart.

**\$1+ billion** in additional capital has been raised by JumpStart's portfolio and client companies.

**\$680 million** in revenue has been generated by JumpStart's portfolio and client companies.

**2,350** direct jobs have created or retained by JumpStart's portfolio and client companies. Over 10,000 jobs created when considering additional induced and indirect jobs.

Over the last decade, JumpStart has also been tasked by the Ohio Third Frontier with managing **a formal network of 15 other Northeast Ohio entrepreneurial support organizations.**



Collectively, this network **has helped more than 975 entrepreneurs raise \$1.7 billion in capital,** generate \$1 billion in revenue and create or retain 4,000 jobs in Northeast Ohio.

# A Revitalized Investment Continuum

Over the last decade, JumpStart's work has helped prove the case for successful venture capital investment in Northeast Ohio.

**Today, there are a number of additional funds to help startups as well as small businesses that desire traditional debt capital.**

## FUNDS OR LOANS FOR NEO-OR OHIO BASED COMPANIES



## FUNDS FOR COMPANIES IN SPECIFIC NEO GEOGRAPHIES





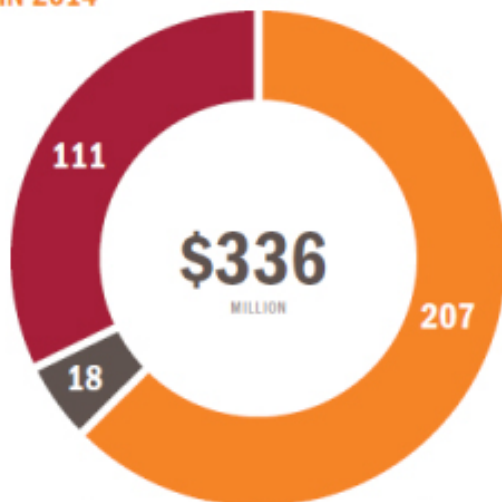
# Better Access to Capital

Total venture capital investment in the region hit a ten-year high of **\$336 million** in 2014.

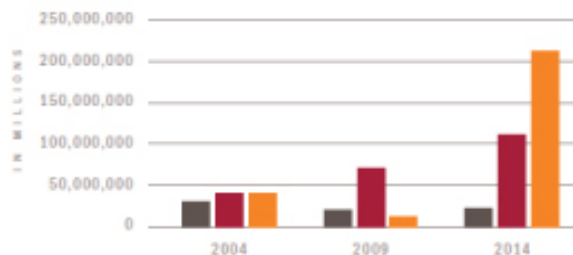
## NORTHEAST OHIO

Seed Stage Early Stage Growth

TOTAL CAPITAL INVESTED BY STAGE:  
IN 2014



TOTAL CAPITAL INVESTED BY STAGE:  
TEN YEAR LOOKBACK



From 2004-2014, investors have pumped **\$2.3 billion** into Northeast Ohio companies.

# Approach for Existing Inner City Companies



- Informed largely by a partnership with the Goldman Sachs 10,000 Small Business Program, JumpStart is now attempting to **employ our successful model beyond the traditional “Silicon-Valley-Style” startup entrepreneur.**
- Our goal is **to better serve traditionally disconnected populations**, especially low-income and minority residents of Northeast Ohio’s inner city regions, many of whom have not reaped the full benefits of our growing entrepreneurial ecosystem over the last decade.
- We are pursuing this goal by expanding our unique combination of financial and intellection capital to existing small business owners who are looking to **create economic impact and meaningful-wage jobs\*** in struggling neighborhoods.

**\*Meaningful-wage job** – a job that offers something beyond a basic living wage, providing a path to improved quality of life.

# Small Business Lending

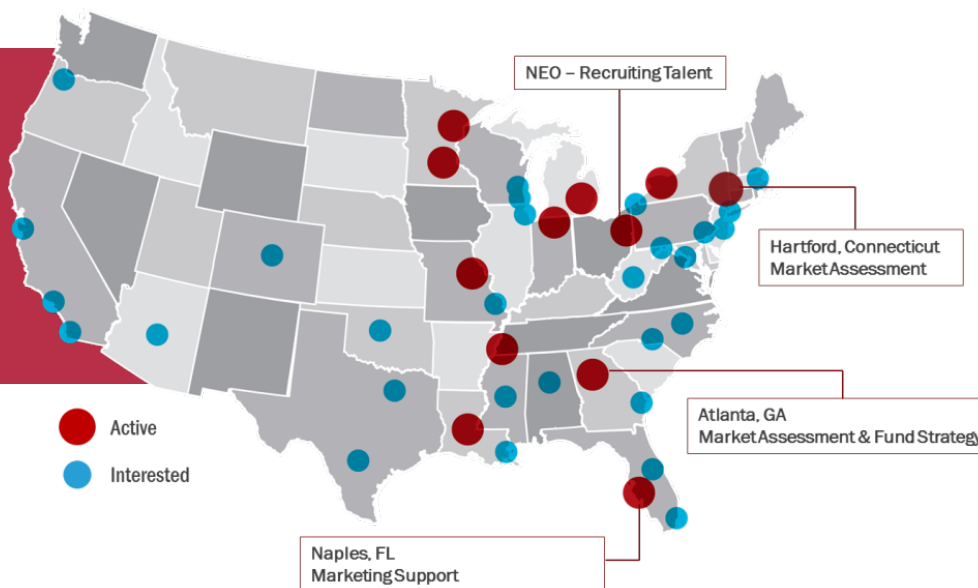
- In Spring, 2015, JumpStart launched **Growth Opportunity Partners** (Growth Opps)
- Growth Opps is **designed to provide lending and coaching assistance** to small businesses that are ready to grow, but for a variety of reasons are unable to secure funds from traditional banking sources.
- Growth Opps is **not a lender of last resort**. The businesses they partner with must meet stringent credit underwriting standards and be committed to community development through the creation meaningful-wage jobs in low-to-moderate income areas.
- Currently, **Growth Opps is active and making loans of \$100-700k**. Long-term, the organization aspires to become a Community Development Financial Institution (CDFI).



**GROWTH**  
**OPPORTUNITY PARTNERS** INC.  
a jumpstart company

# Leveraging Our Lessons Learned

Regional leaders engage JumpStart to help solve a variety of challenges related to entrepreneurial support and ecosystem development.



Based on our track record in Northeast Ohio, **we have begun partnering with other regional leaders** in both urban and rural areas throughout the country to help them:

- Assess their strengths and opportunities and build more **collaborative ecosystems**.
- Create community partnerships that focus on **workforce development**.
- Locate and aggregate sources of **investment capital and technical assistance**.
- Leverage technology to **track metrics**, analyze trends and adjust strategies.