

AN ECONOMY LEAGUE INITIATIVE

2014 WORLD CLASS

SUMMER 201

TRACKING GREATER PHILADELPHIA'S PROGRESS ON GROWTH AND OPPORTUNITY



THE WORLD CLASS INDEX AIMS TO HELP GREATER PHILADELPHIA'S BUSINESS AND CIVIC LEADERS **TRACK PROGRESS AROUND A SHARED AGENDA** FOR REGIONAL GROWTH AND OPPORTUNITY.

WHY A WORLD CLASS INDEX?

> To establish **shared indicators** for regional leaders

> To provide **clear-eyed analysis** of metro trends

> To highlight **collaborations** leading to impact

> To point to where **immediate action** is needed

For more about our region's progress toward priority education and talent, business growth, and infrastructure goals, as well as collaborative efforts to advance the World Class agenda, visit worldelessgreaterphile.org



MESSAGE FROM THE ECONOMY LEAGUE & UNITED WAY

We have always been strong believers that you can't improve what you don't measure. This conviction has been at the heart of dozens of Economy League and United Way initiatives over the years and it lies at the core of our World Class Greater Philadelphia effort.

Over the past several years, we have engaged hundreds of business and civic leaders to establish a shared set of World Class education, business growth, and infrastructure goals for our region—and priority strategies to achieve them—over the long haul. And we're proud to say that this shared playbook has already begun to catalyze action among regional organizations and leaders that are finding new ways to tackle complex challenges together—from the Pre-K for PA campaign to ensure that every 3- and 4-year-old in Pennsylvania has access to high-quality pre-k to an emerging effort to expand our regional economy through significant export growth.

With this inaugural World Class Index, we begin a crucial new chapter of the World Class Greater Philadelphia effort—tracking progress around the World Class agenda. With input from some of the top data experts in our region, the Economy League has identified a set of key indicators associated with the World Class agenda that we will monitor and assess on an



ROBERT J. MCNEILL

Managing Partner—Greater Philadelphia Region, Deloitte, LLP Chair, Economy League of Greater Philadelphia Board of Directors

Mobert & My un

ongoing basis. Through this annual benchmarking report as well as online content released throughout the year, we will explore what's driving progress for our region and what's holding us back. Alongside this analysis, we will provide a closer look at some of the innovative collaborations that are helping to improve these metrics.

In keeping with today's hyper-digital age, this print summary includes only a portion of the Index content and analysis that we're developing as part of our ongoing effort to monitor progress toward the World Class goals. For the full and evolving story, be sure to visit *worldclassgreaterphila.org*. We encourage you to explore and tell us what you think.

Our ultimate aim with this Index is to drive conversation among leaders about where we should focus limited resources—and where we might need to rethink our approach—to spur regional improvement. Wherever we end up, it needs to start with a shared understanding of where we are.



LON R. GREENBERG

Chairman, UGI Corporation/AmeriGas Chair, United Way of Greater Philadelphia and Southern New Jersey Board of Directors

on frends

ABOUT WORLD CLASS GREATER PHILADELPHIA

World Class Greater Philadelphia is a business- and civic-led initiative to advance a shared agenda for regional growth and opportunity in the Philadelphia area. Facilitated by the Economy League of Greater Philadelphia, the World Class initiative brings together the region's business, nonprofit, and government leaders to collaborate for lasting impact in three priority areas: education and talent development, business growth, and infrastructure.

Since the initiative's launch in 2009, more than 1,700 cross-sector leaders have contributed to the development of World Class Global Positioning Strategies (GPSes) for talent, business growth, and infrastructure. These GPSes, released in 2013, lay out aspirational goals and priority strategies for improving education and talent outcomes in our region, boosting business growth, and making our infrastructure more effective and reliable.

The World Class GPSes were developed in partnership with leading regional civic organizations, including the United Way of Greater Philadelphia and Southern New Jersey for education and talent development; the CEO Council for Growth for business growth; and Urban Land Institute-Philadelphia for infrastructure. Together with these partners, the Economy League convened strategy teams during 2012 made up of business executives, civic leaders, and issue experts to identify the most promising short- and long-term strategies to make progress toward World Class goals. The recommendations of these strategy teams served as the basis for the World Class GPSes.

This World Class Index not only establishes a framework for measuring progress toward these shared goals, but identifies where collaborative action will be necessary to improve outcomes. Toward this end, the Economy League also facilitates World Class campaigns around priority GPS strategies. The Economy League's 2014 World Class campaigns focus on improving access to high-quality early learning, increasing regional exports, and getting the most out of new transportation resources in Pennsylvania.

THE WORLD CLASS AGENDA

PRIORITIES

FOCUS AREAS

DESTINATIONS

EDUCATION & TALENT DEVELOPMENT

VISION: Greater Philadelphia has a talented workforce where every resident has the skills needed to compete in the global economy.

K-12 EDUCATION

POSTSECONDARY CREDENTIALS

WORKFORCEREADINESS

STARTING & GROWING

SELLING TO THE WORLD

BUSINESSES

INNOVATION

All of the region's children are prepared to start school.

All of the region's children graduate from high school college- and work-ready.

Greater Philadelphia is a national leader in postsecondary credential attainment.

The region's workforce skills adapt and match industry needs and support family-sustaining wages.

BUSINESS GROWTH

VISION: New and growing businesses fuel a dynamic regional economy that builds on Greater Philadelphia's industry and research strengths and connects to global opportunities.

Greater Philadelphia is a place where entrepreneurs can successfully create and grow businesses to scale.

Greater Philadelphia is a leader in bringing innovative ideas and technologies to the marketplace.

Greater Philadelphia's businesses capitalize on global export and investment opportunities.

INFRASTRUCTURE

VISION: Greater Philadelphia has convenient connections to regional, national, and global destinations and efficiently provides the key infrastructure necessary for business success and high quality of life.



The shared strategies and goals that comprise the World Class agenda are ultimately focused on **improving economic growth and expanding opportunity for all of our region's residents.** Here is a top-level view of how Greater Philadelphia fares on these measures:

GROWTH

Since hitting a recession-induced employment low in February 2010, Greater Philadelphia has added 77,000 jobs, or 2.9% of total regional employment. However, this rate is the slowest of the 10 largest US metros during this period.

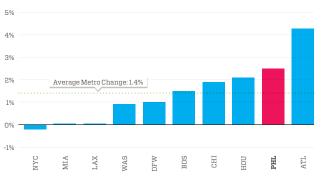
EMPLOYMENT GROWTH BY METRO AREA (FEB. 2010-FEB. 2014)



OPPORTUNITY

While regional measures of income inequality in Greater Philadelphia are in line with the national average, our area experienced the second-largest rise in income inequality among the 10 largest US metros between 2008 and 2012.

CHANGE IN INCOME INEQUALITY BY METRO AREA (2008-2012)



Source: American Community Survey

EDUCATION & TALENT DEVELOPMENT

PRE-K ACCESS

In Greater Philadelphia, **only 34% of children in low- and moderate-income families are enrolled** in publicly funded pre-k programs.



ON-TIME GRADUATION

On average, **83% of Greater Philadelphia's students graduate on time** (above the national average of approximately 80%); however, there is wide variation across counties in the region.



EDUCATIONAL ATTAINMENT

Greater Philadelphia's postsecondary attainment rate is currently 6th among the 10 largest metros, though our region has seen the third-highest growth over the last five years (from 38% to 40%).



BUSINESS GROWTH

INFRASTRUCTURE

TECHNOLOGY TRANSFER

Compared with peer metros, Greater Philadelphia had the third-largest number of technology transfer licenses issued between 2008 and 2012. However, the region **ranked 5th in licensing revenues.**

Ā

PASSENGER AIR CONNECTIONS

While overall passenger volume at Philadelphia International Airport has remained stable since 2006, **the number of international passengers has grown by 12%.**

X

SMALL BUSINESS EMPLOYMENT

Greater Philadelphia's **2.7% decrease in small business employment between 2008 and 2012** places our region near the bottom of the pack compared with peer metros.

INTERCITY RAIL RIDERSHIP

Between 2011 and 2013, **annual Amtrak ridership in Greater Philadelphia grew 6.5%** to just under 5.4 million passengers—the third-highest regional total in the United States.



EXPORTS

In 2012, **exports represented 9.0% of our region's economic output**, ranking Greater Philadelphia as the 7th most export-intensive metro among the 10 largest US regions.

STATE OF GOOD REPAIR

In 2012, **973 bridges in the region were assessed as structurally deficient**—a 7.1% improvement over the 2010 total but still short of state-of-good-repair goals.





EDUCATION & TALENT DEVELOPMENT INDICATORS

VISION: Greater Philadelphia has a talented workforce where every resident has the skills needed to compete in the global economy.

EARLY LEARNING

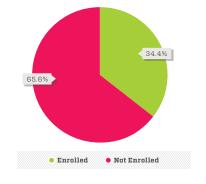
SCHOOL READINESS | Standardized kindergarten readiness assessments are used to improve early learning and help close achievement gaps. The three states in our region are on the path to adopting standardized assessments.

1) PROGRESS TOWARD IMPLEMENTING STANDARDIZED KINDERGARTEN READINESS ASSESSMENTS (2014)



PRE-K ACCESS | Public programs provide access to pre-k for children in low- and moderate-income families who cannot afford it. In Greater Philadelphia, 34% of the children in these families are enrolled in these programs.

2) PERCENTAGE OF 3- AND 4-YEAR-OLDS BELOW 300% OF POVERTY ENROLLED IN PUBLICLY FUNDED PRE-K'

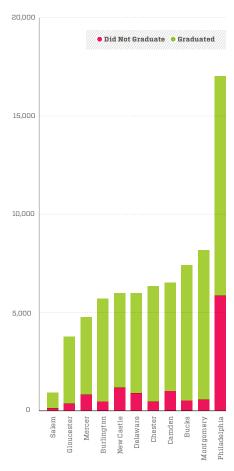


*Data presented for most recent year available: NJ, 2012; PA and DE, 2013

K-12 EDUCATION

ON-TIME GRADUATION | On average, 83% of Greater Philadelphia's students graduate on time (above the national average of approximately 80%); however, there is wide variation across counties in the region.

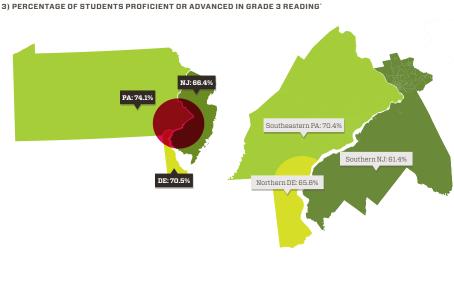
4) STUDENTS GRADUATING IN FOUR YEARS BY COUNTY



GRADUATION RATES BY COUNTY

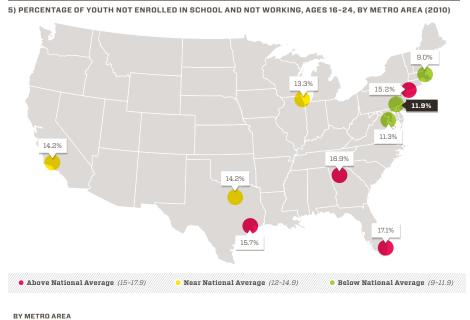
Montgomery	93.3%	Delaware	85.4%
Bucks	93.1%	Camden	84.6%
Chester	92.9%	Mercer	83.0%
Burlington	91.8%	New Castle	80.6%
Gloucester	90.8%	Philadelphia	65.7%
Salem	87.3%		

EARLY LITERACY | Third-grade reading proficiency is the first consistent outcome measure of early learning; on average, the counties in our region currently lag behind their respective states.



*Data presented for most recent year available: PA, 2011–2012; DE and NJ, 2012–2013

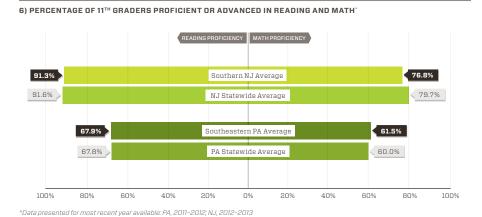
*Data presented for most recent year available: PA, 2010–2011; DE, 2011–2012; NJ, 2012–2013 DISCONNECTED YOUTH | Compared with other large metros, a relatively small share of Greater Philadelphia's youth is not in school and not working; however, percentages within the region range from 6.4% (Chester County) to 18% (Philadelphia County).



BY	ME	TRO	ARE/

Miami	17.1%	New York	15.2%	Chicago	13.3%	Boston	9.0%
Atlanta	16.9%	Los Angeles	14.2%	Greater Philadelphia	11.9%		
Houston	15.7%	Dallas-Ft.Worth	14.2%	Washington, DC	11.3%	NATIONAL AVG.	14.7%

COLLEGE & CAREER READINESS | Students' reading and math scores are on par with the state averages in both states for which data are available.

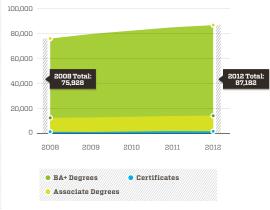


POSTSECONDARY CREDENTIALS

DEGREES & CERTIFICATES AWARDED

Institutions in our region awarded approximately 11,000 more degrees and certificates in 2012 than in 2008—an increase of 15%.

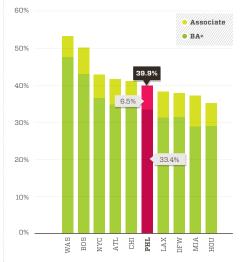
7) NUMBER OF DEGREES AWARDED BY REGIONAL **INSTITUTIONS & CERTIFICATES AWARDED BY** PUBLIC COMMUNITY COLLEGES (2008-2012)



EDUCATIONAL ATTAINMENT | While

Greater Philadelphia's degree attainment rate currently ranks 6th among the 10 largest metros, we've seen the third-highest growth over the last five years (from 38% to 40%).

8) PERCENTAGE OF POPULATION WITH AN ASSOCIATE, BACHELOR'S OR ADVANCED DEGREE (25 AND OLDER) BY METRO AREA (2012)



SOURCES

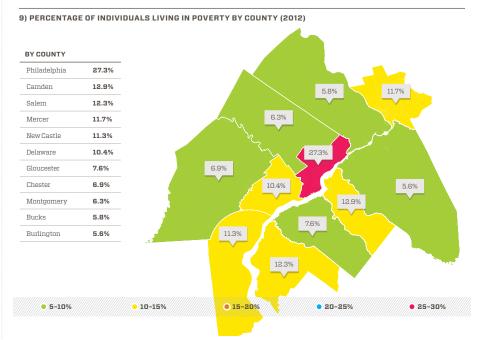
- NJ: Division of Early Childhood Education; DE and PA: Center on Enhancing Early Learning Outcomes
- 2 American Community Survey, 5-Year Estimates DE, Department of Education, Head Start; NJ, Department of Education, Head Start; PA, Pennsylvania Partnerships for Children
- 3 NJ, PA, and DE Departments of Education
- 4 NJ, PA, and DE Departments of Education
- **5** American Community Survey, PUMS Microdate data aggregated by Measure of America
- 6 NJ and PA Departments of Education

7 IPEDS Provisional Release Dat

- 8 American Community Survey, 3-Year Estimates
- 9 American Community Survey, 3-Year Estimates
- 10 American Community Survey, 3-Year Estimates
- 11 American Community Survey, 3-Year Estimates

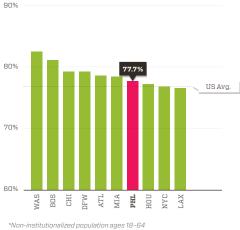
WORKFORCE READINESS

POVERTY RATE | While Greater Philadelphia's poverty rate is relatively low compared with other large metros, there are vast disparities within the region. The city of Philadelphia's poverty rate remains one of the highest among major cities.

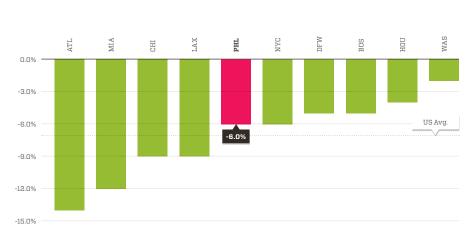


LABOR FORCE PARTICIPATION | In 2012, nearly 78% of working-age adults in Greater Philadelphia were engaged in the labor force, placing our region in line with the national average and in the middle of the pack compared with peer metros.





MEDIAN INCOME | While the recession has caused real incomes to decline in our region and across the US, Greater Philadelphia's median household income has remained relatively stable compared with peer metros in recent years.



11) PERCENT CHANGE IN REAL MEDIAN HOUSEHOLD INCOME BY METRO AREA, 2012 DOLLARS (2008-2012)

BY METRO AREA (2012)

Washington, DC	\$88,689
Boston	\$71,375
New York	\$64,344
Greater Philadelphia	\$60,444
Chicago	\$59,496
Los Angeles	\$58,377
Dallas-Ft. Worth	\$57,109
Houston	\$56,080
Atlanta	\$54,807
Miami	\$46,867



THE WORLD CLASS EDUCATION & TALENT DEVELOPMENT AGENDA



to establish these World Class indicators has helped us align our Impact efforts across counties. We hope more social investors will join with us in using these indicators to inform strategic funding decisions.

KEVIN DOW

enior Vice President mpact and Innovation, United Way of Greater Philadelphia & Southern New Jersey

EARLY LEARNING

All of the region's children are prepared to start school.

The language gap between poor and higher-income children can be seen as early as 18 months.

- At \$9,800, the median annual cost of pre-k is comparable to a year's tuition at public universities in the region.
- Pennsylvania, New Jersey, and Delaware have public pre-k programs that have been proven to increase school readiness, but too few children have access due to funding constraints.



SPOTLIGHT ON PROGRESS

Giving More Kids Access to High-Quality Pre-K

Persistent disparities in educational achievement represent a major obstacle to growth and opportunity in Greater Philadelphia. This achievement gap starts early studies have found vocabulary differences between poor and higher-income children as early as 18 months. Increasing access to pre-k programs that are high-quality meaning they have well-trained teachers, comprehensive curricula, and small class sizes—represents one of the most promising options to close this gap.

Unfortunately, the high cost of pre-k in our region means many families can't enroll their child in a quality program that puts them on a path to success. In fact, the median annual cost of pre-k—at around \$9,800—is almost as much as tuition at one of our public universities. To address this issue, all three states in our region have state-funded quality pre-k for low- and moderate-income children.

In Pennsylvania, the Pre-K Counts program has proven effective: following participation in the program, the share of children who were school-ready increased from 22% to 82%. Unfortunately, a lack of funding has limited the reach of public programs, which today accommodate only 30% of low- and moderate-income 3- and 4-year-olds in southeastern Pennsylvania, leaving 36,000 children unserved.

New Jersey is grappling with the same issues around accessibility. However, it is unique among states, due to court rulings compelling it to fully fund quality pre-k in low-income school districts. An ongoing, multi-year study has proven this to be a good investment: children who attended state pre-k programs made significant academic gains that persisted through 5th grade. In southern New Jersey, 9,500 children are enrolled in public pre-k, representing 48% of 3- and 4-year-olds in low- and moderate-income families better than southeastern Pennsylvania's rate, but still leaving more than 10,000 children unserved.

Delaware limits enrollment in its state pre-k program to children in very low-income families. Around 1,700 children in New Castle County, or 24% of 3- and 4-year-olds in lowand moderate-income families, are enrolled in public pre-k programs.

Looking ahead, there is movement toward increased access and quality in all three states. In Pennsylvania, the statewide Pre-K for PA campaign is focused on dramatically expanding access. New Jersey has set a goal of expanding pre-k for all at-risk 3- and 4-year-olds. Delaware has received federal funds to continue improving the quality of state pre-k.

> Read more at worldclassgreaterphila.org

THE QUALITY OF PUBLIC PRE-K IN GREATER PHILADELPHIA | Based on widely accepted program quality standards set by the National Institute for Early Education Research, public programs in each of the three states in our region are high quality.

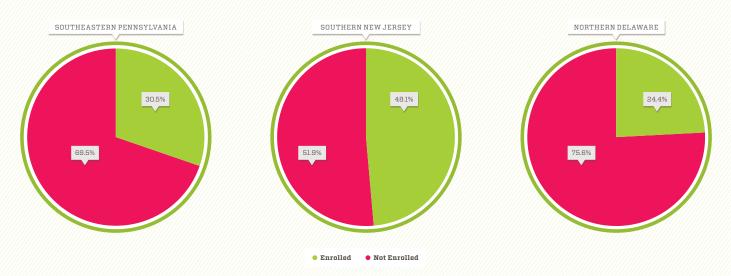
QUALITY BENCHMARK	PA: PRE-K COUNTS	NJ: ABBOTT PRESCHOOL PROGRAM	DE: EARLY CHILDHOOD ASSISTANCE PROGRAM
Uses comprehensive early learning curricula*			
Lead teacher has BA			×
Lead teacher has early education certification			
Assistant teacher has early education certification	×	×	×
Teachers participate in 15 hours of training annually			
Class size is 20 children or fewer			
Staff-child ratio is 1:10 or lower			
Offers health screenings and referrals	×		
Provides meal and/or snack	×		
Program monitoring includes site visits			
TOTAL BENCHMARKS MET	7	9	8

*Includes physical, social, and emotional development; approaches toward learning; language development; cognition; and general knowledge

Source: State of Preschool 2013, National Institute for Early Education Research

LOW- & MODERATE-INCOME CHILDREN ENROLLED IN PUBLIC PRE-K | There is a sizable gap in each of the states in our region between the number of children served by public pre-k programs and the number who need access to them.

PERCENTAGE OF 3- AND 4-YEAR-OLDS BELOW 300% OF POVERTY ENROLLED IN PUBLICLY FUNDED PRE-K, BY STATE



*Data presented for most recent year available: NJ, 2012; PA and DE, 2013

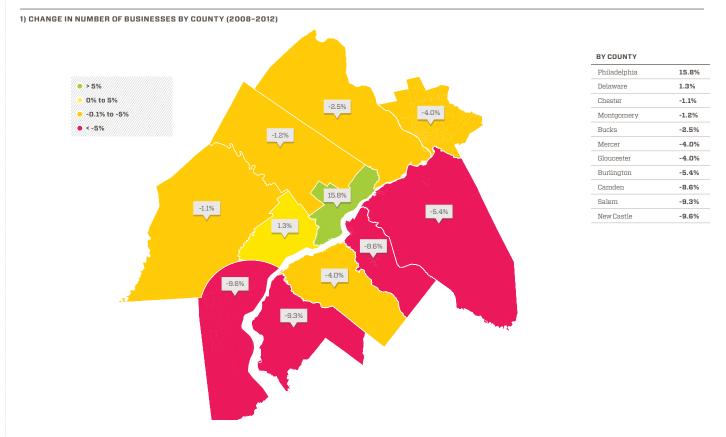
Source: American Community Survey, 5-Year Estimates; DE, Department of Education, Head Start; NJ, Department of Education, Head Start; PA, Pennsylvania Partnerships for Children

BUSINESS GROWTH INDICATORS

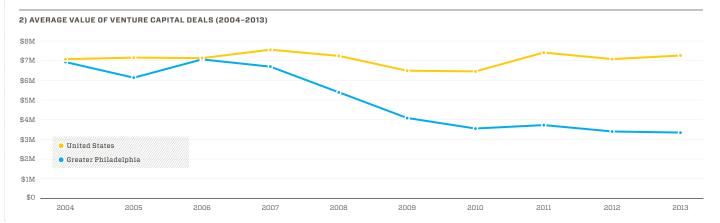
VISION: New and growing businesses fuel a dynamic regional economy that builds on Greater Philadelphia's industry and research strengths and connects to global opportunities.

STARTING & GROWING BUSINESSES

NEW BUSINESSES | While Greater Philadelphia has lagged behind peer metros in new business creation, the number of establishments in the city of Philadelphia grew by 16% between 2008 and 2012.

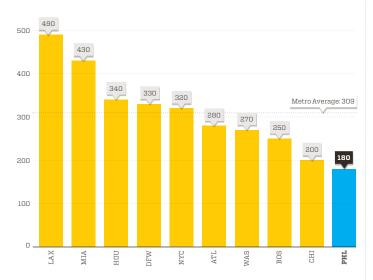


VENTURE CAPITAL | In recent years, Greater Philadelphia has seen an increase in both the number of venture capital deals and the amount of venture capital invested per year. However, the value of the average deal in our region today is less than half the average deal nationwide.



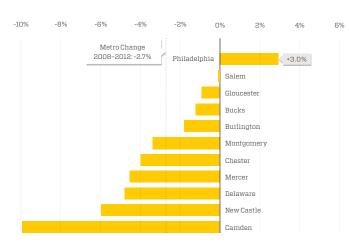
ENTREPRENEURSHIP | While Greater Philadelphia has the fewest entrepreneurs per 100,000 residents of the 10 largest US metros, our region has seen the second-highest average annual growth for this measure over the last five years.

3) ENTREPRENEURS PER 100,000 RESIDENTS BY METRO AREA (2013)



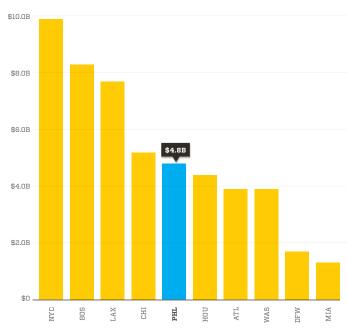
SMALL BUSINESS EMPLOYMENT | Greater Philadelphia's 2.7% decrease in small business employment between 2008 and 2012 places our region near the bottom of the pack compared with peer metros. Within the region, Philadelphia was the only county to see small business employment growth during this period.





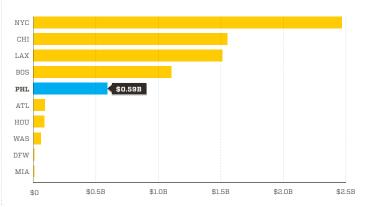
INNOVATION

FEDERAL R&D FUNDING | Between 2008 to 2012, Greater Philadelphia received the fifth-largest amount of federal R&D funding (\$4.8 billion) among the 10 largest US metros.



TECHNOLOGY TRANSFER | Although Greater Philadelphia had the third-largest number of technology transfer licenses issued between 2008 and 2012, the region ranked 5th in licensing revenues.

6) TECHNOLOGY TRANSFER LICENSING REVENUES BY METRO AREA (2008-2012)



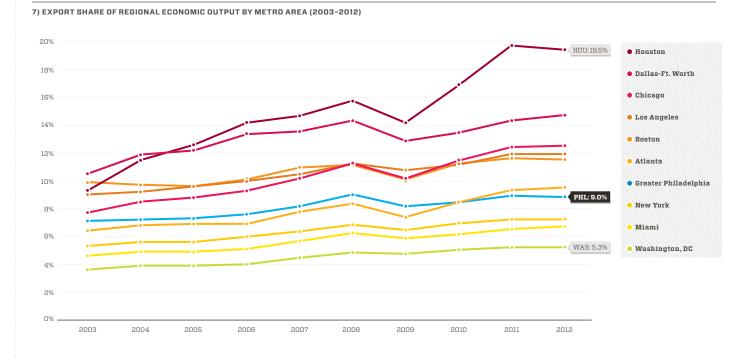
5) TOTAL FEDERAL R&D FUNDING AWARDED BY METRO AREA (2008-2012)

SOURCES

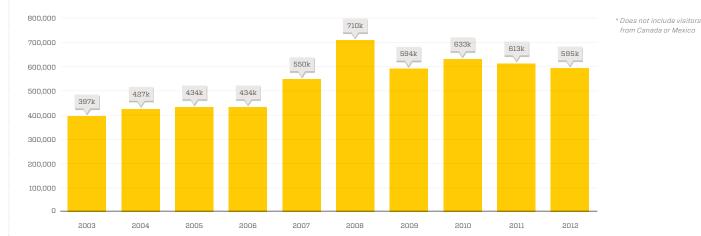
- 1 BLS Quarterly Census of Employment & Wages (QCEW)
- 2 The MoneyTree[®] Report from PricewaterhouseCoopers and the National Venture Capital Association based on data provided by Thomson Reuters
- **3** Kauffman Index of Entrepreneurial Activity 2014
- **4** US Census, Longitudinal Employer-Household Dynamics Quarterly Workforce Indicators
- **5** National Science Foundation, Higher Education Research & Development Survey
- **6** Association of University Technology Managers, US Licensing Activity Survey
- 7 Brookings Export Nation 2013
- 8 US Office of Travel and Tourism Industries

SELLING TO THE WORLD

EXPORTS | In 2012, exports represented 9.0% of our region's economic output, ranking Greater Philadelphia as the 7th most export-intensive metro among the 10 largest US regions.



INTERNATIONAL VISITORS | Despite a slight decline in recent years, international visitation to Greater Philadelphia has grown sharply since 2006. On average, approximately half of overseas visitors come to the region from Western Europe.



8) INTERNATIONAL VISITATION TO GREATER PHILADELPHIA (2003-2012)



THE WORLD CLASS **BUSINESS GROWTH** AGENDA

FOCUS AREAS		STRATEGIES	
STARTING & GROWING BUSINESSES		Strengthen entrepreneurial networks	Increase availability of growth capital
INNOVATION	·	Support cluster- focused talent development	Connect industry and universities to drive technology transfer
SELLING TO THE WORLD		Advance the region's position as a hub for global business	Market the region's business assets and success stories

Any successful business knows that choosing and tracking the right set of metrics reinforces long-run goals and points to necessary strategy adjustments. The same holds for our region's efforts to foster World Class business growth.



CLAUDIA TIMBO

CEO & President, CompanyVoice

INNOVATION

Greater Philadelphia is a leader in bringing innovative ideas and technologies to the marketplace.

Greater Philadelphia ranks 5th in licensing revenues and 8th in federal R&D funding among all US metros.

- The number of tech transfer licensing agreements executed by research institutions in the region has doubled since 2008.
- Several area research institutions have increased their investments in tech transfer while working to build an institutional culture that supports entrepreneurship.



SPOTLIGHT ON PROGRESS

Driving Technology Transfer in Greater Philadelphia

In today's innovation economy, regions that are able to translate research discoveries into viable products and services are poised to capture significant growth. With Greater Philadelphia's world class academic and medical research institutions, converting promising ideas and technologies to the marketplace—a process known as technology transfer—is a crucial pathway for growing jobs and wealth in our region.

Between 2008 and 2012, area institutions took in almost \$595 million in licensing revenues for technologies that achieved marketplace success as a result of license agreements with businesses, ranking 5th among all US metros. Given that Greater Philadelphia ranked 8th in total federal R&D funding over the same period, this suggests that our region is holding its own compared to other metros in capitalizing on research resources for commercial success.

Looking ahead, there is reason to be bullish on commercialization activity within the region, due in part to collaborative efforts aided by a 2007 Economy League analysis that laid out priorities for accelerating technology transfer in Greater Philadelphia. The University City Science Center has taken on two priority strategies to support and connect area researchers, entrepreneurs, and investors by creating the QED proof-of-concept fund and the Quorum clubhouse space. There also has been an increase in research institutions and economic development stakeholders coming together to compete for major research prizes, resulting in collaborative commercialization efforts such as the Consortium for Building Energy Innovation and The Nanotechnology Institute.

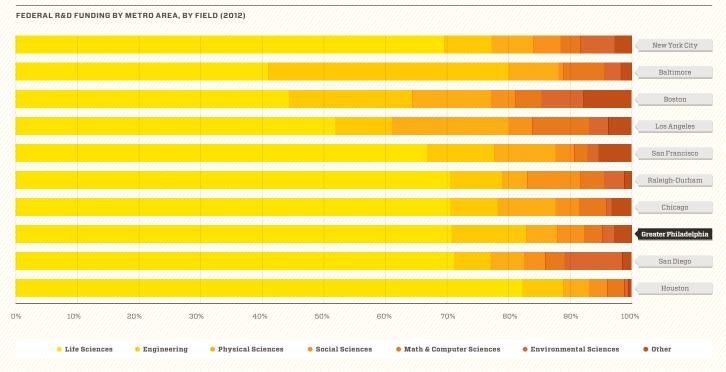
Yet the greatest impact may be coming from academic institutions in the region that are expanding their approach to tech transfer and working to build an institutional culture that supports entrepreneurship. For example, in recent years, both Penn and Drexel have increased resources devoted to their technology transfer offices, made it easier for faculty to pursue business ventures, and elevated tech transfer's importance within the university's core mission.

This sustained attention to tech transfer has contributed to a spike in licensing activity in the area. The number of license agreements executed annually within Greater Philadelphia almost doubled from 83 in 2008 to 161 in 2012—the largest growth rate among top R&D regions. Similar growth has occurred over the same period at area research institutions for invention disclosures (from 682 to 860), patents awarded (from 78 to 167), and spinout companies formed (from 6 to 25).

How can the region build on this momentum? Experts point to the need for more proof-of-concept, seed and early-stage funding; increased connectivity between academia and industry; and diversification beyond current life sciences strengths as keys to further expanding the region's innovation ecosystem.

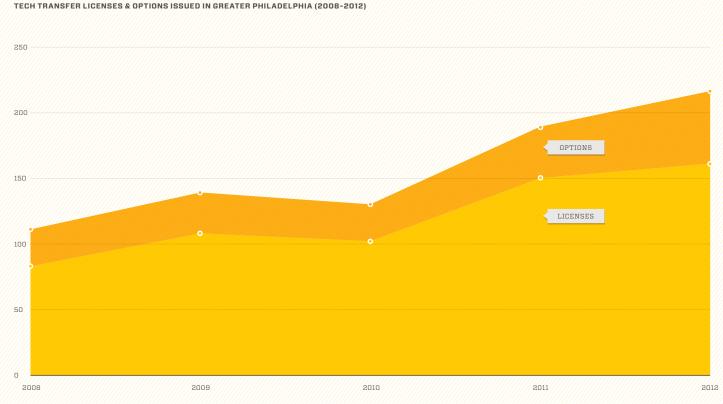
> Read more at worldclassgreaterphila.org

FEDERAL R&D FUNDING | More than 70% of Greater Philadelphia's \$1.1 billion in federal R&D funding received in 2012 was devoted to life sciences research. These funds set the stage for future commercialization success as new drugs come to market, such as the rotavirus vaccine developed by CHOP and Wistar Institute researchers that now saves the lives of thousands of children in developing nations annually.



Source: National Science Foundation, Higher Education Research and Development Survey

LICENSING ACTIVITY | The number of technology transfer license and option agreements executed annually by area research institutions to facilitate commercialization of promising ideas and technologies almost doubled between 2008 and 2012 from 111 to 216. Other key licensing activity indicators also grew significantly over this period.



INFRASTRUCTURE INDICATORS

VISION: Greater Philadelphia has convenient connections to regional, national, and global destinations and efficiently provides the key infrastructure necessary for business success and high quality of life.

GLOBAL & NATIONAL CONNECTIONS

PASSENGER AIR CONNECTIONS

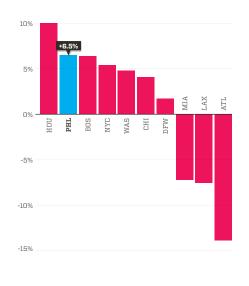
PHL provides nonstop international service to 25 countries whose combined GDP accounts for 25% of world economic output. By this measure, Greater Philadelphia ranks last among the 10 largest US metros.

1) COMBINED GDP OF COUNTRIES SERVED BY NONSTOP PASSENGER AIR SERVICE BY METRO AREA (2014)

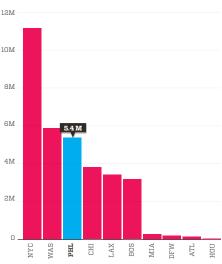


INTERCITY RAIL RIDERSHIP | Between 2011 and 2013, annual Amtrak ridership in Greater Philadelphia grew 6.5% to just under 5.4 million passengers—the third-highest regional total in the United States.

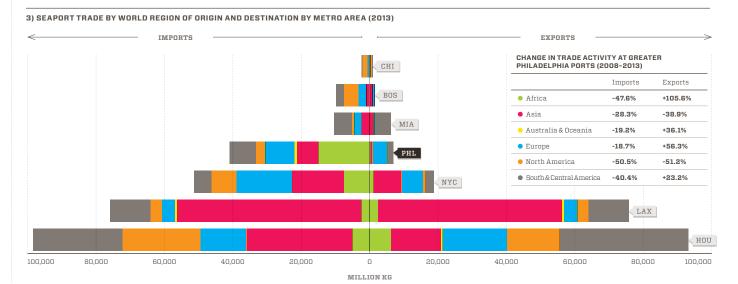
2A) AMTRAK RIDERSHIP GROWTH BY METRO AREA (2011-2013)







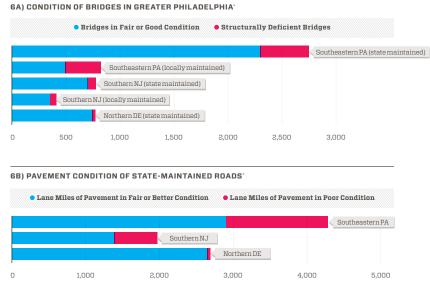
GLOBAL PORT CONNECTIONS | Greater Philadelphia ranks 4th among peer metros for volume of both imports and exports at its seaports. While imports to the region outweigh exports considerably, the latter grew by 28% between 2008 and 2013.



REGIONAL MOBILITY

TRANSIT RIDERSHIP | In 2012, the average Greater Philadelphian took 75 trips on public transit, placing our region 5th among the 10 largest US regions. While ridership fell in many peer metros between 2008 and 2012, our region saw modest growth. **TRANSPORTATION STATE OF GOOD REPAIR** | In 2012, 973 bridges in the region were assessed as structurally deficient—a 7.1% improvement over the 2010 total but still short of state-of-good-repair goals.

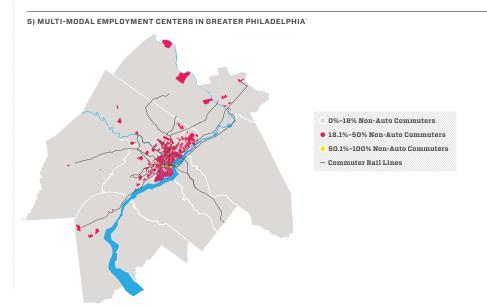




*NTD allocates all NJ Transit ridership to the New York region

*Data presented for the most recent year available: NJ, 2012; DE and PA, 2013

TRANSPORTATION CHOICE | 24% of regional jobs are located in communities with multi-modal access. By this measure, Greater Philadelphia ranks 5th among peer metros.



METRO AREA	SHARE OF JOBS IN MULTI- MODAL COMMUNITIES
New York	57.8%
Washington, DC	33.7%
Boston	32.1%
Chicago	27.6%
Greater Philadelphia	23.6%
Los Angeles	14.9%
Miami	3.9%
Atlanta	3.8%
Houston	0.8%
Dallas-Ft. Worth	0.5%

*Multi-modal communities are census tracts in which 18% or greater of workers arrive to work by means other than automobile

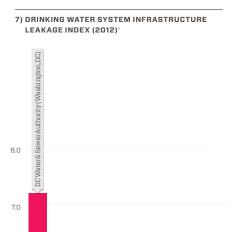
- 1 Official Airline Guide; World Bank World Development Indicators
- 2 Amtrak
- 3 US Import and Export Merchandise Trade Statistics
- 4 National Transit Database, Federal Transit Administration
- 5 American Community Survey, 5-Year Estimates
- 6 Delaware Valley Regional Planning Commission;
- 7 Greater Philadelphia: special analysis by the Delaware River Basin Commission; other systems: American Water Works Association's Water Loss Control Committee
- 8 Delaware Public Service Commission, New Jersey Board of Public Utilities, Pennsylvania Public Utility Commission
- 9 Delaware Valley Regional Planning Commission

SUSTAINABLE SYSTEMS

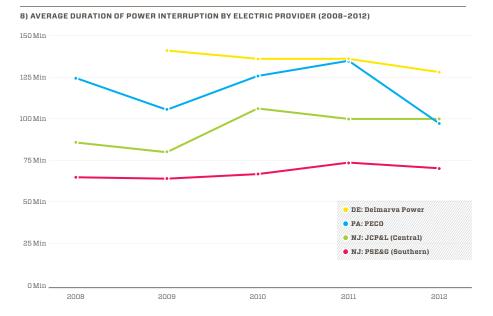
6.0

WATER DISTRIBUTION EFFICIENCY

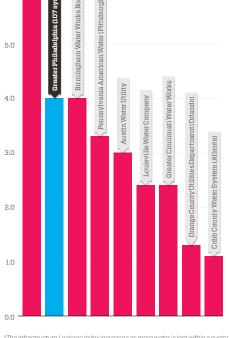
In aggregate, the distribution efficiency of Greater Philadelphia's drinking water utilities is in line with that of other large providers around the US, though systems in many of the region's older communities face substantial leakage challenges due to aging infrastructure.



ELECTRIC RELIABILITY | Excluding disruptions caused by major weather events, the duration of the average power interruption for all four electric utilities in our region remained relatively constant between 2008 and 2012. This measure is a key indicator of everyday system reliability.



OPEN SPACE ACREAGE | Between 2004 and 2011, the amount of protected open space in Greater Philadelphia grew by 29%. Protected acres now account for 23% of total land area in the region.







*The Infrastructure Leakage Index increases as more water is lost within a system



THE WORLD CLASS **INFRASTRUCTURE** AGENDA

DCUS AREAS	STRATEGIES		
GLOBAL & NATIONAL CONNECTIONS	 Develop Philadelphia International Airport as a world class facility	Improve intercity rail connections with key metros	Enhance capacity on the region's freight rail networks
REGIONAL Mobility	 Bring the region's transit systems up to a state of good repair	Upgrade aging roads and bridges	Strengthen connections between the region's economic hubs
SUSTAINABLE SYSTEMS	 Modernize and protect the region's existing water infrastructure	Enhance regional energy infrastructure	Preserve and expand the region's networks of parks and open space

Tracking the performance of regional infrastructure provides a strong basis for sound investment decisions. The alignment between the World Class Infrastructure agenda and our own efforts helps broaden engagement and elevate awareness of the critical issues facing Greater Philadelphia's transportation, energy, water, and open space networks.

"



"

BARRY SEYMOUR

Executive Director, Delaware Valley Regional Planning Commission

GLOBAL & NATIONAL CONNECTIONS

Greater Philadelphia connects with the largest and fastest-growing metropolitan areas in the world.

SPOTLIGHT ON PROGRESS

Enhancing Greater Philadelphia's Global Reach

As more businesses require access to routes of international trade and travel, convenient and reliable connections to established and emerging markets will greatly influence Greater Philadelphia's economic competitiveness. The quality of our region's international connections depends in no small part on the performance of Philadelphia International Airport (PHL).

In recent years, international traffic at PHL has grown, though the airport's global reach remains considerably smaller than that of international airports in peer metros. Philadelphia is the largest US metro without nonstop service to Asia, and the region lacks a nonstop connection to South America.

Despite concerted efforts by airport officials, airline executives, and regional leaders, the direct connection to Asia has proven elusive. New flights to the Middle East, however—including US Airways' nonstop service to Tel Aviv and Qatar Airways' route to Doha—have pushed PHL's global reach eastward.

Efforts to establish a connection to South America are ongoing, though progress has been turbulent. In 2013, the US Department of Transportation denied US Airways' bid to begin service between PHL and Sao Paolo, so PHL will have to wait until at least 2015 to get its first nonstop connection to the Southern Hemisphere.

Nevertheless, airport officials are bullish on PHL's potential to grow as an international hub, due in no small part to the US Airways -American Airlines merger. Though not guaranteed, the merger's upside for PHL is significant. With an expanded fleet of long-haul aircraft, the merged airline will be in better position to offer flights to Asia and South America from East Coast hubs like PHL. Direct access to the new airline's expanded domestic network should also make PHL more attractive to foreign carriers, which take the volume and geographic spread of a facility's connecting traffic into account when identifying international gateways. So far, the merger's impact on PHL's domestic connections has been positive, with routes to six new US cities added in the months since the deal was approved.

Successfully accommodating sustained growth in service, however, will require addressing facility constraints for both travelers and carriers. Airport executives have been working for more than a decade to advance a comprehensive \$6.4 billion master plan that includes the expansion of PHL's airfield and gate capacity and modernization of terminals. This effort reached a major milestone in May 2014, with a settlement between the airport and neighboring Tinicum Township over the scope and impact of the plan.

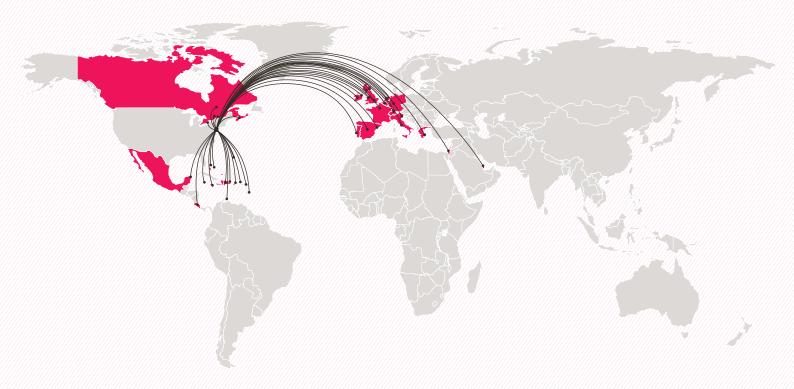
Hurdles remain before the full plan is realized, but with more than \$1 billion invested in capital improvements in the past 15 years, international passenger traffic on the rise, and the potential for the merger to expand overseas service from PHL, Greater Philadelphia's access to the global economy appears poised to grow stronger.

> Read more at worldclassgreaterphila.org

- In the few months since approval of the US Airways-American Airlines merger, the airline has added routes to six new US cities from PHL.
- Efforts to initiate nonstop service to Asia and South America have yet to bear fruit, though new connections to the Middle East have pushed PHL's global reach eastward.
- Airport expansion plans reached a major milestone with a settlement between PHL and neighboring
 Tinicum Township in 2014.

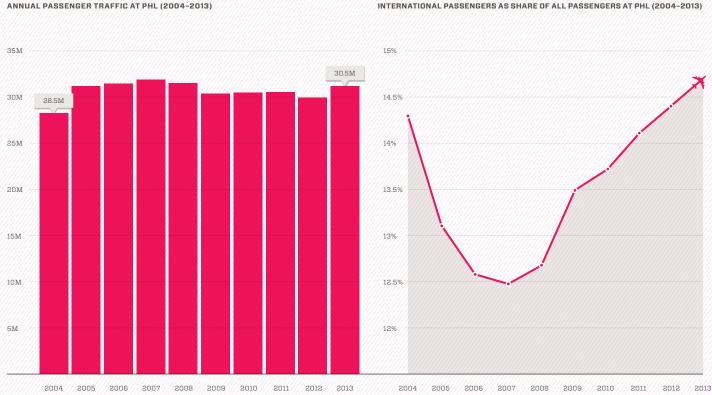


NONSTOP INTERNATIONAL DESTINATIONS FROM PHL | PHL provides nonstop service to 40 international destinations in 25 countries whose combined GDP of \$18 trillion accounts for 25% of world economic output.



Source: Official Airline Guide schedules, January-October 2014

INTERNATIONAL PASSENGER TRAFFIC FROM PHL | International passenger traffic through PHL has grown steadily since 2009—in 2013, PHL served a record 4.5 million international passengers, representing nearly 15% of total passengers at the airport. This growth has occurred despite little growth in overall traffic at PHL.



INTERNATIONAL PASSENGERS AS SHARE OF ALL PASSENGERS AT PHL (2004-2013)

Source: Aviation Activity Reports, Philadelphia International Airport

ADVANCING THE WORLD CLASS AGENDA

The shared work to boost business growth, improve education and talent development outcomes, and make our region's infrastructure more effective and reliable is ongoing. Here is a selection of current campaigns and partnership efforts

helping to drive progress around the World Class agenda.

PRE-K FOR PA

In partnership with local and statewide organizations, the Economy League is working to increase access to high-quality pre-k. In January 2014, the Economy League and statewide partners launched the Pre-K for PA campaign—with the goal of ensuring that every 3- and 4-year-old has access to high-quality pre-k. This broad-based campaign includes business leaders, school district superintendents, law enforcement officials, and even retired military leaders making the case for investment in high-quality pre-k in Pennsylvania.

To learn more and get involved, check out **prekforpa.org** or contact Jon Grabelle Herrmann, southeast campaign director, Pre-K for PA, at **jon@prekforpa.org**

KINDERGARTEN READINESS

The Economy League and local partners are also working to build broad support for implementation of common kindergarten readiness assessments that will enable data collection on school preparedness and drive improvements in pre-k learning. This work contributed to Pennsylvania's successful Race to the Top Early Learning Challenge grant awarded in late 2013, which will support making the state's standardized assessment available to all schools on a voluntary basis and require lower-performing schools to use the tool.

To learn more and get involved, contact Jennifer Egmont, director of initiatives and knowledge management, Economy League of Greater Philadelphia, at iegmont@economyleague.org

POSTSECONDARY ATTAINMENT

Convened by the CEO Council for Growth, Talent Greater Philly is a group of more than 20 local organizations who came together four years ago to compete against 56 other regions for the Lumina and Kresge foundations' \$1 million Talent Dividend Prize. The prize will be awarded to the region with the largest increase in the number of postsecondary degrees granted over a three-year period. Win or lose, the collaborative work of the Talent Greater Philly coalition is continuing on through a recently announced \$200,000 grant from the Lumina Foundation to support the development of postsecondary attainment strategies for the region, with a particular focus on strengthening college completion outcomes.

To learn more and get involved, check out talentgreaterphilly.org or contact Dana D'Orazio, project manager, The Graduate! Network, at dana.dorazio@graduate-network.org









REGIONAL EXPORTS

Sustained state investments and significant regional assets have contributed to recent export gains for Greater Philadelphia. Recognizing the opportunity to take the region's export outcomes to the next level, the Economy League and the World Trade Center of Greater Philadelphia are preparing to launch a collaborative regional export analysis and strategy initiative that will provide an in-depth, data-driven assessment of regional export growth opportunities and convene crosssector stakeholders to develop a shared strategy to achieve specified metro export goals.

To learn more and get involved, check out wtcphila.org or contact Dino Ramos, senior vice president, World Trade Center of Greater Philadelphia, at dramos@wtcphila.org



FEDERAL POLICY FOR REGIONAL COMPETITIVENESS

Drawing upon the priorities identified in the World Class Business Growth GPS, the CEO Council for Growth has defined and advocated for a federal policy agenda focused on innovation, entrepreneurship, and technology-based economic development. The CEO Council's current federal advocacy priorities aligned with the World Class business growth agenda include increasing federal research funding, advocating for high-skilled immigration reform, and pursuing the establishment of new regional centers of excellence that foster public-private partnerships between academia and industry.

To learn more and get involved, check out ceocouncilforgrowth.com or contact Claire Greenwood, director, CEO Council for Growth, at cgreenwood@ ceocouncilforgrowth.com



TRANSPORTATION FUNDING IN PENNSYLVANIA

The 2013 passage of major transportation funding legislation in Pennsylvania marked a watershed moment for infrastructure in the Commonwealth. The tireless efforts of a broad statewide coalition of transportation experts and advocates, including many organizations and individuals involved in the World Class initiative, were critical to the creation of the state's Act 89. The Act provides unprecedented levels of dedicated funding for deteriorating transit systems, roads and bridges. With funding now in hand, leaders are focused on making the most of these new resources.

To learn more and get involved, contact Nick Frontino, managing director of strategy and operations, Economy League of Greater Philadelphia, at nfrontino@economyleague.org

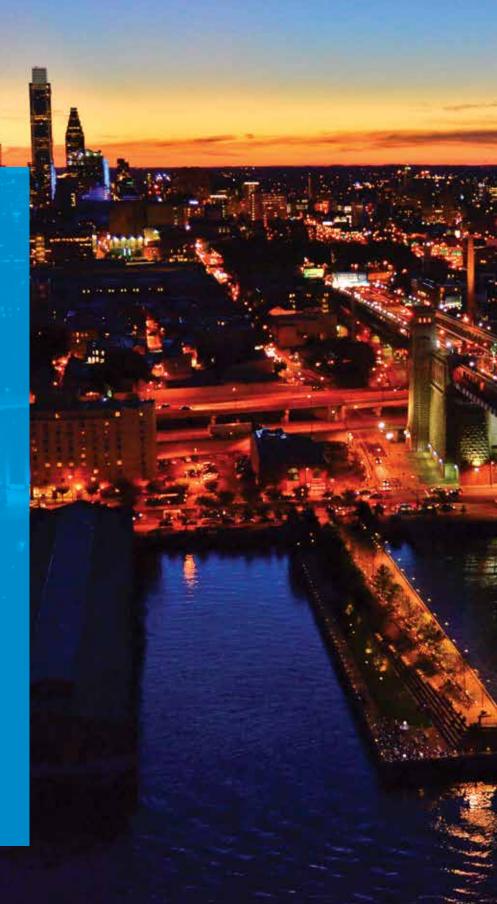
BUILDING WORLD CLASS NETWORKS

To maintain focus around the World Class agenda and strategic opportunities for regional impact, the Economy League is working with leading regional organizations to establish ongoing leadership networks focused on the three World Class priority areas. With leadership from United Way, a Regional Education & Talent Network has already launched, and similar initiatives are planned for business growth and infrastructure.

To learn more, contact Josh Sevin, the Economy League's managing director for regional engagement, at jsevin@economyleague.org

WORLD CLASS GREATER PHILADELPHIA INVESTORS

Arimen reactin clarites Aramark Bank of America Deloitte LLP Dow Chemical Company Ernest Bock & Sons, Inc. Eventus Strategic Partners Haefele Flanagan Holy Redeemer Health System IBM Mercator Advisors LLC Montgomery Early Learning Centers MRA Realty, Inc. ParenteBeard PEC0 Energy Company Philadelphia Convention & Visitors Bure Radian Guaranty SEI TD Bank The Philadelphia Foundation United Way of Greater Philadelphia and Southern New Jersey University City Science Center Widener University Wolfe Scott Builders & Construction Managers (as of 6/19/14)



ACKNOWLEDGMENTS

Thank you to the following for their contributions to this report:

The Economy League's Board of Directors under the leadership of Rob McNeill and Rick Altman

The leadership and staff of **United Way of Greater Philadelphia and Southern New Jersey**, including Jill Michal, Diane Castelbuono, Yemele Ayala, and Allison Acevedo

Michelle Schmitt of Maneto Mapping

Members of the World Class Data Steering Committees

Education & Talent Development

Peter Angelides, Amy Clark, Abigail Ellis, Judy Gay, Stephen Hart, Stacy Holland, Phil Hopkins, Meg Long, Bill Mabe, Ami Patel-Hopkins, Kate Shaw, Meg Shope-Koppel, Jennie Sparandara, Mike Wang

Business Growth

Mary Bell, David Cohen, Josh Freely, Lauren Gilchrist, Tom Ginsberg, Lauren Hansen-Flaschen, Phil Hopkins, Lee Huang, Chris Laing, Sara Merriman, Joel Naroff, Anne Nevins, Maureen Sharkey, Chris Swann

Infrastructure

Mike Boyer, Seth Budick, Chris Crockett, Alex Dews, Erik Johanson, Deirdre McDermott-O'Neill, Maureen Sharkey, Alan Urek, Dick Voith, Nick Walsh

Credits

Editorial Team

Jennifer Egmont, Nick Frontino, Laura Johnson, Josh Sevin, Rachel Shelar, and Steve Wray

Design Untuck Design

Photography

Cover: CJ Dawson Photography Page 2: CJ Dawson Photography Page 4: CJ Dawson Photography; Candace diCarlo Page 5: B. Krist for GPTMC Page 17: Conrad Erb (Courtesy of University City Science Center) Page 18: Conrad Erb (Courtesy of University City Science Center) Page 24: Philadelphia International Airport Page 26: J. Fusco for GPTMC Page 27: Conrad Erb (Courtesy of University City Science Center); SEPTA Page 29: B. Krist for GPTMC

In partnership with:

United Way of Greater Philadelphia and Southern New Jersey





World Class Greater Philadelphia is a businessand civic-led initiative to develop and advance a shared agenda for regional growth and opportunity in the Philadelphia area. Facilitated by the Economy League of Greater Philadelphia, the World Class initiative leverages the collective power of the region's business, nonprofit, government, labor, and community leaders for lasting regional impact in three primary areas: education & talent development, business growth, and infrastructure.

worldclassgreaterphila.org

worldclass@economyleague.org

@EconomyLeague





ECONOMY LEAGUE OF GREATER PHILADELPHIA 230 S. Broad Street, Suite 403 Philadelphia, PA 19102-4108 215-875-1000 economyleague.org info@economyleague.org

The Economy League of Greater Philadelphia is an independent, nonpartisan, nonprofit organization committed to ensuring the region's prosperity through analysis and action. We bring together established and emerging leaders to understand the region's challenges and work toward innovative solutions.

Developed with support from:

