A Continuing Record of Achievement

The Economic Impact of
Ben Franklin Technology Partners 2002-2006
IN 1982, THE PENNSYLVANIA GENERAL ASSEMBLY ESTABLISHED the Advanced Technology Centers of the Ben Franklin Partnership to promote technological innovation and spur economic growth in the Commonwealth. Since then, in a series of subsequent legislative acts, the organization took its present-day shape as the Ben Franklin Technology Partners (BFTP).

Over the years, BFTP has periodically supplemented its annual performance assessment with in-depth analyses of the impact of the program. With the arrival of its 25th anniversary since beginning operations, BFTP decided to undertake another in-depth evaluation of the impact of its funding and services on individual companies and the overall economy of Pennsylvania. This study continues BFTP’s efforts to objectively measure the impact of the program and gather information that is useful for future strategy and program enhancement.

BFTP retained the Pennsylvania Economy League (through its southeastern Pennsylvania office, the Economy League of Greater Philadelphia)—a nonprofit research organization—to conduct an independent, objective evaluation of the economic impact of the program from 2002 to 2006, focusing on its role in providing financing and related services to early-stage and established technology-based firms in Pennsylvania. This evaluation is one of a series conducted for BFTP utilizing similar methodologies, and the first completed by the Pennsylvania Economy League. The earliest of these studies was conducted in 1999, and covered the period from 1989 to 1996. The second analysis was completed in 2003 and extended the study period through 2001. A similar methodology to that used in each of the prior studies was used in examining the economic impact of BFTP from 2002 to 2006.

Ben Franklin Technology Partners has substantially improved the business environment in which technology-based companies operate in Pennsylvania by providing necessary capital and access to technical expertise and business assistance.

BFTP operates through four independent, nonprofit organizations established in different regions of the state to best serve companies across the Commonwealth. Each regional organization is an active participant in the business, academic and economic development community in its part of the state. Over the years, BFTP has helped identify needs within the specific counties each partner serves and has launched significant initiatives to promote innovation and growth in technology-based businesses. Through the injection of funds and the commitment of staff time, BFTP has improved and expanded the financial, physical and knowledge-based infrastructure available to technology-based companies across Pennsylvania.

BFTP’s work has evolved over the past 25 years as a result of changing needs in the technology-based business community and the experience of the organization. But throughout, BFTP continues to retain its overarching mission: to provide companies with the financing and other resources they need to fuel innovation and growth in order to create high-value, sustainable jobs in Pennsylvania.

Since its inception in 1983, BFTP has invested in more than 3,000 companies. Many companies in the BFTP portfolio were at the earliest stages of development when they first sought assistance—when funding is most critical and most difficult to obtain. BFTP has often been the first institutional investor for firms, providing seed capital for initial product development and commercialization efforts. The program provides funds to companies selected through a competitive process that carefully considers the firm’s potential for success and job creation.

In addition to providing direct financing, BFTP helps companies secure additional capital from other sources. The BFTP brand and its endorsement often provide businesses with entry to venture capital firms, other financial institutions and private angel investors. BFTP sponsors venture forums, and the staff provides personal introductions to contacts within the investment and banking community. Often, BFTP has helped to establish new sources of capital to fill existing gaps in the market.

Since 1989, BFTP has boosted the state’s economy by more than $17 billion.

From 2002 through 2006, BFTP generated 10,165 additional job-years* in client firms.

Client impacts ripple throughout the Pennsylvania economy, contributing to higher Gross State Product and additional employment across the state. From 2002 through 2006, BFTP generated an additional 22,667 job-years in the state beyond those in client firms.

BFTP produced a total of 32,832 job-years in the Commonwealth between 2002 and 2006 that would otherwise not have existed.

Since 1989, BFTP has generated 45,667 additional job-years in client firms.

Since 1989, BFTP generated 80,160 additional job-years beyond those in client firms, for a total of 125,827 additional job years.

* Job-years are equivalent to the number of years of full-time work created by the program. For example, if a BFTP client firm employed three more workers for five years as a direct result of the program, that is expressed as 15 additional job-years.
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