



**Economy  
League**

GREATER  
PHILADELPHIA

# World Class Greater Philadelphia

*Civic Action to Expand Growth &  
Opportunity in Greater Philadelphia*

**5th Annual Forum of the  
Grand Paris Alliance**

**June 15, 2016**

**#EconomyLeague**





# World Class

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**Economy  
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The Economy League of Greater Philadelphia **brings together regional leaders and organizations** across all sectors **to address the most pressing and challenging issues** facing the Greater Philadelphia region.

Built on our historic foundation of independent, high quality analysis and practical insight, **we spark new ideas, develop strategies,** and **galvanize action** to make Greater Philadelphia a globally competitive region.





**We've enjoyed some great momentum in recent years.**







**And our region packs a big economic punch, with economic output rivaling large nations.**

**THAILAND**



**SOUTH AFRICA**



**COLOMBIA**





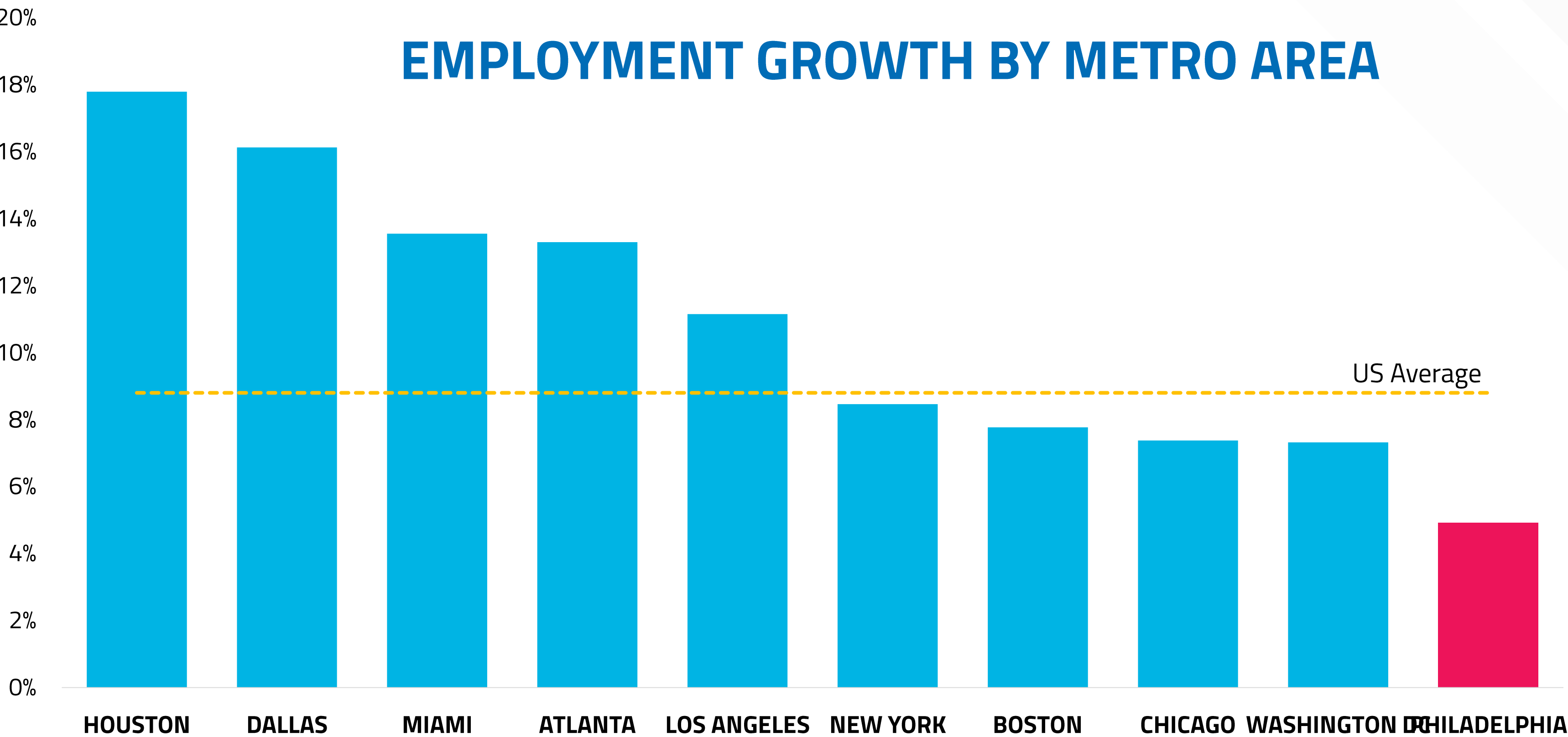






Job growth is anemic.

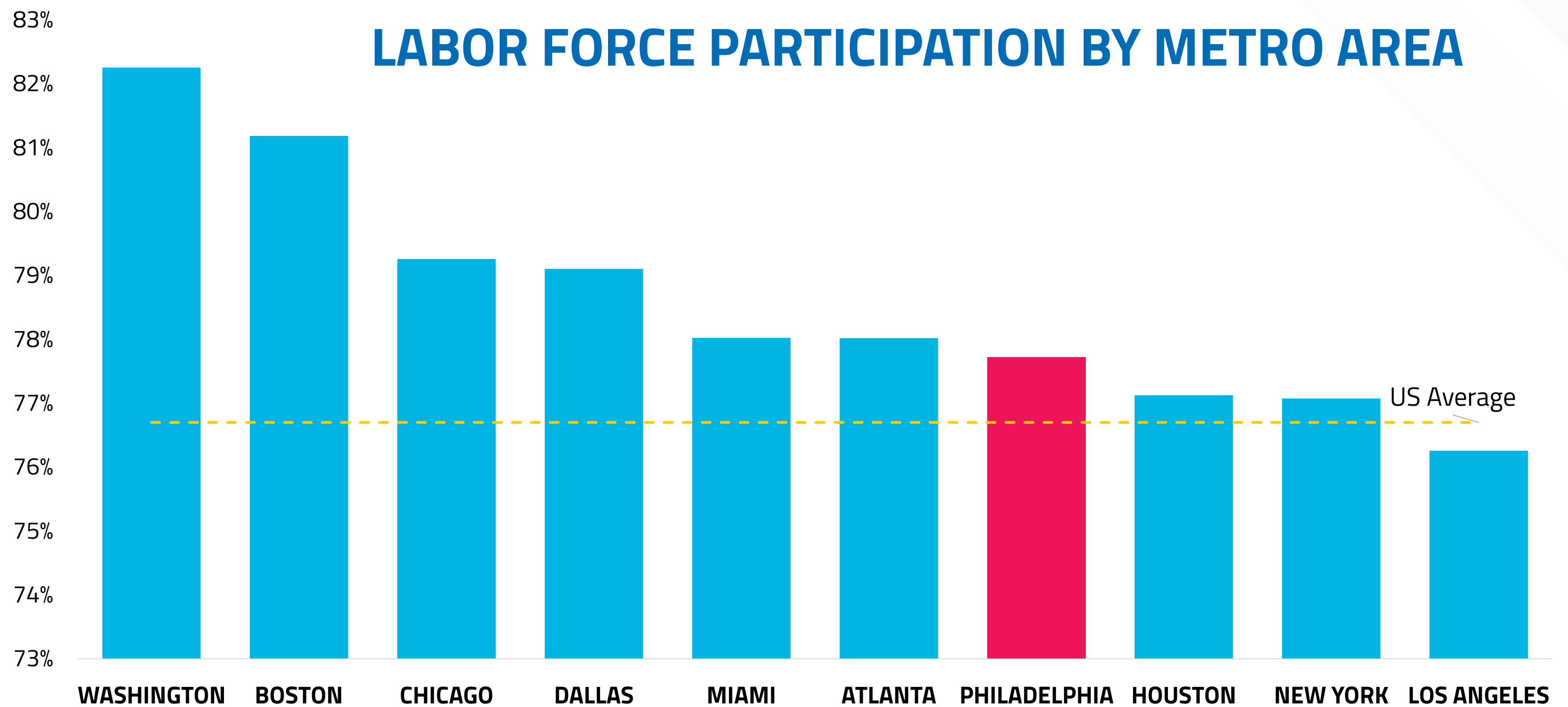
# EMPLOYMENT GROWTH BY METRO AREA



Source: Bureau of Labor Statistics



➤ Labor force participation is lagging.



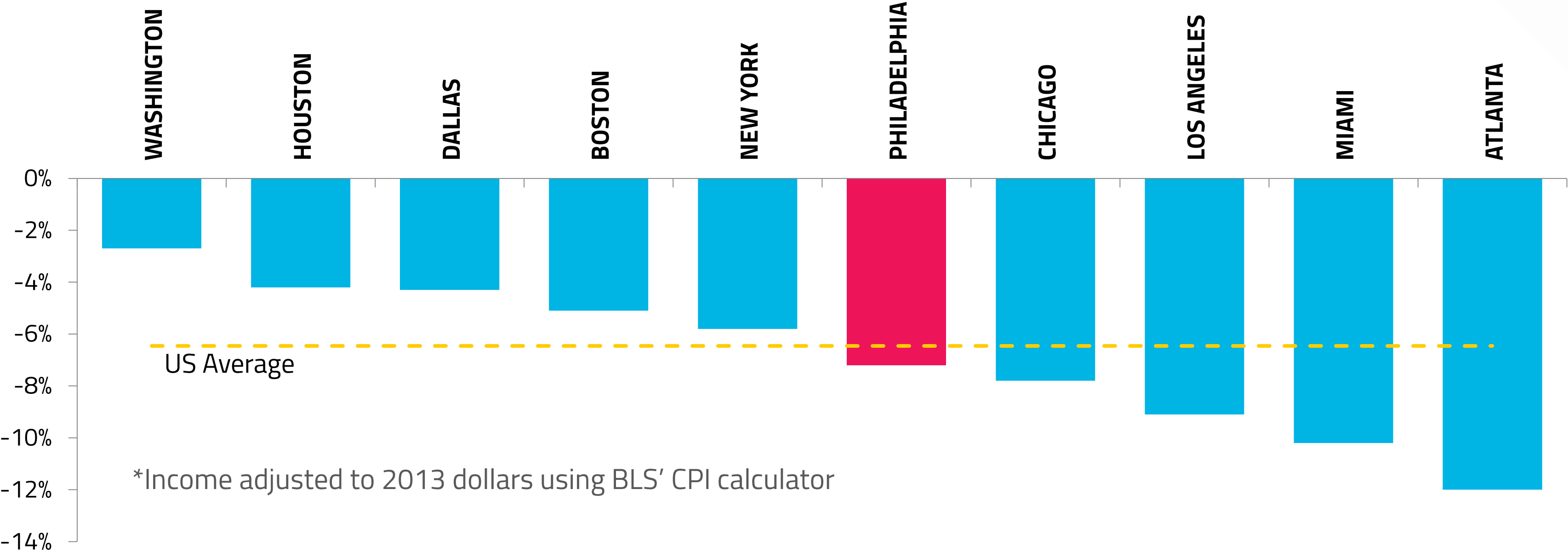
Source: US Census Bureau, American Community Survey





People who do work are making less money.

# CHANGE IN MEDIAN HOUSEHOLD INCOME BY METRO AREA

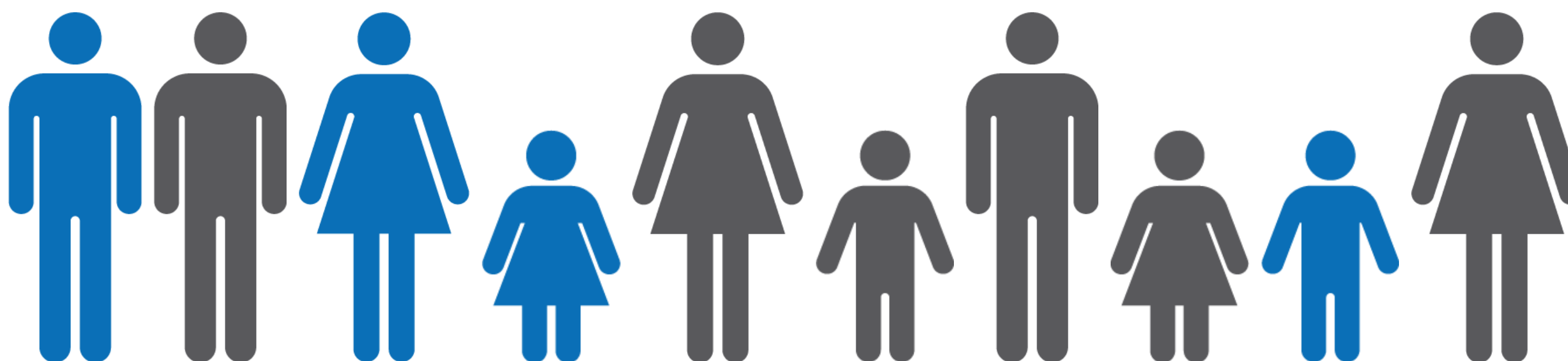


Source: US Census Bureau, American Community Survey





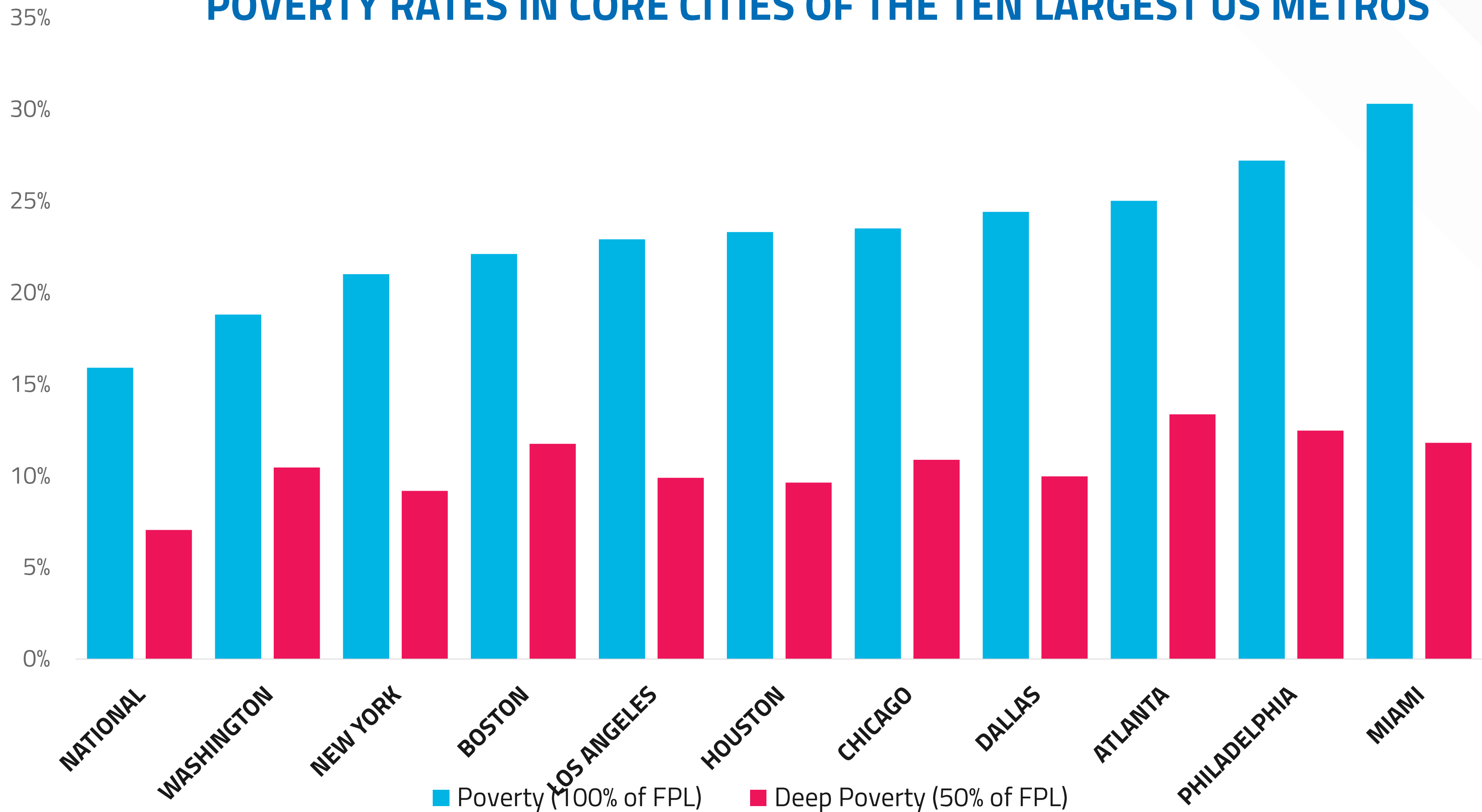
**Poverty rates in core communities are staggering.**



**MORE THAN 1 IN 4 PHILADELPHIANS LIVE BELOW THE POVERTY LINE.**



## POVERTY RATES IN CORE CITIES OF THE TEN LARGEST US METROS



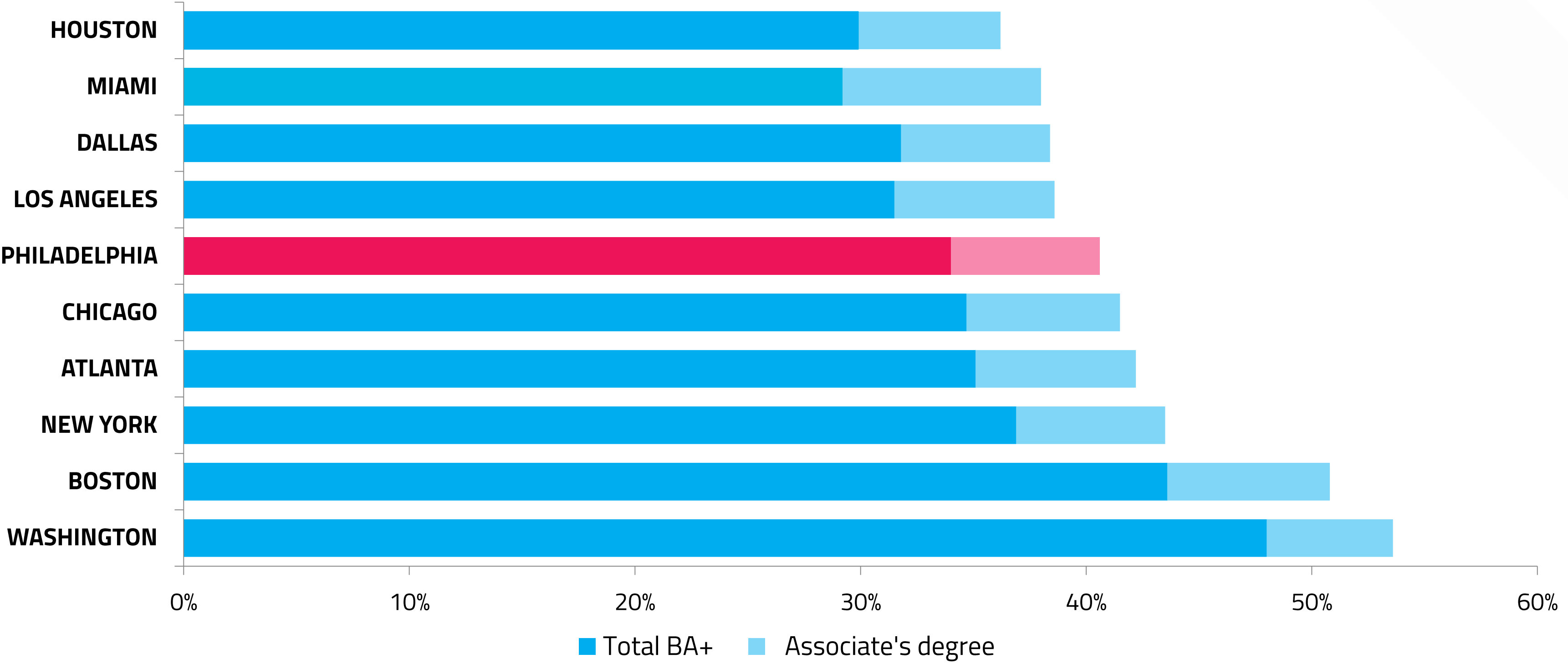
Source: US Census Bureau, American Community Survey





There are gaps in educational attainment across communities.

## EDUCATIONAL ATTAINMENT BY METRO AREA



Source: US Census Bureau, American Community Survey



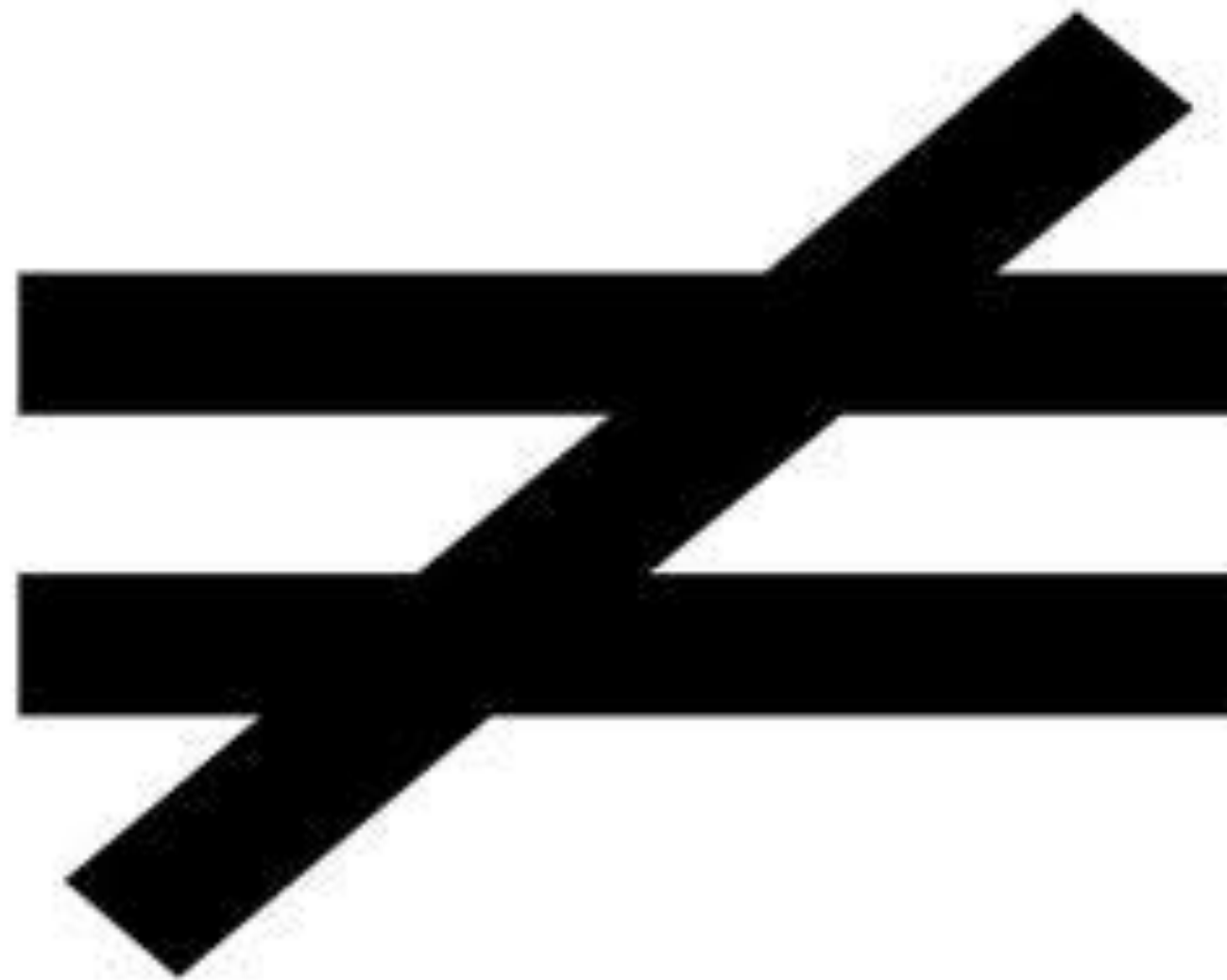
➤ The number of disconnected youth in the region is large and growing.







**It all adds up to a markedly unequal regional economy.**





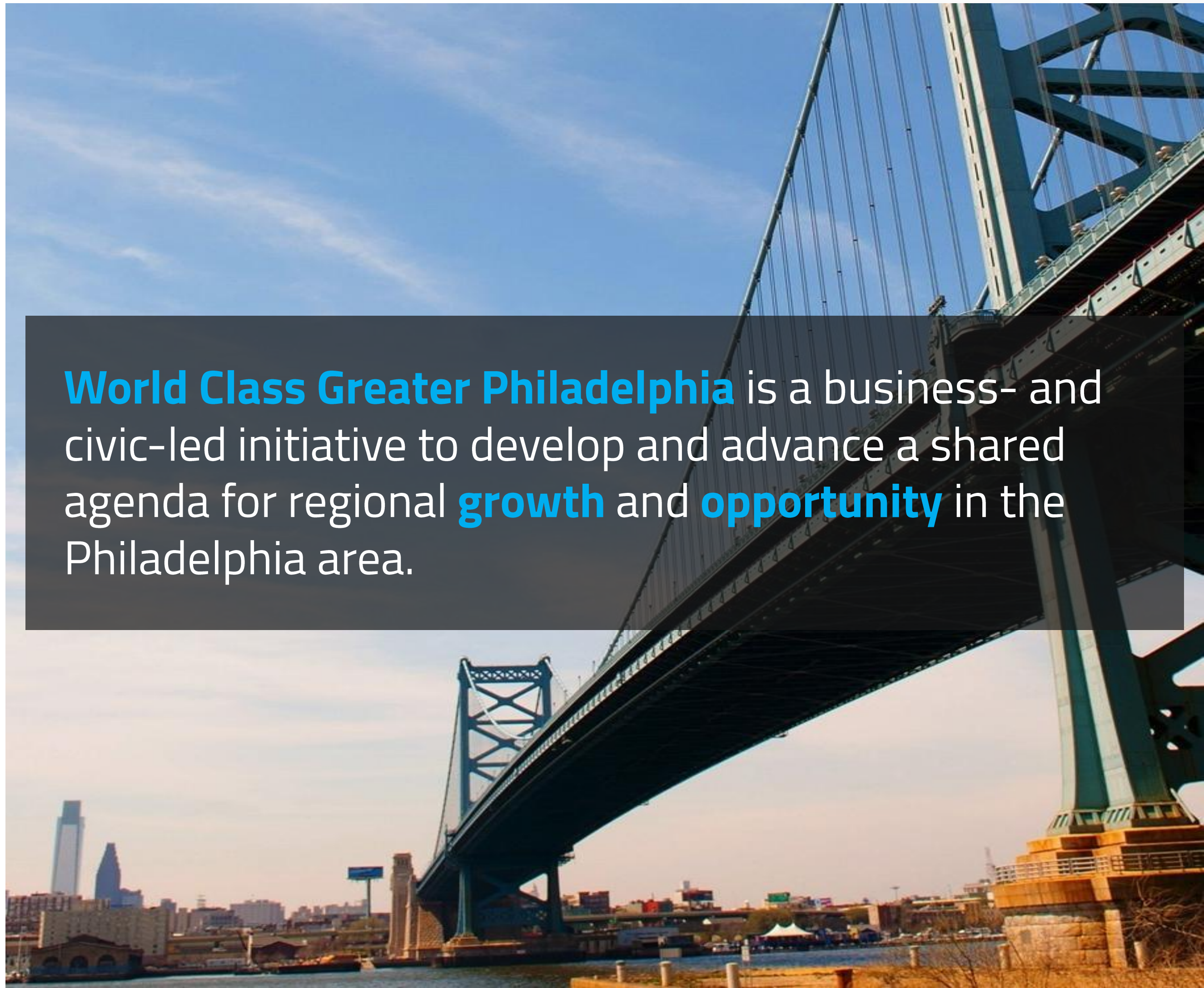


# World Class

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**World Class Greater Philadelphia** is a business- and civic-led initiative to develop and advance a shared agenda for regional **growth** and **opportunity** in the Philadelphia area.





FUTURE 1

GLOBAL  
VILLAGE

FUTURE 2

TIGHT  
BELTS

FUTURE 3

AMERICA  
IN THE  
DRIVER'S  
SEAT

FUTURE 4

PARTNERS  
IN HARD  
TIMES





# World Class

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## REGIONAL PRIORITIES



### Education & Talent Development



### Infrastructure



### Business Growth



# Education & Talent Development

## VISION

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

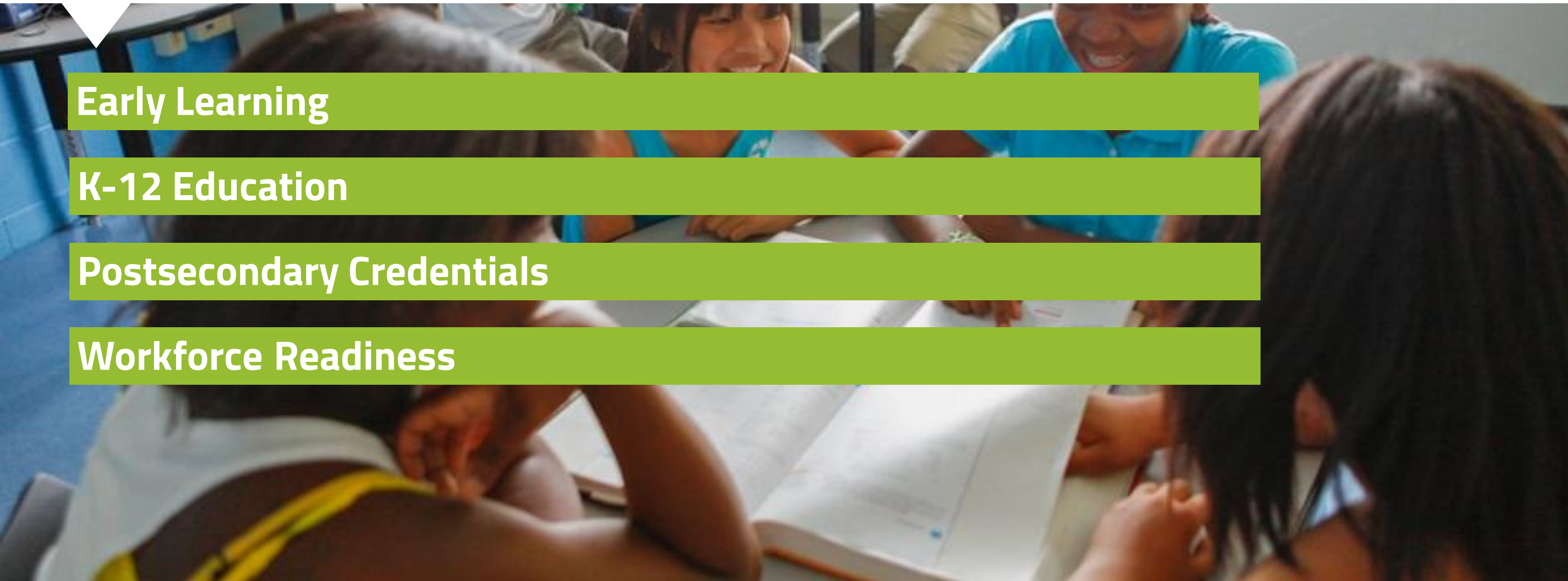


Early Learning

K-12 Education

Postsecondary Credentials

Workforce Readiness

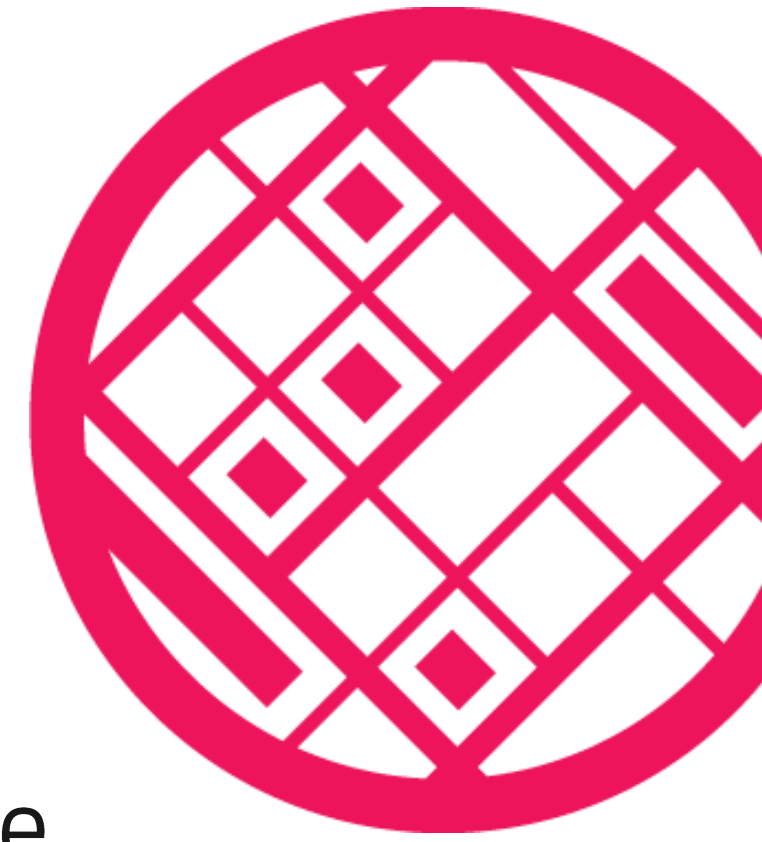




# Infrastructure

## VISION

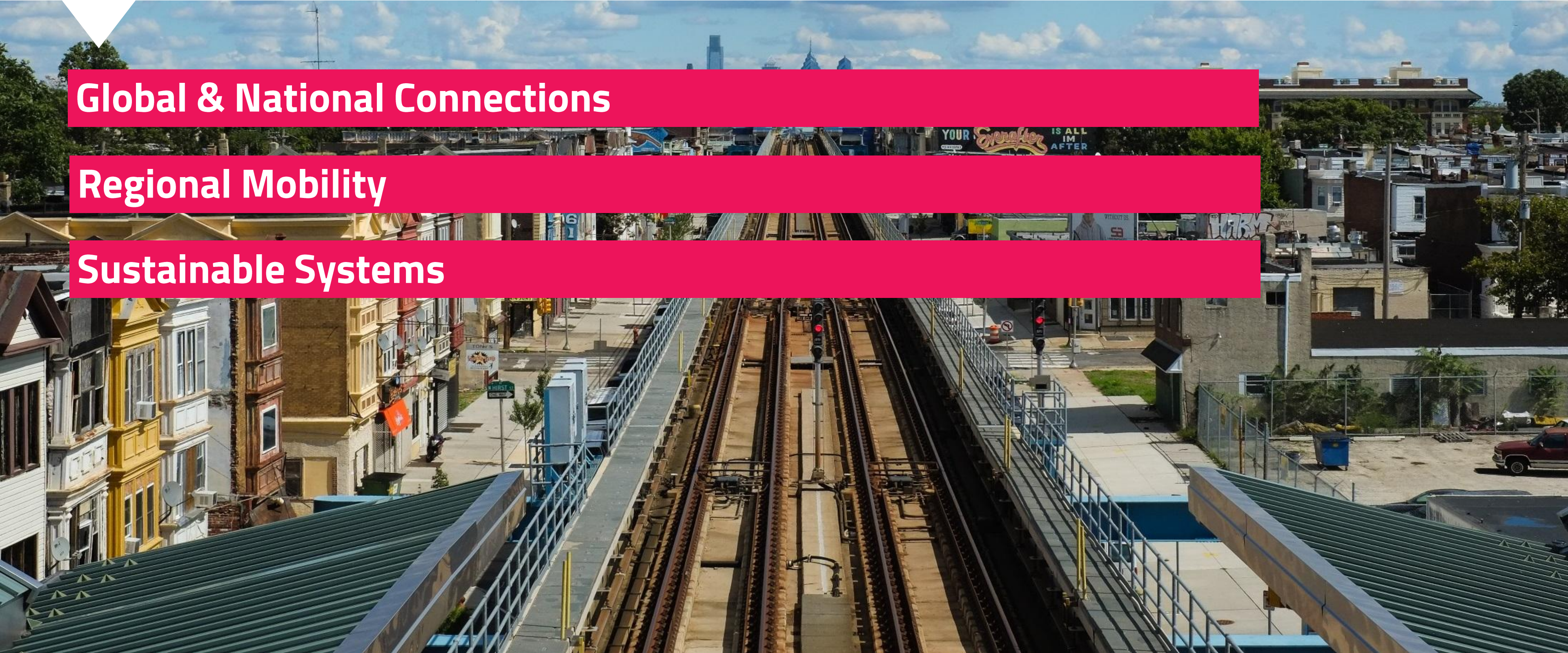
Greater Philadelphia has convenient connections to regional, national, and global destinations and efficiently provides the key infrastructure necessary for business success and high quality of life.



**Global & National Connections**

**Regional Mobility**

**Sustainable Systems**





# 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.



**Starting & Growing Businesses**

**Innovation**

**Selling to the World**







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# Greater Philadelphia Export Plan



# Greater Philadelphia Export Plan Partners



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WORLD TRADE CENTER®  
**GREATER PHILADELPHIA**



# WHY AN EXPORT PLAN FOR GREATER PHILADELPHIA?

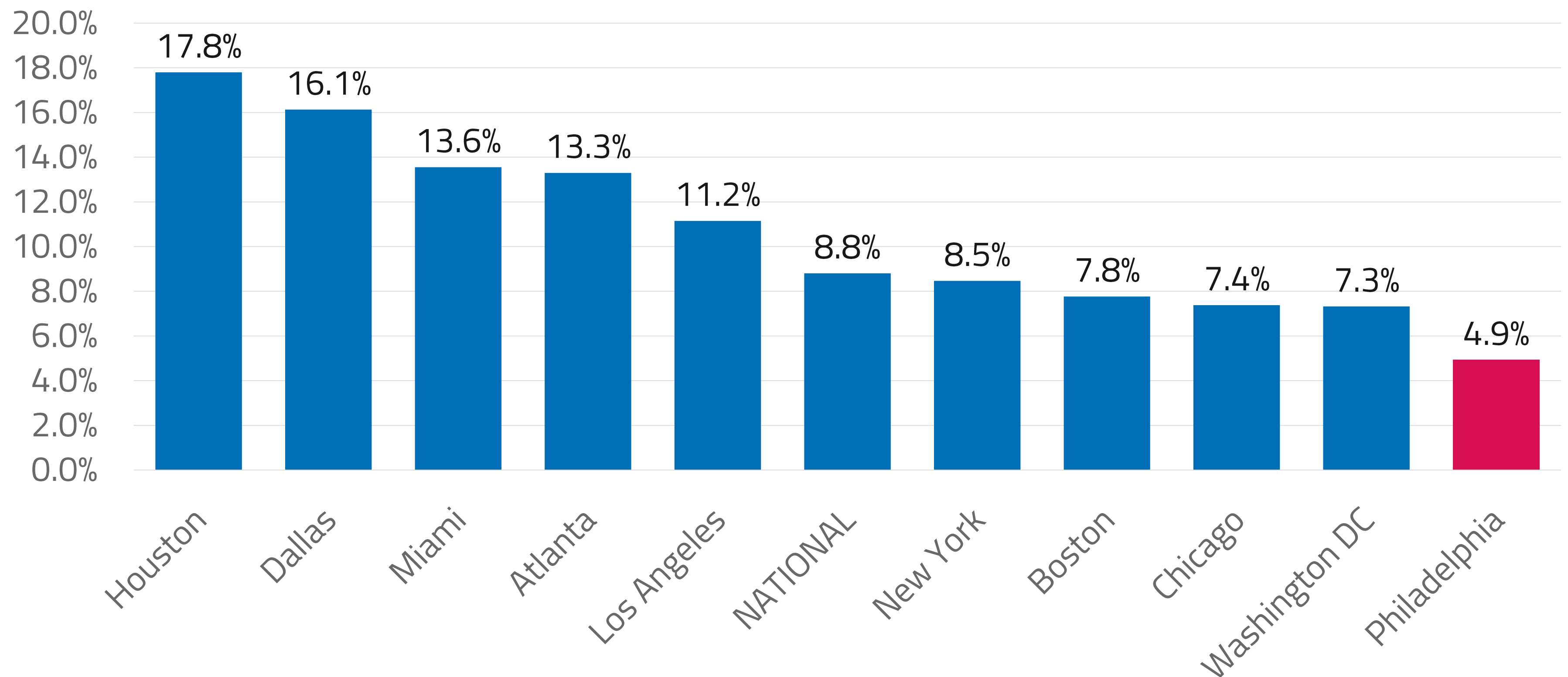




# PERSISTENTLY LAGGING ECONOMIC GROWTH

## EMPLOYMENT GROWTH

BY METRO AREA (2010-2015)







## THE EXPORT OPPORTUNITY

**86%** Share of **global economic growth** occurring outside of the U.S. through 2020

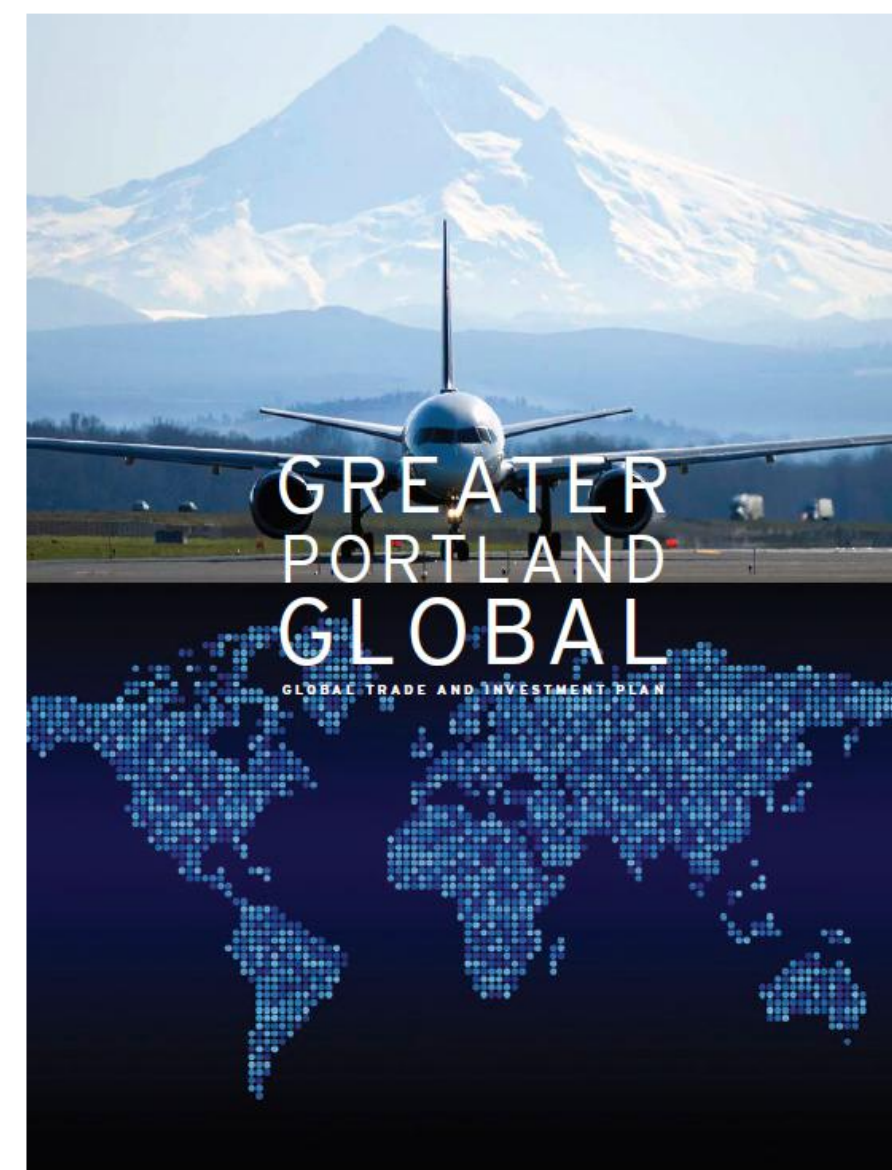
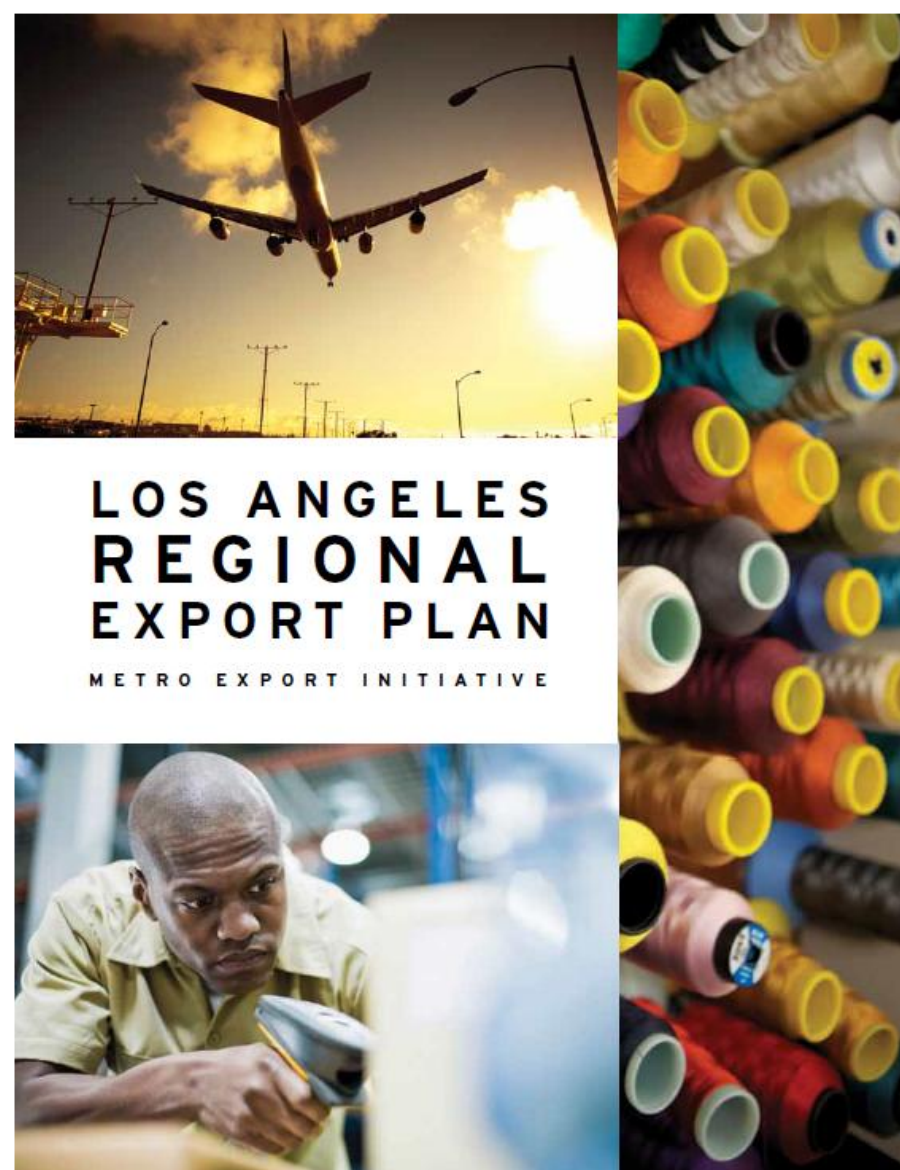
**27%** Share of **U.S. post-recession growth** attributed to exports

**5,600** **Jobs created** per every \$1 billion in new exports

**1%** Share of **U.S. firms that currently export**



# OTHER METROS ARE GOING GLOBAL





# EXPORTS ARE GOOD FOR BUSINESS

*On average, firms that export have:*



**2X higher sales than non-exporters**

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**40% faster growth than non-exporters**

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**20% higher wages than non-exporters**

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**10% greater likelihood to survive an economic downturn than non-exporters**

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# SIGNIFICANT GLOBAL BUSINESS ASSETS





## A MAJOR POTENTIAL PAYOFF

*Raising PHL's export intensity to  
the average for the 100 largest  
U.S. metros =*

**\$6.3 billion in new  
economic activity**

**35,000 jobs**





# MARKET ASSESSMENT







## KEY FINDINGS

1



**Greater Philadelphia's export economy is large and diverse,** but its growth has been slow relative to other metros.













## WHAT GOODS DO AREA FIRMS EXPORT?

-  **Pharmaceuticals**
-  **Helicopters**
-  **Medical Devices**
-  **Chemicals**
-  **Computers & Electronics**
-  **Food Products**
-  **Oil & Gas**
-  **Plastic Products**
-  **Medical Equipment & Supplies**
-  **Machinery**





## WHAT SERVICES DO AREA FIRMS EXPORT?

-  **Higher Education**
-  **IT Services**
-  **Architecture & Design Services**
-  **Legal Services**
-  **Health Care Services**
-  **Software**
-  **Tourism Services**
-  **Financial Services**
-  **Management & Consulting Services**
-  **Advertising Services**

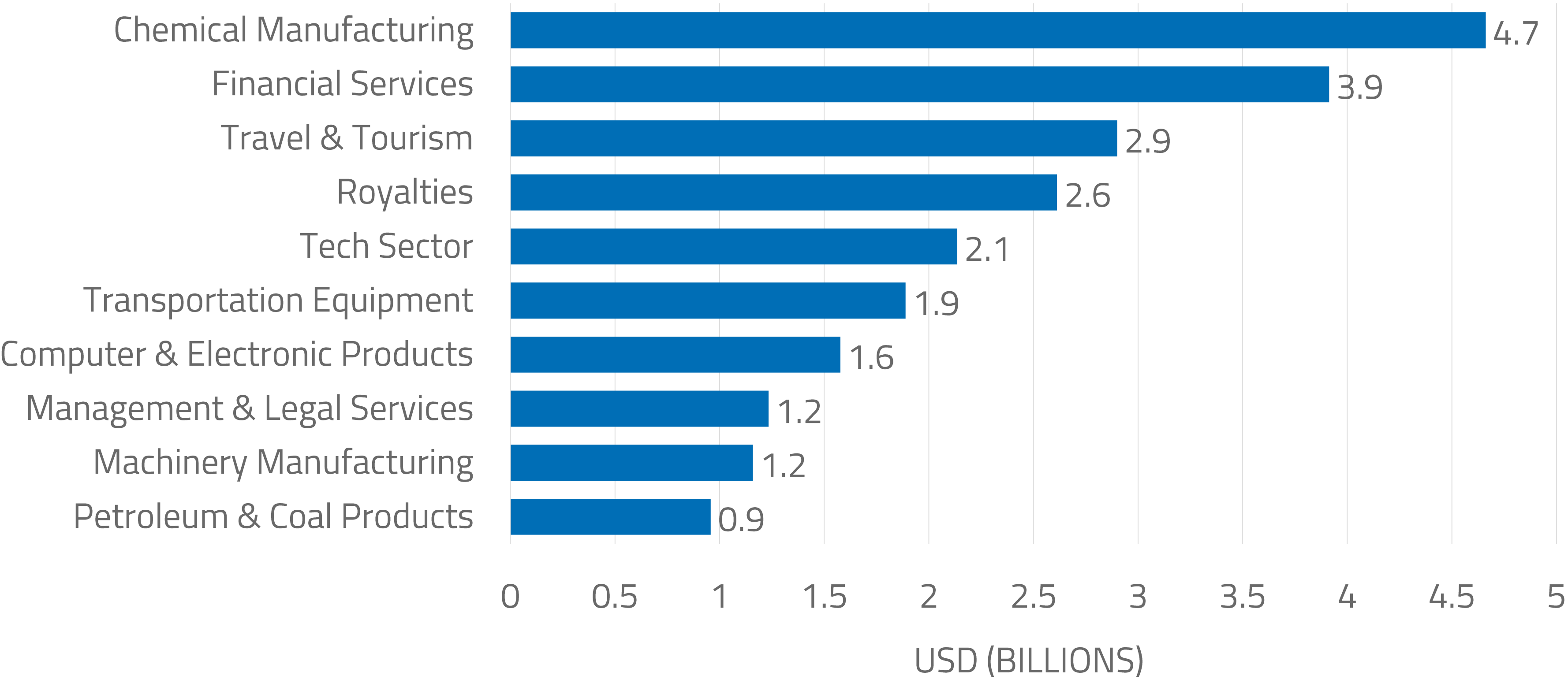




# LARGEST EXPORT INDUSTRIES IN PHL

## EXPORT VALUE, NAICS-3

GREATER PHILADELPHIA (2014)





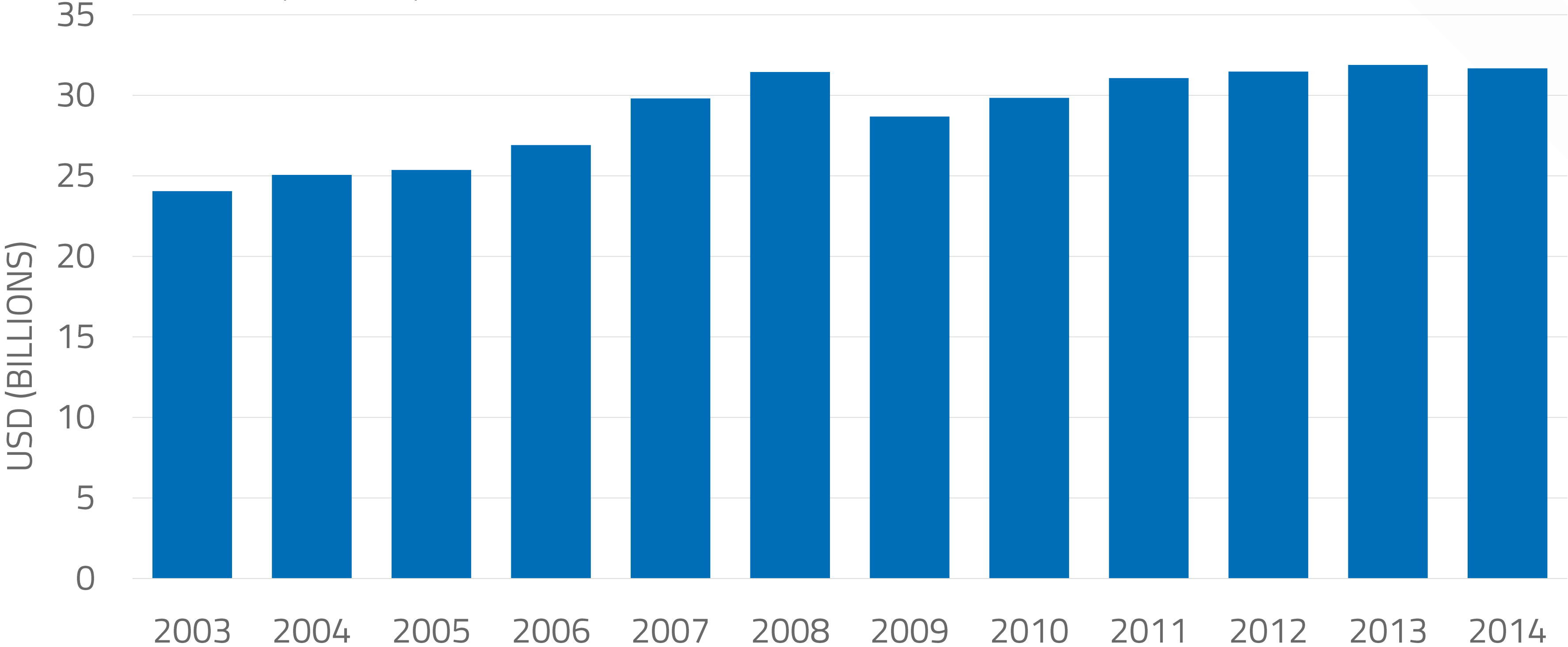


# MODEST OVERALL EXPORT GROWTH

**EXPORT VALUE**  
**growth (82<sup>nd</sup>)**

GREATER PHILADELPHIA (2003-2014)

**2.5% annualized**







## KEY FINDINGS

2



Despite an overall decline in manufacturing, the region has maintained a **competitive advantage in several specialized goods-producing industries.**





## KEY FINDINGS

3



Greater Philadelphia has experienced recent **export growth in leading service sectors**, with potential for further expansion.

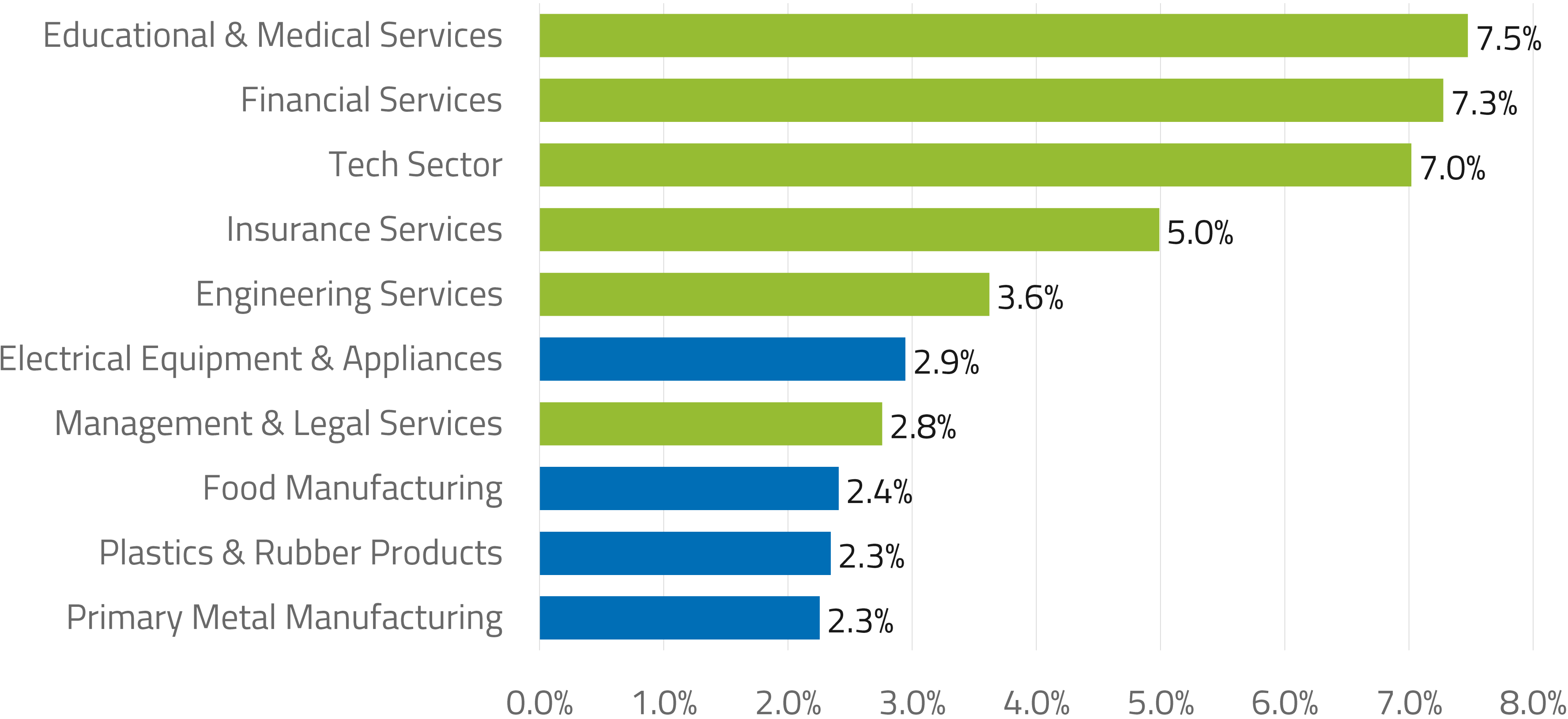




# FASTEST-GROWING EXPORT INDUSTRIES IN PHL

## ANNUAL EXPORT GROWTH, NAICS-3

GREATER PHILADELPHIA (2008-2014)



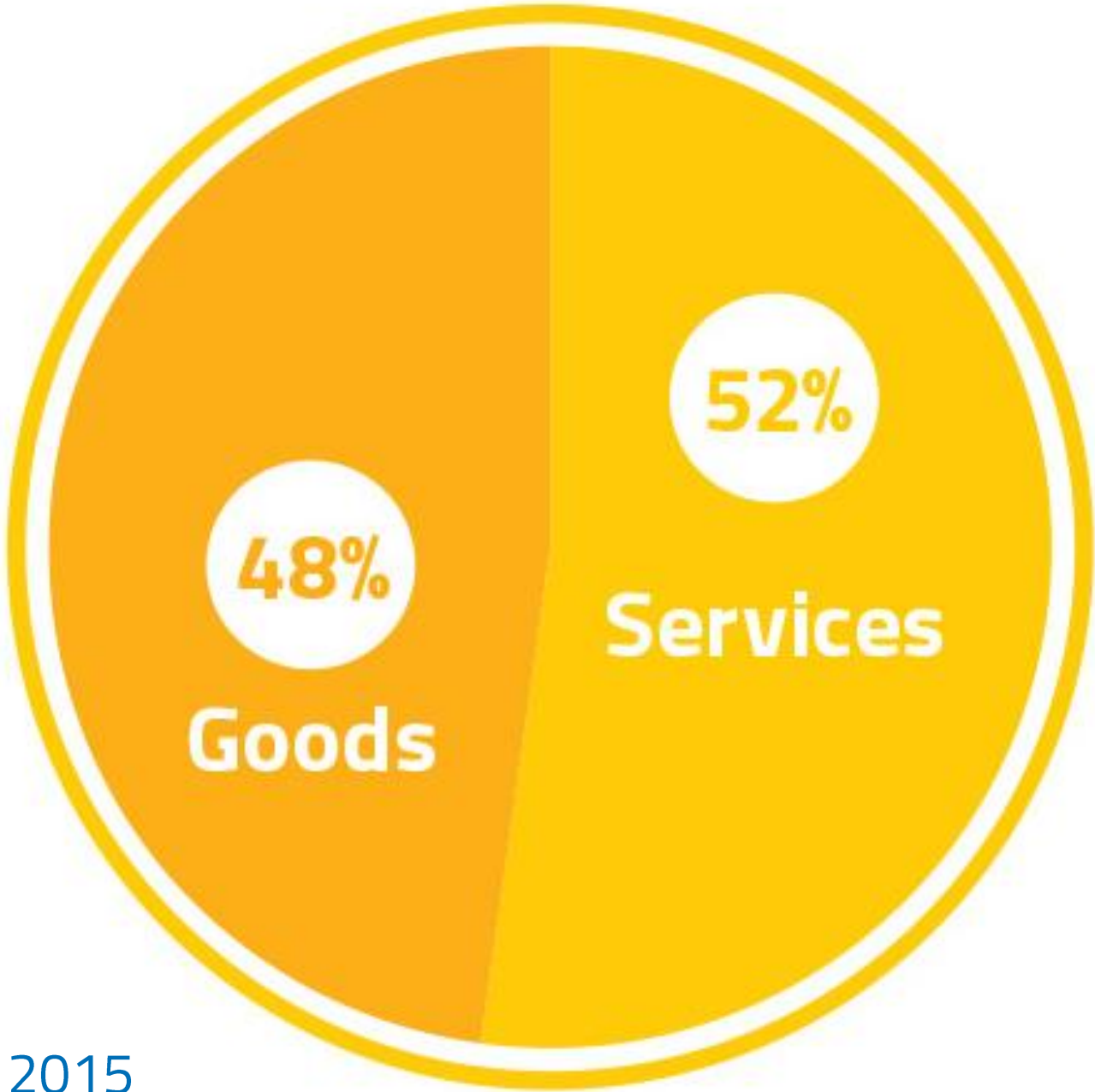




# SERVICES SURPASS GOODS EXPORTS

## Greater Philadelphia's **Export Mix**

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Source: Brookings Metro Monitor 2015





## KEY FINDINGS

4



**Many small and mid-sized companies have limited awareness** of their global growth potential or of existing export services.





## KEY FINDINGS

5



**Greater Philadelphia has a comprehensive export support ecosystem, but some gaps and weak links exist.**





# MARKET ASSESSMENT



GREATER PHILADELPHIA



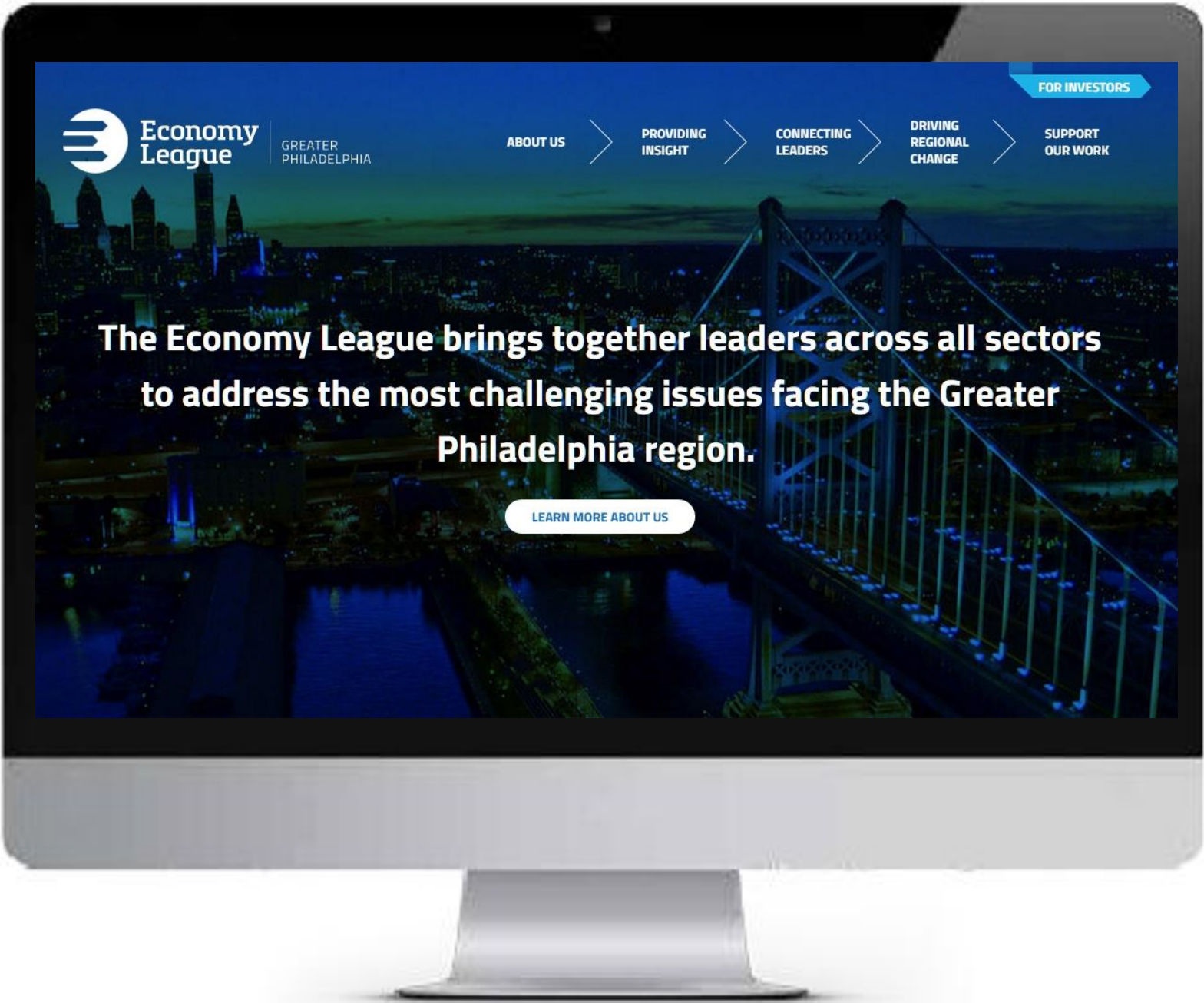
WORLD TRADE CENTER<sup>®</sup>  
GREATER PHILADELPHIA

2016

Greater Philadelphia  
Export Initiative  
MARKET ASSESSMENT

**APRIL 2016**

PREPARED BY THE ECONOMY LEAGUE OF GREATER PHILADELPHIA WITH ASSISTANCE FROM DREXEL UNIVERSITY'S LEBOW COLLEGE OF BUSINESS AND THE WORLD TRADE CENTER OF GREATER PHILADELPHIA

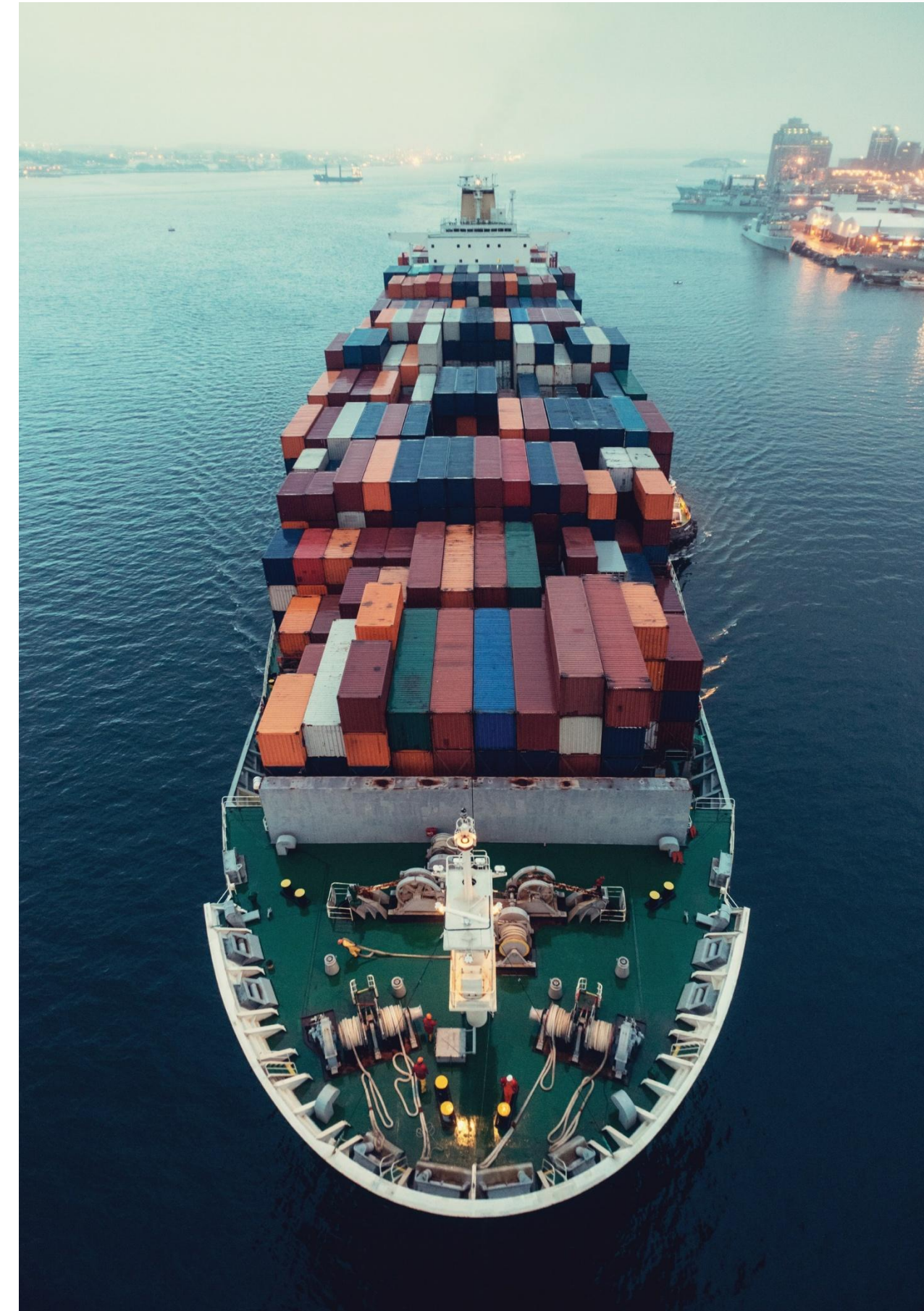


[economyleague.org/exports](http://economyleague.org/exports)



## EXPORT PLAN OBJECTIVES

- 1) Increase Greater Philadelphia's **export intensity**
- 2) Increase the number of **new exporting firms**
- 3) Elevate exports as a **top-of-mind economic development priority**





## STRATEGY 1

# Build export awareness and capacity among the region's small and mid-sized businesses

- *Activating business networks*
- *Mentoring initiatives*
- *Exports coverage & success stories*





## STRATEGY 2

# Catalyze export growth for priority clusters

### HEALTH



Pharma



Medical  
Equipment



Health Care



R&D

### PROFESSIONAL SERVICES



Architecture &  
Engineering



Legal



Management &  
Consulting



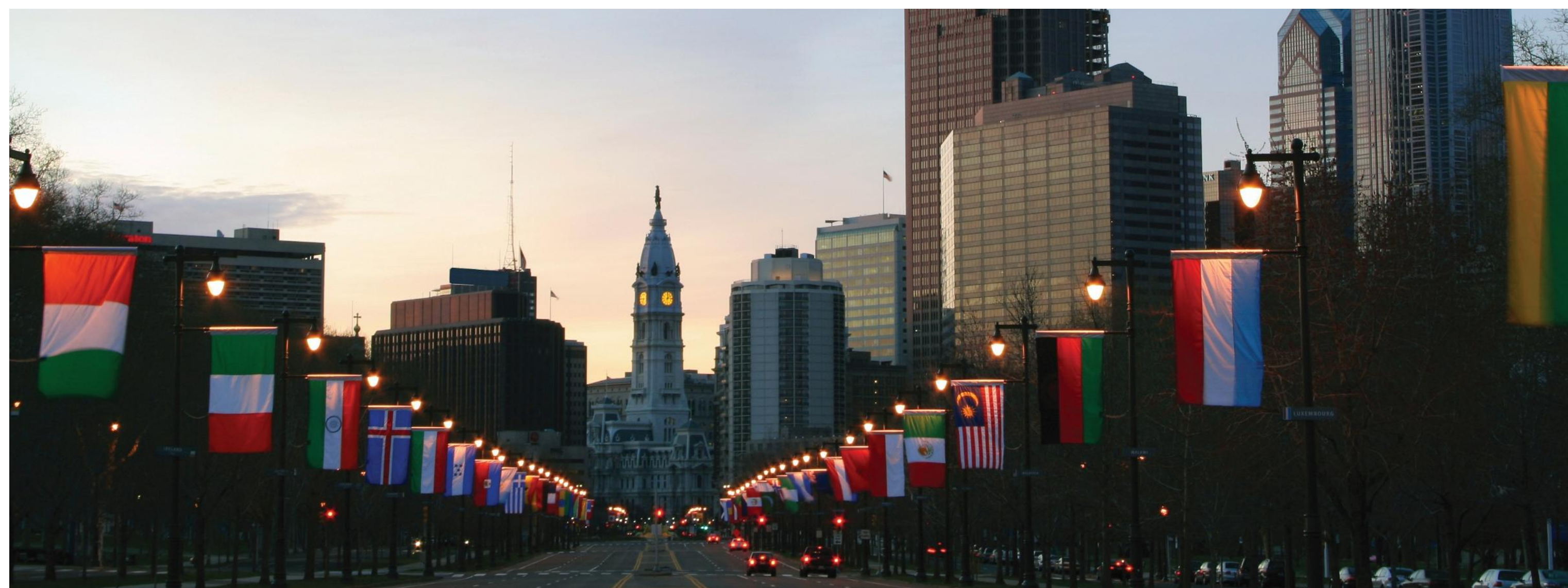
IT/Computer  
Services





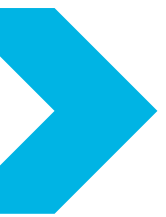
## STRATEGY 3

# Strengthen and enhance coordination within Greater Philadelphia's export support ecosystem



**Global Trade and Investment Alliance**





## POLICY PRIORITIES

- ✓ *Export service provider capacity*
- ✓ *Airport and port capacity*
- ✓ *Greater Philadelphia **energy hub***
- ✓ ***Federal** policies*
- ✓ *Metro-level export **data***





# PHILADELPHIA – A CITY OF INNOVATION DISTRICTS





# INFRASTRUCTURE FOR INNOVATION

The new geography of innovation consists of “the public and privately-owned spaces—buildings, open spaces, streets, and other infrastructure—designed and organized to stimulate new and higher levels of connectivity, collaboration and innovation.”

— THE BROOKINGS INSTITUTION







## KEY INNOVATION DISTRICT ELEMENTS

- › Strong research institutions
- › Clustered office and laboratory space
- › Critical mass of entrepreneurs and capital
- › Entrepreneurial culture
- › Collaborative leadership



# UNIVERSITY CITY – PENN, CHOP, DREXEL, SCIENCE CENTER







# SCHUYLKILL YARDS – DREXEL UNIVERSITY





# PHILADELPHIA NAVY YARD







# NAVY YARD AT PEAK







# NAVY YARD TODAY







## CIVIC LESSONS LEARNED

- › Don't assume you know everything... listen to leaders and benchmark other regions
- › Talent attraction and development is key... we can't waste human resources
- › Keep score... hold yourself accountable for what you say you will do
- › Set deadlines...they promote urgency and action
- › Government doesn't have all the answers... don't wait for them to act
- › No permanent friends or enemies ... strange bedfellows can result in best results
- › The most successful metros will focus on both growth and opportunity ... it is the challenge of our time





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