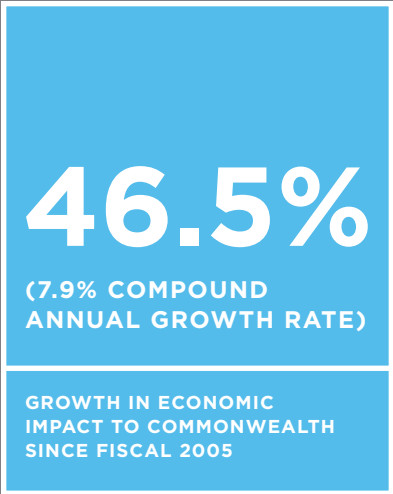


**PENN ECONOMIC
IMPACT
REPORT FY 2010**



**PENN'S FISCAL IMPACT
ON PENNSYLVANIA**

State taxes generated
\$382 million

Personal income tax
\$186 million

Sales and use tax
\$153 million

Corporate net income tax
\$43 million

Growth in state taxes
generated since fiscal 2005
61.4% (10% compound annual growth rate)

**PENN'S OPERATIONS SPENDING
(University & University
of Pennsylvania Health
System combined)**
\$12.2 BILLION

Direct expenditures
\$5.2 billion

Indirect expenditures
\$7.0 billion

**PENN'S CAPITAL INVESTMENTS
\$1.1 BILLION**

Direct expenditures
\$463 million

Indirect expenditures
\$653 million

**SPENDING BY STUDENTS
AND VISITORS
(including visitors
to Health System patients)**
\$437 MILLION

Direct expenditures
\$233 million

Indirect expenditures
\$204 million

UNIVERSITY OF PENNSYLVANIA

A Powerful Economic Engine

The University of Pennsylvania is one of the world's leading research and teaching universities with internationally renowned faculty and outstanding students solving the world's challenges in 12 schools located on one beautiful urban campus.

As America's first university and a member of the Ivy League, Penn's academic, research and health care prowess is indisputable. Penn is also a dominant economic driver for its home City of Philadelphia and the Commonwealth of Pennsylvania, generating jobs, spending and tax revenues, supporting entrepreneurship and business formation and investing in its campus and community.



PENN'S OVERALL IMPACT

CITY	COMMONWEALTH	SELECTED COMPARATIVE DATA FROM LAST REPORT (FISCAL 2005)
<p>\$9.5 billion in total expenditures</p>	<p>\$14.0 billion in total expenditures</p>	<p>45.0% growth in economic impact to City (7.7% compound annual growth rate)</p>
<p>supporting 57,200 jobs</p>	<p>supporting 145,500 jobs</p>	<p>46.5% growth in economic impact to Commonwealth (7.9% compound annual growth rate)</p>
<p>generating \$4.0 billion in salaries and wages</p>	<p>generating \$6.1 billion in salaries and wages</p>	
<p>\$172 million in local taxes</p>	<p>\$382 million in taxes</p>	

Penn's size and stability has helped to buffer Philadelphia and Pennsylvania from the global economic recession. By proceeding with major capital projects, Penn bolstered the construction industry during a significant downturn. Penn also remained a major employer and purchaser through a national economic downturn and actually increased its spending close to five percent in fiscal 2010, while making essential adjustments to boost efficiency and productivity.

EMPLOYMENT

The Largest Private Employer in the City

With an annual payroll of \$2.3 billion, **Penn is the largest private employer in Philadelphia and the second largest in Pennsylvania.** In addition to the more than 31,000 who work directly for the University and the Health System, Penn generates tens of thousands of jobs and billions in salaries and wages every year through its campus and community investments, operations and the ancillary spending of its students, staff, faculty and visitors.



PENN'S IMPACT ON JOBS AND EARNINGS

FROM OPERATING EXPENDITURES

(University and University of Pennsylvania Health System)

CITY

51,900 jobs
\$3.8 billion in earnings

COMMONWEALTH

129,500 jobs
\$5.5 billion in earnings

FROM ANCILLARY SPENDING

CITY

2,000 jobs
\$42 million in earnings

COMMONWEALTH

4,100 jobs
\$100 million in earnings

FROM RESEARCH (including operations expenditures)

CITY

5,400 jobs
\$240 million in earnings

COMMONWEALTH

15,500 jobs
\$650 million in earnings

FROM LOCAL PENN ALUMNI'S EXTRA EARNING POWER

CITY

400 jobs
\$18 million in earnings

COMMONWEALTH

2,300 jobs
\$98 million in earnings

FROM CAPITAL INVESTMENT

CITY

2,900 jobs
\$113 million in earnings

COMMONWEALTH

9,600 jobs
\$362 million in earnings

35% of construction jobs to minority and women



Even at a time of high unemployment, Penn's activities in fiscal 2010 spawned 57,200 jobs in Philadelphia and 145,500 in Pennsylvania. Construction workers, real estate and leasing agents, architects, hospitality workers, store clerks, truckers, assembly line workers and many more were all kept working due to the ripple effect of Penn's economic prowess.

145,500
jobs



RESEARCH AND ENTREPRENEURSHIP

Advancing Knowledge While Creating Jobs

As a preeminent research institution, **Penn draws \$1.0 billion annually in grants from federal and other sources** and consistently ranks as a top recipient of medical research awards from the U.S. National Institutes of Health.

Penn is firmly committed to leveraging its research dollars by supporting commercialization and entrepreneurial activity. Over the last five years, the university increased staffing and resources at its Center for Technology Transfer by more than 30%. With its increased capacity for business formation, the Center has formed agreements with 31 startup firms, with additional early-stage ventures currently being incubated in conjunction with local agencies funded by the Commonwealth and with the University City Science Center.

THE IMPACT OF PENN RESEARCH

CITY	COMMONWEALTH
\$1.3 billion in total expenditures	\$1.9 billion in total expenditures
supporting 5,400 jobs	supporting 15,500 jobs
generating \$240 million in salaries and wages	generating \$650 million in salaries and wages
\$11 million in taxes	\$42 million in taxes



Penn was awarded one of the largest, non-governmental recipients of federal funds from the American Recovery and Reinvestment Act of 2009. As of August 2010, ARRA “stimulus” funds totaled \$186 million, a one-time infusion that boosted Penn’s overall research awards to \$1.0 billion. The funds are supporting more than \$155 million in research at the School of Medicine and other valuable work throughout the University, stimulating job creation and spending in the local economy.



Scott Sauter

COMMERCIALIZATION

FROM FY 06 TO FY 10, PENN'S CENTER FOR TECHNOLOGY TRANSFER:

SECURED

262

US PATENTS

GENERATED

1,637

INVENTION
DISCLOSURES

COMPLETED

322

COMMERCIALIZATION
AGREEMENTS

FORMED AGREEMENTS WITH

31

STARTUP COMPANIES

GENERATED

**\$46
MILLION**

IN LICENSING
REVENUE

DEVELOPMENT

Building the 21st Century Campus

Penn Connects, Penn's bold land use and urban design plan, continues to shape the campus and its surroundings. New buildings, green spaces and infrastructure are advancing Penn as a premier urban research university, furthering environmental sustainability, enhancing connectivity between West Philadelphia and Center City and leveraging significant private development.

Penn's own capital spending, in the form of new buildings, large-scale renovations and infrastructure projects, proceeded during a precipitous decline in construction. This activity stimulated job creation and spending in the local economy. Penn's ongoing commitment to diversity was reflected in its 2010 construction practices (including subcontracting): 35% of all on-campus construction jobs were awarded to minorities and women, and 26% of all contracts were awarded to minority and women-owned businesses.

THE IMPACT OF PENN'S CAPITAL INVESTMENTS

CITY
Penn's direct expenditures \$457 million
Indirect expenditures \$226 million
Total expenditures \$683 million

COMMONWEALTH
Penn's direct expenditures \$463 million
Indirect expenditures \$653 million
Total expenditures \$1.1 billion



Penn's chairman of the Board David L. Cohen; Trustee James Riepe; President Amy Gutmann; City Councilwoman Jannie Blackwell and Executive Vice President Craig Carnaroli at the groundbreaking of Penn Park.

REAL ESTATE DEVELOPMENT

Since 1997, Penn has invested \$149 million in commercial development that has leveraged \$489 million in private investment, including these recent projects in University City that draw significant dollars into the local economy.

\$489
million



Domus, mixed-use (completed 2007) **\$100 million**



The Radian, mixed-use student housing (completed 2008) **\$70 million**



The Hub, mixed-use student housing (completed 2006) **\$23 million**

PENN'S 30 YEAR VISION FOR CAMPUS DEVELOPMENT

These *Penn Connects* projects represent only a sampling of the work that is transforming the campus and infusing hundreds of millions into the local economy.



Penn Park, Recreation & Intercollegiate Athletics (2011 completion) **\$46 million**



Krishna P. Singh Nanotechnology Center, School of Engineering & Applied Science/
School of Arts & Sciences (2013 completion) **\$80 million**



Annenberg Public Policy Center
(completed 2009)
\$34.5 million



Music Building, School of
Arts & Sciences (completed 2010)
\$15.9 million



Weiss Pavilion, Recreation & Intercollegiate Athletics
(completed 2010) **\$27.7 million**



Morris Arboretum Horticulture Center,
Phase 1 (completed 2010) **\$11 million**



Golkin Hall, Law School
(2011 completion) **\$33.6 million**



**PERELMAN CENTER
FOR ADVANCED MEDICINE
(COMPLETED 2008)
\$302 MILLION**

Roberts Proton Therapy Center
(completed 2009) \$140 million

Translational Research Center
(2011 completion) \$374.6 million

GENERATING COMMERCE

The Impact of Penn Spending

To maintain its wide-ranging operations, Penn is a large-scale employer and purchaser of goods and services from vendors in Philadelphia and Pennsylvania, directly infusing billions into the local economy. Every payroll dollar creates a ripple effect as Penn’s own employees and vendors spend their earnings in Philadelphia and Pennsylvania. These direct and indirect expenditures mean billions every year to the city and state.

Students, patients and visitors to Penn spend millions more on everything from books and supplies to restaurants, hotels and off-campus housing. A primary benefactor of this ancillary spending is the successful retail district that Penn has been instrumental in developing on campus and throughout University City.



The Penn Relays, basketball and football games, educational and business conferences and cultural events at the Annenberg Center, The Morris Arboretum (pictured above), along with the University Museum, World Café Live, Institute of Contemporary Art and Kelly Writer’s House drew 618,000 visitors and generated \$11 million in spending in fiscal 2010.

PENN’S OPERATING EXPENDITURES (University + UPHS)

CITY	COMMONWEALTH
Direct expenditures \$5.1 billion	Direct expenditures \$5.2 billion
Indirect expenditures \$3.3 billion	Indirect expenditures \$7.0 billion
Total expenditures \$8.4 billion	Total expenditures \$12.2 billion

ANCILLARY SPENDING

CITY	COMMONWEALTH
Direct expenditures \$223 million	Direct expenditures \$233 million
Indirect expenditures \$102 million	Indirect expenditures \$204 million
Total expenditures \$325 million	Total expenditures \$437 million



**\$200
MILLION**

SPENDING BY PENN STUDENTS
CITY

**\$209
MILLION**

SPENDING BY PENN STUDENTS
COMMONWEALTH

**\$7
MILLION**

SPENDING BY VISITORS
TO PENN STUDENTS

**\$11
MILLION**

SPENDING BY ATTENDEES
TO PENN EVENTS

**\$6
MILLION**

SPENDING BY VISITORS TO
HEALTH SYSTEM PATIENTS

PENN IS LANDLORD TO 67 RETAIL, SERVICE AND RESTAURANT BUSINESSES
TOTALING 467,000 SQUARE FEET OF FULLY LEASED SPACE.



ENGAGING LOCALLY

Investing in West Philadelphia's Quality of Life

University City, the area of West Philadelphia home to Penn's campus, is a neighborhood of choice for families, students, faculty, staff and visitors and a thriving location for retailers, restaurateurs, hotels, office-based businesses and others. Penn's strategic neighborhood investments and community partnerships are a recognized national and global model for urban campuses.

**\$5.5
MILLION**

**FORGIVABLE LOANS BY PENN TO ITS EMPLOYEES
SINCE 1998 HAVE LED TO 799 HOME PURCHASES
AND RENOVATIONS.**

89% appreciation of housing prices in University City from 2000-2010.

Source: Econsult Corporation, 2010



With \$1.9 million in voluntary contributions, Penn is the largest annual contributor to the University City District, which provides supplemental safety, cleaning and streetscape improvements to the neighborhood.



Penn contributes nearly \$700,000 annually, along with Graduate School of Education student teacher hours, to the Penn Alexander School, a top-ranked public elementary school in University City.



Penn provided \$12 million in student aid in 2009 to Philadelphia residents enrolled at Penn, including \$850,000 to students from West Philadelphia.



Penn purchased \$100 million in products and services from businesses in West and Southwest Philadelphia in fiscal 2010.



Penn's \$1 million annual investment in the Netter Center for Community Partnerships enables an array of local initiatives including tutoring public school students and providing health and nutrition programs.

EXPORTING KNOWLEDGE, IMPORTING RESOURCES

The Impact of Engaged Penn Alumni

In the broadest sense, Penn is a major exporter/importer, exporting its core mission — educating students, providing healthcare and conducting research — to the rest of the world and importing funds to stimulate the city and state economy.

As a world-class academic, medical and research hub, Penn draws students, faculty, researchers and health care professionals from around the country and globe, bringing millions to the local economy.

Upon graduation, the 290,000 Penn alumni worldwide continue to contribute to the local economy by donating millions in alumni gifts in support of Penn’s mission. And the more than 72,000 Penn alumni who live in Pennsylvania enjoy the enhanced earnings potential that higher education affords, generating additional millions in spending and tax revenues.

The 21st-century, knowledge-based economy, built on investments in human capital, demands a highly educated and skilled labor force, insuring the long-term contribution of a Penn education and degree to the economic future of Philadelphia and Pennsylvania.

ALUMNI GIVING IN FISCAL 2010

\$92 million (80%) originated outside the Philadelphia region

\$85 million (74%) came from outside Pennsylvania

\$5 million (4%) came from outside the U.S.

LOCAL PENN ALUMNI’S EXTRA EARNING POWER

CITY	COMMONWEALTH
Direct expenditures \$63 million	Direct expenditures \$126 million
Indirect expenditures \$37 million	Indirect expenditures \$161 million
Total expenditures \$100 million	Total expenditures \$287 million



Steve Mirisola



The Bottom Line

Penn's capital projects, expenditures, research awards, drawing power, community investments and more translate into jobs, earnings, business formation and tax revenues that benefit University City, the City of Philadelphia and the Commonwealth of Pennsylvania.

**PENN'S TOTAL ECONOMIC
IMPACT ON THE CITY
IN FISCAL YEAR 2010**

\$9.5 billion

**PENN'S TOTAL ECONOMIC IMPACT
ON THE COMMONWEALTH
IN FISCAL YEAR 2010**

\$14.0 billion

**PENN'S TOTAL
ECONOMIC ACTIVITY
BRINGS**

**\$38 million
TO THE COMMONWEALTH**

**\$26 million
TO THE CITY**

every day!

COMPONENTS OF PENN'S ECONOMIC IMPACT IN FY 2010

	ECONOMIC IMPACT CITY	ECONOMIC IMPACT COMMONWEALTH	EMPLOYMENT CITY	EMPLOYMENT COMMONWEALTH	FISCAL IMPACT CITY	FISCAL IMPACT COMMONWEALTH
Capital Investments	\$683 million	\$1.1 billion	2,900	9,600	\$7 million	\$25 million
Operating Expenditures University only	\$3.8 billion	\$5.3 billion	25,500	61,400	\$74 million	\$153 million
Operating Expenditures Health System only	\$4.6 billion	\$6.9 billion	26,400	68,100	\$87 million	\$187 million
Human Capital Investments	\$100 million	\$287 million	400	2,300	\$1 million	\$6 million
Ancillary Spending	\$325 million	\$437 million	2,000	4,100	\$3 million	\$11 million
Total	\$9.5 billion	\$14.0 billion	57,200	145,500	\$172 million	\$382 million

CITY TAXES GENERATED
\$172 MILLION

Wage and earnings tax
\$144 million

Sales tax
\$9 million

Business privilege tax
\$19 million

Growth in city taxes
generated since fiscal 2005
26.4% (4.8% compound annual growth rate)

PENN'S SPENDING
(University & University
of Pennsylvania Health
System combined)
\$8.4 BILLION

Direct expenditures
\$5.1 billion

Indirect expenditures
\$3.3 billion

PENN'S CAPITAL INVESTMENTS
\$683 MILLION

Direct Expenditures
\$457 million

Indirect expenditures
\$226 million

SPENDING BY
STUDENTS AND VISITORS
(including visitors
to Health System patients)
\$325 MILLION

Direct expenditures
\$223 million

Indirect expenditures
\$102 million

57,200
JOBS

DIRECT & INDIRECT
JOB CREATION

\$4.0
BILLION

WAGES & SALARIES

\$9.5
BILLION

UNIVERSITY OF PENNSYLVANIA'S
TOTAL ECONOMIC AND FISCAL
IMPACT ON PHILADELPHIA

45.0%

(7.7% COMPOUND
ANNUAL GROWTH RATE)

GROWTH IN ECONOMIC
IMPACT TO CITY SINCE
FISCAL 2005



FOR FURTHER INFORMATION CONTACT

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The content of this brochure is based on information contained in a study
“The Economic and Fiscal Impact of the University of Pennsylvania: FY2010”
by Econsult Corporation, Philadelphia, PA
