



Economy
Neighborhood
Research
Education
Civic
Quality of Life
Healthcare
Social Services
Safety
Community
Culture
Workforce
Innovation

Impact

UNIVERSITY OF PENNSYLVANIA *Powering Philadelphia and Pennsylvania*

Know Penn's Numbers

WHAT IS PENN'S ECONOMIC IMPACT ON PENNSYLVANIA AND ON PHILADELPHIA?

Economic impact on Pennsylvania and Philadelphia¹

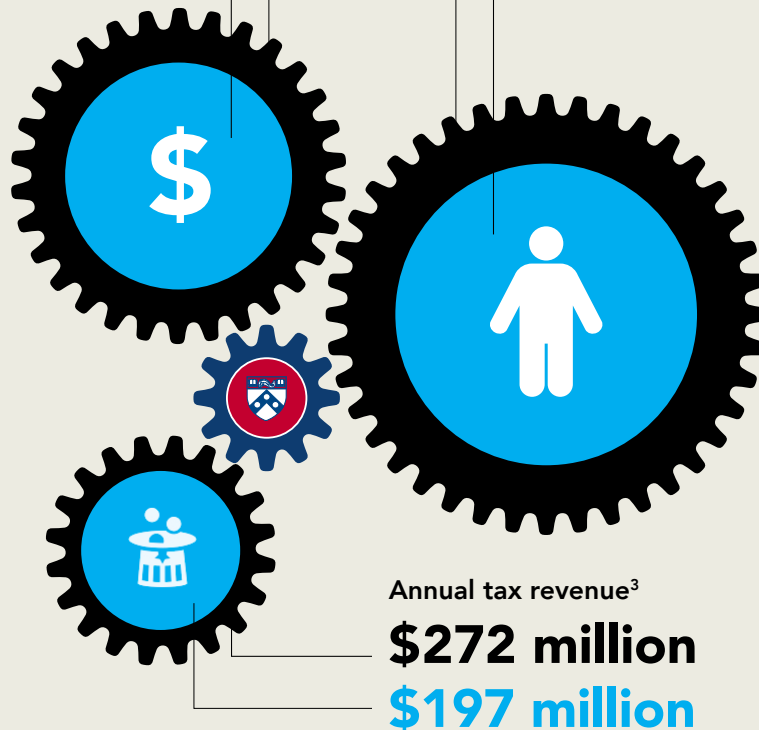
\$14.3 billion

\$10.8 billion

Direct, indirect and induced jobs²

90,400

68,500



Annual tax revenue³

\$272 million

\$197 million

1 All data in this report is from Fiscal Year 2015, unless otherwise noted.

2 Every dollar spent creates a multiplier effect as Penn's own employees spend their earnings in Philadelphia and Pennsylvania. Similarly, Penn's vendors, suppliers, and contractors meet the demand of their contracts with Penn by adding jobs and providing supplies, which in turn creates more earning and spending. Together these are categories of defined economic activity known as *direct*, *indirect*, and *induced*.

Direct: Jobs from Penn's payroll.

Indirect: Jobs created by vendors, suppliers, and companies who have contracts with Penn, and who hire staff to service those contracts.

Induced: Jobs created within the larger economy resulting from Penn's direct spending on wages and services that leads to additional spending by individual workers and companies.

3 Categories of tax revenue include earned income, business, sales and use, real estate and others.

Powering Philadelphia and Pennsylvania

THE ECONOMIC IMPACT
OF THE UNIVERSITY OF PENNSYLVANIA
FISCAL YEAR 2015



“The University of Pennsylvania and its Health System are an innovating force for good in Philadelphia, our region, society and the world: advancing creative knowledge, making impactful discoveries, sustaining health and educating great new leaders. As Philadelphia’s largest private employer, Penn provides 37,000 stable jobs with

good wages and exceptional benefits. Our workforce and their families enjoy both economic security and innumerable opportunities to grow and advance their careers. Penn also leads the way in expanding and sustaining the vitality of the economy of our City of Philadelphia and region through significant investment in construction activity and local purchasing. Just how important is all this to our city, region, state and nation? The results in this report underscore a multitude of key facts of which we all can be proud, among them that Penn powers key sectors of our regional economy while contributing in manifold ways to making Philadelphia a thriving and exciting place to live, work, study and visit.”

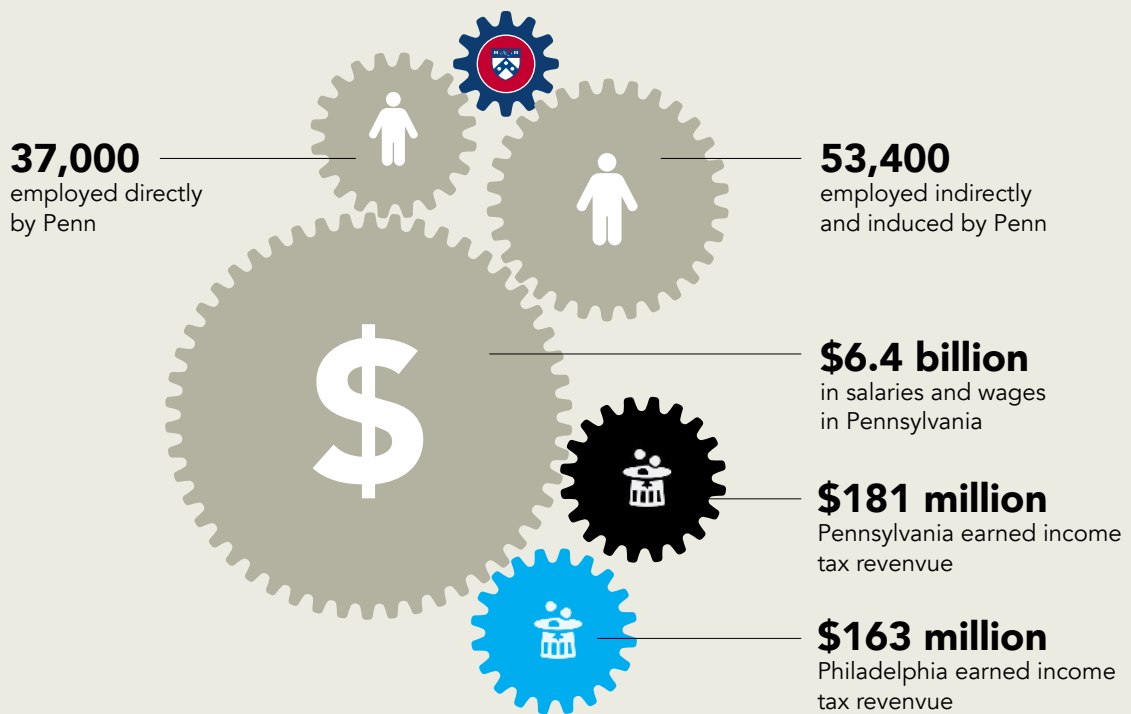
AMY GUTMANN, *President*

What is the IMPACT of Penn being a large and stable employer?

Penn is the largest private employer in the city and second in the state, generating a workforce impact from its more than **37,000** individuals directly employed. Additionally, there are over **53,000** indirectly employed from within the region. These people work within the supply chain of private companies servicing Penn with a range of necessary goods and services such as medical instruments, office supplies, maintenance, construction, and food—to name a few—or are induced jobs needed to service these commercial enterprises.

\$6.4 billion

in salaries and wages in Pennsylvania





Copyright: D/Carlo

KAREN BRAAN
Office of the Dean, School of Engineering and Applied Science

“Treat a temporary assignment like an extended interview: take it seriously. Be prompt, effective and enthusiastic, every day. In 2011 I re-entered the workplace by signing on as a temp with the Penn Job Center. A three-month assignment opened the door to an exciting permanent position. I work with talented people doing interesting work that I enjoy. The extensive benefits are the icing on the cake. The tuition benefit is especially important since it has not only allowed me to take Penn courses at no cost, but also to fulfill the higher education goals of the first of my three children. Penn is a great place to work, and has had an incredible positive impact on my family.”

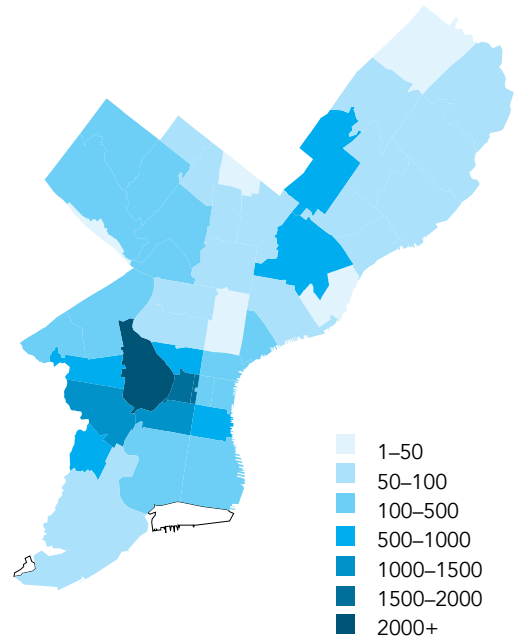


Penn directly and indirectly, and through induced salaries, employs individuals earning a total of

\$5.4 billion
 in Philadelphia

Penn Employees live all across the city.

Number of Penn Employees by Philadelphia Neighborhood



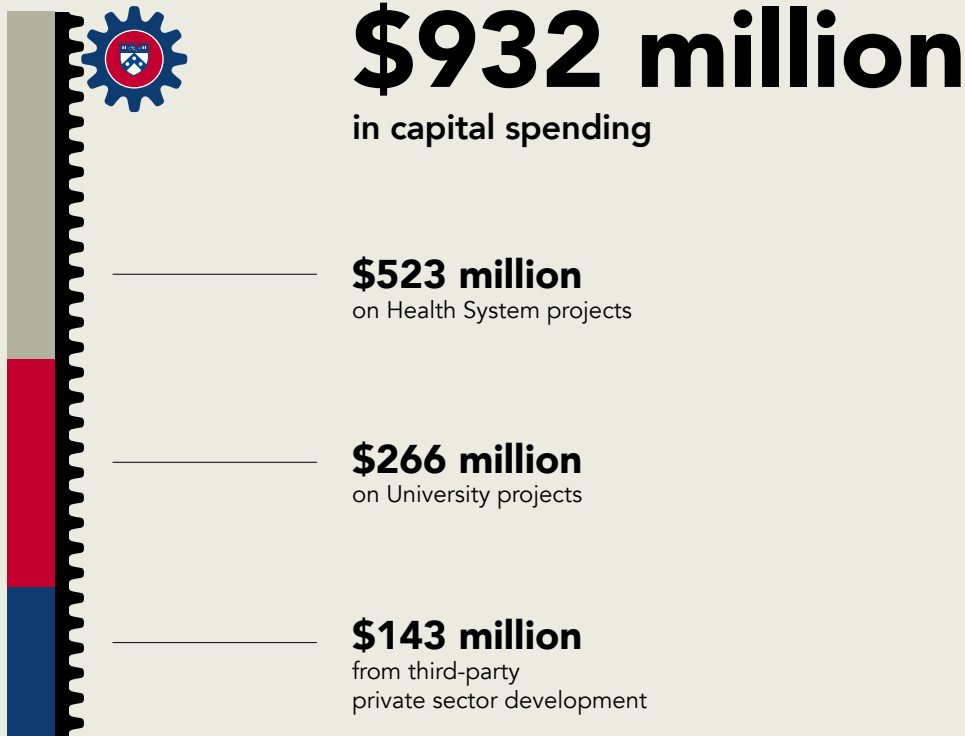
What is the IMPACT of Penn being a significant builder?

BUILDING THE MODERN URBAN RESEARCH UNIVERSITY

Penn Connects 2.0 is the second phase of the dynamic campus development plan. Since 2006, *Penn Connects* has been transforming the campus with verdant open spaces, bold architecture, sustainable design, and enhanced connectivity between Penn, its neighbors, and Center City.

Penn's own capital investments in new buildings, large-scale renovations, and infrastructure projects stimulate job creation and spending in the local construction sector.

Penn's ongoing commitment to economic inclusion is reflected in its practice of hiring minority and women owned business enterprises. In 2015, **35%** of all on-campus construction jobs (for projects totaling \$5 million or more) employed minority and women workers, and **26%** of all contracts were awarded to minority- and women-owned businesses.





BILL CROMADY
President, Cromedy Construction

"Cromedy Construction's ongoing relationship with the University of Pennsylvania has enabled me to substantially grow my business. Our partnership has empowered me to purchase both a manufacturing facility and capital equipment. Penn's commitment to my firm, but more importantly to a true inclusion initiative has been nothing short of outstanding."



Carbase DCentre

10,300
construction-related jobs

Construction-related jobs on Penn's campus employed 10,300 Pennsylvanians, of which 8,700 were Philadelphians, earning a total of \$544 million in construction-related wages.

From 2011 to 2015 many new facilities were constructed and renovated.



1



2



3



5



6



2011

2012

2013

- 1. Penn Park **\$46.5 million**
- 2. Golkin Hall **\$33 million**

- 3. Shoemaker Green **\$8.5 million**

- 4. Mack Pavilion, Wharton School **\$15.9 million**
- 5. Smilow Center for Translational Research, Perelman School of Medicine **\$261 million**
- 6. Singh Center for Nanotechnology **\$91 million**



7



8



9



10



11



12



13



14



15



16



17



18



19

2014

7. The ARCH
(Arts, Research and Culture) **\$24.million**

2015

- 8. Penn Presbyterian Pavilion for Advanced Care **\$148 million**
- 9. Perelman Center for Advanced Medicine, South Pavilion **\$135 million**
- 10. EVO **\$171 million** (third party development)
- 11. Mod 7 Chiller Plant Expansion **\$82 million**
- 12. Henry A. Jordan Medical Education Center, Perelman School of Medicine **\$42.9 million**
- 13. 3901 Walnut **\$12 million**
- 14. Hub 3939 **\$17.8 million** (third party development)

2016 (to be completed)

- 15. FMC Tower **\$385 million**
(third party development)
- 16. New College House **\$127 million**
- 17. Neural Behavioral Sciences **\$68 million**
- 18. Pennovation Center **\$34 million**
- 19. Perry World House **\$18.9 million**

What is the IMPACT of Penn's nearly \$1 billion in research awards?

Attracting **\$939 million** in research awards to Philadelphia and Pennsylvania advances knowledge to serve society. It also attracts talent, sparks innovation, starts new companies, and creates jobs.

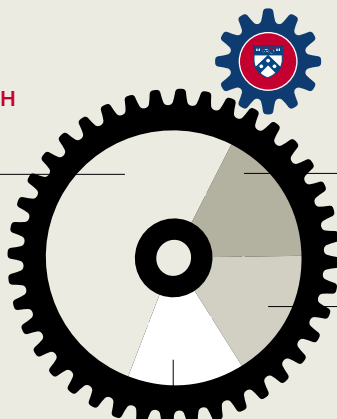
\$939 million

in research awards

FEDERALLY SPONSORED RESEARCH

\$486 million
from the National
Institute of Health

\$139 million
from the National Science
Foundation, Department of
Defense, Health and Human
Services, Department of Energy
and other federal sources



PRIVATELY SPONSORED RESEARCH

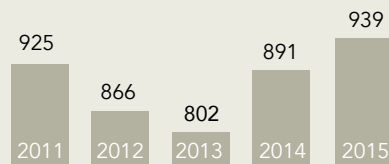
\$161.3 million
in privately sponsored research
from Industry and foundations

\$152.7 million
from other private and
government sources

Penn's status as a world leading innovator in the sciences has led to increasing investment in sponsored research, helping boost Philadelphia's image as a hub of the knowledge economy.

Research Awards Summary FY 2011-2015

Total \$ (in millions)
sponsored research awards received





112 life sciences license/options
385 commercialization agreements
145 research agreements
22 startup companies
\$86.1 million in licensee revenue

A GROWING CULTURE OF INNOVATION AND ENTREPRENEURSHIP

The Penn Center for Innovation (PCI) helps to translate Penn discoveries and ideas into new products and businesses for the benefit of society by facilitating technology development connections between Penn and the private sector. PCI Ventures incubates the development of early-stage technology-based businesses as they make their way towards commercial success and promotes new company formation around Penn’s leading research and innovations by actively seeking entrepreneurs to lead Penn-related companies and securing investors to fund new ventures.



PENNOVATION WORKS— WHERE IDEAS GO TO WORK

Pennovation Works (left) is a 23-acre property adjacent to Penn’s campus uniquely blending research labs, maker spaces, co working facilities, and office space for both established companies and startups. Penn has a long range master plan for a development that bridges advanced university research with private sector entrepreneurial initiatives to solve real world problems and serve as a hub for a community incubating ideas for innovation.



The Pennovation Center (bottom left), opening in 2016, is the nucleus of the 23-acre development, which concentrates the intellectual capital of Penn’s researchers with that of private industry and boot-strapping entrepreneurs. This 58,000 square-foot, cutting-edge facility will be a catalyst for the region’s innovation ecosystem and generate economic development for years to come.



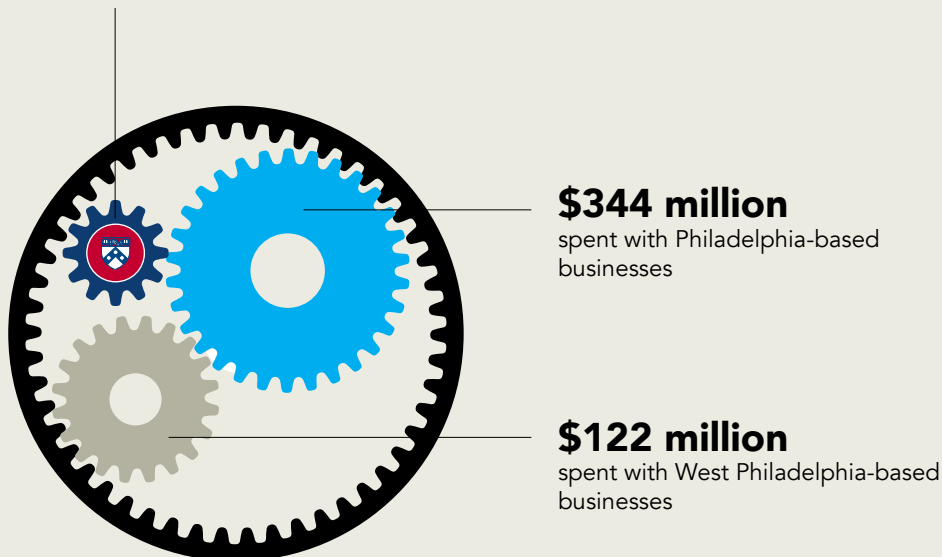
What is the IMPACT of Penn's purchasing of goods, supplies and services?

To maintain its wide-ranging operations, Penn is a large-scale purchaser of goods and services. Channeling purchasing capacity to minority and women business owners in West and Southwest Philadelphia, and across the entire city, has long been a commitment to fostering local engagement.

Driving the Philadelphia economy through socially responsible purchasing and procurement is the Supplier Diversity Program, which deepens Penn's supply chain by including vendors in Philadelphia and Pennsylvania that directly infuse millions of dollars into the local economy.

\$572 million

spent with Pennsylvania-based businesses





MICHELE LEFF
Owner, 12th Street Catering

"Over the course of a 15-year relationship with Penn, our company has grown from five employees to 50. In addition to drop-off catering and full-service catering, Penn has contracted us to run two successful campus cafes. The fruits of this relationship have been absolutely crucial to our growth and exposure!"



Candace DiCarlo

GABE MANDUJANO
President, Wash Cycle Laundry

"The University of Pennsylvania has helped Wash Cycle Laundry pass a number of important milestones in our growth as a company. As Wash Cycle Laundry's first institutional client, working with Penn has helped us build our capacity to service institutional clients and given us the credibility we need to grow, both on Penn's campus and beyond. Even our sales pipeline in Washington, DC, has benefitted from relationships we've built in University City."



Candace DiCarlo

What is the **IMPACT** of Penn's student and visitor spending?

Students, patients, and visitors to Penn spend millions on local goods and services such as renting off-campus apartments, apparel, food and beverage, entertainment, books and supplies, as well as hotels, meetings, sporting, and cultural events. A primary benefactor of this ancillary spending is the successful commercial district that Penn develops and manages, and the tax revenue it generates.



\$246 million

spent by students



\$26 million

spent by campus visitors



\$7 million

spent by visitors to Penn hospitals

Student and visitor spending animates the campus and community, while also generating: 2,065 PHILADELPHIA JOBS paying \$74 million in wages; 2,465 PENNSYLVANIA JOBS paying \$85 million in wages.



DREW CROCKETT
President, HubBub Coffee

"HubBub Coffee started as a food truck at 38th & Spruce. The opportunity to transition to a brick and mortar retail shop just across the street has been incredible for us. Being located in the midst of the vibrant Penn community has been positive for sales and exposure, and has fostered partnerships with charity and entrepreneurship-focused groups on campus. Penn is my alma mater, so the connection is especially cool for me."



Photo courtesy HubBub Coffee

Penn leases space to 67 businesses including cafes, restaurants, and retail shops many of which are locally and independently owned, and along with programs and events in collegiate athletics and the arts, makes the campus a destination.

What is the IMPACT of Penn's local engagement?

Penn has called West Philadelphia home since 1872 and has made significant investments in supporting the neighborhood's retail, small businesses, homeownership, safety, workforces, and overall quality of life. These investments, along with Penn's community partnerships, are recognized globally as a model for urban campuses.



Neighborhood Services: Penn has supported the University City District since 1996. This non-profit organization supplements municipal services such as safety, public space management and workforce development. Penn has also enhanced its off campus safety patrol zone, adding more officers and resources in the community at no cost to the city tax payers. Penn has invested in **3,800** new street trees and **850** new pedestrian street lights to residential and commercial streets.



Public Education: Penn contributes over \$800,000 to the neighboring Sadie Alexander Mossell Elementary School. In addition, Penn provides additional services in landscaping and security and expertise from Penn's Graduate School of Education. The **\$1 million** annual investment by the Netter Center for Community Partnerships enables an array of local initiatives including tutoring public school students and providing health and nutrition programs inside the public schools of Philadelphia.



Workforce Development: Penn supports a variety of programs towards preparing Philadelphia's future workforce, including training minorities to apprentice with local building trade unions; a Pipeline Strategy for high school students (**more than 200 Philadelphia students have participated to date**) to work at Penn hospitals and gain necessary professional skills for their career development, and investing in the West Philadelphia Skills Initiative to align unemployed West Philadelphians with opportunities among University City's anchor institutions.



Homeownership: 1,000 participants have purchased homes in the neighborhood through University-funded forgivable loans of over \$10 million in aggregate.



Retail Amenities: By investing **\$150 million** in retail development, Penn primed the pump so that by 2015, it had attracted approximately \$1 billion in private investment from the real estate sector. This has established vibrant, pedestrian-friendly retail corridors consisting of 450,000 square feet of large and small businesses, animating the street day and night, creating a porous connection between the campus and neighborhood.





Photo courtesy University City District



Netter Center for Community Partnerships




Photo courtesy University City District



Photo courtesy University City District



WEST PHILADELPHIA SKILLS INITIATIVE

 In 2010, the University City District established the West Philadelphia Skills Initiative to provide an innovative solution to connecting West Philadelphia's unemployed residents—talented individuals who are ready and willing to contribute—with positions at the University of Pennsylvania, Drexel University, and Children's Hospital of Philadelphia, a few of the neighborhood, anchor institutions that make up 10% of the total jobs in Philadelphia.

The Skills Initiative partners with these and other major employers to recruit and train unemployed West Philadelphians for identified job vacancies and prepares them to excel in these jobs by mitigating any existing skills gaps.

Since 2010, the program has served 125 participants, successfully placing 90 in full-time jobs, with \$13.60 average beginning hourly wage and \$7.5 million paid in total wages.



Photo courtesy University City District

What is the IMPACT of Penn alumni?

57,000 Penn alumni call Pennsylvania home, enjoying the enhanced earning potential that higher education affords, while generating additional millions in spending and tax revenue based on compounding the “Penn alumni wage premium” of 13.6%—**\$9,380**—more in annual salary than a non-Penn alumni.

Penn alumni live all over the world, but they continue to contribute to Penn’s overall economic impact through philanthropy.

When Penn concluded its *Making History* capital campaign, \$4.3 billion had been raised from 326,962 donors. **95% of these funds came from alumni living outside Pennsylvania** to be spent on financial aid, research, construction, and operations.



The Bottom Line

PENN IS AN ECONOMIC ENGINE DIRECTLY OR INDIRECTLY RESPONSIBLE FOR...

\$1 out of every \$20

in Philadelphia's General Fund



\$1 out of every \$7

in Philadelphia's Gross Domestic Product



1 out of every 9

jobs in the Philadelphia economy



Penn's total economic activity from wages, construction, research awards, purchasing, and more, translates into \$39 million of economic activity in Pennsylvania; \$30 million of economic activity in Philadelphia every day.

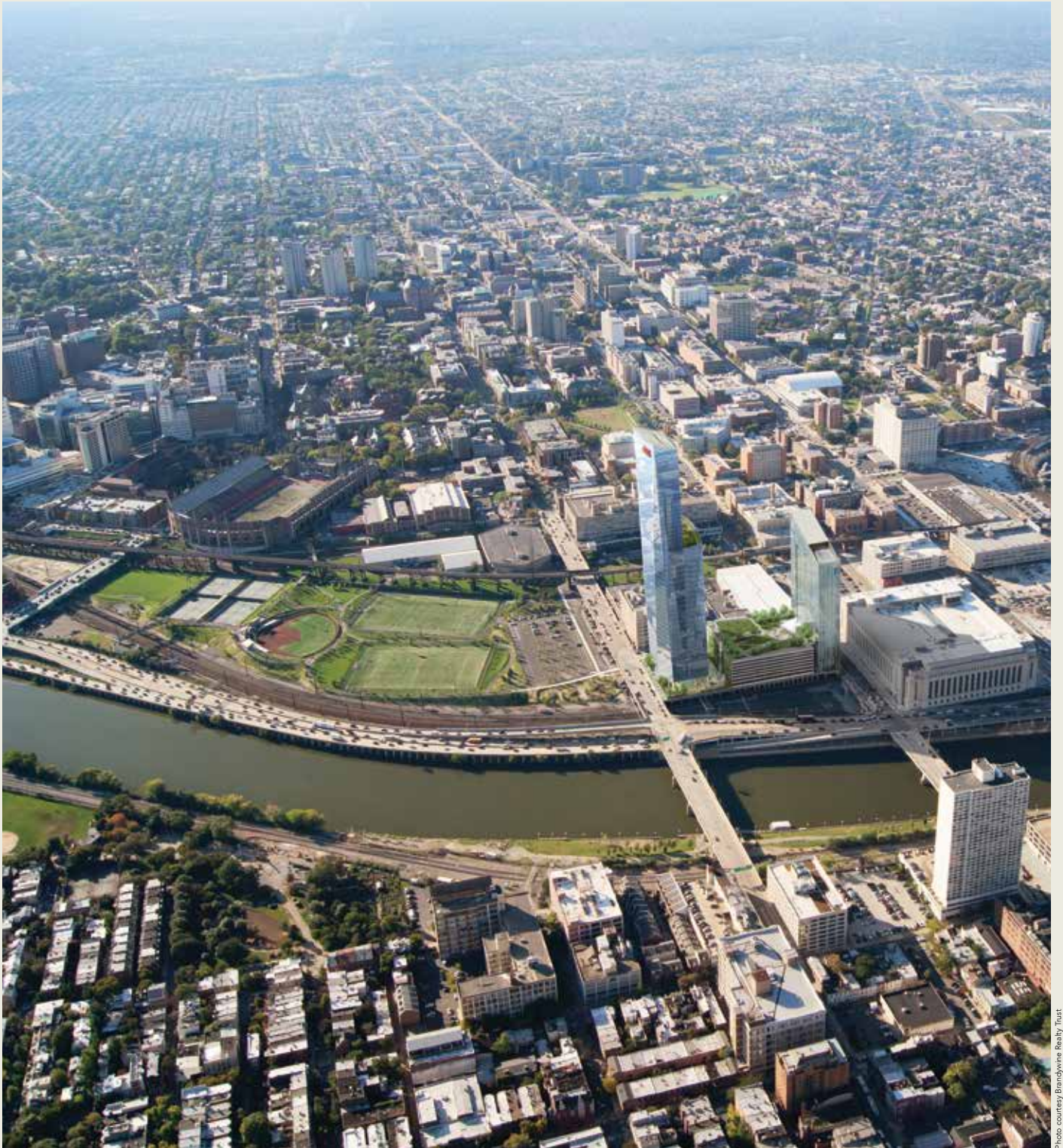


Photo courtesy Brandywine Realty Trust

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: FY2015" by Econsult Solutions, Inc, Philadelphia, PA.

