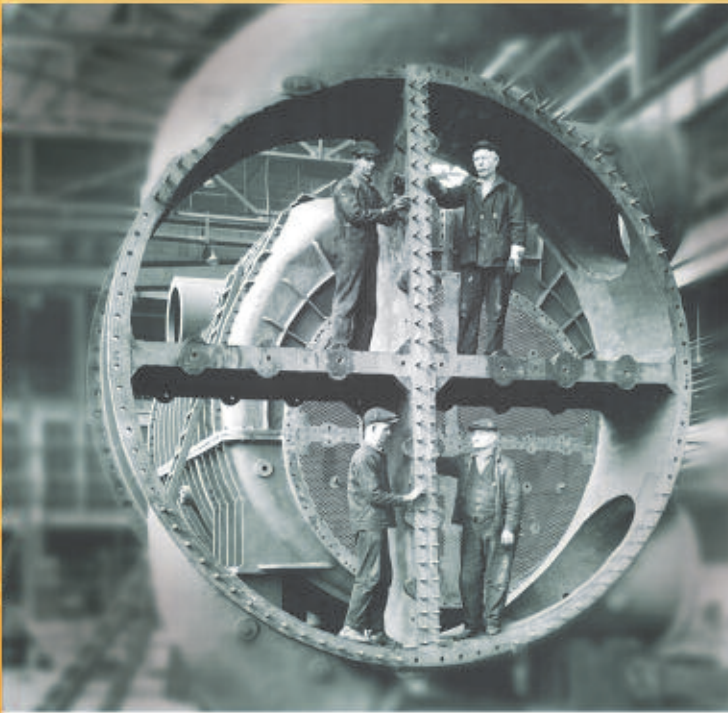
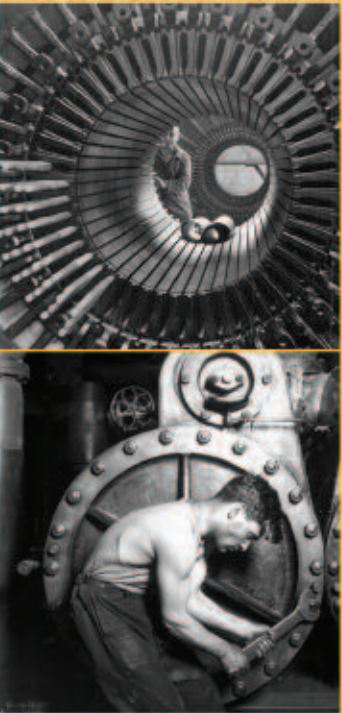


# THE EVOLUTION OF INNOVATION



**2008**

Regional Report

Executive Summary



## Leading the way

Greater Philadelphia is the overall second largest region on the East Coast in terms of employment, population and income. With a 2007 population of 6.1 million people and employment in 2007 of 3.0 million jobs, the region is both a large market and major economic force.

The 11-county Greater Philadelphia region encompasses southeastern Pennsylvania, southern New Jersey and northern Delaware. It ranks as the fifth largest U.S. metropolitan area in population, following New York, Los Angeles, Chicago and Dallas-Fort Worth.

Given the region's prior industrial base, many might be surprised to know about the region's diverse economy full of knowledge-based industries. Life science, information technology, professional services and chemicals are the top industries in the region.

### THE 11-COUNTY GREATER PHILADELPHIA REGION RANKS:

**6TH** highest gross  
metro product

**5TH** largest personal  
income

**4TH** largest media  
market  
AMONG ALL U.S. METROS



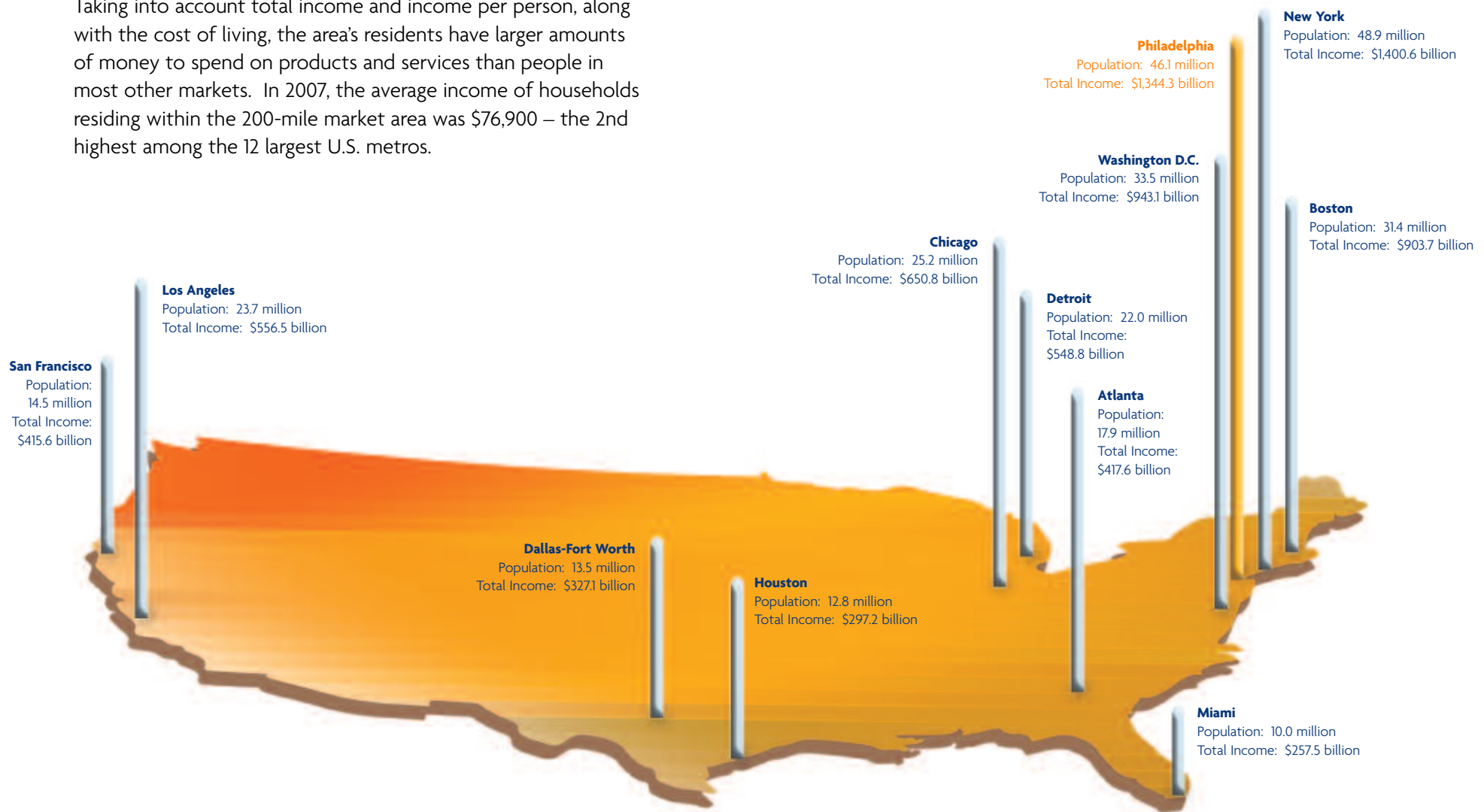
# The heart of a thriving market

Greater Philadelphia is in the center of a large and thriving mega-market with 46.1 million people living within 200 miles of Center City Philadelphia and generating \$1.3 trillion annually – the 2nd largest market area of any U.S. metro.

Taking into account total income and income per person, along with the cost of living, the area's residents have larger amounts of money to spend on products and services than people in most other markets. In 2007, the average income of households residing within the 200-mile market area was \$76,900 – the 2nd highest among the 12 largest U.S. metros.

# A National Leader

## Market size within 200 miles of major U.S. Cities



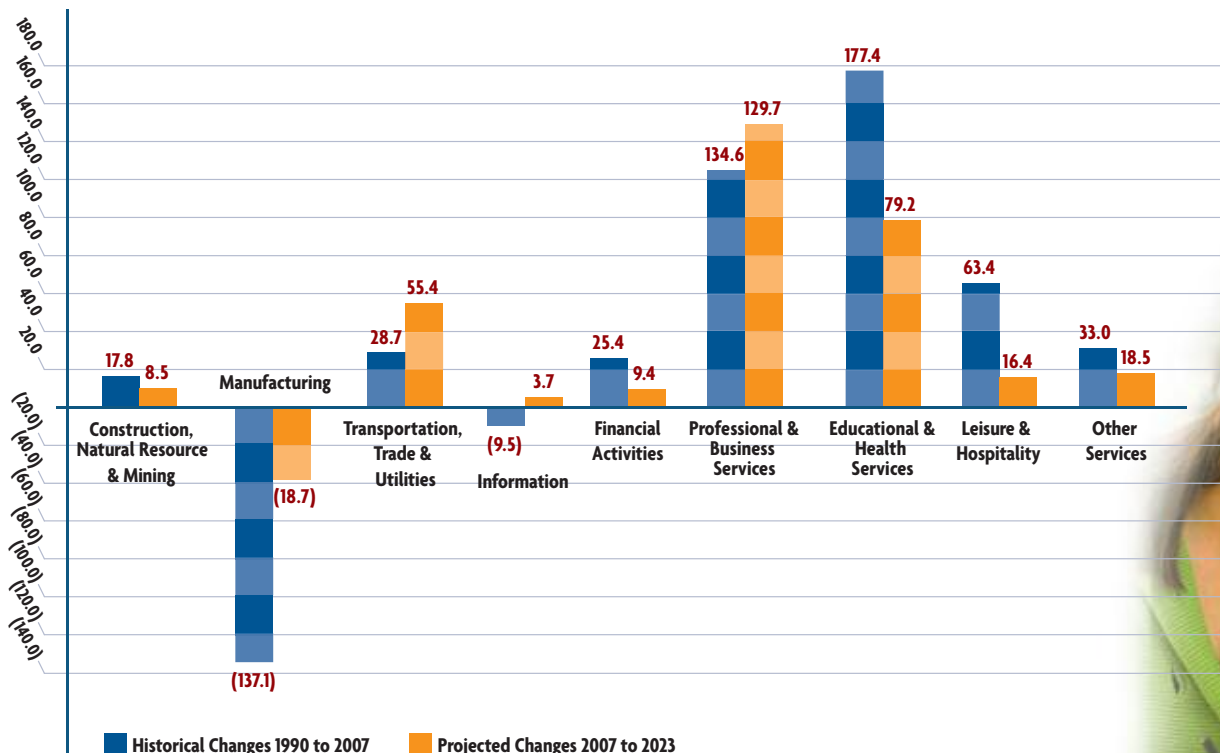


## Building a diverse economy

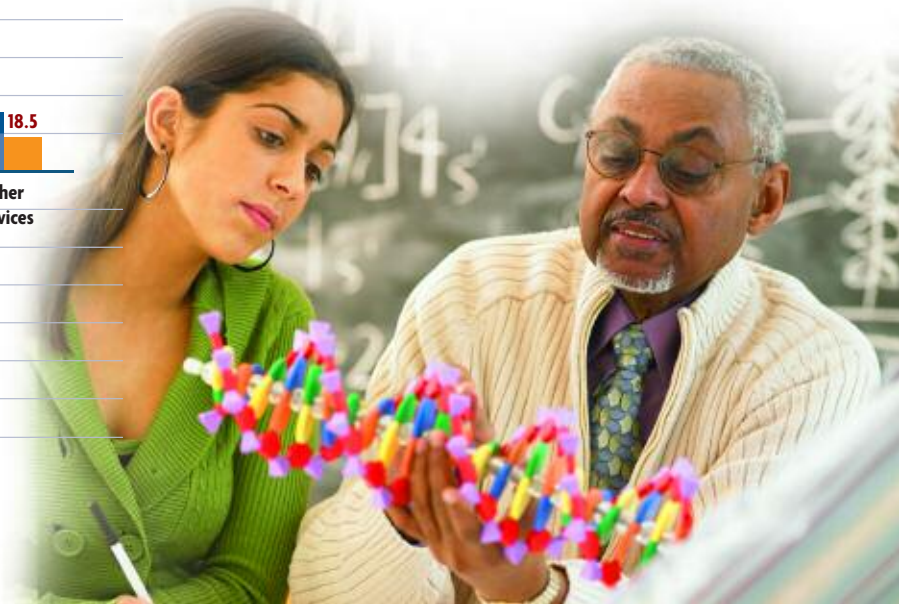
Greater Philadelphia has grown and matured into a knowledge-driven service economy. Sectors such as Education and Health services, Professional and Business Services, Financial Activities and Information require highly educated and skilled workers, which make up 44% of the region's total employment.

The regional economy has transitioned from industrial manufacturing to professional services careers, increasing employment in Greater Philadelphia's services-providing sectors by 453,500 jobs between 1990 and 2007. Today 74% of the region's workforce is employed in services providing jobs.

Private Sector Employment Changes by Major Economic Sector in the Greater Philadelphia Region



Source: Bureau of Labor Statistics, Current Employment Statistics, February 2008. Global Insight, Fall 2007 County Forecast.





# 2007

## FORTUNE 500 COMPANIES IN GREATER PHILADELPHIA

AmerisourceBergen	29
Sunoco	60
DuPont	74
Comcast	84
Cigna	139
Aramark	214
Lincoln National	217
Rohm and Haas	292
Campbell Soup	311
Crown Holdings	328

Source: Fortune Magazine, 2007.

## Where business thrives

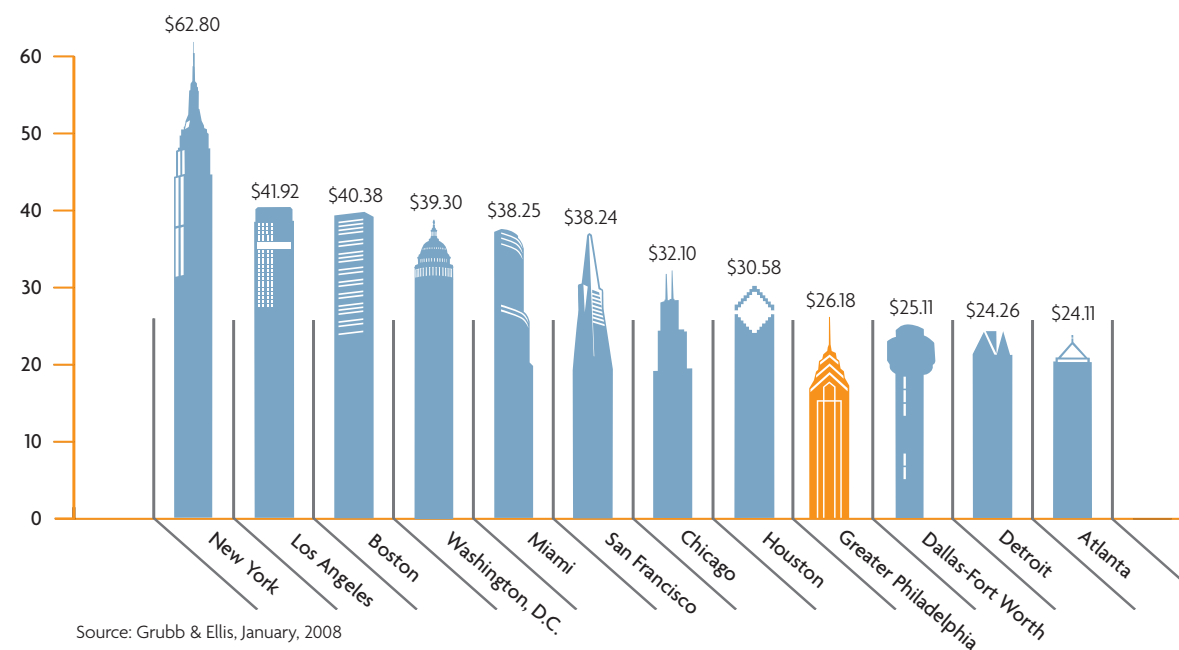
The Greater Philadelphia region is strategically located in the heart of the Eastern Seaboard offering easy access to the global marketplace. The region's easy accessibility combined with the availability of developable land is expected to continue to draw developers and businesses well into the future.

Home to 33 Fortune 1000 companies in 2007, Greater Philadelphia was recently ranked among America's hottest metropolitan areas for business location and expansion in Expansion Management magazine.

The Fortune 500 is also well represented – 16 companies on the list have their headquarters here, and a total of 330 Fortune 500 firms have activities in the region.

Compared to the major U.S. metropolitan markets, Greater Philadelphia offers companies low rents with an average Class A rent of approximately \$26/square foot. This makes Greater Philadelphia a strong option for companies looking to expand or locate along the East Coast.

Rental Rates per sq. ft. for Class A Office Space in Top U.S. Metros in 2007 (Q4)



Source: Grubb & Ellis, January, 2008

# Developing medical cures for the world

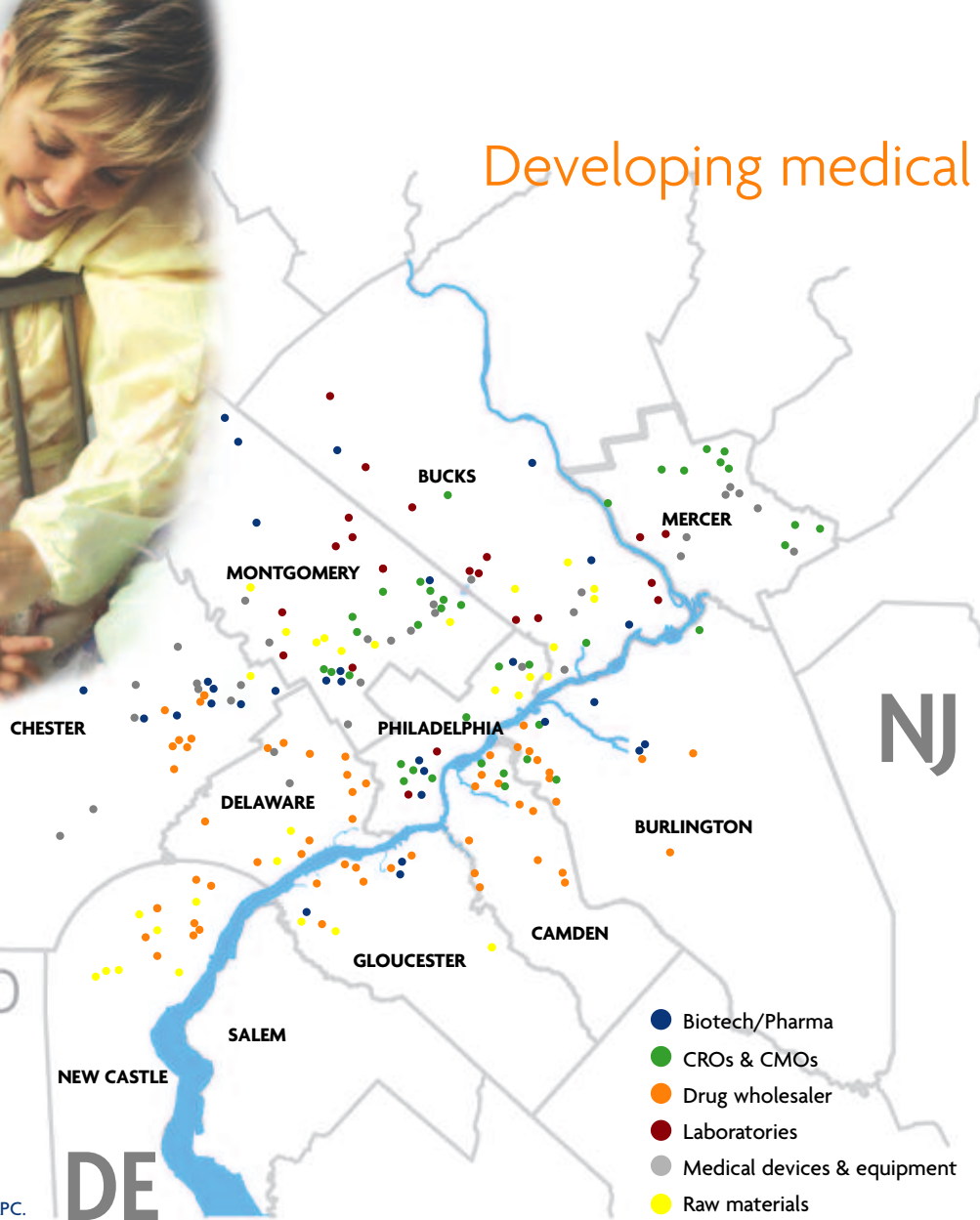
With deep roots in public health, Greater Philadelphia region has become one of the nation's top life science industries. But this region offers so much more than life science research and development.

No other U.S. Life Sciences cluster can equal the Greater Philadelphia Region's ability to support the development and commercialization of Life Sciences products. In a single region, you, as a pharmaceutical and biotechnology leader, can find everything you need to bring your discoveries to market.

Home to approximately 400 life science and related companies, the region's thriving life sciences cluster of pharmaceutical, biotech, R&D and support companies is one of the largest in the country.

Life science and related companies with 20 or more employees in the Greater Philadelphia region.

Source: Dun & Bradstreet, and DVRPC.



## Powering economic growth and infrastructure

Greater Philadelphia is powered by a solid and diversified Information Technology (IT) industry that ranks as the 6th largest in the country, based on shares of employment in IT occupations and IT-providing industries in the 12 largest MSAs.

IT plays a major role in the local economy both as a producer of IT products and services, and as a support function to other major industries in the Greater Philadelphia region. In May 2006 there were a total of 154,660 persons employed in IT occupations in Greater Philadelphia, comprising 5.2% of total regional employment and generating X% of the region's gross metro product.

Greater Philadelphia is also a great location for young IT companies. Many such companies have made it onto "fastest growing companies" lists. According to PricewaterhouseCoopers, there were 38 IT venture capital deals in 2007 in IT and related sectors totaling \$147 million in funding, averaging \$7.4 million per deal.

### TOP IT EMPLOYERS

Lockheed Martin Corporation	11,500	Sungard Data Systems Inc.	2,500
Comcast/Spectacor	9,301	Unisys Corporation	2,400
Verizon	2,900*	SEI Investments	1,400
SAP AG	2,500	L-3 Communications	1,200

\* Philadelphia County only.



## TOP CHEMICAL EMPLOYERS

DuPont	9,500
Rohm & Haas	2,050
Arkema Inc.	870
W.L. Gore	800
Hercules	650
FMC	400

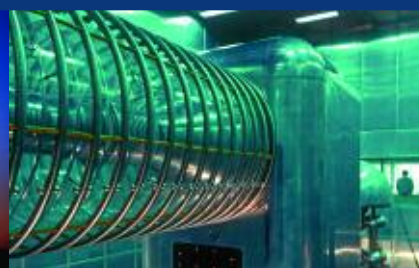
## Moving high-tech manufacturing forward

With its strong base of highly skilled workers, top universities, and support infrastructure for a wide variety of high-tech industries, the Greater Philadelphia region has transformed from a traditional manufacturing center to a high-tech manufacturing hub. Next-generation electronics, defense systems, aerospace, and shipbuilding are just a few of the diverse, highly specialized manufacturing segments thriving throughout the tri-state area.

The Greater Philadelphia region has one of the largest concentrations of employment in the country in the chemical manufacturing industry. In 2006, there were about 36,800 people employed in this sector, which has traditionally been a major driver of the region's economy.

Already a national leader with more than 100 companies engaged in nanotechnology business activities, the region ranks 2nd in nanotechnology-related patents and research.

The region has also become a hub for alternative energy, with the world's three largest wind energy companies – Gamesa, Iberdrola and GE Wind – as well as the world's largest solar energy systems integrator – SunTechnics, a subsidiary of Conergy – all having a presence in the area.



## Advancing business innovation

Greater Philadelphia has a rich history of innovative thinking and bringing promising new technologies to market.

The Greater Philadelphia region is one of the top metropolitan areas for research and development (R&D). The region's academic research institutions' R&D funding exceeded \$1.28 billion in 2006.

In addition, more than 20 universities in the area have affiliations with technology and science incubators, allowing businesses access to a vast pool of university talent and equipment.

Venture capital is also an important indicator of the region's growth. Greater Philadelphia was among the top regions for venture capital investment in 2007.

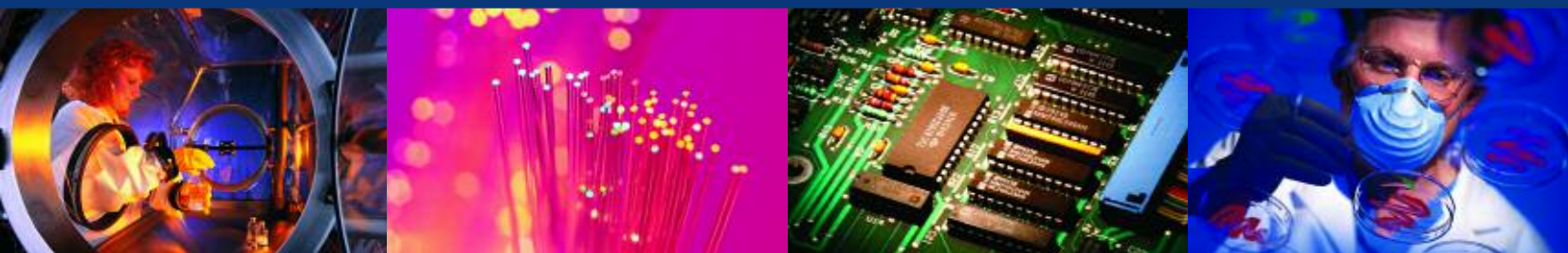
Other 2007 venture capital measures in the Greater Philadelphia region include:

- 125 venture capital deals
- \$7.4 million average value per deal
- \$566 million investment in Biotechnology and Medical Device sectors
- Total of \$862 million in venture capital investments

### 2006 RESEARCH & DEVELOPMENT FUNDS

(\$ in millions)

University of Pennsylvania	\$676.05
Princeton University	\$188.17
University of Delaware	\$114.99
Thomas Jefferson University	\$106.99
Drexel University	\$96.69
Temple University	\$79.74
Villanova University	\$7.12
Rowan University	\$4.58
Bryn Mawr College	\$4.25
Swarthmore College	\$2.39
PA College of Optometry	\$1.64
Rider University	\$1.29
University of the Sciences Philadelphia	\$1.26
Philadelphia College of Osteopathic Medicine	\$1.03
Haverford College	\$0.97
Philadelphia University	\$0.86
Lincoln University	\$0.61
Ursinus College	\$0.56
Arcadia University	\$0.33
Cheyney University	\$0.28
West Chester University	\$0.24
La Salle University	\$0.24



Source: National Science Foundation, 2007.

## Leveraging a strong knowledge base

The Greater Philadelphia region has 92 colleges and universities that offer associate degrees or higher, which continues to fuel and develop the region's highly skilled workforce.

In the fall of 2006, more than 361,000 full- and part-time students were enrolled in the region's colleges and universities. The schools awarded 75,200 certificates and degrees at all levels, of which 79% were bachelor's certificates and degrees or higher.

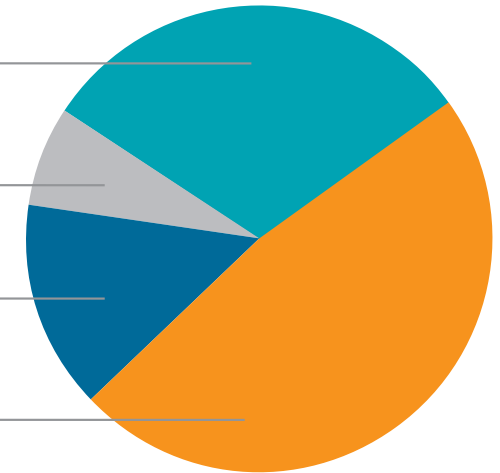
When compared to the Top 25 Metropolitan Statistical Areas (MSAs), the Greater Philadelphia region was ranked 2nd only to Boston on the number of bachelor and first professional degrees awarded per capita. And, according to the U.S. News & World Report, the region is home to two of the best U.S. universities – Princeton University in Mercer County, New Jersey, and the University of Pennsylvania in Philadelphia County, Pennsylvania.

**23,252** Advanced Degrees

**5,258** Other Awards and Certificates

**10,668** Associate Degrees

**36,040** Bachelor Degrees



Source: National Foundation for Education Statistics. 2008 Integrated Post-secondary Education Data System.





## Connecting a global marketplace

With eight airports located within a 90-minute drive from the Greater Philadelphia region, the area is one of the most accessible in the U.S.

### National and International Access

The Philadelphia International Airport (PHL) provides a critical gateway for the region. With more than half a million takeoffs and landings, it ranked as the 9th busiest in the U.S. and the 28th busiest in the world. The PHL airport averaged 700 daily departures to more than 120 cities through 29 carriers, in 2007.

In addition, the Greater Philadelphia region is serviced by three Class 1 freight railroads, including CSX Transportation, Canadian Pacific and the Norfolk Southern.

Shipping also plays a major role in the economic prosperity and accessibility of the area. The Delaware River Port Complex is a leader in transportation of perishables, wood products and fresh fruit and bananas.

### Regional Access

Served by all modes of transportation, citizens of the region find it easy to travel throughout the tri-state region. The area hosts a vast network of bus, subway, train and trolley services. In fact, Amtrak's Northeast Corridor is the busiest railroad in North America with 1,700 trains running daily.

Major highways, such as I-95, I-76, I-295 and the New Jersey Turnpike, also make getting around the region very convenient.



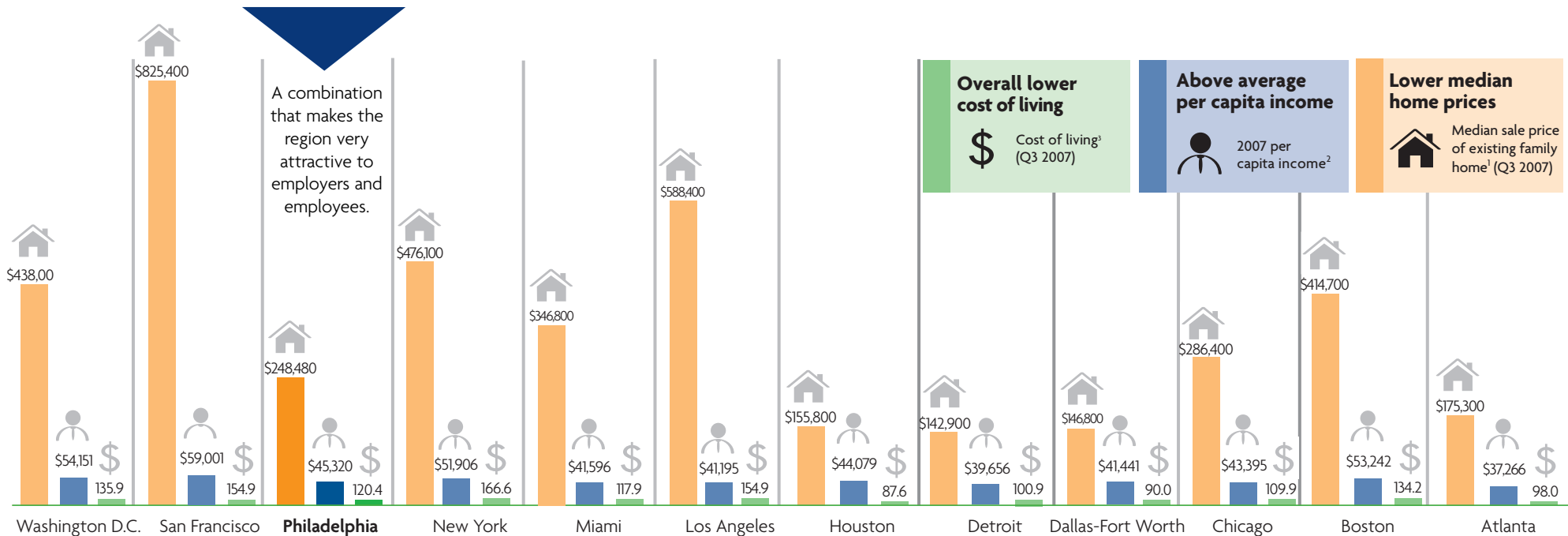
# Offering a greater quality of life

The Greater Philadelphia region has a significant advantage over other regions of the country. The region boasts the fifth highest per capita income, the fifth lowest median home prices and an overall cost of living than other large metropolitan areas.

According the National Association of Realtors, those looking to locate in Greater Philadelphia will find the fifth lowest median home prices of the top U.S. metropolitan areas at \$248,800. And, Greater Philadelphia residents also enjoy a high quality of living, including world-class museums, music, multi-cultural festivals, recreational venues and important historical sites.



Greater Philadelphia's diverse neighborhood options, range from urban living in Philadelphia and Wilmington to suburbs such as Horsham, Pa., Pike Creek, Del. or Moorestown, N.J., to rural towns of Salem County, N.J. and Chester County, Pa.



Sources:  
 1. National Association of Realtors, 2008.  
 2. Global Insights 2008. U.S. Metro Forecast, Fall 2007.  
 3. ACCR, Cost of Living Index - Q3 2007.



## About Select Greater Philadelphia

Select Greater Philadelphia (Select) is a private non-profit organization that provides complimentary services to help companies locate and expand in the Greater Philadelphia region. From regional data to information analysis to business connection, Select is ready to help your business grow.

For more information about moving or expanding in our region, contact us at 1.866.828.4407, or visit [www.selectgreaterphiladelphia.com](http://www.selectgreaterphiladelphia.com)

