

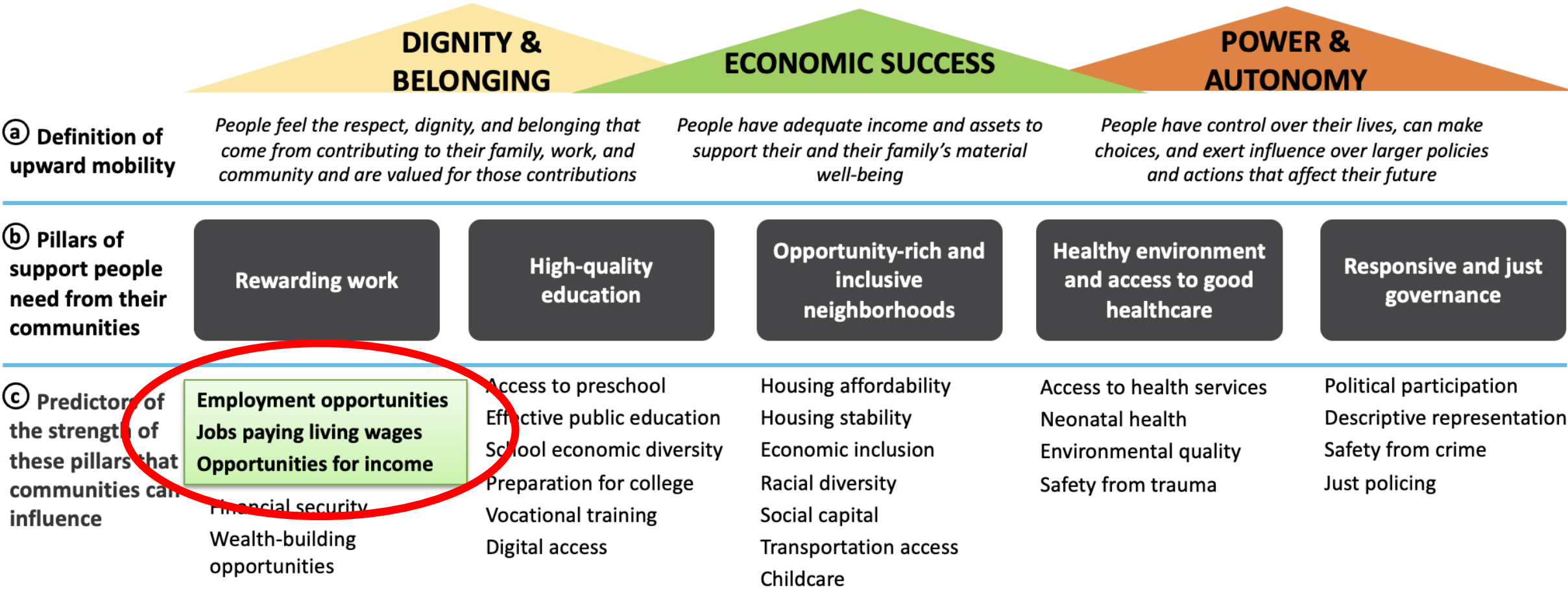
BROOKINGS

Powering Opportunity

Regional action to
drive economic vitality and fuel quality jobs
in Southeastern Pennsylvania

Quality Jobs and Economic Success

Economic Mobility Framework



Source: Urban Institute

Principles to Practices



To achieve economic mobility, we need **more quality, accessible jobs**.



To create more quality jobs, we must **improve our economic performance to maximize our untapped economic potential**.



To maximize our potential, we need to **better focus our limited time and resources on industry sectors** that:

- tend to **concentrate quality, accessible jobs**
- in **traded sectors** – now and next
- where we can be **most competitive** based on our assets
- at the **regional scale**, where the economy works



To take action, we need to:

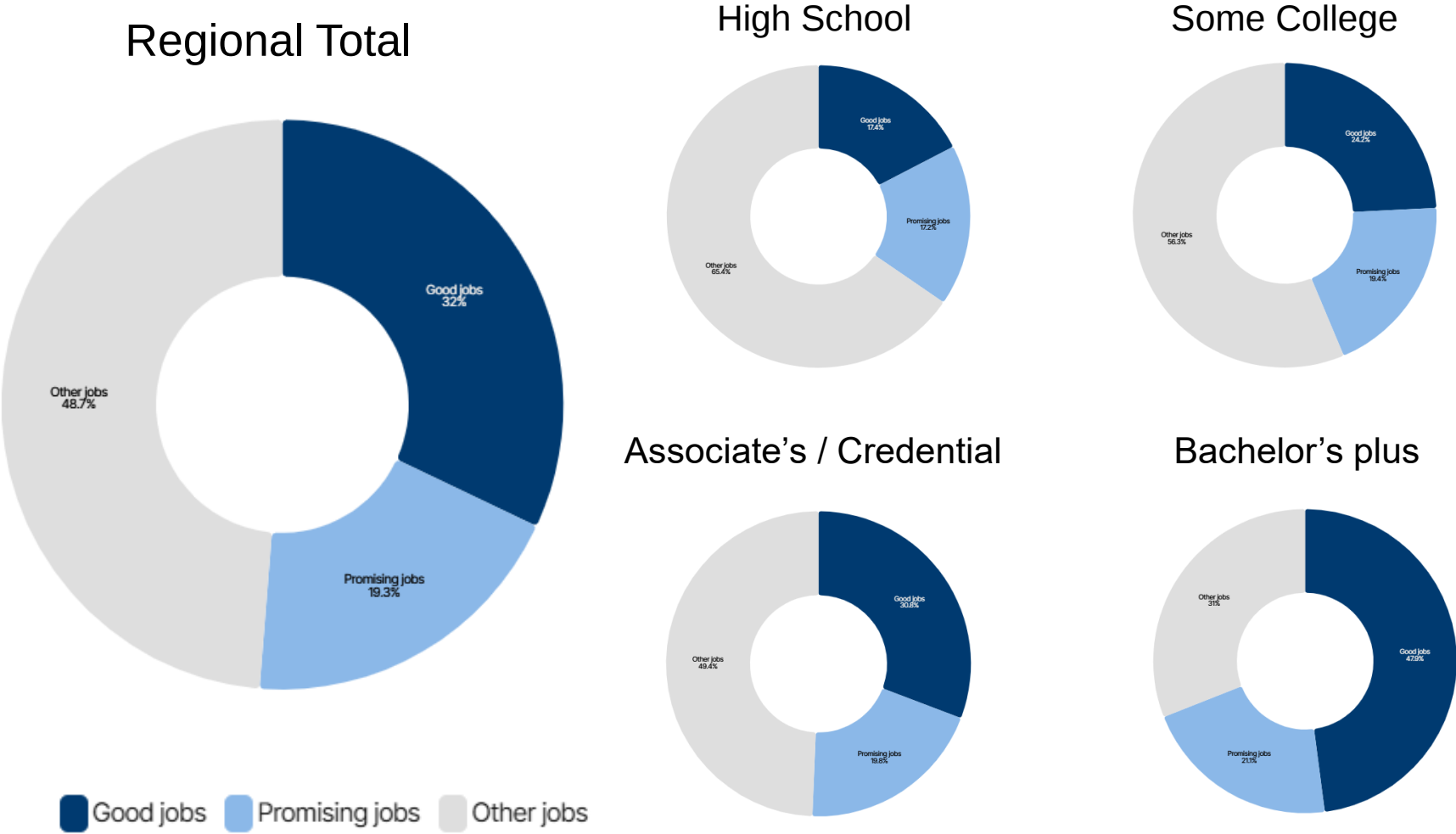
- follow a **shared, tactics-level economic strategy** across organizations and jurisdictions
- **link economic and workforce development** priorities
- increase **basic regional capacity to implement**

Half of regional jobs offer opportunity, one-third meet good job standard

Good jobs offer:

- *self-sufficiency wage (\$61,900 average for five-county region)*
- *health insurance*
- *durability in retaining or progressing.*

Promising jobs lead to a good job within 10 years.



The region's economic performance does not meet potential, reducing availability of quality jobs.

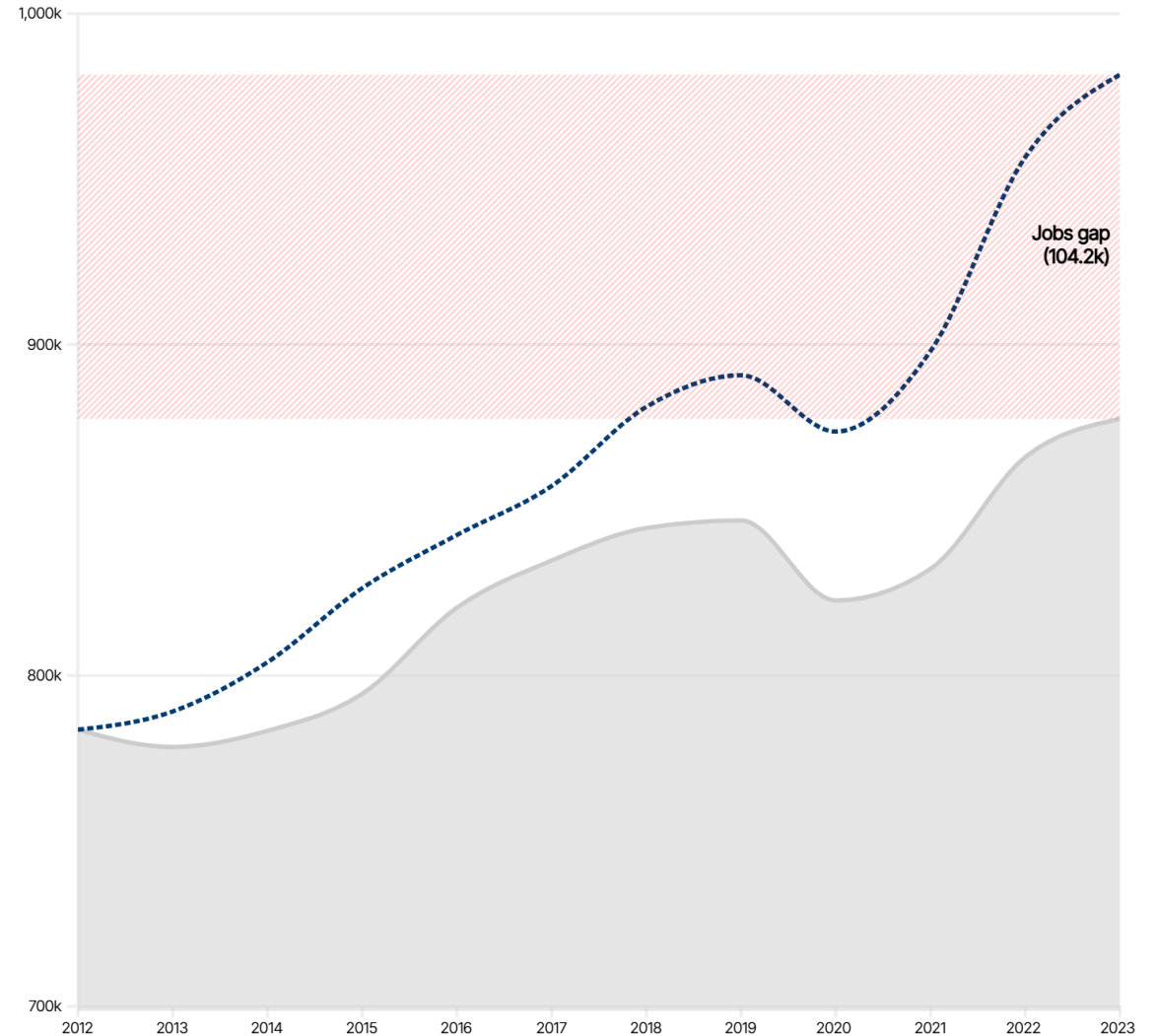
- Created 104,000 fewer traded sector jobs than expected against national benchmarks between 2012 and 2023.
- Outpaced growth in local-serving industries over tradable sectors by nearly 3:1.

If we met expectations based on industry mix, 2/3 of missing traded sector jobs would have been opportunity jobs ... adding 70,000.

Expected vs. actual growth of Southeastern Pennsylvania's tradeable industries, 2012-2023

Total employment, including self-employed workers and extended proprietors

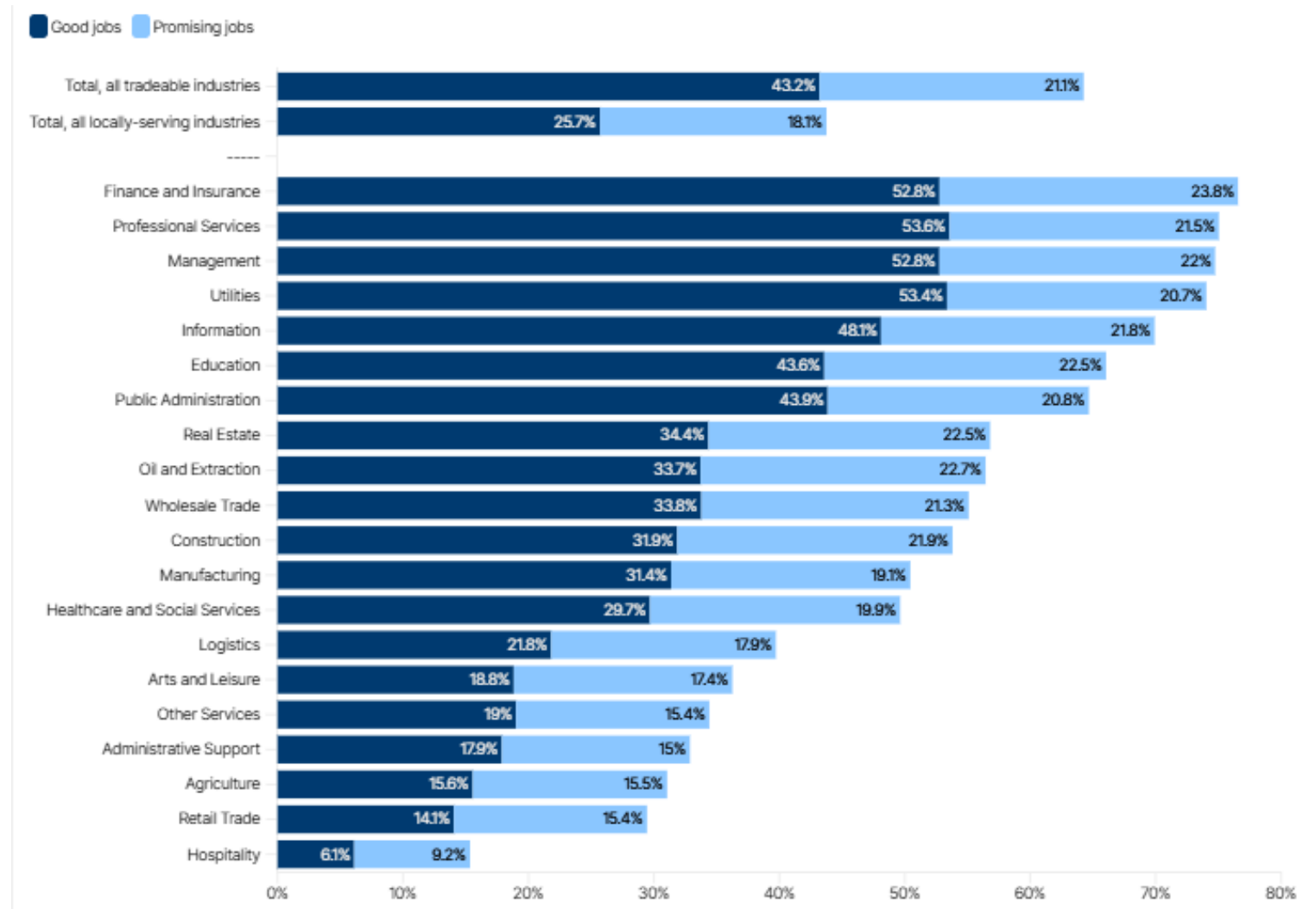
■ Expected industry growth, if SE PA had grown at national average ■ Actual value



Industries and subsectors concentrate different levels of job quality

Economic and workforce development need to jointly act on subsectors to bolster opportunity jobs and access.

This requires redefining focus and measures of success in both systems.



Southeastern Pennsylvania is an integrated, core regional economy

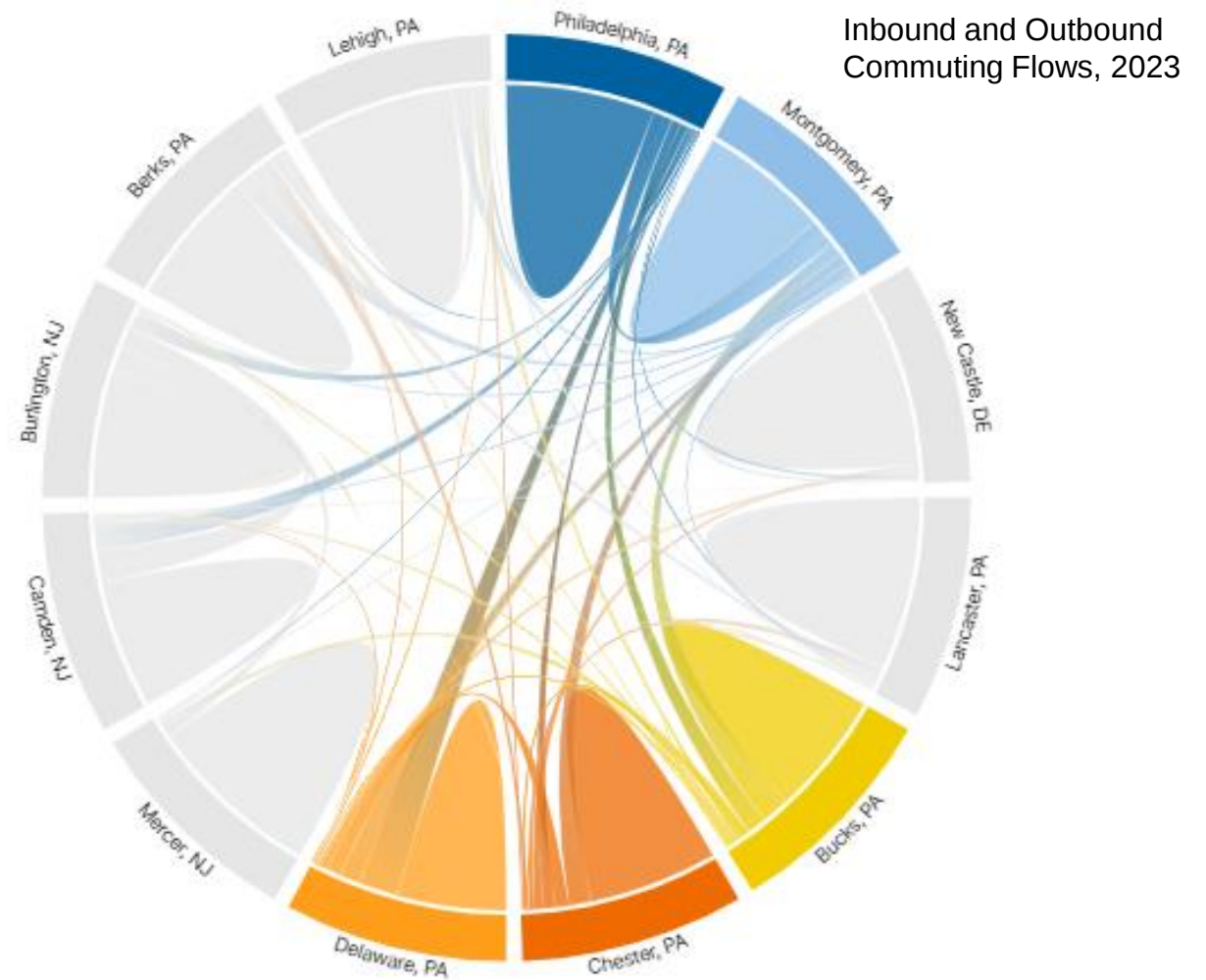
69% of jobs and 77% of GDP for the tri-state metro area

34% of jobs and 41% of Pennsylvania's GDP

Philadelphia has 35% of regional jobs and 33% of GDP, in line with population

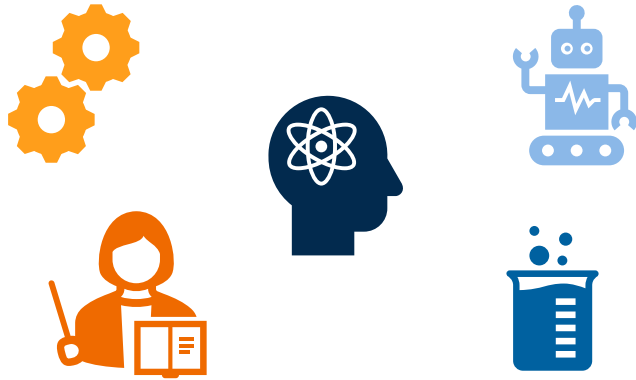
87% of the region's residents stay within the five counties for work

25% of Philadelphia residents and at least 35% of suburban residents cross a county border



Gaps to Fill for Regional Economic Growth and Opportunity

WHAT



Targeted Sector Strategies

to improve quality job creation and access through both economic and workforce development

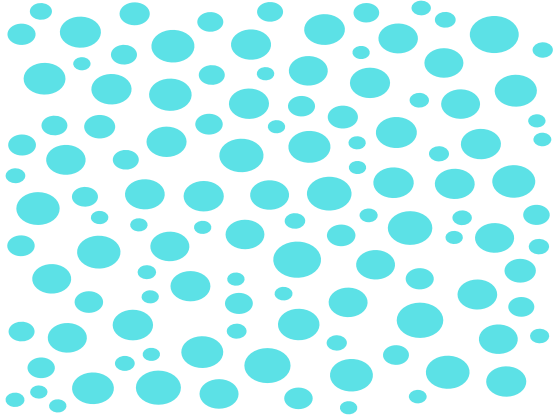
HOW



Economic Development Capacity

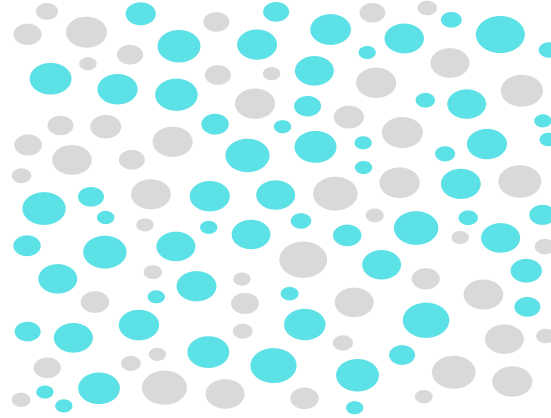
commensurate with other leading U.S. and international regions

Quantitative + Qualitative Sector Selection



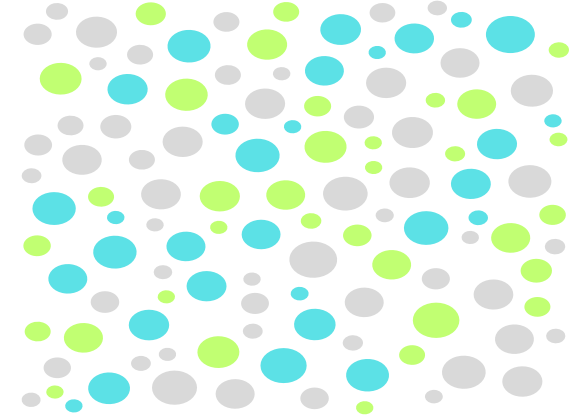
IDENTIFYING

Defining sector options using varied categorizations to find existing, emerging, and converging opportunities, such as traditional industry verticals (*NAICS*), cluster models (*Porter*), input-output relationships (*internal*), and investment portfolios (*Crunchbase*).



FILTERING

Gauging performance of identified mature and emerging industry subsectors based on growth, competitiveness, specialization, and scale to narrow further reviews.



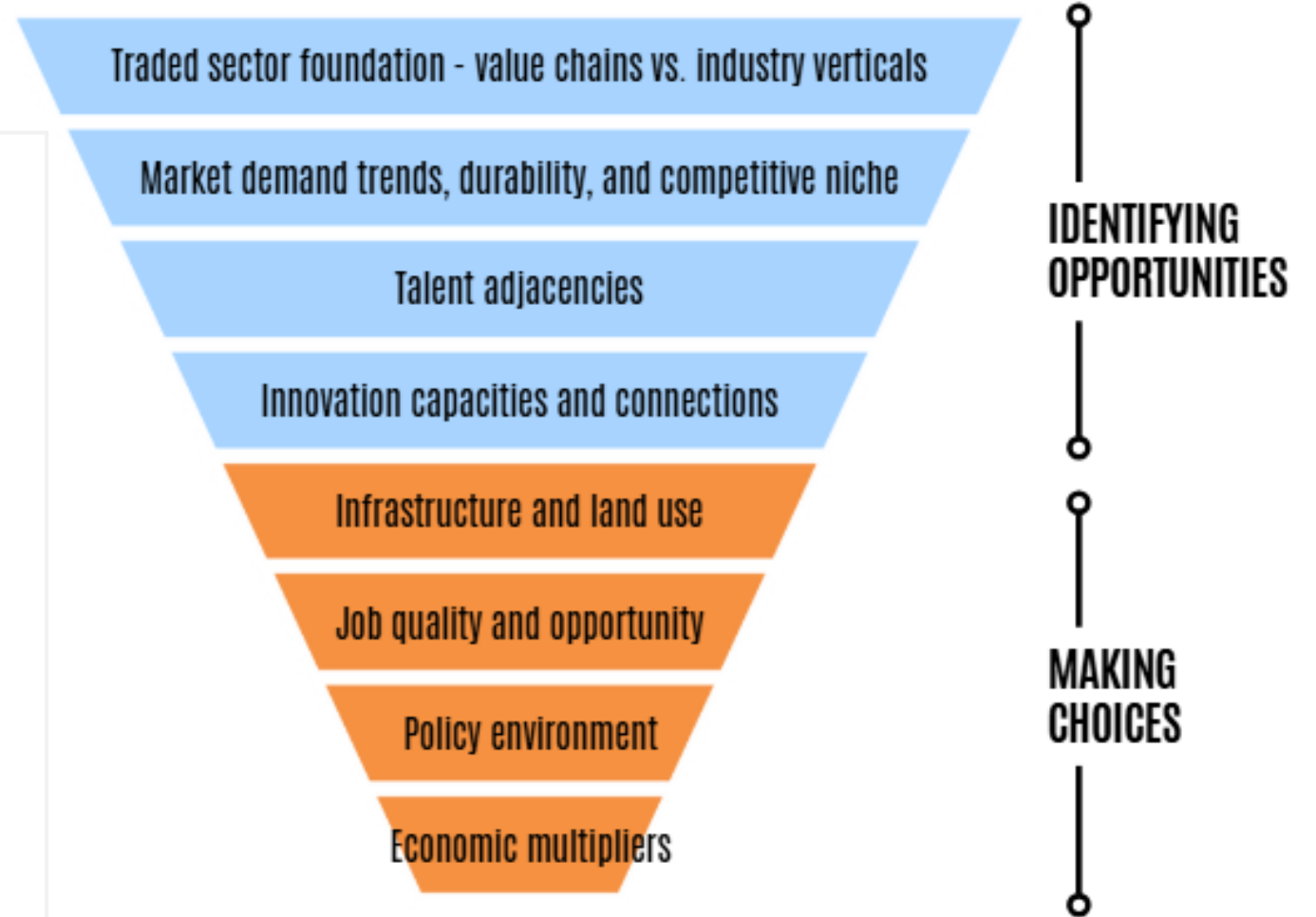
TARGETING

Assessing concentrations of job quality, worker mobility, accessibility, and technological resiliency; talent adjacencies, innovation assets, supportive infrastructure, business intelligence.

Sector Evaluation: Criteria to Filter and Weight Options

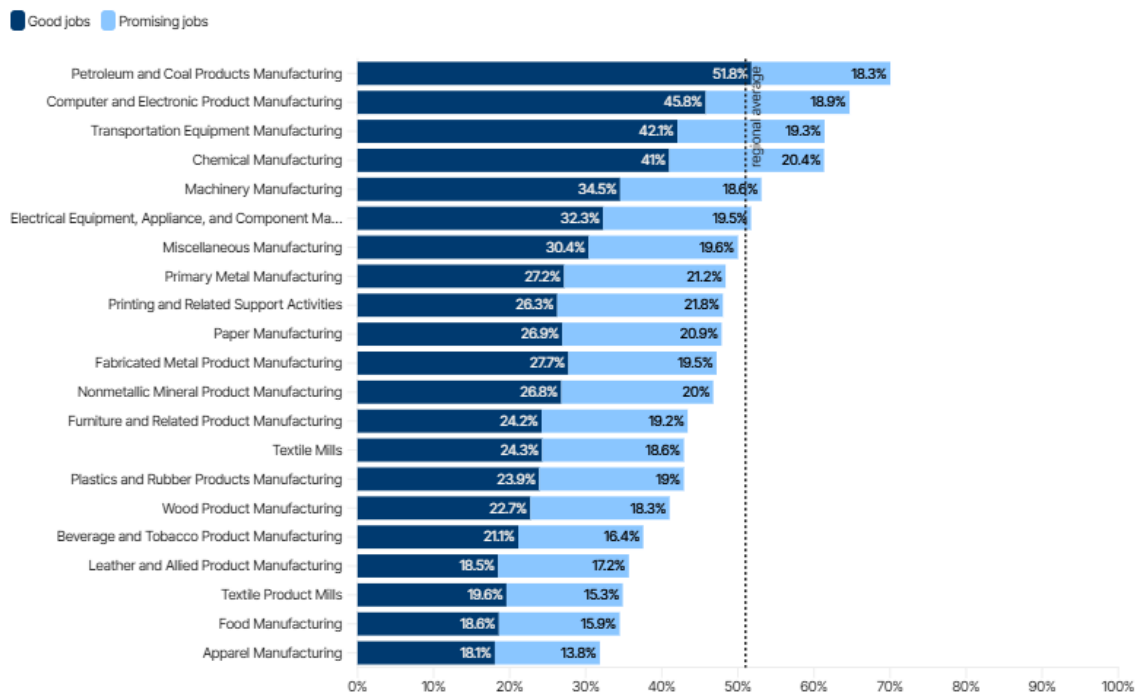
Economic possibilities to
stakeholder preferences:

What is **DOABLE** to
what is **DESIRED**.

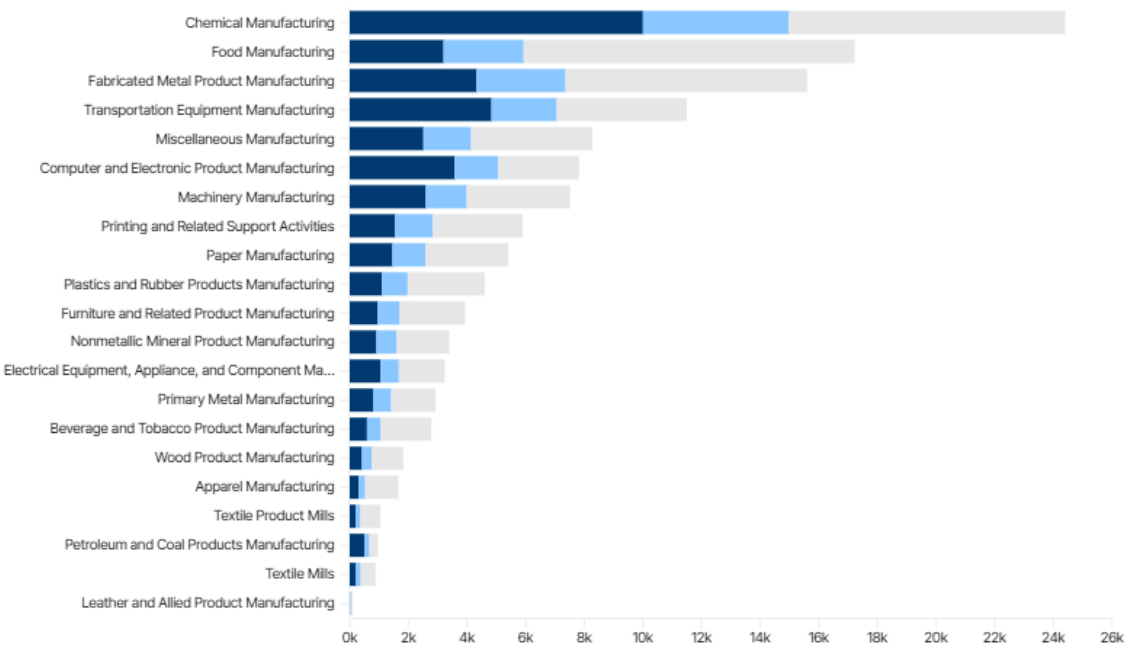


Job quality to understand and target subsectors: Manufacturing

Share of Opportunity Jobs in Manufacturing Subsectors



Number of Opportunity Jobs in Manufacturing Subsectors





VALUE-CHAIN ASSESSMENT + SCALE AND COMPETITIVENESS +
OPPORTUNITY JOBS + INNOVATION CAPACITY + REGIONAL
RECLUSTERING + QUALITATIVE REVIEW =

TARGET SECTORS

MATERIALS MACHINING & FABRICATION and ELECTRONIC COMPONENTS VALUE CHAIN

- Precision machining and component fabrication
- Industrial and process equipment
- Electronic connectors and instrumentation apparatus
- Communication systems and controls
- Related assembly

ENTERPRISE DIGITAL SOLUTIONS

- B2B software platforms and services to manage and optimize back-office and middle-office functions
- enterprise resource planning
- business process management
- financial and payment systems
- data and analytics
- platform enablement and middleware

BIOMEDICAL (expanded beyond current emphasis)

- Therapeutics manufacturing - biologics and pharmaceuticals
- Medical device subsectors
- Retention of commercialized biotech scale-up firms

MATERIALS MACHINING & FABRICATION and ELECTRONIC COMPONENTS VALUE CHAIN

~**26,500** total jobs (+3.8% from 2012)

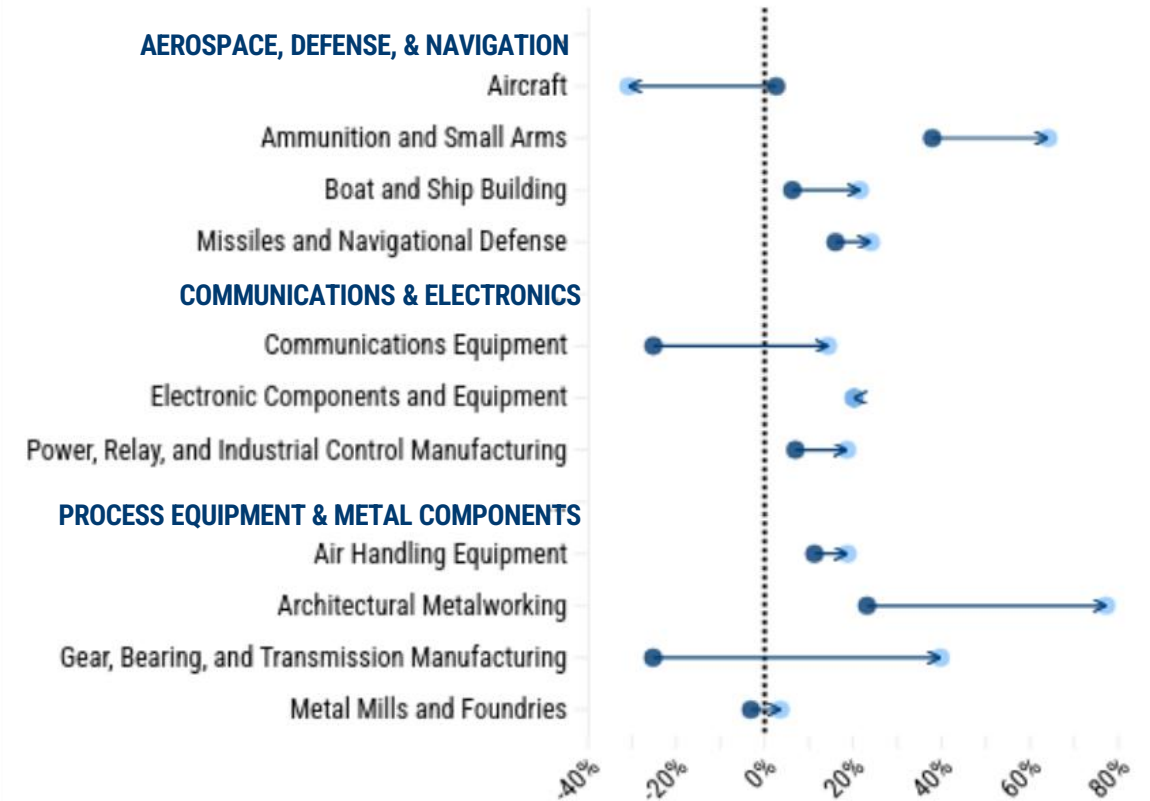
~**15,300** opportunity jobs (38% quality, 20% promising)

- Precision machining and component fabrication
- Industrial and process equipment
- Electronic connectors and instrumentation apparatus
- Communication systems and controls
- Related assembly



Expected vs. Actual Change in Growth and Prosperity within Industry Subsectors, shift-share 2012-2023

● Expected value ● Actual value



ENTERPRISE DIGITAL SOLUTIONS

~40,000 total jobs (+23.5% from 2012)

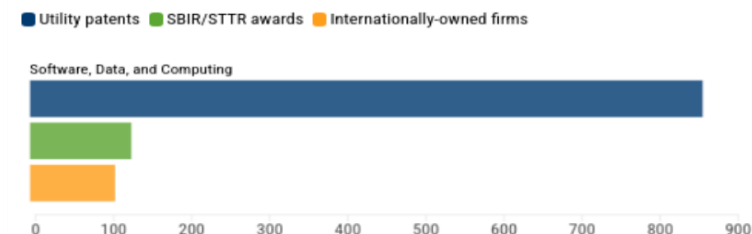
~31,000 opportunity jobs (57% quality, 22% promising)

B2B software platforms and services for back-office and middle-office functions across industries like financial services, insurance, healthcare, and logistics.

- enterprise resource planning
- business process management
- revenue cycle management
- financial and payment systems
- data and analytics
- platform enablement and middleware
- regulatory compliance

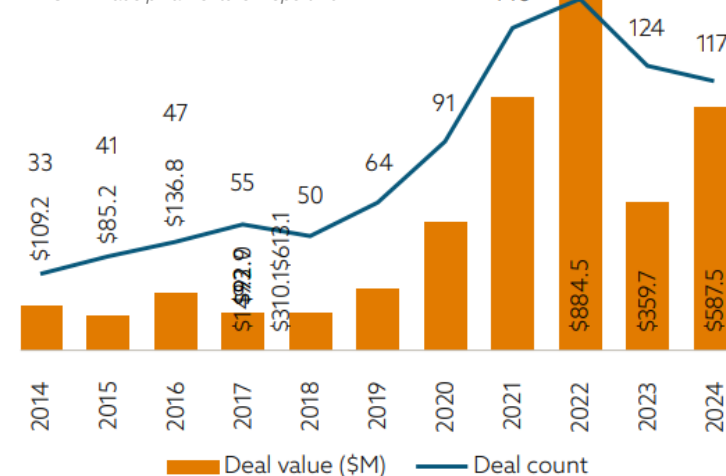


Innovation capacity metrics for Southeastern Pennsylvania
Business Process / Enterprise Tech, 2012-2023



Enterprise Tech VC Activity

PACT Philadelphia Venture Report 2024



Source: PitchBook | Geography: Philadelphia | As of December 31, 2024

BIOMEDICAL

(expanding current focus)

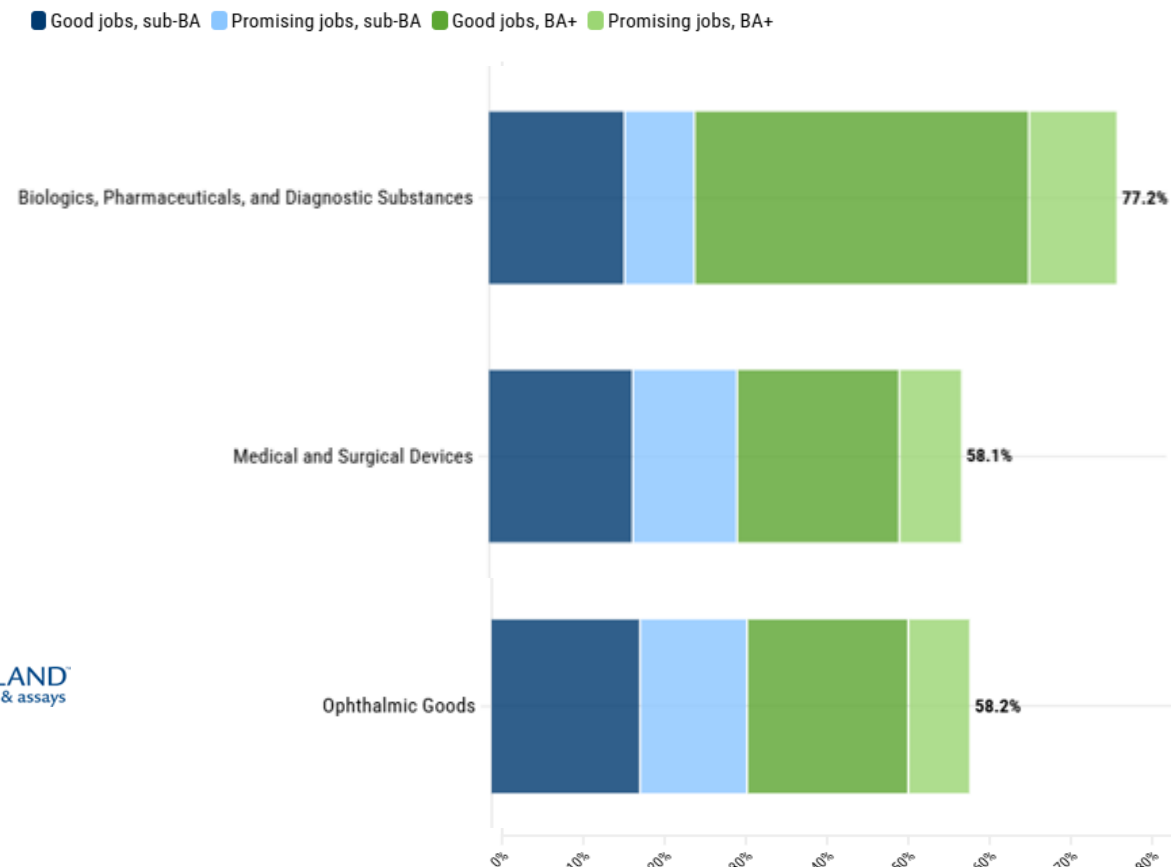
~50,000 total jobs (+27.5.8% from 2012)

~39,000 opportunity (55% quality, 20% promising)

- Therapeutics manufacturing
- Medical Devices
- Retention of commercialized biotech scale-up firms



Opportunity Jobs Share in representative Therapeutic and Medical Device Subsectors by Educational Attainment, 2012-2023



Compared to peers, we need more regional economic development capacity

Peer regions have:

- more people and resources to deliver at regional scale
- less reliance or emphasis on public sector program delivery versus business-led efforts with flexibility to pursue proactive, long-term strategies
- shared tactics-level written strategy prioritizing now and next traded subsectors



4 to 5 times FTE

performing sector-focused research and business retention, expansion, and attraction; cluster-building initiatives; workforce alignment; international engagement; identity and visibility

Outputs and Outcomes for a Regional Economic Agenda



Southeastern
Pennsylvania
Economic
Collaborative

- Market Assessment and Databook
- Sector Prioritization
- Strategies and Tactics
- Activation Workplans
- Functions / Core Capacity development

