

# Report of the Jobs Commission of the City of Philadelphia

Final Report Submitted To:

Michael A. Nutter, Mayor

Darrell L. Clarke, City Council President

City of Philadelphia

Final Report Submitted By:

Philadelphia Jobs Commission

Robert C. Nelson, Chairman

Econsult Solutions, Consultants and Technical Advisors

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## **LETTER FROM THE CHAIRMAN OF THE PHILADELPHIA JOBS COMMISSION**

On behalf of the Philadelphia Jobs Commission and Econsult Solutions, Inc., I am pleased to submit our report.

For the past six (6) months, seventeen (17) appointed members and Econsult Solutions have been meeting as required by Resolution No.110063 to address the crisis of unemployment in our city through a systemic analysis and related development of strategies and recommendations to create and retain private sector employment. We came to recognize, however, that there are no short term solutions as Philadelphia, like the rest of the country, is impacted by this economy. Particularly hard hit are minorities, the re-entry population, immigrants, the least educated, and even college graduates.

Given this magnitude, this report should not be viewed and interpreted as a conclusion to our work but as a blueprint for going forward. The specific recommendations are intended as action steps with an assignment of responsibilities and accountability for outcomes. Unemployment is a city wide problem and thus it has to be addressed by the Mayor and his administration, City Council, Philadelphia Works, the Commerce Department, and all other government departments; education and training providers; the chambers of commerce; and many other stakeholders.

We cannot be satisfied with 10.2 percent unemployment and double that in some communities. The reality is that those who are unemployed couldn't care less about being aggregated within a statistic because in his or her household, the real number is 100 percent.

In closing, I wish to thank the Commission members and Econsult Solutions for giving their all but encourage all of us to be vigilant so our report does not languish on a shelf but does in fact become the blueprint for action.

Robert C. Nelson, Jobs Commission Chairman  
President & CEO, Philadelphia OIC

## MEMBERS OF THE PHILADELPHIA JOBS COMMISSION

Name	Organization
Robert C. Nelson, Chairman	President & CEO, Philadelphia OIC
Sultan Ahmad	Founder, Sultan Ahmad Community Foundation; former MOCS Executive Director
Ruta Bastos	Senior VP, Sovereign Bank; representing Greater Philadelphia Hispanic Chamber of Commerce
Ryan Boyer	Business Manager, Laborer's District Council
Steven Scott Bradley	Chairman, African American Chamber of Commerce
David Donald	Founder & CEO, PeopleShare
Mark Edwards	President & CEO, Philadelphia Works
W. Wilson Goode, Jr.	Councilman At-Large
Ed Grose	Executive Director, Greater Philadelphia Hotel Association
William "Bill" Hart	Executive Director, Mayor's Office of Re-integration Services for Ex-offenders (RISE)
Eden Kratchman	Vice President of Global Corporate Giving, ACE Group; representing Greater Philadelphia Chamber of Commerce
Jaine Lucas	Executive Director, Innovation & Entrepreneurship Institute, Temple University
Bilal Qayyum	President, Father's Day Rally Committee
Narasimha "Nick" Shenoy	President & CEO, Asian American Chamber of Commerce
Al Taubenberger	President, Greater Northeast Philadelphia Chamber of Commerce
Julie Welker	President, Caldwell Banker Welker Real Estate

## EXECUTIVE SUMMARY

The City of Philadelphia formed a Jobs Commission to determine **what City government can do to create and retain private sector jobs for City residents**. To accomplish this task, the Commission produced this report, in which it (1) reviewed **national and local labor market trends**, (2) identified and evaluated **key entities within the City** that influence job creation and retention, (3) articulated the **key factors that contribute to and impede employment growth**, (4) identified **successful policies and initiatives in other jurisdictions**, and (5) established **principles for guiding future policy making**.



After careful deliberation, the Commission developed the following 15 recommendations for immediate action by the City:

### By Executive Order (Reports and Commissions)

Recommendation	Intended Outcome
1. The Commerce Department should produce an annual report that connects job creation and retention to the City’s overall <b>economic development strategy</b> , and that reports on job creation and retention results.	Elevate the issue of job creation and retention, and the role of workforce development in supporting it
2. As part of this annual report, Philadelphia Works should produce a section that looks at how various <b>workforce development</b> programs supported job creation and retention.	
3. The Office of Economic Opportunity (OEO) should produce an annual <b>workforce disparity study</b> that compares employment opportunities represented by City government with the availability of City residents to fulfill those opportunities.	Identify disparities, inform goal-setting, and spur private sector action

Recommendation	Intended Outcome
4. The Mayor should form an <b>ongoing Jobs Commission</b> to monitor the City's progress in implementing these 15 recommendations.	Hold the City accountable to successful implementation of recommendations

#### By Executive Order (Strategic Priorities)

Recommendation	Intended Outcome
5. The City should pursue tax reform, regulatory reform, infrastructure investment, and partnership services to improve the climate for <b>small businesses</b> .	Make the City a "best place for small businesses"
6. The City should use all available means to promote <b>entrepreneurship</b> and increase <b>business formation</b> , including investment in Start Up PHL and focus on technology transfer.	Increase the number of start-ups within the City
7. The City should, through Select Greater Philadelphia and other entities, expand <b>business attraction</b> efforts, with a particular focus on attracting non-US firms seeking a US presence.	Win big relocations and score high on site selection rankings
8. OEO should monitor and enforce <b>Economic Opportunity Plan goals</b> more closely.	Achieve more EOP goals

#### By Legislative Action

Recommendation	Intended Outcome
9. City Council should expand its existing <b>Job Creation Tax Credit</b> .	Induce additional job creation within the City
10. City Council should increase funding to Philadelphia Works to provide additional <b>wage subsidies</b> for private employers that hire from hard-to-employ populations, including ex-offenders.	Connect more hard-to-employ populations within employment opportunities
11. City Council should commit to a <b>long-term schedule of tax reform</b> , including reduction in business and wage tax rates.	Grow the employment base within the City by 25,000 to 50,000



**By Resource Coordination**

Recommendation	Intended Outcome
12. Commerce, Select, Philadelphia Industrial Development Corporation, and Philadelphia Works should <b>coordinate industry, training, and policy efforts</b> , with a particular focus on responding to high employment growth opportunities.	Match labor supply and labor demand more efficiently, and more nimbly respond to opportunities in high-growth sectors
13. Commerce and the Mayor’s Office of Transportation and Utilities should work with SEPTA to provide <b>shuttle service</b> from key City residential hubs to key suburban employment hubs.	Match City labor supply and suburban labor demand more efficiently
14. The City should increase funding to Graduate! Philadelphia and other entities to provide resources to provide easy on-ramps for people to obtain <b>educational credentials</b> .	Credential more City residents to deepen the skilled labor pool and attract employers
15. The Legislative Affairs Office should have a strategic approach to <b>engaging the Commonwealth</b> in these job creation and retention efforts.	Make a compelling case to the Commonwealth for greater funding and coordination

It is hoped that, if acted upon, these recommendations will in fact improve the long-term vitality and attractiveness of the City as a place in which to live and do business, where there are ample and diverse private sector employment opportunities for both long-time and newly arriving City residents. As the City emerges from a painful 50-year long transition from a manufacturing powerhouse into a world-class city and diversified economic hub, it must work with other public, quasi-public, and private entities, in a consistent, comprehensive, and coordinated manner, to create and retain private sector jobs for City residents.



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## 1.0 INTRODUCTION

### 1.1 National and Local Context

**Job creation and retention** are important public policy aims at both the national and local levels. Nationally, the global recession of 2007-2009 and continued high unemployment through the slow recovery have led to considerable debate and action.

The City of Philadelphia (the City) has been adversely affected by these economic events, which have worsened the decades-long decline in employment in the manufacturing sector and the decentralization of business activity from the urban core to suburban areas.

Unemployment and weak job creation impose a heavy cost on individuals, households, and neighborhoods; they place an especially heavy burden on the most vulnerable and disadvantaged populations. Persistent joblessness shrinks the City's tax base and increases the need for critical public services. Conversely, job creation and retention produces economic opportunity, increases household income, stabilizes residential neighborhoods, attracts new residents and commercial activity, and strengthens the local tax base.



### 1.2 The Formation and the Responsibilities of the Jobs Commission

Because of the importance of job creation and retention for the City's economic growth and vitality, Resolution No. 110063 was passed in 2011 by City Council, forming a **Jobs Commission** to perform the following tasks related to creating and retaining private sector jobs for City residents (underlines added):<sup>1</sup>

*The purpose of the Commission is to determine how City government and other public, quasi-public and non-profit agencies can best marshal their resources in a consistent, comprehensive, and coordinated manner to create and preserve private sector jobs for Philadelphians.*

*To that end, the Commission shall identify all entities that play a significant role, either directly or indirectly, in influencing the growth of the local private sector economy; evaluate the effectiveness of those entities, including, but not limited to, the extent to*

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<sup>1</sup> See Appendix A for a full copy of Resolution No. 110063.

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*which their respective initiatives are coordinated with each other; articulate the key factors that contribute to or impede the growth and retention of private sector jobs for Philadelphians; identify successful job creation policies and initiatives used in other jurisdictions; develop a set of principles to guide future decision-making with respect to job creation initiatives; and, through the application of those principles, develop specific recommendations for reform.*

*The analysis undertaken by the Commission shall encompass, but not be limited to, the following areas of concern: job training; workforce development; economic development, including land acquisition and disposition; education; licensing, zoning, and other regulatory processes; and tax policies.*

The Jobs Commission includes 16 government, non-profit, and business leaders, and was chaired by Robert C. Nelson, President and CEO of Philadelphia OIC, Inc.<sup>2</sup> From September 2012 to January 2013, the Jobs Commission conducted monthly meetings, convened several sub-committees, held two public hearings, and worked with Econsult Solutions, Inc., a Philadelphia-based economic consulting firm, to assemble secondary data, survey responses, best practices research, and other information that were necessary to produce this report.

### 1.3 Report Overview

The remainder of this report is divided into seven sections, guided by the language of Ordinance No. 110063:

1. Section 2 – An **overview of national and local labor markets**, with special emphasis on vulnerable and disadvantaged populations.
2. Section 3 – Identification and evaluation of **key influential entities** that influence job creation and retention, and review of the extent to which their efforts are well coordinated.
3. Section 4 – Articulation of the **key factors that contribute to or impede private sector employment growth**.
4. Section 5 – Identification and review of **successful policies and initiatives in other jurisdictions** for creating and retaining jobs.
5. Section 6 – Determination of a set of **principles for guiding future policy making**.

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<sup>2</sup> See Appendix B for a full list of Jobs Commission members.

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6. Section 7 and 8 – Development of **specific recommendations for reform.**

### 1.4 Key Aspects of Job Creation and Retention Not Fully Addressed in This Report

The central topic of this report is influenced by many issues of broad public interest, policy, and concern. However, while related to job creation and retention, the corollary issues are beyond the scope of the Commission's charge, and thus, are not fully addressed in this report.

For example, a common theme in surveys, interviews, and research was the importance of **quality education, public safety, and low taxes** in attracting employers and in growing the local job base. The role of the School District of Philadelphia and the Philadelphia Police Department in influencing private sector employment is undeniable, but this report does not evaluate their impact on job creation or retention.

Taxes are addressed in this report, but are not the central focus of attention. This does not de-emphasize the impact of the tax burden on current employment, nor does it deny that tax policy can positively influence hiring decisions. Indeed, tax policy, whether through the setting of citywide rates or the application of targeted tax credit programs, should be an important component in the City's overall job creation and retention strategy. The discussion of taxes in this report also takes into account the numerous efforts that have been made, and are still underway by City officials to address taxes, including the Mayor's Commission on Tax Policy and Economic Competitiveness in 2009.

Finally, Ordinance No. 110063 expressly focuses the Jobs Commission on the topic of creating and retaining private sector jobs. Therefore, **public sector jobs**, and policies to create and retain them, are not discussed in this report. Public sector job creation and retention can be an important component of a municipality's overall job creation and retention strategy. That must be borne in mind when assessing the impact of public policy on total job creation and retention for City residents.

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## 2.0 OVERVIEW OF NATIONAL AND LOCAL LABOR MARKETS

### 2.1 Overview

The purpose of this section is to give a general overview of **national and local labor markets**, so as to provide the context for the Jobs Commission’s work. Special attention is given to the size and employment conditions of particularly vulnerable and disadvantaged populations.

### 2.2 Important Trends

Employment levels and employment composition within the Philadelphia region reflect the interaction between the following national and local labor market trends:<sup>3</sup>

1. First, **the US has largely shifted from a manufacturing economy to a service economy, due to automation, outsourcing, and technology.** Nationally and in the Philadelphia region, the service sector has seen and will see job increases, and the manufacturing sector has seen and will see job decreases. In the US, from 2000 to 2020, there are expected to be 23 million more professional, education, and health care jobs, and 5 million fewer manufacturing and construction jobs (see Table 2.1). In the Philadelphia region, from 2005 to 2035, there are expected to be 447,000 more professional, educational, and health jobs, and 57,000 fewer manufacturing and construction jobs (see Table 2.2). Despite the national and local interest in rebuilding a base of manufacturing jobs – and without denigrating commendable public and private sector efforts to this end – the fact remains that the vast majority of tomorrow’s jobs are going to be in the service sector.

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<sup>3</sup> See Appendix C for additional detail on national and local labor markets.

**Table 2.1 – Employment Growth in the US from 2000 to 2020 in Selected Sectors**

(000s of Jobs)	# Jobs	# Change		% Distribution		
Industry Sector	2010 Actual	00-10 Actual	10-20 Forecast	2000 Actual	2010 Actual	2020 Forecast
Nonagriculture wage and salary <sup>2</sup>	130,436	-1,989	+19,741	90.6	91.2	91.8
Goods-producing, excluding agriculture	17,706	-6,864	+1,791	16.8	12.4	11.9
Construction	5,526	-1,261	+1,840	4.6	3.9	4.5
Manufacturing	11,524	-5,739	-73	11.8	8.1	7.0
Services-providing	112,730	+4,875	+17,950	73.8	78.8	79.9
Professional and business services	16,688	+22	+3,809	11.4	11.7	12.5
Educational services	3,150	+759	+819	1.6	2.2	2.4
Health care and social assistance	16,415	+3,696	+5,639	8.7	11.5	13.5
Leisure and hospitality	13,020	+1,158	+1,343	8.1	9.1	8.8
State and local government	19,513	+1,588	+1,642	12.3	13.6	12.9

Source: Bureau of Labor Statistics (2012)

**Table 2.2 – Employment Growth in the Philadelphia Region from 2005 to 2035 in Selected Sectors**

(000s of Jobs)	2005 Actual	2035 Forecast	2005-2035 Forecast
Manufacturing	235.2	164.6	-70.6
Construction, Natural Resources, and Mining	131.4	145.2	+13.9
Professional & Business Services	443.0	702.5	+259.5
Educational & Health Services	543.2	731.0	+187.8
<b>Total Private Sector</b>	<b>2,569.2</b>	<b>3,068.0</b>	<b>+498.9</b>

Source: IHS Global Insight (2012)

- Second, **“eds and meds” (academic institutions and medical centers) have dominated and will continue to dominate job growth within the City.** Over the past 10 years and over the next 10 years, “eds and meds” sectors will see the largest job growth. Within

the City, “eds and meds” represent the top two industries by job growth (see Table 2.3), two of the top three sub-industries by job growth (see Table 2.4), and four of the five top occupations by job growth (see Table 2.5) over the past decade, as well as two of the top five sub-industries by forecasted job growth over the next decade (see Table 2.6). The Philadelphia region is well positioned to benefit from the knowledge and health care sectors’ growing importance within the overall economy.

**Table 2.3 – Top Industries in Philadelphia by Change in Jobs from 2001 to 2011**

2-Digit NAICS	Description	2011 Actual	2001-2011 Actual
62	Health Care and Social Assistance	150,685	+29,115
61	Educational Services	77,590	+17,432
55	Management of Companies and Enterprises	13,357	+8,061
53	Real Estate and Rental and Leasing	19,485	+3,082
71	Arts, Entertainment, and Recreation	15,362	+2,246

*Source: EMSI (2011)*

**Table 2.4 – Top Sub-Industries in Philadelphia by Change in Jobs from 2001 to 2012**

3-Digit NAICS	Description	2012 Actual	2001-2012 Actual
611	Educational Services	76,629	+18,247
624	Social Assistance	33,404	+14,569
621	Ambulatory Health Care Services	38,805	+10,338
722	Food Services and Drinking Places	43,436	+9,916
551	Management of Companies and Enterprises	9,201	+4,082

*Source: IHS Global Insight (2012)*

**Table 2.5 – Top Occupations in Philadelphia by Change in Jobs from 2001 to 2011**

2-Digit SOC	Description	2011 Actual	2001-2011 Actual
25	Education, training, and library occupations	72,080	+10,223
39	Personal care and service occupations	30,120	+8,422
31	Healthcare support occupations	27,394	+5,791
21	Community and social services occupations	23,250	+4,781
29	Healthcare practitioners and technical occupations	56,034	+4,703

Source: EMSI (2011)

**Table 2.6 – Top Sub Industries in Philadelphia by Change in Jobs from 2012 to 2020**

3-Digit NAICS	Description	2012 Actual	2012-2020 Forecast
561	Administrative and Support Services	23,248	+9,392
624	Social Assistance	33,404	+7,858
621	Ambulatory Health Care Services	38,805	+5,559
481	Air Transportation	10,309	+4,786
623	Nursing and Residential Care Facilities	19,380	+2,777

Source: IHS Global Insight (2012)

- Third, decentralization from urban cores to suburban locations has resulted in a **significant shifting of employment from the City to suburban counties** in the Philadelphia region. The 814,000-job increase in the 11-county Philadelphia Metropolitan Statistical Area (MSA)<sup>4</sup> between 1975 and 2010 consisted of the City losing 150,000 jobs and the other 10 counties gaining 964,000 jobs (see Table 2.7). As a high proportion of City residents commute to suburban jobs, these spatial shifts are not necessarily bad for the employment prospects of City residents, so long as they have the education, training, and transportation infrastructure to access these jobs.

<sup>4</sup> Philadelphia MSA = Philadelphia, Bucks, Chester, Delaware, and Montgomery counties in Pennsylvania; Burlington, Camden, Gloucester, and Salem counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland.

**Table 2.7 – Nonfarm Employment Growth in Philadelphia and Surrounding Counties from 1975 to 2010 (in 000s)**

(000s of Jobs)	1975 Actual	1980 Actual	1990 Actual	2000 Actual	2010 Actual	1975- 2010 Actual
Philadelphia	807.3	782.0	739.8	694.0	657.6	-149.7
Philadelphia 5-County Region	1,481.6	1,578.8	1,756.5	1,894.3	1,862.1	+380.5
Philadelphia 5-County Region Minus Philadelphia	674.3	796.8	1,016.7	1,200.3	1,204.5	+530.2
Philadelphia 11-County Region	2,093.3	2,288.5	2,677.4	2,936.1	2,907.4	+814.1
Philadelphia 11-County Region Minus Philadelphia	1,286.0	1,506.5	1,937.6	2,242.1	2,249.8	+963.8

*Source: IHS Global Insight (2012)*

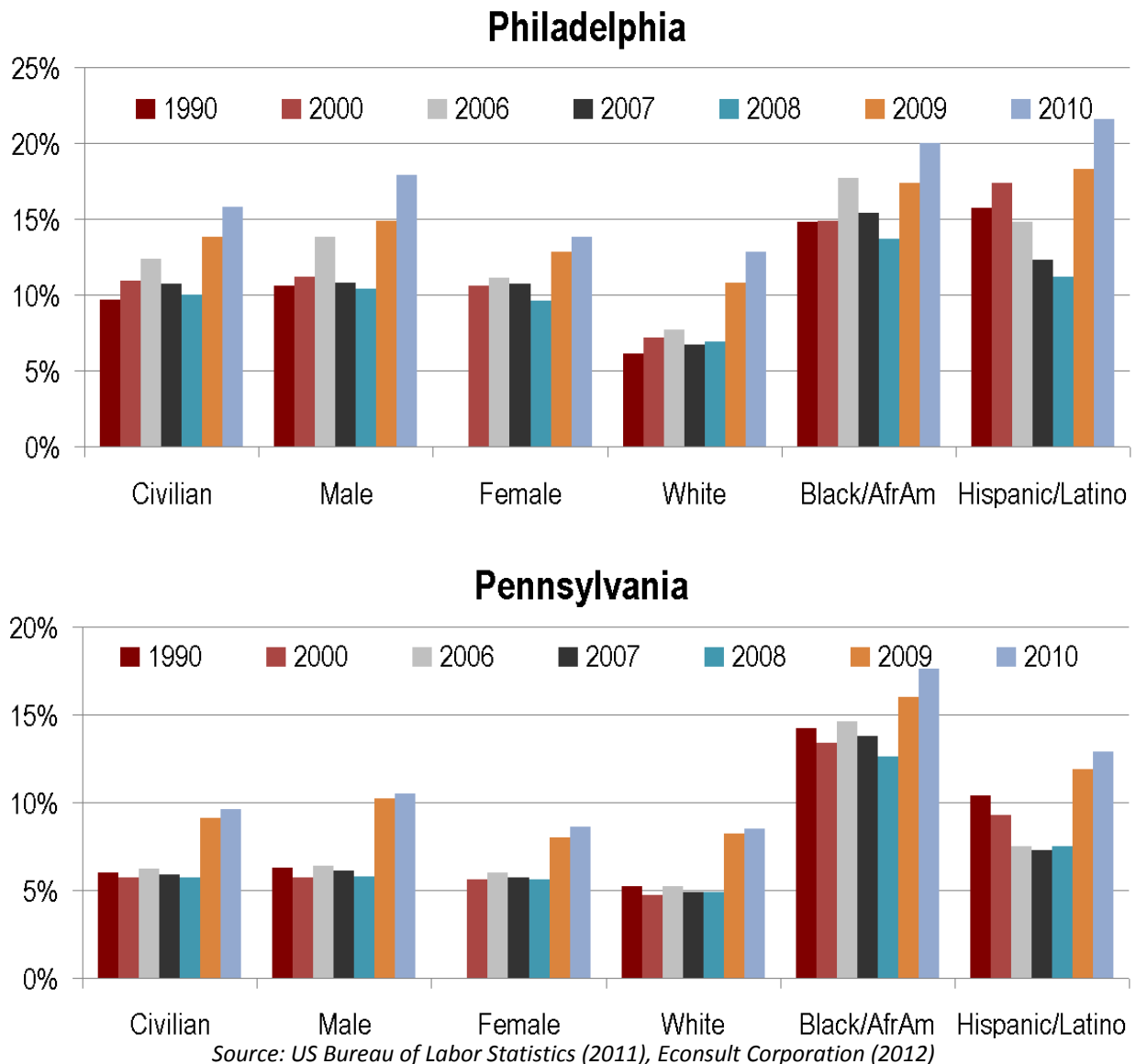
### 2.3 Vulnerable and Disadvantaged Populations

In the midst of continued high unemployment rates nationally, certain populations face and have faced particular distress:



1. **Black and Hispanic** unemployment rates remain persistently higher than average in both Philadelphia and Pennsylvania (see Figure 2.1).

**Figure 2.1 – Unemployment Rates over Time for Selected Demographic Categories**



2. Among **veterans**, labor force participation has decreased and unemployment has increased (see Table 2.8).

**Table 2.8 – Selected Employment Data for Veterans Living in the City of Philadelphia**

	2005	2011	2005-2011 Change
Veteran Population	51,665	44,481	-13.9%
Veteran Labor Force Population	34,779	29,254	-15.9%
Veteran Labor Force Participation	67.3%	65.8%	-1.5%
Veteran Unemployed Population	4,069	4,393	+8.0%
Veteran Unemployment Rate	11.7%	15.0%	+3.3%

Source: American Community Survey (2012), Econsult Corporation (2012)

3. Neighborhoods where high numbers of **ex-offenders** return to are characterized by above-average unemployment rates (see Table 2.9).

**Table 2.9 – Unemployment Rates for Zip Codes in the City of Philadelphia with the Highest Concentration of Ex-Offenders<sup>5</sup>**

Zip	Annual Releases	Ex-Offender Ratio	Unemployment Rate
19121	1,023	2.80%	22.5%
19140	1,507	2.78%	20.4%
19133	705	2.71%	26.4%
19132	906	2.50%	17.7%
19139	919	2.23%	15.9%
19143	1,416	2.18%	15.0%
19134	1,313	2.16%	16.8%

Source: City of Philadelphia Mayor's Office of Reintegration Services (2012), Zip Atlas (2012), Econsult Corporation (2012)

<sup>5</sup> "Annual Releases" = Philadelphia County inmate releases from January 2009 to July 2012, annualized. These do not necessarily represent the number of inmates released, since some inmates may have been released multiple times during this time period. "Ex-Offender Ratio" = "Annual Releases" divided by residential population. See Appendix D for a more detailed version of this table.

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## 2.4 Implications for City Policy

These trends and data points suggest at least three broad implications for City policy as it relates to creating and retaining jobs for City residents:

1. **Defend the City as a location for employment.** The increasing fluidity of commerce and workforce means that the City must constantly refine its value proposition as a location for business and employment. It can no longer consider the successful creation or retention of a particular job or set of jobs to be final, but must work to make sure that there is an ongoing reason for it to make sense for that job or set of jobs to be located in the City. And, on a related note, it must consider all jobs and sets of jobs to be potentially mobile – moved to a new location or performed by a new person or group of people – and must therefore cultivate an ongoing reason that its present location continues to work.
2. **Provide the necessary educational resources for today’s employees.** The heightened educational needs of jobs at all levels mean that upfront and ongoing workforce development has increased in importance. The City must work with academic institutions, non-profit organizations, and the private sector to make sure that the appropriate onramps, resources, and credentialing are in place to respond. This is particularly true for vulnerable populations for whom additional education and credentialing is needed to secure even entry-level positions. This is also true for jobs that require continuing education, for a thoughtful and strategic approach to providing that continuing education may mean the difference between retaining the job in the City and having that job move to where the workforce and ongoing educational resources can be more accessible.
3. **Make the most of the City’s concentration of “eds and meds.”** The relative strength of the City and region in education and health care should be leveraged from a job creation and retention standpoint. Universities, hospitals, and research centers directly employ a significant number of people in the City, their work indirectly supports additional employment, and the people and spending they draw into the City further supports even more employment. Their large presence within the City also reinforces the previous two points: proximity to major institutions is a reason to locate jobs within the City rather than elsewhere, and access to educational resources and research activity supports the upfront and ongoing preparation of workers for a variety of employment opportunities.

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## 3.0 IDENTIFICATION AND EVALUATION OF KEY INFLUENTIAL ENTITIES

### 3.1 Overview

The purpose of this section is to **identify and evaluate key public, quasi-public, and non-profit entities that influence job creation and retention**. Rather than provide a full-scale evaluation of each entity's programs and operations, the focus of this section is on each entity's role in the citywide effort to create and retain jobs, the extent to which counts of created and retained jobs are being recorded and publicized, and the extent to which entities are coordinated in that effort.

### 3.2 Identification of Key Influential Entities

The Jobs Commission identified **over 30 entities involved in job creation and retention** within the City. That is, there are over 30 organizations at work within the City that have some influence on job creation and retention for City residents. These entities included City departments (e.g. Commerce Department), quasi-public entities (e.g. Philadelphia Industrial Development Corporation), chambers of commerce (e.g. Greater Philadelphia Chamber of Commerce), technical assistance providers (e.g. The Enterprise Center), financing sources (e.g. Ben Franklin Partnership), and special service districts (e.g. Center City District). Together they provide a variety of resources for private sector employers (see Table 3.1). These entities were surveyed and interviewed as part of the Commission's work.<sup>6</sup>

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<sup>6</sup> See Appendix E for a glossary of entity names and functions, and a brief description of each entity.

**Table 3.1 – Key Influential Entities and the Resources They Provide**

	Coordinate	Certif/Monitor	Planning	Tech Asst	Advocacy	Mktg macro	Mktg micro	Financing	Grants	Wkfc Devt	Entprnrshp
<b><u>City/Commonwealth</u></b>											
Commerce	X								X		
OEO		X		X							
OHCD								X			
PCPC			X								
PRA								X			
DCED (PA)								X			
<b><u>Quasi-Public</u></b>											
PIDC				X	X	X	X	X			X
DRPA								X			
DVRPC			X								
PCVB						X					
PhilaWorks				X					X	X	
<b><u>Chambers of Commerce</u></b>											
GPCC					X						
Afr-Am					X						
Asian					X						
Hispanic					X						
NE Phila					X						
<b><u>Other Non-Profit</u></b>											
ACF				X						X	
Baiada				X							X
Ben Franklin								X			
CCD							X				
DVIRC				X							

	Coordinate	Certif/Monitor	Planning	Tech Asst	Advocacy	Mktg macro	Mktg micro	Financing	Grants	Wkfc Devt	Entirprnrshp
Economy Lg					X						
Entrep Works				X				X			X
GPTMC						X					
IVC						X					
OIC					X					X	
PACDC				X			X				
Select					X						
TEC				X				X			X
TRF								X			
TU SBDC				X							
UAC		X									
UCD							X			X	
Urban L					X						
WBDC				X				X			X
WH SBDC				X							
WORC				X				X			
WTCGP						X					
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>14</b>	<b>10</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>2</b>	<b>4</b>	<b>5</b>

Source: Econsult Corporation (2012)

### 3.3 Performance and Measurement of Key Influential Entities

Three themes emerged from this exercise of identifying and evaluating key influential entities involved in the creation and retention of jobs for City residents, and surveying and interviewing a subset of them to better understand how they work individually and collaboratively:

1. First, there is **an abundance and diversity of work** happening throughout the City on this issue. There are numerous examples of organizations and initiatives, and they span a wide range of audiences, functions, and objectives.
2. Second, there is **a relative lack of quantitative reporting** by these entities on dollars invested in job creation and retention and on jobs created and retained as a result of those investments. There is therefore little in the way of quantitative metrics for determining if and where successful outcomes are being achieved.
3. Third, the **Commerce Department** should play and does play the natural coordinative role on this issue, in its provision of targeted programming, its intersection with all of the key influential entities identified in this report, and its interface with the rest of City government to the private sector. It is therefore primary among all such entities when contemplating the overall effectiveness of these entities in the aggregate as it relates to job creation and retention.

### 3.4 Implications for City Policy

These themes suggest an active role for the City, through the Commerce Department, to do the following:

1. **Articulate** the City's overall job creation and retention strategy.
2. **Translate** that strategy to key influential entities.
3. Help entities **place** their resources and activities within this overall strategy.
4. Play a **convening** and **coordinative** role across entities.
5. **Connect** into this work any relevant City initiatives and resources.
6. **Establish, require, gather, analyze, and disseminate** specific performance metrics related to job creation and retention.

As noted above, the City, through the Commerce Department, does currently fulfill these roles in the service of job creation and retention, through a variety of programs and initiatives. The purpose of expressing these functions, and of articulating specific recommendations later in this report, is to more explicitly direct the efforts of the City and of the Commerce Department to the end of creating and retaining jobs for City residents.

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## 4.0 ARTICULATION OF THE KEY FACTORS THAT CONTRIBUTE TO OR IMPEDE PRIVATE SECTOR EMPLOYMENT GROWTH

### 4.1 Overview

The purpose of this section is to **articulate the key factors that contribute to or impede private sector employment growth for City residents**. As noted in Section 1, this report focuses on factors that can be controlled by the City (e.g. not factors like weather or proximity to other big cities). Other contributing factors that might technically come under the purview of the City are not addressed in this report, such as school quality and public safety, as they are outside the scope of the Commission's work and are dealt with in other avenues.

### 4.2 Deconstructing Private Sector Employment Growth

Fundamentally, the change in the number of jobs in a given location represents the sum of the following components:

Employment level in a given location in a given year

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= Employment level in a given location in the previous year

+ New firms opening within the location

+ Existing firms within the location increasing their head count

+ Existing firms outside of the location relocating within the location

- Existing firms within the location closing

- Existing firms within the location decreasing their head count

- Existing firms within the location relocating outside of the location



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This is a useful framework for understanding whether and where employment levels are changing within the City and surrounding suburban counties, because each component reveals something about relative attractiveness as a location for employment:

1. New firms open where a location is conducive for entrepreneurial activity.
2. Existing firms increase or decrease their head count in response to demand.
3. Existing firms might move into or out of the City to be closer to customers, employees, vendors, or raw materials.
4. Existing firms might also move into or out of the City, even while maintaining the same geographic proximity to customers, employees, vendors, or raw materials, simply because there is some advantage to being on one side of the municipal boundary versus the other side, perhaps because of taxes or regulations.

### **4.3 Historical Components of Private Sector Employment Growth**

In fact, thanks to data work conducted by the Delaware Valley Regional Planning Commission, the composition of private sector employment growth within the City and surrounding suburban counties can be detailed in this way. There are a number of instructive points that can be made from this information, which looks at employment from 1990 to 2010:<sup>7</sup>

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<sup>7</sup> See Appendix F for additional detail on the composition of net employment growth in the Philadelphia region.

1. Within the City, **existing firms that expanded or contracted** represented a net gain of 109,000 jobs, but **business births minus business deaths** represented a net loss of 92,000 jobs and **business relocations in minus business relocations out** represented a net loss of 60,000 jobs (see Table 4.1).

**Table 4.1 - Composition of Change in Employment and Firms within the City of Philadelphia and the Philadelphia Suburban Counties from 1990 to 2010**

Philadelphia	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
Jobs	779,244	(871,106)	109,472	48,526	(108,071)	(41,935)
Jobs	Births Minus Deaths = -91,862			Relo In Minus Out = -59,545		
Firms	143,268	(103,943)		3,298	(6,493)	36,130
Firms	Births Minus Deaths = +39,325			Relo In Minus Out = -3,195		
Suburbs	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
Jobs	1,456,683	(1,560,364)	173,086			69,405
Jobs	Births Minus Deaths = -103,681			Relo In Minus Out = N/A		
Firms	317,830	(223,922)				93,908
Firms	Births Minus Deaths = + 93,908			Relo In Minus Out = N/A		

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

2. The City saw sizeable losses in **manufacturing and finance/insurance (minus 100,000 jobs)**, and similar large gains in **information and public administration (plus 63,000 jobs)** (see Table 4.2).

**Table 4.2 - Composition of Change in Employment within the City of Philadelphia from 1990 to 2010, Selected Industries**

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
23 Constr	29,245	(32,555)	5,739	2,565	(5,431)	(437)
31-33 Manuf	34,303	(80,906)	3,167	7,660	(15,138)	(50,914)
48-49 Trans & Warehouse	23,948	(46,019)	14,902	2,225	(3,770)	(8,714)
51 Info	29,750	(28,969)	24,281	2,894	(4,923)	23,033
52 Finance & Insurance	36,599	(72,586)	(254)	5,213	(18,421)	(49,449)
54 Prof Svcs	72,674	(76,660)	9,922	5,827	(12,884)	(1,121)
61 Educ	26,840	(25,620)	(3,584)	509	(1,515)	(3,370)
62 Health	100,572	(101,344)	11,570	7,183	(12,367)	5,614
71 Arts & Rec	12,739	(10,637)	4,127	384	(1,144)	5,469
72 Accom & Food	52,811	(52,311)	2,419	1,707	(1,449)	3,177
92 Public Adm	70,735	(49,163)	20,586	26	(1,947)	40,237
<b>Total Change in Jobs</b>	<b>779,244</b>	<b>(871,106)</b>	<b>109,472</b>	<b>48,526</b>	<b>(108,071)</b>	<b>(41,935)</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

3. Of the 6,500 firms and 108,000 jobs that left the City, about two-thirds ended up in one of the City's four suburban Pennsylvania counties (see Table 4.3).

**Table 4.3 - Distribution of Firms and Employees of Firms Relocating from the City of Philadelphia to the Philadelphia Suburban Counties (Bucks, Chester, Delaware, Montgomery) between 1990 and 2010**

	Firms	Employees
Bucks	1,180	13,233
Chester	238	4,658
Delaware	744	12,890
Montgomery	2,337	36,164
<b>Total (four suburban counties)</b>	<b>4,499</b>	<b>66,945</b>
<b>Total (including all other counties)</b>	<b>6,493</b>	<b>108,071</b>

*Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)*

4. **Firms relocating into the City** represented about 2,400 new jobs per year (a high of 5,200 jobs in 2004), while **firms relocating out of the City** represented about 5,400 lost jobs per year (a high of 10,200 in 1995) (see Table 4.4).

**Table 4.4 - Arrival of Firms and Employees to the City of Philadelphia and Departure of Firms and Employees from the City of Philadelphia between 1990 and 2010**

Employees	Relo In	Relo Out	Firms	Relo In	Relo Out
1990	3,027	5,576	1990	170	387
1991	3,580	5,925	1991	149	328
1992	2,047	8,971	1992	112	323
1993	2,922	8,408	1993	198	334
1994	1,863	7,468	1994	97	281
1995	2,934	10,221	1995	136	396
1996	1,401	6,135	1996	138	271
1997	1,488	4,778	1997	120	256
1998	1,418	4,560	1998	131	235
1999	1,522	7,513	1999	106	199
2000	3,282	3,108	2000	168	241
2001	2,019	3,741	2001	202	397
2002	2,334	7,437	2002	189	367
2003	3,152	3,293	2003	225	435
2004	5,154	3,680	2004	206	460
2005	1,156	5,561	2005	152	304
2006	1,903	2,659	2006	154	314
2007	1,893	2,034	2007	161	266
2008	2,644	3,246	2008	197	313
2009	2,787	3,757	2009	287	386
<b>Grand Total</b>	<b>48,526</b>	<b>108,071</b>	<b>Grand Total</b>	<b>3,298</b>	<b>6,493</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

5. In both the City and its four suburban Pennsylvania counties, there was a **net expansion of jobs in existing firms among smaller sized firms, and a new contraction of jobs in existing firms among larger sized firms** (see Table 4.5).

**Table 4.5 - Expansion/Contraction of Employment in the Philadelphia Five-County Region between 1990 and 2010, by Firm Size**

# Employees	Philadelphia	Suburbs
1-4	113,787	187,666
5-9	29,315	56,586
10-19	35,064	54,247
20-49	23,460	61,288
50-99	28,874	43,836
100-249	2,718	1,632
250-499	(8,259)	(40,185)
500-999	(6,385)	(33,179)
1,000-2,499	(49,682)	(91,912)
2,500-4,999	(22,220)	(24,486)
5,000+	(37,200)	(42,407)
<b>Total</b>	<b>109,472</b>	<b>173,086</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

#### **4.4 Key Factors That Contribute to or Impede Private Sector Employment Growth**

These findings are consistent with the opinions expressed by numerous individuals and organizations involved in job creation and retention in the City. The Jobs Commission surveyed and interviewed dozens of individuals and organizations as to the key factors that contribute to or impede private sector employment growth. Recent relevant City Council hearings, such as the ones called by the Jobs Commission, were also considered as source material for determining on-the-record remarks by key leaders throughout the region on the subject of job creation and retention.

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The following represent the major themes that emerged from this primary research, in terms of key factors that contribute to or impede private sector employment growth (in no particular order):

1. **Educated workforce** (K-12 and higher education). Many business leaders spoke of the importance of both world-class universities and quality public schools. The former represents a source for innovative ideas, prospective employees, and ongoing training resources, and was usually spoken of as a plus for the City. The latter represents a pipeline for employees as well as a major determinant for executives and employees considering a location, and was usually spoken of as a minus for the City.
2. **Quality of life**. One of the City's perceived strengths is its depth and breadth of available quality of life assets, whether cultural institutions, night life, or outdoor amenities. These resources are gaining in importance for both employers and employees as they make locational decisions.
3. **Public safety**. Perception of crime continued to negatively characterize many people's impressions of the City. Public safety was seen as a basic prerequisite for business location and expansion, and uncertainty in this issue was raised more than once as a primary reason for not selecting the City as a place for establishment and growth.
4. **Taxes**. The wage tax was particularly singled out as disadvantaging the City as a business location. The complexities of tax compliance were also raised as a deterrent to business formation and expansion.
5. **Regulations**. Small and large businesses both perceive the City's regulatory climate to be an impediment to business formation and expansion. Among the difficulties raised were those associated with getting zoning approval, initiating a development project, obtaining proper licenses, and navigating various business-specific rules.
6. **Land**. The City's relatively low land costs and its many vacant parcels represent easier on-ramps for businesses seeking land for business formation or expansion. PIDC has had success in assembling land for incoming land-intensive businesses, which has greatly facilitated business relocation into the City.
7. **Financing**. PIDC has also had success in providing financing for businesses, as have a number of non-profit entities such as Ben Franklin Technology Partnership and The Enterprise Center. These sources make more business activity possible by filling in where traditional sources have opted out.
8. **Public services**. As with public safety, basic public services were seen as a baseline prerequisite for a business location. Beyond the tangible services, many business

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leaders spoke of the importance of interfacing with a local government committed to delivering good customer service.

9. **Transportation infrastructure.** The City's transportation resources were seen as a significant plus for job creation and retention, because of the ways they facilitate personal and commercial connectivity. This includes its airports, ports, rail lines, and public transportation, and enables the City to support a wide range and high density of business activity in a number of industry sectors.
10. **Resources for business formation.** Many business leaders approached the topic of key factors that contribute to or impede private sector employment growth by considering the extent to which a location was supportive of entrepreneurial activity. This includes technical assistance, access to public sector contract opportunities, available financing sources, and a vibrant community of entrepreneurs.
11. **Inclusivity.** Many leaders considered a location's inclusivity to speak to its ability to create and retain jobs. This is a valid connection, because job creation and retention depends on whether discrimination exists, and whether all populations can connect into the social capital networks needed to succeed in business.

#### 4.5 Implications for City Policy

All of these key factors can be influenced by City policy, some more directly than others. In some cases, such as with taxes and regulations, the City almost completely controls the levers needed to effect changes. In other cases, such as with transportation infrastructure, the City must work with other governmental entities to invest, maintain, and coordinate. In still other cases, such as with workforce development, entrepreneurial support, and business financing, the City can partner with key influential entities to provide the necessary services, and resources. In all cases, it is in the City's interest to act, as it can, to minimize impediments and maximize strengths, to the end of creating and retaining private sector jobs for City residents.



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## 5.0 IDENTIFICATION OF SUCCESSFUL POLICIES AND INITIATIVES IN OTHER JURISDICTIONS

### 5.1 Overview

The purpose of this section is to identify successful job creation and retention policies and initiatives in other jurisdictions. The Jobs Commission had three thoughts in mind when undertaking this exercise. First, it was important to connect job creation and retention to the policies and initiatives that caused them. Second, it policies and initiatives in other jurisdictions were assessed for their relevance and applicability to the City. Third, the goal is to connect major themes from previous sections of this report (Section 2, Section 3, and Section 4) to lessons learned from other jurisdictions in order to tease out guiding principles (Section 6) that inform the development of specific recommendations to create and retain jobs for City residents (Section 7 and Section 8).

### 5.2 Framework for Identifying Successful Policies and Initiatives in Other Jurisdictions

In conducting research on successful policies and initiatives in other jurisdictions, the Commission was guided by a desire recognize the context in locations similar to Philadelphia, while remaining open to lessons learned in those jurisdictions. The Commission also was guided by the need to probe into initiatives and their effects, so they could be properly translated feasible and appropriate actions for the City.

The work of the Commission on this issue involved both primary and secondary research. The Commission absorbed program content from other localities, as well as analytical reports and media coverage related to those programs. It also made contact with some of these locations to more directly hear about these initiatives, their aims, and their practical implementation.

### 5.3 Recurring Themes in Successful Policies and Initiatives in Other Jurisdictions

Three sets of successful policies and initiatives in other jurisdictions warrant highlighting in this report:

1. A number of **regional tax commissions** have been formed to help urban cores coordinate with their suburban counterparts to minimize any counterproductive

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distortions of business activity resulting from having so many different taxing jurisdictions within the same region. These efforts, such as the Regional Tax Policy Task Force in Illinois and the Business Tax Policy Review Task Force in Connecticut, recognize both the link between tax policy and development patterns, as well as the very real way in which cities and suburbs compete together as a unit against other metropolitan regions across the US and around the world.

2. A number of jurisdictions have, through economic development entities formed for this purpose, **aggressively packaged incentives** (tax breaks, land, expedited permitting) to assist in business formation, expansion, and attraction, and to encourage job creation and retention. Most prominent among these entities is the New York City Economic Development Corporation (NYCEDC), which utilizes a rigorous screening process of quantitative and qualitative analyses to focus tax exemptions to high-leverage applicants. Other examples include the State of Maryland's \$1,000 tax credit for businesses that create new jobs, and the City of Cincinnati's tax credit for employers that create at least 25 new jobs within the City and that commit to retaining those jobs for twice the length of the tax credit period.
3. A number of big cities instituted mechanisms by which businesses could more efficiently **liaise with municipal government** to navigate public services and hold it accountable for job creation and retention outcomes. For example, New York City's Division of International Business assists international businesses by providing information and referrals to assist on legal issues, taxation, office space, banking, and correspondence with city agencies. The City of Boston has a permanent Employment Commission for the purpose of making sure that City construction employment goals are met.
4. There are numerous **initiatives targeted to special populations**, such as minority entrepreneurs, ex-offenders, and the chronically homeless. These efforts accomplish the very important public policy objective of making for a more inclusive economy, and of providing the necessary on-ramps and support for full labor force participation.

## 5.4 Implications for City Policy

These and other kinds of successful policies and initiatives warrant further exploration, but even at this stage of research it is clear that the City can benefit from their existence and progress as it seeks to create and retain jobs for its residents. They provide a framework for the City to consider its own policies and initiatives, as well as a blueprint for translating successful concepts into impactful solutions.

## 6.0 PRINCIPLES FOR GUIDING FUTURE POLICY MAKING

### 6.1 Overview

The purpose of this section is to establish some general principles from which lessons learned from the previous sections can be translated into specific policy recommendations for the City to implement. Policies are enacted to advance specific objectives as well to address specific problems, so it is useful to state what these principles are that shape the direction the Jobs Commission has taken in advancing specific recommendations, which are detailed in Section 7.

These principles also serve the purpose of organizing recommendations into distinct (albeit overlapping) categories, some of which are focused on employees (i.e. improving labor supply), some of which are focused on employers (i.e. increasing labor demand), some of which are focused on more efficiently connecting employees and employers (i.e. matching labor supply and labor demand), and some of which are focused on the broader coordinative role that the City should naturally play (see Figure 6.1).

**Figure 6.1 – Principles for Guiding Future Policy Making**

<u>Labor Supply</u> (1) Workforce development (2) Programs for special populations	<u>Matching Labor Supply with Labor Demand</u> (6) Regional collaborations	<u>Labor Demand</u> (3) Overall tax policy (4) Targeted tax incentives (5) Entrepreneurship
<u>Overall City Policy</u> (7) Coordination of policy and information		

*Source: Econsult Corporation (2012)*

### 6.2 Principle #1 – Workforce Development

**Workforce development** is an important component to creating and retaining jobs for City residents because it represents a way to improve the current labor force and to make the City a more attractive location for employers. The past 50 years have seen a fundamental shift in the geographic and industry distribution of employment and in the characteristics of employees sought by employers. In some cases, labor markets have adjusted, but in other cases, training

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may be needed to redeploy people to where the jobs are now located. Since the City is a major provider and coordinator in the workforce development space, this represents a major lever in creating and retaining jobs.

### 6.3 Principle #2 – Programs for Special Populations

Embedded within the overall aim of increasing job creation and retention is the desire to make sure that some of that increase in job creation and retention is available to particularly **vulnerable and disadvantaged populations**. Such populations are often in particular employment distress because of a number of formidable obstacles; ex-offenders, for example, face the stigma associated with their criminal record, and in many cases also have low educational attainment, little to no meaningful work experience, and very little in the way of social capital (e.g. connections, references). Other populations, such as veterans, the disabled, and non-native English speakers, face similar challenges. An important principle in guiding future policy making is therefore that the body of recommendations is mindful of these special populations and of the unique challenges they face in securing gainful employment.<sup>8</sup>

### 6.4 Principle #3 – Overall Tax Policy

**Overall tax policy** is an important component to creating and retaining jobs for City residents because it represents a way to improve the City's attractiveness and viability as a business location. As noted, this ground has been covered extensively by past and present tax reform efforts, and rightly so: an inefficient mix of tax types and tax levels can repel businesses and business activity within the City, resulting in fewer jobs for City residents. Conversely, reforming the overall mix and level of taxes can lead to more businesses and business activity within the City, increasing the number of jobs available to City residents. Since the City largely has the ability to set tax types and tax levels, tax policy represents an important lever the City has to influence job creation and retention.

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<sup>8</sup> Philadelphia Works defines five "hardest to serve" populations:

1. Dislocated workers with outmoded skills.
2. People with no or limited/sporadic work history.
3. Individuals with low literacy.
4. Ex-offenders.
5. Immigrants, refugees, and limited English speakers.

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## 6.5 Principle #4 – Targeted Tax Incentives

As part of an overall tax policy, a locality may choose to make available various **tax incentive programs targeted to specific industries, populations, or actions**, with the intention of stimulating more activity in those areas and broadening the overall tax base. Tax incentives may include a package of credits designed to attract a business or industry to the City, or a credit program intended to encourage certain desirable business actions (e.g. for hiring ex-offenders, for new construction or major rehabilitation). This too is a lever that the City largely controls on its own, and so can wield to great effect in increasing job creation and retention.

## 6.6 Principle #5 - Entrepreneurship

**Entrepreneurship** is an important aspect of job creation and retention because it represents a vital and dynamic component of any high-functioning economic ecosystem. Supporting entrepreneurship not only abets individual entrepreneurs in surviving, succeeding, and growing their new ventures; it also elevates a location's overall receptiveness to innovation and creativity. Therefore, any menu of recommendations to increase job creation and retention must speak directly to making the City more conducive to entrepreneurial flourishing.

## 6.7 Principle #6 – Regional Collaborations

The increasingly regional nature of modern economies necessitates some **multi-jurisdictional collaborations** between the City and its suburban counterparts. Job creation and retention need not be a zero-sum game; there are ways that cities and suburbs can both gain, and can work together to that end. Some of the menu of recommendations the City should consider implementing should therefore elaborate on where and how the City should link up with nearby suburban locations to increase create and retain jobs for City residents.

## 6.8 Principle #7 – Coordination of Policy and Information

The vast majority of job creation and retention takes place in the private sector. But there is an important **coordinative and supportive role** that the City can play, alongside quasi-public entities, non-profit organizations, large-scale institutions, and major private sector employers, in creating and retaining jobs. Chief among them are functions that are often best done in a centralized manner, such as defining and articulating an overall strategy (and how that strategy

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fits into the City's overall objectives), aggregating and disseminating evaluation data, convening and coordinating multiple groups towards a common end, and navigating the City's own internal bureaucratic processes and business resources. Therefore, in addition to specific programs, regulations, and legislation, the City should consider processes by which it can best organize itself to play its role in this important subject, and implement specific actions to see that these efforts are properly evaluated and continued into the foreseeable future.

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## 7.0 SPECIFIC RECOMMENDATIONS FOR REFORM - OVERVIEW

### 7.1 Overview

The purpose of this section and the next is to **advance 15 specific recommendations to be undertaken by the City to do its part to create and retain private sector jobs for City residents**, in concert with the work of the private sector as well as quasi-public and non-profit entities. These recommendations were identified, refined, and approved by the Jobs Commission as a whole, and they represent tangible, achievable, and effective steps that the City can take to create and retain private sector jobs for City residents. They represent and intersect with the seven principles advanced in Section 6, within the framework of labor supply, labor demand, and matching of labor supply and labor demand described in Section 6.

### 7.2 Recommendation Process

Recommendation ideas emerged from Commission members and were researched, discussed, formulated, and finalized. Each of these recommendations was approved by majority vote by the Commission. The full list of recommendations was then approved by the Commission. Therefore, each recommendation, and the full list of recommendations, represents a proposed set of actions that is thought by the Commission to advance the Commission's agenda of creating and retaining private sector jobs for City residents through actions the City can take.

Each builds on the lessons learned in the research conducted as part of the production of the earlier sections of this report, and is therefore mindful of broader local and national employment market trends (Section 2), of the key influential entities within the City that intersect with job creation and retention (Section 3), of the major factors that increase or impair job creation and retention (Section 4), and of successful models in other jurisdictions (Section 5). Furthermore, each recommendation takes into account the framework of principles developed by the Commission to guide its development of specific action items for the City (Section 6).

### 7.3 Organization of Recommendations

Together, the full list of recommendations is intended to represent **a balanced approach to the task of private sector job creation and retention**. This balance is reflected in two ways, both related to the Jobs Commission's formulation of guiding principles in policymaking (Section 6):

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1. First, the Jobs Commission made sure that recommendations addressed both labor supply, labor demand, the matching of labor supply and labor demand, and the overall policy actions that are needed to make progress on all of these fronts (Section 6.1).
  2. Second, the Jobs Commission made sure that recommendations covered the full range of guiding principles governing successful job creation and retention for City residents: workforce development, programs for special populations, overall tax policy, targeted tax incentives, entrepreneurship, regional collaborations, and coordination of policy and information (Section 6.2 to Section 6.8).

What follows is the full list of the Commission's 15 recommendations to increase private sector job creation and retention for City residents. First, this list is presented in tabular format, to provide a summary of the recommendations and to classify them within the framework established in Section 6 (see Table 7.1).

Second, each of the 15 recommendations is described in further detail in the next section. For each recommendation, a brief summary of the proposed action is advanced first, followed by its rationale, some context for this kind of action (whether from within the City or elsewhere in the US), additional detail on the actual action steps that should be taken to implement such a recommendation, and some sense of what is hoped will be accomplished as a result.



**Table 7.1 – Classification of Recommendations (Based on Framework from Section 6)**

#	Recommendation	Category				Principle						
		Labor Supply	Matching Supply and Demand	Labor Demand	Overall Policy	Workforce Development	Special Populations	Tax Policy	Tax Incentive	Entrepreneurship	Regional Collaboration	Coordination
<b>1. Executive Order – Reports and Commissions</b>												
(1)	1.1 Annual jobs report				•							•
(2)	1.2 Workforce development report				•	•	•					•
(3)	1.3 Workforce disparity study				•	•	•					•
(4)	1.4 Ongoing Jobs Commission				•							•
<b>2. Executive Order – Strategic Priorities</b>												
(5)	2.1 Small business			•				•			•	•
(6)	2.2 Entrepreneurship			•				•		•	•	•
(7)	2.3 Business attraction				•						•	•
(8)	2.4 EOP goal enforcement			•		•	•				•	•
<b>3. Legislative Action</b>												
(9)	3.1 Job creation tax credit			•					•			
(10)	3.2 Wage subsidies	•				•	•					
(11)	3.3 Long-term tax adjustment schedule			•				•				
<b>4. Resource Coordination</b>												
(12)	4.1 Industry/training/policy matching		•			•	•				•	•
(13)	4.2 Suburban shuttle service		•								•	•
(14)	4.3 Credential completion	•				•	•				•	•
(15)	4.4 Investment by the Commonwealth											

Source: Econsult Corporation (2012)

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## 8.0 SPECIFIC RECOMMENDATIONS FOR REFORM

### 8.1 Executive Order – Reports and Commissions

It is within the Mayor’s authority to, by Executive Order, require reports, form commissions, and set strategic priorities for City administration. The first two sets of recommendations in this section cover those recommendations that should be implemented via Executive Order. Specifically, the Commission recommends that the Mayor draft an Executive Order that requires three annual reports (Section 8.1.1, Section 8.1.2, and Section 8.1.3), forms an ongoing Jobs Commission (Section 8.1.4), and sets five strategic priorities for City administration (Section 8.2).

#### 8.1.1 Recommendation #1 – Annual Job Creation and Retention Strategy Report

**Recommendation:** The Mayor should, by Executive Order, require an annual report that articulates the City’s job creation and retention strategy within its overall economic development strategy, connects that job creation and retention strategy to other City functions (e.g. Finance, Planning), maps Commerce’s cooperation with key public, quasi-public, and private entities, and reports on job creation and retention performance by these entities.

**Rationale:** While Commerce operates a commendable quantity and quality of programs for City businesses, and while some aspects of job creation and retention are institutionalized in annual City processes, it would be useful for the City’s overall job creation and retention strategy to be articulated in a publicly available document and made available on an annual basis. Such a document will also serve as a spur for coordinating strategic elements across City departments, for placing individual Commerce initiatives within a broader strategic framework, and for identifying, collecting, aggregating, analyzing, and reporting on job creation metrics, as fed from the work of the City and from various public, quasi-public, and private entities.

**Lessons from the City and from other jurisdictions:** The Charlottesville Regional Chamber of Commerce issues an annual “Chamber Jobs Report” that reports key employment statistics, provides commentary, and issues recommendations for regional job growth.

**Implementation:** The Executive Order should be issued in time to allow the annual report to be produced as part of the Fiscal Year 2015 budget process (i.e. during the first half of Calendar Year 2014). This will give Commerce, as well as key public, quasi-public, and private entities submitting job creation and retention performance data, at least a year to set up systems to identify, collect, and aggregate their respective performance metrics.

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**Estimated Outcome:** The requirement of an annual job creation and retention strategy report is intended to elevate the issue within the City, and in particular the need to have an intentional, comprehensive, and measured strategy toward that end. The process should become a unifying one for key entities, and the document should serve as a tangible documentation of the performance of the City and of related public, quasi-public, and private entities. Finally, it should place the issue of job creation and retention within the broader strategy for economic development that the City is articulating and pursuing.

### 8.1.2 Recommendation #2 – Workforce Development Report

**Recommendation:** As part of the annual job creation and retention strategy report, the Mayor should, by Executive Order, require an annual reporting by Philadelphia Works of the City's overall workforce development training, placement, and retention strategy, and the extent to which invested funds supported the creation and retention of jobs.

**Rationale:** There is a significant amount of workforce development activity taking place within the City, mostly through federal funding. But there needs to be better coordination of this activity to ensure that workforce development efforts effectively support job creation and retention. By requiring an analysis within the City's new annual job creation and retention strategy report, the City will have a regular expression of its workforce development strategy (and how that strategy fits within its overall job creation and retention strategy), and will learn over time what workforce development initiatives most effectively support job creation and retention. This will enable resources to be deployed more efficiently, resulting in labor supply being improved in ways that most productively result in City residents identifying, securing, and staying in appropriate job opportunities.

**Lessons from the City and from other jurisdictions:** At the municipal level, the City of Portland has connected its workforce development strategies and its overall economic development strategies in thoughtful ways: its most recent five-year economic development strategy document includes a section analyzing the role of workforce development in supporting economic development outcomes. Philadelphia Works is developing a similar analysis for release in 2013 that will cover similar terrain. Furthermore, in January 2012, the Pew Charitable Trusts' Philadelphia Research Initiative published a report, "Philadelphia's Workforce Development Challenge: Serving Employers, Helping Job Seekers and Fixing the System," that explored the structure and cost of workforce development efforts within the City and compared them with that of other cities. This report built from a September 2010 report by Corporation for a Skilled Workforce (CSW), which has served as the framework for the City's overall approach to workforce development and which is a natural document from which the recommended analysis of workforce development funding could be modeled. At the state level, the State of Illinois and the State of Iowa both produce annual workforce development reports. Both are heavy on publication of inputs (job-seekers served, employer job orders

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received) but do also report on job creation and retention metrics (number of placements, retention rate after six months).

**Implementation:** As part of the annual job creation and retention strategy report, Philadelphia Works should produce a section within that report analyzing the role of workforce development efforts towards broader job creation/retention and economic development aims, and the extent to which workforce development funding contributed to supporting those aims. Philadelphia Works' role in producing this report will also have the important added benefit of more closely connecting its work with that of Commerce, towards the shared aim of increasing employment opportunities for City residents. Further coordination, within the City and with other levels of government, may also bear fruit in the hosting of employment fairs, which further improve the matching of labor demand and labor supply for the benefit of City employers and City residents.

**Estimated Outcome:** Such an annual analysis, as part of the annual job creation and retention strategy report, will provide the City and other local workforce development entities with tangible evidence of the aggregate effect of workforce development efforts, and of the extent to which individual components of that effort are or are not supporting the City in achieving its contractual outcomes. Like the remainder of the City's annual job creation and retention report, this document will also reinforce the importance of measurement, serve as a mechanism around which to rally action on data collection and performance evaluation, and provide an ongoing basis for comparison of results over time.

### 8.1.3 Recommendation #3 – Workforce Disparity Study

**Recommendation:** The Mayor should, by Executive Order, require that the Office of Economic Opportunity (OEO) produce an annual workforce disparity study that compares the distribution of jobs associated with City operations and contracting with the availability and qualification levels of various disadvantaged populations that may be able to fulfill those jobs.

**Rationale:** The City is currently required, by City ordinance, to produce an annual disparity study that compares the utilization of minority- and women-owned businesses in certain City contracts with the availability of minority- and women-owned businesses to fulfill such contracts. This annual reporting requirement, which is fulfilled by OEO, has a twofold effect on promoting inclusive economic opportunity. First, it holds the City itself accountable to setting and meeting its participation goals. Second, it affords the City a platform to encourage similar behavior from private sector procurers such as educational and medical institutions and large corporations. Similarly, a workforce disparity study would shed light on the distribution of job opportunities represented by City activity to various disadvantaged populations, and help the City extend the discussion to the job opportunities represented by private employers.

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**Lessons from the City and from other jurisdictions:** The City of Oakland undertook such a study in 2008, completed by Mason Tillman Associates, which shed light on the areas in which various ethnic groups were under-represented in certain municipal job categories.

**Implementation:** As a proxy for job qualification, such a study might look at the educational attainment levels needed for various job types (as available via the US Bureau of Labor Statistics' Quarterly Census of Employment and Wages), assume that distribution for the various jobs represented by City operations and contracting, and compare that distribution with the number of working-age adults in various disadvantaged groups that are of each educational attainment level (as available via the US Census Bureau and ESRI). A similar exercise could be undertaken to look beyond employment opportunities represented by the City to those represented by private employers. Similarly, employer surveys could be distributed to better understand the distribution of available jobs by skill sets required to fulfill them (e.g. computer skills, clerical skills, experience with heavy machinery). Such a study could be conducted in parallel with the City's annual disparity study, which is completed and made available for mayoral, City Council, and public review during the first half of each calendar year. OEO's oversight of such a study also affords coordination with its ongoing involvement in the City's implementation of recommendations advanced by the Mayor's Advisory Committee on Construction Industry Diversity in 2009.

**Estimated Outcome:** Such a study will help identify whether and where there are disparities between labor supply and labor demand, especially as it relates to disadvantaged populations gaining access to employment opportunities, from which potential remedies can be envisioned and targeted. It will also inform the setting and then the evaluating of workforce participation goals. Finally, it is hoped that the City's leadership on this effort will spur similar private sector efforts, to eliminate hiring disparities and to regularly and transparently measure performance in this area.

#### **8.1.4 Recommendation #4 – Ongoing Jobs Commission**

**Recommendation:** Mayor should, by Executive Order, form an ongoing Jobs Commission that should meet annually to review the newly required annual reports from the perspective of the Commission's original recommendations, and in general to hold the City accountable to successful implementation of these recommendations.

**Rationale:** It is useful to have an ongoing body that is tasked with evaluating the City's progress on these and other recommendations, and on the quantity and quality of job creation and retention that results from their implementation. It is particularly useful for that ongoing body to have a diversity of perspectives, similar to the original Jobs Commission, which represented City agencies, workforce development entities, business advocacy groups, and labor organizations.

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**Lessons from the City and from other jurisdictions:** The City of Boston has a permanent Employment Commission on which members serve two-year terms. The main purpose of this body is to hold the City accountable on employment goals, particularly as it relates to City-assisted construction projects.

**Implementation:** The current, temporary Jobs Commission should be disbanded and a new, permanent Jobs Commission formed. The process for selecting and supporting Commission members going forward should be determined, as should be a calendar for meetings and reports.

**Estimated Outcome:** The effect of implementing this recommendation will be to have an ongoing body to push the issue of job creation and retention, to review required reporting to that end, and to lobby for the implementation of the other recommended actions.

## 8.2 Executive Order – Strategic Priorities

As noted above, it is within the Mayor’s authority to, by Executive Order, set strategic priorities for City administration. Therefore, recommendations that cover strategic priorities for City administration, which are discussed below, should also be articulated within the same Executive Order.

### 8.2.1 Recommendation #5 – Small Businesses

**Recommendation:** The City should convene small businesses and their advocacy groups to explore specific ways taxes, regulations, infrastructure, and services can be reformed to improve the climate for small businesses.

**Rationale:** As small businesses grow in prominence as job creators, it is all the more important for the City to be perceived as a location of choice for small businesses. City decisions about taxes, regulation, infrastructure, and services can go a long way towards creating either a thriving or a debilitating environment for small businesses, either helping or hurting their ability to create and retain jobs for City residents.

**Lessons from the City and from other jurisdictions:** In late 2011, the Sustainable Business Network of Greater Philadelphia produced a report entitled “Taking Care of Business: Improving Philadelphia’s Small Business Climate,” which reinforced the vital role small businesses play as employers and which made recommendations on how the City could improve the overall climate for small businesses. Within the past year since the release of this report, the City has

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taken a number of positive steps: it now has an online business services center that provides a list of local technical assistance providers, Licenses and Inspections is moving towards online applications for various business permits, and a phased-in tax exemption is now in place to cushion the tax burden for small businesses.

**Implementation:** The overall job creation and retention strategies the City advances, and the tax policy reforms it enacts, should be produced in concert with meetings with small businesses and small business advocacy groups, so that strategies and tactics are consistent with moving the City towards an even better climate for small businesses. Specifically, the City should convene a summit in conjunction with these entities to raise the profile of small businesses within the City, signal to the general public the City's commitment to improving the climate for small businesses, and hold the City accountable to following through on action items.

**Estimated Outcome:** One barometer of success in this recommended action is the number of small businesses within the City, the number of employees represented by these businesses, and the extent to which these numbers are rising over time. This can be monitored using data and analyses provided by DVRPC. Another barometer of success in this recommended action is the placement of the City in national and global rankings of "best places for small businesses." Such positive perceptions reinforce the City as a location of choice for small businesses, and should be sought after as an indicator that the City is succeeding to that end.

### 8.2.2 Recommendation #6 – Entrepreneurs

**Recommendation:** The City should convene entrepreneurs and investors to explore specific ways taxes, regulations, infrastructure, and services can be reformed to improve the climate for business formation.

**Rationale:** Entrepreneurial ecosystems are good for job creation and retention. New businesses are major job generators, and they also stimulate additional job creation through the business activity, talent concentration, and entrepreneurial mindset they help engender. Business formation, however, requires a very real intersection with governments, in the form of taxes, regulations, infrastructure, and services. To the extent that the City can demonstrate its openness to the entrepreneurial community, it can put into motion reforms that make a real difference in people starting, growing, and relocating their innovative activities into the City.

**Lessons from the City and from other jurisdictions:** A good recent example of the power of coordination between the City and the entrepreneurial community is recent tax reforms that paved the way for First Round Capital, formerly located in Conshohocken, to relocate to University City.

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**Implementation:** The City should host an entrepreneurship summit to help make the case for the City as a location of choice for entrepreneurial activity. It should use this forum to identify positive characteristics about the City that can be better positioned and publicized, and to explore reforms that can be put into place to ease the way for even more innovation to flourish within the City.

**Estimated Outcome:** The City should track the number of self-employed individuals and the number of new business formations within the City. The City should also seek out opportunities to be featured in national and global rankings of “best places to start a business,” so as to help authenticate this brand of the City as a place for innovation and new venture formation.



### 8.2.2.1 Recommendation #6a – Start Up PHL

**Recommendation:** Within its effort to encourage entrepreneurship, the City should seek additional non-City investment in Start Up PHL in order to encourage more and bigger investments in startup ventures.

**Rationale:** Start Up PHL is a new collaborative effort between Commerce and PIDC. In addition to providing seed capital for local startup ventures, it is a strong signal that the City intends to do what it can to create a supportive ecosystem for entrepreneurs and to make the City a location of choice for innovative people. In that regard, it is useful to grow this program so that it can fund more initiatives and so that it can register an even higher promotional impact. The City will be stronger economically and in job creation and retention if, in perception and reality, it is deemed a preferred place for business formation and acceleration.

**Lessons from the City and from other jurisdictions:** New York City has very aggressively cultivated an image of innovation and entrepreneurship, launching such initiatives as NYC Next Idea and NYC Entrepreneurial Fund in the past few years. (New York State also recently created an “Innovate NY Fund” at the state level.) As noted above, these efforts have a strong signaling effect and are used as such by locations seeking to win new talent.

**Implementation:** The City should actively seek out partners also looking to make the City a destination of choice for entrepreneurs. Such partnerships not only brand the City but also the partners in Start Up PHL as innovative, which can be a useful selling point in landing co-investors.

**Estimated Outcome:** It is hoped that the City will find matching dollars so that more startup ventures can be supported with not any more financial obligation by the City itself. It is also hoped that an expanded Start Up PHL will be part of an overall perception of the City as an increasingly attractive place for entrepreneurial activity.

### 8.2.2.2 Recommendation #6b – Tech Transfer

**Recommendation:** Within its effort to encourage entrepreneurship, the City should work with regional educational institutions and research centers to determine how to retain more spinoff ventures within the City.

**Rationale:** The strength of “eds and meds” within the City must be further leveraged to the end of strengthening the City’s entrepreneurial climate. Currently, much of the intellectual power concentrated within the City results in many commercial opportunities, but relatively few end up sparking long-term economic activity within the City.

**Lessons from the City and from other jurisdictions:** Cities and universities are common co-applicants for technology research grants. For example, in 2010, the City of San Marcos and Texas State University San Marcos collaborated on a proposal to the US Economic Development Administration that yielded a \$1.85 million grant for a new center for startup and early stage life sciences firms. In the City, the University City Science Center, a consortium of over 30 universities, research centers, and economic development organizations, supports technology commercialization.

**Implementation:** Given its production of credentialed talent and new innovations, the university technology transfer community represents a useful voice to the City in terms of what is needed to foster a climate in which commercialized research can flourish into job-creating ventures. Therefore, the City should facilitate regular contact with key research entities and their advocacy groups to better understand what the City can do to be a location in which more spinoff ventures are being produced, and in which a higher percentage of those ventures are choosing to stay for the long run in the City.

**Estimated Outcome:** Success in this arena should yield more spinoff ventures, more synergy among technology and innovation entities throughout the Philadelphia region, and better placement in national and global rankings of tech transfer activity.

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### 8.2.3 Recommendation #7 – Business Attraction

**Recommendation:** The City, through Select Greater Philadelphia and other entities, should work more closely with suburban jurisdictions and with the Commonwealth to sell the region and the state as a business location.

**Rationale:** As noted above, in many industries regions compete against other regions around the world more so than cities within a region compete against the other jurisdictions within that region. Therefore, it behooves the City to forge linkages with its suburban counterparts, and with regional business advocacy groups, to “tell the story” of the region as a whole as a destination of choice for employers around the world looking for locations in which to relocate or expand.

**Lessons from the City and from other jurisdictions:** Regional chambers of commerce often take a leadership role on this issue. The Dallas Regional Chamber, for example, plays a very active role in providing data and customer service in support of site selection, coordinating across multiple jurisdictions, and identifying and vetting specific sites.

**Implementation:** Select and the Metropolitan Caucus represent two existing entities that are pushing for greater regional coordination. A stronger role by the City (through Select and the Metropolitan Caucus, as well as through Commerce, PIDC, and other public, quasi-public, and private entities) in crafting the message and in identifying specific outreach efforts is warranted, as is a stronger alliance between the City and the Commonwealth in terms of site selection and business attraction efforts.

**Estimated Outcome:** Success in this recommended action should be indicated by the Philadelphia region’s ability to win big relocations and to fare well in site selection publications and business location rankings.

### 8.2.3.1 Recommendation #7a – Outreach to Non-US Firms

**Recommendation:** Within its effort to prioritize business attraction, the City should, through, Commerce, PIDC, and Select, increase outreach efforts and incentives packages to international firms seeking to establish a US presence.

**Rationale:** The City is a strategically positioned location for international firms seeking a US presence, as it sits within close proximity to New York City and Washington DC and is a large and diversified economy in its own right. Furthermore, the City's diverse communities represent a natural bridge to a variety of international business opportunities, which translates into more business activity and more job openings. Commerce, PIDC, and Select are already stepping up their efforts to win international business, as is the World Trade Center of Greater Philadelphia, (WTCGP) and this momentum should continue.

**Lessons from the City and from other jurisdictions:** New York City's Division of International Business assists non-US businesses by serving as a gateway into various municipal and other services, including legal, taxation, office space, and banking. Commerce is increasingly serving this function for the City with efficiency and ease of interface, and now offers business resources in multiple languages, including Mandarin, Korean, Khmer, French, Spanish, and Portuguese. This is a step in the right direction for the City, in communicating that it is open for business from all corners of the globe. Globally, a number of countries, including Canada, Australia, and Chile, are capitalizing on the US's recent anti-immigrant posture by positioning themselves as more accommodating to foreign entrepreneurs.

**Implementation:** Many of the pieces are already in place. In addition to Commerce, PIDC, and Select, WTCGP assists non-US companies in targeting opportunities, developing a market entry strategy, and identifying partners to sell into worldwide markets. The City should revisit its programs and performance to make sure it is being as welcoming as possible to international business opportunities and to expansion of non-US firms and non-US firm activity into the City.

**Estimated Outcome:** With greater coordination and greater outreach efforts should come more establishments of City presence by non-US firms. More broadly, such efforts should lead to more connectivity to other countries, more tourism and trade, and more international business partnership opportunities.

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#### 8.2.4 Recommendation #8 – EOP Monitoring

**Recommendation:** The City, through OEO, should monitor EOP goal achievement, enforce existing regulations concerning EOP goals for workforce composition, and encourage voluntary private sector developments of EOPs.

**Rationale:** Economic Opportunity Plans (EOPs) are required on all City contracts larger than \$250,000. EOPs are a mechanism by which contractors can set goals for workforce composition and the City can monitor whether contractors have met these goals. If enforced, EOPs can help make sure that populations with high unemployment have access to employment opportunities.

**Lessons from the City and from other jurisdictions:** It is unclear how effectively EOPs are being monitored or how strictly they are being enforced. If EOPs are not adequately monitored, there exists no mechanism to track progress towards stated goals. If not enforced, EOPs do nothing to make employment opportunities available to City residents looking for jobs.

**Implementation:** The City, through OEO, should undertake a review of EOPs to determine to what extent contractors have fulfilled their workforce composition goals. The City should also, through OEO, determine what resources contractors need to more easily meet and exceed their workforce composition goals, such as connections to workforce development agencies and job training sites that may serve as feeders for qualified employees.

**Estimated Outcome:** Monitoring and enforcement of EOP goals will result in higher goal achievement, meaning more employment opportunities within the City will go to City residents looking for employment.

### 8.3 Legislative Action

Three recommendations require legislative action. First, City Council should extend its existing Job Creation Tax Credit (Section 8.3.1). Second, City Council should appropriate more funds to Philadelphia Works in support of wage subsidies for private employers hiring people from disadvantaged populations (Section 8.3.2). Third, City Council should commit to a long-term adjustment in tax rates that encourages job creation and retention (Section 8.3.3).

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### 8.3.1 Recommendation #9 – Job Creation Tax Credit

**Recommendation:** City Council should extend its existing Job Creation Tax Credit.

**Rationale:** First passed in 2002 and then increased in 2012, the Job Creation Tax Credit provides tax credits to employers for jobs created within the City, with the aggregate tax credit amount distributed in a year limited to 1 percent of the City's Business Income and Receipts Tax revenue for that year. As of 2010, about 1,000 jobs have been certified as being created and about \$1.6 million in tax credits have been distributed. In 2012, the tax credit amount was temporarily increased (for 2012 and 2013) from \$3,000 to \$5,000 per job created. In late 2012, legislation was introduced to make this increase permanent, which would further stimulate job creation by encouraging businesses thinking of expanding or relocating within the City to do so.

**Lessons from the City and from other jurisdictions:** Many state and local governments offer job creation tax credits. Importantly, most such credits tend to be customized as part of incentives packages, rather than being freely offered as of right to all employers that generate net new jobs.

**Implementation:** A relatively simplified analysis can be performed that employs existing econometric results that make a correlation between lower wage tax rates and higher wage tax bases to determine the potential job increase associated with a permanent job creation tax credit. In other words, if it is known what a wage tax reduction will mean in terms of more wage tax base and therefore more jobs within the City, then the effect of the Job Creation Tax Credit on the employment base within the City can be estimated. This will provide an important data point for the City in evaluating whether the cost of making the Job Creation Tax Credit permanent (in the form of tax revenues lost via tax credits) is worth the benefits that may result from such a change (in the form of more jobs located within the City).

**Estimated Outcome:** The purpose of extending and increasing the Job Creation Tax Credit is to induce additional job creation within the City. It is hoped that more employers will capitalize on the subsidy, such that the maximum aggregate tax credit amount is reached and additional discussion can be initiated on whether and how to raise the cap.

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### 8.3.2 Recommendation #10 – Wage Subsidies

**Recommendation:** City Council should increase funding to Philadelphia Works for subsidies for private employers that employ hard-to-employ populations.

**Rationale:** Through Philadelphia Works, the City provides funds to pay for private employers to have the wages they pay to newly hired people from hard-to-employ populations partially or fully subsidized. This induces private sector employment opportunities for these populations, without the public sector itself taking on new workers.

**Lessons from the City and from other jurisdictions:** Philadelphia Works' Wage Subsidy Program, which was discontinued when the Commonwealth of Pennsylvania discontinued funding this year, offered private employers a 100 percent subsidy for employees' first 60 days, on all jobs of at least 30 hours per week, with starting salaries of at least \$8 per hour, and with benefits commensurate with comparable positions. This provided an easier on-ramp for employers seeking to fill positions.

**Implementation:** More study is needed to find successful models, evaluate the potential reaction by the private sector to such a program, and determine the City's tolerance for additional borrowing.

**Estimated Outcome:** If successful, the City will have a cost-effective way of connecting hard-to-employ populations to newly created private sector employment opportunities.

### 8.3.2.1 Recommendation #10a – Internships for Special Populations Such as Ex-Offenders

**Recommendation:** Within its efforts to subsidize private employers that employ hard-to-employ populations, the City should with workforce development groups and advocacy groups to institute a "try before you buy" internship program for special populations such as ex-offenders.

**Rationale:** Special populations such as veterans, the disabled, and non-native English speakers face particular barriers to employment. A "try before you buy" approach may provide employers with a low-commitment on-ramp for hiring from these groups, and gives people in these groups at least an initial exposure to the workplace. Ex-offenders are in particular need of an on-ramp into gainful employment, given the many obstacles many of them face in obtaining and maintaining a job. Past efforts to motivate hiring of ex-offenders include the Philadelphia Re-Entry Employment Program (PREP), which offers a tax credit of \$10,000 per year for up to three years for each ex-offender hired for at least six months, and legislation to ban employers from asking about ex-offender status in job applications and first interviews.

**Lessons from the City and from other jurisdictions:** The City of Chicago takes an aggressive approach to training and placing people from hard-to-employ populations. The Employment Services Unit of the Mayor's Office for People with Disabilities works with 25 program partners to provide assistance to Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) beneficiaries so that they can work. Among its ex-offender re-entry initiatives are job readiness and skills training programs, transitional job programs in various municipal departments, and grants to non-profits for hiring ex-offenders.

**Implementation:** Philadelphia Works, the Greater Philadelphia Chamber of Commerce, and other entities should work together to structure an internship program that is mutually beneficial to disadvantaged groups and employers. Pilot programs for specific populations could be implemented at first to test the idea's receptivity in the business community and to adjust the program's structure and support mechanisms.

**Estimated Outcome:** Such an internship program is intended to facilitate temporary hiring of special populations such as ex-offenders, for the purpose of providing them with an easy on-ramp to job experience, from which more extended employment opportunities can be obtained.



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### 8.3.3 Recommendation #11 – Long-Term Tax Adjustment Schedule

**Recommendation:** City Council should lock into a long-term tax adjustment schedule of decreasing business income and wage tax rates, seek a state constitutional amendment to allow for higher commercial property taxation relative to residential property taxation, and ensure a functioning property assessment process.

**Rationale:** In addition to high tax burdens, businesses abhor uncertainty in their tax liabilities. In contrast, setting and keeping to a long-term schedule of tax rate adjustments allows businesses to plan accordingly and provides sufficient stability for businesses to be able to make decisions to relocate or expand within the City. As for what should govern those tax rate adjustments, over a decade of commissions, studies, and other work have agreed on the need for the City's tax policy to be less punitive against business income and against employment. Therefore, business income and wage tax rates should be lowered over time. Concurrently, the City should seek a state constitutional amendment to allow it to have a higher property tax rate for commercial parcels than for residential parcels, so that it is possible that the higher burden borne by the property tax (versus business and wage taxes) is borne disproportionately by commercial property owners as opposed to residential property owners.

**Lessons from the City and from other jurisdictions:** City Council is currently discussing a number of tax policy changes, including implementation of the Actual Value Initiative (AVI) and the shifting of burden from wage and business taxes to property taxes. Given the increasing fluidity of commerce, the City's tax mix matters, and its current mix does not encourage employment density within the City. Uncertainties in tax rate changes caused by the recent global recession have also dampened businesses' enthusiasm to form, relocate, and expand within the City.

**Implementation:** City Council should resolve its tax policy challenges during the first half of 2013, decide on an eventual endpoint for a new and reformed tax mix, and then announce and hold to a long-term implementation schedule whereby tax rates adjust from current levels to eventual levels. This process should involve significant communication with residents and businesses, to explain the rationale behind the changes, hear concerns, and commit to staying on schedule.

**Estimated Outcome:** There is insufficient space within this report to provide a thorough treatment of the consequence of tax rate changes on employment within the City. Nevertheless, there is a growing body of work that suggests that a reasonable wage and business tax rates will increase the wage and business tax bases so as to increase the number of jobs within the City by tens of thousands over time. For example, an extrapolation of econometric analyses from its 2003 work for the Philadelphia Tax Reform Commission (PTRC)

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suggests that a shifting of burden from wage and business taxes to property taxes would result in 25,000 to 50,000 more jobs within the City over an eight-year period.<sup>9</sup>

## 8.4 Resource Coordination

In addition to the Executive Order and legislative action, the City should undertake a number of collaborative efforts with other entities to better match labor supply with labor demand. These include coordinating industry, training, and policy efforts, especially as it relates to high employment growth opportunities (Section 8.4.1); working with SEPTA to provide public transit access from City residential hubs to suburban employment hubs (Section 8.4.2); and making a big push to help City residents complete coursework towards various educational credential levels (Section 8.4.3). As these and other recommendations benefit from participation and funding from the Commonwealth, a strategic approach to “making the case” to the Commonwealth is also recommended (Section 8.4.4).

### 8.4.1 Recommendation #12 – Coordinating Industry, Training, and Policy Efforts

**Recommendation:** Commerce, PIDC, Select, and Philadelphia Works should more strongly coordinate industry job needs with educational and training offerings and with City policy regarding industry priorities.

**Rationale:** There already exist a number of industry-focused workforce development efforts underway within the City, as well as some coordination between them to more efficiently connect job-seekers with employers seeking skilled workers. Given the recent tumult and accelerating pace of today’s economy, even stronger coordination is needed to prepare some job seekers for entry-level positions and to transition other job seekers to skilled positions in new industries. As the City competes with other global destinations for industries and for commercial activity, it needs to capitalize on its sizeable population, its density of academic institutions, and its many workforce development initiatives so as to position itself as a location of choice.

**Lessons from the City and from other jurisdictions:** In its forthcoming strategic plan, Philadelphia Works proposes a number of action items to the end of more closely aligning the City’s economic development, job training, and workforce investment efforts. This includes

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<sup>9</sup> By imputing the supply side effects from the 2003 PTRC to a hypothetical tax reform package in which wage and business tax rates are reduced and property tax rates are increased, an estimate of the attendant increase in the wage tax base can be derived. The 25,000 to 50,000 job range assumes that about half of that wage tax base increase is in the form of new jobs (and the other half is in the form of increases in wages for existing jobs).

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connecting private recipients of economic development subsidies to publicly funded workforce development initiatives for purposes of job placement; Philadelphia Works' continued participation in regular meetings with PIDC to discuss business attraction strategies and the specific workforce preparation needs associated with them; and developing formal channels for multiple public, quasi-public, and private workforce development agencies to coordinate resources and programs.

**Implementation:** There may be other entities to bring together more closely, but at first there should be a focus on tighter coordination between four: (1) Commerce Department, which is on the front line of the City's effort to identify industries of particular interest and to recruit business activity from those industries, (2) and (3) Philadelphia Industrial Development Corporation and Select Greater Philadelphia, which help assemble the necessary physical resources (land, financing) and customer service (making the case, easing relocation) for incoming firms and industries, and (4) Philadelphia Works, whose Industry Partnerships initiative brings together employers and job training providers in sectors of strategic importance to the City. Over time, other relevant entities, such as the Mayor's Commission on Literacy, Community College of Philadelphia, the School District of Philadelphia, and additional academic institutions and large-scale employers, may be added.

**Estimated Outcome:** The desired outcome of this collaboration is to more efficiently match labor supply and labor demand, through such mechanisms as employment fairs, joint education/employment initiatives, and unified messaging of business attraction efforts with workforce training efforts. This is no small feat given the employment challenges faced by many job-seekers and the rapidly-changing employment needs of many employers.

#### **8.4.1.1 Recommendation #12a – Targeted Job Training for High Employment Growth Opportunities**

**Recommendation:** Within its efforts to more strongly coordinate industry, training, and policy efforts, the City should work with regional educational institutions to prepare the workforce for specific employment opportunities with high-growth potential (e.g. eds and meds, shale gas)

**Rationale:** The City can and should take a leadership role in convening key regional stakeholders to advance a regional strategy for preparing the region’s workforce for certain high-growth opportunities. In areas such as advanced manufacturing, energy, education, health care, and research, the Philadelphia region competes in a very real sense against other regions, more than the City competes against other geographies within the region. Regional collaboration is therefore warranted.

**Lessons from the City and from other jurisdictions:** Community College of Philadelphia has created an Energy Training Center which offers work and educational resources in the energy field. The Center was created as a response to the shale gas boom, and CCP intends to prepare workers for shale-related support work that will take place in and near the City (i.e. not on-site jobs, but rather support jobs such as legal, engineering, and supplies).

**Implementation:** Commerce, in conjunction with PIDC, Select, and Philadelphia Works, should develop a regular process by which key stakeholders can be assembled, tasked, and resourced to the end of building a regional strategy for producing the appropriate workforce for various business opportunities that have high-growth potential. This will necessarily entail a whole gamut of functions, from education and training to recruitment and promotion, and will therefore entail a wide range of public, private, and non-profit partners. This prioritization of key industry clusters, and the attendant coordination of attention and investment by the City’s economic development and workforce development entities, is a critical component of Philadelphia Works’ forthcoming strategic plan document, which serves as a starting point for exploring specific strategies in this arena.

**Estimated Outcome:** The purpose of this recommended action is to more nimbly position the City to respond to current job growth opportunities, such as the present shale gas boom. It is also to more nimbly position the City to respond to future job growth opportunities, such that by tighter coordination between government, academia, and industry, the City can more quickly mobilize to generate skilled labor for up-and-coming high-growth sectors.

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### 8.4.2 Recommendation #13 – Suburban Shuttle Service

**Recommendation:** Commerce and the Mayor’s Office of Transportation and Utilities (MOTU) should work with SEPTA and regional institutions to determine shuttle service needs to connect City residents to suburban employment hubs.

**Rationale:** Decentralization of business activity – from office jobs to retail centers – from urban cores to suburban locations has often meant a mismatch of job opportunities – job growth in the suburbs and high unemployment in the city. Transportation infrastructure can address that mismatch by providing convenient and affordable access to a wide range of jobs for residents of the City.

**Lessons from the City and from other jurisdictions:** Many other regional transportation authorities of big cities are more integrated in their city and suburban transit service, whereas SEPTA tends to be well-served for suburban residents commuting to urban job hubs but sparser for city residents trying to get to suburban jobs.

**Implementation:** The City and SEPTA should review long-term infrastructure and route plans to make sure they are optimized for accessing suburban jobs by City residents. Special attention should also be given to access to and from Philadelphia International Airport. These efforts will require the coordination of Commerce and MOTU, so that both economic development and transportation infrastructure perspectives are accounted for.

**Estimated Outcome:** It is hoped that the City and SEPTA can more nimbly respond to access issues when faced with the combination of suburban employers seeking employees and employees lacking transportation options to employment centers.

### 8.4.3 Recommendation #14 – Credential Completion

**Recommendation:** The City should invest more in Graduate! Philadelphia and other entities to convene regional educational institutions to determine ways to provide easy on-ramps for completion of credentialing

**Rationale:** Graduate! Philadelphia was founded in 2005 to help individuals with some college education to complete their degree and secure that important credential that has become such a prerequisite to gainful employment. It is estimated that 70,000 people in the City (and 300,000 in the broader region) have at least one year of college credits but have not yet completed a degree. Helping this universe secure that degree significantly broadens the supply of qualified labor, making the City a more attractive location for employers. The presence of Graduate! Philadelphia, and of other entities working in this space, positions the City to make early and effective progress in this area.

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**Lessons from the City and from other jurisdictions:** Graduate! Philadelphia has counseled about 3,500 people, of which 1,900 returned to college and had a retention rate of 90 percent. Clearly, the support services and tangible resources provided by Graduate! Philadelphia have an impact on people who are seeking to complete their degree work.

**Implementation:** The City should convene Graduate! Philadelphia, local educational institutions, workforce development entities, industry representatives, and other groups working in this space, to figure out collaborative ways to support this universe of City residents in getting back into academic settings, completing their course work, and preparing themselves for gainful employment.

**Estimated Outcome:** The purpose of this recommended action is to convert individuals with some college into individuals with a college diploma, so as to deepen the skilled labor pool and attract employers seeking qualified candidates.

#### 8.4.4 Recommendation #15 – Investment by the Commonwealth

**Recommendation:** The City, through its Legislative Affairs Office, should have a coordinated approach to the Commonwealth for increased Commonwealth participation and investment in these job creation and retention efforts.

**Rationale:** The City depends on the Commonwealth not only for funding but for cooperation, so that it can strengthen its job creation and retention efforts within a broader statewide economic development and business attraction context.

**Lessons from the City and from other jurisdictions:** Recent Commonwealth cuts have adversely impacted the ability of Philadelphia Works and other local workforce development entities to continue vital job creation and retention programming, with adverse effects particularly on harder-to-serve populations.

**Implementation:** The City, through its Legislative Affairs Office, should incorporate this report and these recommendations into a strategy that seeks out ways to engage the Commonwealth collaboratively in job creation and retention efforts for City residents. In particular, the City's focuses on becoming a more conducive location for small businesses, entrepreneurial activity, and non-US firms seeking US presence lend themselves to Commonwealth participation, since business attraction successes for the City from non-Commonwealth origins are also successes for the Commonwealth.

**Estimated Outcome:** The purpose of this recommended action is to make the case to the Commonwealth as to where it can most efficiently and effectively support and participate in

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the City's job creation and retention efforts. It is hoped that such an action will lead to a more collaborative relationship between the City and Commonwealth, especially on business attraction efforts intended to gain new business activity and job creation from non-Commonwealth origins.

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## 9.0 CONCLUSION

Labor markets are complex, involving manifold factors beyond the control of any one entity. Nevertheless, the City has many levers at its disposal to influence labor markets, and it aims to use those levers to create an environment in which more jobs are created and retained for City residents.

The Commission has explored the characteristics of the national and local labor market, identified and evaluated key influential entities, articulated the key factors that contribute to and impede employment growth, identified successful policies and initiatives in other jurisdictions, established some principles for guiding future policy making, and identified specific recommendations for action. These recommended action items for the City range from the establishment of an Executive Order to commission annual reports and establish an ongoing Jobs Commission, legislative action to incentivize job creation and retention, and collaborate efforts that convene key entities towards more efficient matching of jobs and job-seekers.

It is hoped that, if acted upon, these recommendations will in fact improve the long-term vitality and attractiveness of the City as a place in which to live and do business, where there are ample and diverse private sector employment opportunities for both long-time and newly arriving City residents. As the City emerges from a painful 50-year long transition from a manufacturing powerhouse into a world-class city and diversified economic hub, it must work with other public, quasi-public, and private entities, in a consistent, comprehensive, and coordinated manner, to create and retain private sector jobs for City residents.



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## **APPENDIX A – RESOLUTION NO. 110063**

### **City of Philadelphia**

City Council  
Chief Clerk's Office  
402 City Hall  
Philadelphia, PA 19107

**RESOLUTION NO. 110063**  
**Introduced February 3, 2011**  
**Councilmember Clarke**  
**Referred to the Committee on Law and Government**  
**RESOLUTION**

Proposing an amendment to The Philadelphia Home Rule Charter to provide for the creation, appointment, powers and duties of a Jobs Commission; and providing for the submission of the amendment to the electors of Philadelphia.

WHEREAS, The unemployment rate in Philadelphia as of September, 2010 was a staggering 10.2 percent, according to the Bureau of Labor Statistics, and the unemployment rate in many of Philadelphia's neighborhoods far exceeds even that level. An unprecedented rise in long-term unemployment nationwide means that these rates are likely to remain high as the nation slowly recovers from a brutal recession; and

WHEREAS, The loss of a job and the inability to find employment are devastating experiences for the individual and his or her family, particularly at a time when the nation's safety net is increasingly shredded. Unemployment frequently leads to the inability to pay one's mortgage and the loss of one's home to foreclosure, contributing to the blighting of neighborhoods; and

WHEREAS, The long-term vitality and attractiveness of Philadelphia as a place in which to live and do business depend upon having a diverse and ample supply of employment opportunities in the private sector, sufficient in number to provide jobs to current residents while attracting people to move here; and

WHEREAS, Growth in the supply of jobs would in turn lead to a critically needed expansion of the City's tax base, which would enable City government to provide essential services while retaining its commitment to responsible tax reduction; and

WHEREAS, City government and other public, quasi-public and non-profit organizations play essential roles in spurring the creation and retention of private sector jobs, but, without

adequate coordination or attention to the unintended consequences of their policies, can so impede the growth of the private sector and our local economy; and

WHEREAS, Under Section 6 of the First Class City Home Rule Act (53 P.S. §13106), an amendment to The Philadelphia Home Rule Charter may be proposed by a resolution of the Council of the City of Philadelphia adopted with the concurrence of two-thirds of its elected members; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the following amendment to The Philadelphia Home Rule Charter is hereby proposed and shall be submitted to the electors of the City on an election date designated by ordinance:

~~Strikethrough~~ indicates matter deleted by these amendments.

*Bold italics* indicates matter added by these amendments.

ARTICLE III – EXECUTIVE AND ADMINISTRATIVE BRANCH – ORGANIZATION  
CHAPTER 1 OFFICERS, DEPARTMENTS, BOARDS, COMMISSIONS AND OTHER AGENCIES

§3-100. Executive and Administrative Officers, Departments, Boards, Commissions and Agencies Designated.

The executive and administrative work of the City shall be performed by:

\* \* \*

- (e) The following independent boards and commissions, which, except for the Board of Trustees of the Free Library of Philadelphia, are hereby created:

\* \* \*

Youth Commission; ~~and~~  
Zoning Code Commission; *and*  
*Jobs Commission.*

\* \* \*

CHAPTER 8 INDEPENDENT BOARDS AND COMMISSIONS

\* \* \*

§ 3-809. *Jobs Commission.*

- (a) *Composition. The Jobs Commission shall be composed of seventeen members, nine of whom shall be appointed by the Mayor and eight of whom shall be appointed by the Council President, provided that Council may from time to time provide by ordinance for a different composition or method of appointment.*

- (b) *Initial appointments. All appointments to the Commission shall be made within thirty days after the Commission is first created.*

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- (c) *Vacancies. Vacancies on the Commission shall be filled within thirty days by the appointing authority who originally appointed the member whose seat has become vacant.*
- (d) *Compensation. Members of the Commission shall not be compensated.*

\* \* \*

#### ARTICLE IV

#### EXECUTIVE AND ADMINISTRATIVE BRANCH – POWERS AND DUTIES

The Mayor, The City Representative and Departments, Boards and Commissions under the Mayor

\* \* \*

#### CHAPTER 16

#### JOBS COMMISSION

#### §4-1600. Powers and Duties.

- (a) *Within sixty days after its creation, the Jobs Commission shall convene its first meeting. Thereafter the Commission shall meet at least monthly, at such times and at such places as determined by the Commission, provided that the Commission shall hold at least two public meetings in the Council chambers to receive testimony from the public. All meetings shall be open to the public and such meetings shall be publicized through a notice that will specify whether there will be an opportunity for the public to comment.*
- (b) *The purpose of the Commission is to determine how City government and other public, quasi-public and non-profit agencies can best marshal their resources in a consistent, comprehensive, and coordinated manner to create and preserve private sector jobs for Philadelphians. To that end, the Commission shall identify all entities that play a significant role, either directly or indirectly, in influencing the growth of the local private sector economy; evaluate the effectiveness of those entities, including, but not limited to, the extent to which their respective initiatives are coordinated with each other; articulate the key factors that contribute to or impede the growth and retention of private sector jobs for Philadelphians; identify successful job creation policies and initiatives used in other jurisdictions; develop a set of principles to guide future decision-making with respect to job creation initiatives; and, through the application of those principles, develop specific recommendations for reform. The analysis undertaken by the Commission shall encompass, but not be limited to, the following areas of concern: job training; workforce development; economic development, including land acquisition and disposition; education; licensing, zoning, and other regulatory processes; and tax policies.*

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- (c) *The Commission shall, subject to the availability of appropriations, appoint and fix the compensation of an executive director and such other staff or consultants as may be required for the proper conduct of its work (provided that the appointment of an executive director shall require a vote of two-thirds of all the members of the Commission).*
- (d) *All departments, boards, commissions and other City agencies shall cooperate fully with the Commission in the performance of its duties and responsibilities and shall provide any and all documents, data, analyses or other information related to the creation and preservation of private sector jobs requested by the Commission, except documents the nondisclosure of which is legally privileged or which have been prepared for or by the Law Department for use in actions or proceedings to which the City is or may be a party, and provided that the Commission shall maintain the confidentiality of any documents, data, analyses or other related information upon the written request by any City agency that the material being provided to the Commission be treated as confidential.*
- (e) *On or before January 31, 2012, unless Council by resolution approves an extension, the Commission shall by a vote of two-thirds of all members of the Commission adopt a written report containing its findings, and providing specific recommendations aimed at accelerating the creation and preservation of private sector jobs for Philadelphians, including a description of proposed legislation that may be required. The Commission shall provide copies of its report to each of the Commission's appointing authorities and to each member of Council and to the Clerk of Council, and the Commission shall see to it that copies are provided to all public libraries in the City and that a copy is posted on the City's official website.*
- (f) *After issuing its report, the Commission shall thereafter be reconvened only as directed by a resolution of the Council. Within thirty days after adoption of such a resolution, new members of the Commission shall be selected in accordance with the selection process set forth in Section 3-809 unless Council provides by ordinance for a different selection process, provided that any former member of the Commission may be reappointed as a member of the Commission.*
- (g) *The Jobs Commission shall exercise such other powers and duties not inconsistent with this section that Council may from time to time vest in it by ordinance.*

\* \* \*

## APPENDIX B – MEMBERS OF THE PHILADELPHIA JOBS COMMISSION

Name	Organization
Robert C. Nelson, Chairman	President & CEO, Philadelphia OIC
Sultan Ahmad	Founder, Sultan Ahmad Community Foundation; former MOCS Executive Director
Ruta Bastos	Senior VP, Sovereign Bank; representing Greater Philadelphia Hispanic Chamber of Commerce
Ryan Boyer	Business Manager, Laborer's District Council
Steven Scott Bradley	Chairman, African American Chamber of Commerce
David Donald	Founder & CEO, PeopleShare
Mark Edwards	President & CEO, Philadelphia Works
W. Wilson Goode, Jr.	Councilman At-Large
Ed Grose	Executive Director, Greater Philadelphia Hotel Association
William "Bill" Hart	Executive Director, Mayor's Office of Re-integration Services for Ex-offenders (RISE)
Eden Kratchman	Vice President of Global Corporate Giving, ACE Group; representing Greater Philadelphia Chamber of Commerce
Jaine Lucas	Executive Director, Innovation & Entrepreneurship Institute, Temple University
Bilal Qayyum	President, Father's Day Rally Committee
Narasimha "Nick" Shenoy	President & CEO, Asian American Chamber of Commerce
Al Taubenberger	President, Greater Northeast Philadelphia Chamber of Commerce
Julie Welker	President, Caldwell Banker Welker Real Estate

## APPENDIX C – ADDITIONAL DETAIL ON NATIONAL AND LOCAL LABOR MARKETS

**Table C.1 – Philadelphia Employment by Industry (2-Digit NAICS Code)**

NAICS Code	Industry Description	2001 Actual	2011 Actual	2001-2011 Actual	Rank
11	Agriculture, Forestry, Fishing and Hunting	90	65	-25	8
21	Mining, Quarrying, and Oil and Gas Extraction	24	17	-7	7
22	Utilities	2,047	1,341	-706	9
23	Construction	17,995	16,475	-1,520	11
31-33	Manufacturing	40,809	25,724	-15,085	20
42	Wholesale Trade	21,157	16,649	-4,508	15
44-45	Retail Trade	58,390	52,786	-5,604	17
48-49	Transportation and Warehousing	36,183	32,721	-3,462	12
51	Information	17,770	13,537	-4,233	14
52	Finance and Insurance	45,604	39,331	-6,273	18
53	Real Estate and Rental and Leasing	16,403	19,485	3,082	4
54	Professional, Scientific, and Technical Services	57,652	52,484	-5,168	16
55	Management of Companies and Enterprises	5,296	13,357	8,061	3
56	Administrative and Support and Waste Management and Remediation Services	35,032	31,536	-3,496	13
61	Educational Services	60,158	77,590	+17,432	2
62	Health Care and Social Assistance	121,570	150,685	+29,115	1
71	Arts, Entertainment, and Recreation	13,116	15,362	+2,246	5
72	Accommodation and Food Services	51,642	52,674	+1,032	6
81	Other Services (except Public Administration)	34,875	33,629	-1,246	10
90	Government	111,196	102,751	-8,445	19
	<b>Total</b>	<b>747,012</b>	<b>748,200</b>	<b>+1,188</b>	

Source: EMSI (2011) Econsult Corporation (2012)

**Table C.2 – Philadelphia Employment by Occupation (2-Digit SOC Code)**

SOC Code	Occupation Description	2001 Actual	2011 Actual	2001-2011 Actual	Rank
11	Management occupations	35,231	38,160	+2,929	6
13	Business and financial operations occupations	41,036	43,070	+2,034	7
15	Computer and mathematical science occupations	15,651	14,890	-761	14
17	Architecture and engineering occupations	11,193	9,457	-1,736	18
19	Life, physical, and social science occupations	8,823	9,866	+1,043	11
21	Community and social services occupations	18,469	23,250	+4,781	4
23	Legal occupations	12,928	11,880	-1,048	15
25	Education, training, and library occupations	61,857	72,080	+10,223	1
27	Arts, design, entertainment, sports, and media occupations	17,810	18,937	+1,127	10
29	Healthcare practitioners and technical occupations	51,331	56,034	+4,703	5
31	Healthcare support occupations	21,603	27,394	+5,791	3
33	Protective service occupations	20,192	21,370	+1,178	9
35	Food preparation and serving related occupations	53,229	55,115	+1,886	8
37	Building and grounds cleaning and maintenance occupations	24,274	23,926	-348	13
39	Personal care and service occupations	21,698	30,120	+8,422	2
41	Sales and related occupations	71,870	65,908	-5,962	21
43	Office and administrative support occupations	138,660	123,982	-14,678	23
45	Farming, fishing, and forestry occupations	487	438	-49	12
47	Construction and extraction occupations	17,987	16,434	-1,553	17
49	Installation, maintenance, and repair occupations	23,780	21,622	-2,158	19
51	Production occupations	33,567	24,215	-9,352	22
53	Transportation and material moving occupations	39,745	35,573	-4,172	20
55	Military Occupations	5,593	4,479	-1,114	16
	<b>Total</b>	<b>747,012</b>	<b>748,200</b>	<b>+1,188</b>	

Source: EMSI (2011) Econsult Corporation (2012)

## APPENDIX D – ADDITIONAL DETAIL ON UNEMPLOYMENT RATES FOR ZIP CODES IN THE CITY OF PHILADELPHIA WITH THE HIGHEST CONCENTRATION OF EX-OFFENDERS

**Table D.1 – Unemployment Rates for Zip Codes in the City of Philadelphia with the Highest Concentration of Ex-Offenders**

Zip Code	2009 Releases	2010 Releases	2011 Releases	2012 Releases	2009-2012 Releases	Annual Releases	Resident Population	Ex-Offender Ratio	Unemployment Rate
19121	1,580	1,456	1,430	1,502	5,968	1,023	36,572	2.80%	22.5%
19140	2,301	2,187	2,116	2,185	8,789	1,507	54,133	2.78%	20.4%
19133	1,486	1,275	1,354	-	4,115	705	26,063	2.71%	26.4%
19132	1,976	1,732	1,579	-	5,287	906	36,268	2.50%	17.7%
19139	1,459	1,279	1,290	1,335	5,363	919	41,271	2.23%	15.9%
19143	2,260	2,049	1,940	2,009	8,258	1,416	64,849	2.18%	15.0%
19134	2,716	2,444	2,500	-	7,660	1,313	60,675	2.16%	16.8%

Source: City of Philadelphia Mayor's Office of Reintegration Services (2012), Zip Atlas (2012), Econsult Corporation (2012)



## APPENDIX E – ADDITIONAL DETAIL ON KEY INFLUENTIAL ENTITIES INVOLVED IN JOB CREATION AND RETENTION

**Table E.1 – Glossary and Brief Description of Key Influential Entities**

Entity	Full Name	Brief Description
<u>City/Commonwealth</u>		
Commerce	City of Philadelphia Department of Commerce	The Philadelphia Department of Commerce is the umbrella organization for all economic development activity in the city. Coordinating the work of related agencies, the Department leads efforts to develop business-friendly strategies to help both small businesses and major corporations in Philadelphia thrive.
OEO	City of Philadelphia Office of Economic Opportunity	OEO works with the Philadelphia business community to build internal and external alliances with minority, woman, or disabled owned business enterprises, with the City of Philadelphia, and with private industries to help develop strong, mutually beneficial relationships that facilitate successful networking opportunities.
OHCD	City of Philadelphia Office of Housing and Community Development	OHCD is Philadelphia's housing policy agency. OHCD is responsible for administering Federal and State-funded low-income housing and community development programs.
PCPC	Philadelphia City Planning Commission	The PCPC commission and staff are responsible for city planning activities, including long-range planning, community planning, and development planning, in the City of Philadelphia.
PRA	Philadelphia Redevelopment Authority	As the public government agency charged with the redevelopment of the City of Philadelphia, the Philadelphia Redevelopment Authority provides the foundations that enable private investors to revitalize neighborhoods.
DCED (PA)	Commonwealth of Pennsylvania Department of Community and Economic Development	DCED strives to foster opportunities for businesses to grow and for communities to succeed and thrive in a global economy.
<u>Quasi-Public</u>		
PIDC	Philadelphia Industrial Development Corporation	PIDC is Philadelphia's city-wide economic development corporation. PIDC plans and implements real estate and financing transactions that attract investment, jobs and tax ratables to the City of Philadelphia.

Entity	Full Name	Brief Description
DRPA	Delaware River Port Authority	DRPA is a regional transportation agency that invests in the economic growth of Southeastern Pennsylvania and Southern New Jersey.
DVRPC	Delaware Valley Regional Planning Commission	DVRPC works to foster regional cooperation in a nine-county, two state area. City, county and state representatives work together to address key issues, including transportation, land use, environmental protection and economic development.
PCVB	Philadelphia Convention and Visitors Bureau	PCVB competes with its counterparts worldwide for convention and tourism business and has departments dedicated to the multicultural, sports, and life sciences markets.
Phila Works	Philadelphia Works Inc.	Philadelphia Works connects employers to a skilled workforce and helps individuals develop the skills needed to thrive in the workplace.
<b><u>Chambers of Commerce</u></b>		
GPPC	Greater Philadelphia Chamber of Commerce	GPPC is dedicated to promoting regional economic growth, advancing business-friendly public policies, and servicing members through programs, benefits and services.
Afr-Am	African-American Chamber of Commerce of Pennsylvania, New Jersey, and Delaware	The African-American Chamber of Commerce of PA, NJ, and DE is a membership organization that serves businesses, non-profit organizations, individuals, and other agencies that are committed to supporting the economic empowerment and growth of African-American businesses.
Asian	Asian American Chamber of Commerce of Greater Philadelphia	AACCGP is dedicated to promoting regional economic growth between Asian & non-Asian businesses while advancing business-friendly public policies and servicing our members through programs, benefits, and services.
Hispanic	Greater Philadelphia Hispanic Chamber of Commerce	GPHCC is a not-for-profit organization devoted to promoting the advancement and economic growth of Hispanic businesses and professionals in the greater Philadelphia region through educational programs and a broad range of services and special events.
NE Phila	Greater Northeast Philadelphia Chamber of Commerce	GNPCC brings small and large businesses together to network, develop, and improve business relationships. GNPCC serves as a catalyst for growth and promotes the area's residential and commercial assets.
<b><u>Other Non-Profit</u></b>		
ACF	American Cities Foundation	ACF promotes revitalization efforts that are sustainable and encourages economic development by creating and implementing innovative programs that uncover best management practices for addressing issues facing urban communities.

Entity	Full Name	Brief Description
Baiada	Drexel University Laurence A. Baiada Institute for Entrepreneurship	Baiada bridges education and entrepreneurship by linking research, coursework, experiential learning, and entrepreneurial thinking with practical guidance for budding entrepreneurs.
Ben Franklin	Ben Franklin Technology Partners of Pennsylvania	BFTP is a technology-based economic development program that provides both early-stage and established companies with funding, business and technical expertise and access to a network of innovative, expert resources.
CCD	Center City District	CCD seeks to enhance the vitality of Center City Philadelphia as a thriving 24-hour downtown and a great place to live, work or have fun.
DVIRC	Delaware Valley Industrial Resource Center	DVIRC focuses exclusively on the region's manufacturing community to grow business value through consulting services, talent development, training and education and networking.
Economy Lg	Economy League of Greater Philadelphia	ELGP is an independent, nonpartisan, nonprofit organization committed to ensuring the region's prosperity through in-depth research, collaboration with regional stakeholders, and creative problem-solving, the Economy League is in a unique position to serve as a catalyst for action.
Entrep Works	Entrepreneur Works	Entrepreneur Works is a non-profit microenterprise development organization focused on cultivating and promoting successful entrepreneurs in underserved areas of the Greater Philadelphia region .
GPTMC	Greater Philadelphia Tourism and Marketing Corporation	GPTMC is a private, non-profit organization that promotes leisure travel to the Greater Philadelphia region through marketing and image building.
IVC	International Visitors Council	IVC is an international relations organization and the "door" to the greater Philadelphia community for guests of the U.S. Government as well as individuals and corporations seeking professional connections to the people and institutions of our region.
OIC	Philadelphia Opportunities Industrialization Center	Philadelphia OIC is dedicated to the elimination of poverty, unemployment, and illiteracy to ensure a meaningful quality of life for families and individuals within the Philadelphia community.
PACDC	Philadelphia Association of Community Development Corporations	PACDC is dedicated to advocacy, policy development and technical assistance for community development corporations and other organizations in their efforts to rebuild communities and revitalize neighborhoods.

Entity	Full Name	Brief Description
Select	Select Greater Philadelphia	Select is an economic development marketing organization dedicated to attracting companies to Greater Philadelphia. Select assists companies interested in the region by providing detailed information about the 11-county area.
TEC	The Enterprise Center	The Enterprise Center provides access to capital, building capacity, business education and economic development opportunities to high-potential, minority entrepreneurs.
TRF	The Reinvestment Fund	TRF is a progressive, results-oriented, socially responsible community investment group that today works across the mid-Atlantic region. TRF delivers capital where it's needed the most, galvanizing private initiative and capital for the public good.
TU SBDC	Temple University Small Business Development Center	SBDC seeks to help small businesses grow and succeed through business management consulting and training for aspiring entrepreneurs and small emerging growth companies in Southeastern Pennsylvania.
UAC	Urban Affairs Coalition	UAC unites government, business, neighborhoods, and individual initiatives to improve the quality of life in the region, build wealth in urban communities, and solve emerging issues.
UCD	University City District	UCD promotes a vibrant, world-class University City through major investments in public space development, public maintenance, and public safety.
Urban L	Urban League of Philadelphia	The Urban League is a community-based movement devoted to empowering African Americans to enter the economic and social mainstream.
WBDC	Women's Business Development Center	WBDC provides services and programs that support and accelerate women's business ownership and strengthen their impact on the economy.
WH SBDC	Wharton Small Business Development Center	WH SBDC provides business assistance to small businesses in the greater Philadelphia region.
WORC	Women's Opportunity Resource Center	The mission of WORC is to promote social and economic self-sufficiency primarily for economically disadvantaged women and their families. WORC provides entrepreneurial training, individual business assistance, incentive savings programs, and access to business and financial resources
WTCGP	World Trade Center of Greater Philadelphia	WTCGP is a source of international business support for the Greater Philadelphia region which assists companies in targeting opportunities, developing a market entry strategy, and identifying partners to sell into worldwide markets.

Source: Econsult Corporation (2012)

**Table E.2 – Glossary of Functions Performed by Key Influential Entities**

Role	Description
Coordinate	Coordinate across multiple roles
Certif/Monitor	Certification and monitoring for purposes of ensuring equitable and diverse participation
Planning	Citywide or regionwide planning
Tech Asst	Technical assistance to businesses
Advocacy	Advocacy for businesses
Mktg macro	Marketing the overall City and/or region
Mktg micro	Marketing a specific neighborhood or corridor within the City
Financing	Providing equity or debt financing
Grants	Providing grants
Wkfc Devt	Providing workforce development resources
Entrprnrshp	Providing resources to entrepreneurs

*Source: Econsult Corporation (2012)*

**Table E.3 – Glossary and Brief Description of Key Workforce Development Entities**

Entity	What They Do
Philadelphia Works Inc.	Philadelphia Works offers career counseling, training, and placement services, provides resources for employers, conducts research on employment and workforce trends, and seeks policy improvements.
Job Opportunity Investment Network (JOIN)	JOIN is a funding collaborative that seeks to effect change in the city's workforce system, align public and private resources in new ways, and support programs that can serve as models for innovation.
Jobs for the Future (JFF)	Jobs for the Future seeks to bring Philadelphia's workforce's education in line with today's career opportunities. JFF develops policy solutions and promotes new education and workforce strategies to help the workforce remain competitive.
Pennsylvania Fund for Workforce Solutions (PFWS)	PFWS is a collaborative that provides advocacy and support for Industry Partnerships that are creating employment and advancement opportunities for lower-skilled adults.
Collegiate Consortium for Workforce and Economic Development	The Consortium is a partnership of Drexel University and five area community colleges which focuses on developing a highly skilled regional workforce by emphasizing advanced technical training.

Entity	What They Do
Philadelphia Youth Network (PYN)	PYN seeks to improve educational and economic outcomes for youth through programs like internships, GED-to-college initiatives, and Student Success Centers.
District 1199C Training and Upgrading Fund	District 1199C assists its members and the community in upgrading out of jobs with few advancements opportunities and staying up-to-date with modern technological demands.
West Philadelphia Skills Initiative (WPSI)	WPSI brings together universities and health systems and links these institutions to local residents to help them obtain jobs with the opportunity to advance.
People's Emergency Center- Job Opportunities and Business Skills (JOBS)	Job Opportunities and Business Skills (JOBS) assists homeless mothers with their transition from welfare to work through job training and placement programs.
Ready, Willing, and Able (RWA) Philadelphia	RWA addresses homelessness, addiction, and criminal recidivism by offering transitional work opportunities, occupational training, housing, and comprehensive support services to homeless individuals.
Congreso's Education and Workforce Services	Congreso's Education and Workforce Services offers programs to help local residents become certified for childcare development or obtain degrees while providing transitional housing, paid work, vocational training, adult basic education, job placement, social support services, and post-graduation services.
Philadelphia Veterans Multi-Service & Education Center	The Center provides services to military Veterans to help them transition into the workforce and their community.
Philadelphia Job Corps	The Job Corps provides educational and technical training for a variety of positions, including medical assistants, dietary planners, emergency medical technicians, health care facility engineers, nurse aides, and pharmacy technicians.
Philadelphia OIC	OIC assists the unemployed, the underemployed, the homeless and disadvantaged youth and adults by providing education, training, job placement, supportive human services, housing, and economic development.

*Source: Econsult Corporation (2012)*

## APPENDIX F – ADDITIONAL DETAIL ON THE COMPOSITION OF NET EMPLOYMENT GROWTH IN THE PHILADELPHIA REGION

**Table F.1 - Composition of Change in Employment within the City of Philadelphia from 1990 to 2010, by Industry**

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
11 Agr	396	(275)	(31)	9	(39)	60
21 Mining	253	(2,253)	(125)	93	(86)	(2,118)
22 Util	6,078	(948)	(12,919)	10	(261)	(8,040)
23 Constr	29,245	(32,555)	5,739	2,565	(5,431)	(437)
31 Manuf	9,184	(23,927)	1,066	1,855	(3,654)	(15,476)
32 Manuf	12,152	(24,968)	4,804	3,515	(3,971)	(8,468)
33 Manuf	12,967	(32,011)	(2,703)	2,290	(7,513)	(26,970)
42 Wholesale	29,252	(43,020)	1,933	2,710	(7,667)	(16,792)
44 Retail	70,379	(72,120)	7,820	2,199	(4,941)	3,337
45 Retail	27,939	(30,898)	1,457	525	(1,878)	(2,855)
48 Trans and Warehouse	15,470	(24,931)	2,014	2,154	(3,376)	(8,669)
49 Trans and Warehouse	8,478	(21,088)	12,888	71	(394)	(45)
51 Info	29,750	(28,969)	24,281	2,894	(4,923)	23,033
52 Finance and Insurance	36,599	(72,586)	(254)	5,213	(18,421)	(49,449)
53 Real Estate	21,497	(21,192)	5,310	1,287	(1,880)	5,022
54 Prof Svcs	72,674	(76,660)	9,922	5,827	(12,884)	(1,121)
55 Mgmt	1,467	(1,928)	121	53	(104)	(391)
56 Adm	75,958	(70,293)	16,838	4,035	(9,055)	17,483
61 Educ	26,840	(25,620)	(3,584)	509	(1,515)	(3,370)
62 Health	100,572	(101,344)	11,570	7,183	(12,367)	5,614
71 Arts and Rec	12,739	(10,637)	4,127	384	(1,144)	5,469
72 Accom and Food	52,811	(52,311)	2,419	1,707	(1,449)	3,177

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
81 Other Svcs	55,064	(50,949)	(3,807)	1,412	(3,170)	(1,450)
92 Public Adm	70,735	(49,163)	20,586	26	(1,947)	40,237
99 N/A	745	(460)	-	-	(1)	284
<b>Total Change in Jobs</b>	<b>779,244</b>	<b>(871,106)</b>	<b>109,472</b>	<b>48,526</b>	<b>(108,071)</b>	<b>(41,935)</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.2 - Composition of Change in Firms within the City of Philadelphia from 1990 to 2010, by Industry**

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
11 Agr	192	(132)	N/A	4	(5)	59
21 Mining	38	(42)	N/A	5	(6)	(5)
22 Util	57	(46)	N/A	2	(11)	2
23 Constr	10,035	(8,255)	N/A	295	(623)	1,452
31 Manuf	1,036	(1,166)	N/A	57	(100)	(173)
32 Manuf	1,025	(1,160)	N/A	78	(162)	(219)
33 Manuf	1,819	(1,990)	N/A	102	(252)	(321)
42 Wholesale	5,463	(5,317)	N/A	267	(616)	(203)
44 Retail	14,532	(13,009)	N/A	269	(592)	1,200
45 Retail	6,861	(5,921)	N/A	104	(252)	792
48 Trans and Warehouse	2,271	(1,714)	N/A	93	(135)	515
49 Trans and Warehouse	583	(485)	N/A	8	(25)	81
51 Info	3,687	(2,787)	N/A	105	(197)	808
52 Finance and Insurance	5,387	(4,098)	N/A	204	(409)	1,084
53 Real Estate	5,522	(4,447)	N/A	154	(248)	981
54 Prof Svcs	15,843	(11,303)	N/A	613	(1,036)	4,117



Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
55 Mgmt	401	(220)	N/A	10	(13)	178
56 Adm	28,516	(12,261)	N/A	274	(468)	16,061
61 Educ	1,651	(1,091)	N/A	40	(64)	536
62 Health	11,972	(8,532)	N/A	221	(550)	3,111
71 Arts and Rec	3,002	(1,979)	N/A	78	(114)	987
72 Accom and Food	5,392	(4,506)	N/A	91	(149)	828
81 Other Svcs	17,140	(13,072)	N/A	216	(455)	3,829
92 Public Adm	692	(329)	N/A	8	(10)	361
99 N/A	151	(81)	N/A	-	(1)	69
<b>Total Change in Firms</b>	<b>143,268</b>	<b>(103,943)</b>	<b>N/A</b>	<b>3,298</b>	<b>(6,493)</b>	<b>36,130</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.3 - Composition of Change in Employment within the Philadelphia Suburban Counties (Bucks, Chester, Delaware, Montgomery) from 1990 to 2010, by Industry**

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
11 Agr	4,483	(4,820)	1,460	N/A	N/A	1,123
21 Mining	1,194	(1,913)	50	N/A	N/A	(669)
22 Util	3,719	(6,905)	(2,799)	N/A	N/A	(5,985)
23 Constr	90,566	(103,123)	24,321	N/A	N/A	11,764
31 Manuf	19,375	(33,161)	(2,596)	N/A	N/A	(16,382)
32 Manuf	56,872	(78,129)	(4,163)	N/A	N/A	(25,420)
33 Manuf	74,747	(129,664)	(13,967)	N/A	N/A	(68,884)
42 Wholesale	70,862	(96,211)	10,821	N/A	N/A	(14,528)
44 Retail	120,262	(111,515)	11,855	N/A	N/A	20,602
45 Retail	67,129	(66,552)	1,948	N/A	N/A	2,525
48 Trans and	19,086	(24,641)	6,305	N/A	N/A	750

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
Warehouse						
49 Trans and Warehouse	15,903	(15,281)	(477)	N/A	N/A	145
51 Info	52,422	(57,074)	7,344	N/A	N/A	2,692
52 Finance and Insurance	91,635	(124,643)	26,516	N/A	N/A	(6,492)
53 Real Estate	48,341	(50,459)	8,760	N/A	N/A	6,642
54 Prof Svcs	190,165	(166,758)	23,506	N/A	N/A	46,913
55 Mgmt	5,105	(2,196)	(1,360)	N/A	N/A	1,549
56 Adm	148,876	(125,351)	15,744	N/A	N/A	39,269
61 Educ	25,497	(31,322)	7,887	N/A	N/A	2,062
62 Health	141,795	(125,002)	21,974	N/A	N/A	38,767
71 Arts and Rec	23,945	(25,318)	7,639	N/A	N/A	6,266
72 Accom and Food	73,310	(63,913)	3,115	N/A	N/A	12,512
81 Other Svcs	76,813	(90,858)	17,251	N/A	N/A	3,206
92 Public Adm	33,049	(24,371)	1,941	N/A	N/A	10,619
99 N/A	1,532	(1,184)	11	N/A	N/A	359
<b>Total Change in Jobs</b>	<b>1,456,683</b>	<b>(1,560,364)</b>	<b>173,086</b>	<b>N/A</b>	<b>N/A</b>	<b>69,405</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.4 - Composition of Change in Firms within the Philadelphia Suburban Counties (Bucks, Chester, Delaware, Montgomery) from 1990 to 2010, by Industry**

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
11 Agr	1,932	(1,469)	N/A	N/A	N/A	463
21 Mining	137	(132)	N/A	N/A	N/A	5
22 Util	198	(171)	N/A	N/A	N/A	27

Industry	Business Births	Business Deaths	Business Expansion/Contraction	Business Relocation In	Business Relocation Out	Total Change
23 Constr	31,491	(24,956)	N/A	N/A	N/A	6,535
31 Manuf	1,950	(1,811)	N/A	N/A	N/A	139
32 Manuf	3,258	(3,221)	N/A	N/A	N/A	37
33 Manuf	5,907	(5,843)	N/A	N/A	N/A	64
42 Wholesale	14,772	(13,949)	N/A	N/A	N/A	823
44 Retail	21,278	(18,580)	N/A	N/A	N/A	2,698
45 Retail	14,687	(12,578)	N/A	N/A	N/A	2,109
48 Trans and Warehouse	4,205	(3,119)	N/A	N/A	N/A	1,086
49 Trans and Warehouse	1,389	(933)	N/A	N/A	N/A	456
51 Info	8,288	(6,209)	N/A	N/A	N/A	2,079
52 Finance and Insurance	15,589	(11,495)	N/A	N/A	N/A	4,094
53 Real Estate	13,222	(10,202)	N/A	N/A	N/A	3,020
54 Prof Svcs	44,806	(30,307)	N/A	N/A	N/A	14,499
55 Mgmt	1,077	(490)	N/A	N/A	N/A	587
56 Adm	68,630	(32,348)	N/A	N/A	N/A	36,282
61 Educ	2,805	(1,919)	N/A	N/A	N/A	886
62 Health	23,613	(15,810)	N/A	N/A	N/A	7,803
71 Arts and Rec	5,939	(3,935)	N/A	N/A	N/A	2,004
72 Accom and Food	6,680	(5,289)	N/A	N/A	N/A	1,391
81 Other Svcs	24,509	(18,428)	N/A	N/A	N/A	6,081
92 Public Adm	1,138	(490)	N/A	N/A	N/A	648
99 N/A	330	(238)	N/A	N/A	N/A	92
<b>Total Change in Firms</b>	<b>317,830</b>	<b>(223,922)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>93,908</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.5 - Distribution of Employees of Firms Relocating between 1990 and 2010, by Origin County (Columns) and Destination County (Rows)**

	Beks	Bucks	Burlington	Camden	Cecil	Chester	Cumberland	Delaware	Gloucester	Mercer	Montgomery	New Castle	Philadelphia	Salem	Other	Grand Total
Beks		185	18	6	1	1,128	3	106	2	2	3,365	47	329		7,782	12,974
Bucks	108		758	579	13	804	10	1,336	128	4,843	15,129	93	13,233		16,651	53,680
Burlington	88	1,391		25,875		250	208	450	2,115	2,375	978	306	3,555	63	10,709	48,353
Camden	2	498	13,301		7	121	325	753	7,501	581	937	175	5,538	154	16,675	46,568
Cecil		16	6	17		81		25	5	15	2	1,000	4	122	1,049	2,342
Chester	1,625	1,111	54	253	176		3	11,675	175	27	20,236	1,667	4,658	14	19,437	61,111
Cumberland	3	5	134	484		22		3	308	82	74	17	36	365	1,819	3,352
Delaware	88	657	457	416	92	11,476	43		345	57	9,211	1,596	12,890	7	6,893	44,223
Gloucester		235	2,093	10,035	2	203	641	861		778	278	262	1,488	393	4,379	21,648
Mercer	22	1,126	2,192	476		154	173	165	243		663	44	340		35,130	40,718
Montgomery	1,881	13,982	640	1,351	1	17,664	4	13,637	149	396		2,140	36,164	1	22,314	110,324
New Castle	465	61	222	186	353	3,879	34	2,619	111	16	247		2,439	3,104	28,923	42,659
Philadelphia	358	4,794	643	1,875	4	2,104	3,018	3,538	219	259	12,787	1,296		52	17,579	48,526
Salem		122	71	253	1	43	1,364	20	1,545	5	1	50	56		432	3,963
Other	8,665	13,151	9,061	9,309	1,474	14,527	2,201	8,911	3,100	27,063	19,113	20,305	27,341	227		164,468
Grand Total	13,310	37,334	29,650	51,115	2,124	52,456	8,022	44,099	15,946	36,499	83,011	28,998	108,071	4,502	189,772	704,909

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.6 - Distribution of Firms Relocating between 1990 and 2010, by Origin County (Columns) and Destination County (Rows)**

	Beks	Bucks	Burlington	Camden	Cecil	Chester	Cumberland	Delaware	Gloucester	Mercer	Montgomery	New Castle	Philadelphia	Salem	Other	Grand Total
Beks		28	6	1	1	158	1	23	2	2	330	3	22		642	1219
Bucks	24		85	62	2	87	4	100	21	236	1564	6	1,180		1,030	4401
Burlington	5	110		1,366		15	23	37	103	293	77	12	225	12	786	3,064
Camden	1	65	1,164		1	18	40	60	642	40	86	31	454	27	670	3,299
Cecil		3	3	4		27		7	3	2	2	110	2	4	213	380
Chester	96	80	14	19	14		1	1,217	17	8	1,151	211	238	2	869	3,937
Cumberland	1	2	15	44		2		1	62	4	3	2	5	53	172	366
Delaware	15	60	34	47	5	751	3		24	6	808	134	744	1	452	3,084
Gloucester		29	135	950	1	8	89	65		14	19	19	125	53	288	1,795
Mercer	6	123	163	34		14	3	11	9		21	6	16		1,816	2,222
Montgomery	220	1,238	66	88	1	895	2	888	20	28		51	2,337	1	1,069	6,904
New Castle	8	15	17	30	69	142	4	163	16	7	45		97	19	1,024	1,656
Philadelphia	25	503	92	160	2	127	5	390	30	23	939	63		3	936	3,298
Salem		3	12	30	1	4	78	7	131	2	1	12	10		42	333
Other	641	1,189	820	770	166	944	245	586	304	1,796	1,343	1,118	1,038	46		11,006
Grand Total	1,042	3,448	2,626	3,605	263	3,192	498	3,555	1,384	2,461	6,389	1,778	6,493	221	10,009	46,964

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.7 - Arrival of Employees to Philadelphia between 1990 and 2010, by Origin County**

Year	Berk	Bucks	Burlington	Camden	Cecil	Chester	Cumberland	Delaware	Gloucester	Mercer	Montgomery	New Castle	Salern	Other	Grand Total
1990		579	12	353		16		181		5	450	21		1,410	3,027
1991	158	257	38	278		425		360	12	68	1,072	9		908	3,580
1992	24	185	39	30		66	6	410	1	55	401	6		824	2,047
1993	3	134	34	114		400		515		25	433	687		577	2,922
1994	3	248	6	124		44		111	9		575	70		673	1,863
1995	18	791	19	82		16		154			1,224	6		624	2,934
1996	10	252	9	89		217		139	1	5	220	72	50	337	1,401
1997		182	4	46		39		193	4	2	429	17		572	1,488
1998	8	111	10	39		40		99		13	884	127		87	1,418
1999		175	35	76		73	6	54	1		395	8		699	1,522
2000	60	401	32	71		56		250	6	60	445	1		1,900	3,282
2001	1	202	19	86		16	5	93	39	1	586			971	2,019
2002	27	314	28	60		22		43	18		746	37		1,039	2,334
2003		145	19	213		88		172	4	2	1,950	26	1	532	3,152
2004	7	93	14	29		18	300	259	53	15	411	1		1,254	5,154
2005		111	49	65		6		50	4		272	7		592	1,156
2006		182	174	18	3	231		197		5	212	117	1	763	1,903
2007	8	197	9	26		125	1	75	56		314	15		1,067	1,893
2008		103	9	52		31		27	2	1	1,387	16		1,016	2,644
2009	31	132	84	24	1	175		156	9	2	381	53		1,739	2,787
Grand Total	358	4,794	643	1,875	4	2,104	3,018	3,538	219	259	12,787	1,296	52	17,579	48,526

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.8 - Arrival of Firms to Philadelphia between 1990 and 2010, by Origin County**

Year	Berks	Bucks	Burlington	Camden	Cecil	Chester	Cumberland	Delaware	Gloucester	Mercer	Montgomery	New Castle	Salern	Other	Grand Total
1990		27	3	11		3		22		2	50	2		50	170
1991	1	26	5	7		6		21	1	2	49	3		28	149
1992	2	11	5	3		5	1	18	1	1	37	2		26	112
1993	1	19	5	7		15		64		1	41	6		39	198
1994	1	24	1	6		6		11	1		19	1		27	97
1995	2	27	2	6		3		10			63	2		21	136
1996	2	24	2	11		4		13	1	2	47	4	1	27	138
1997		17	2	5		4		23	1	1	34	4		29	120
1998	2	17	5	6		3		11		2	61	1		23	131
1999		20	5	7		6	1	9	1		38	2		17	106
2000	2	25	3	8		4		28	2	3	52	1		40	168
2001	1	29	5	11		4	1	17	3	1	69			61	202
2002	4	26	10	18		7		17	3		53	3		48	189
2003		39	6	6		11		24	1	1	57	3	1	76	225
2004	2	32	7	9		6	1	18	5	3	55	1		67	206
2005		23	5	7		4		10	2		41	4		56	152
2006		23	6	6	1	10		14		2	28	2	1	61	154
2007	2	28	3	6		9	1	15	4		33	4		56	161
2008		30	4	9		7		10	1	1	53	4		78	197
2009	3	36	8	11	1	10		35	3	1	59	14		106	287
Grand Total	25	508	92	160	2	127	5	390	30	23	939	63	3	936	3,298

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.9 - Departure of Employees from Philadelphia between 1990 and 2010, by Destination County**

Year	Berk	Bucks	Burlington	Camden	Cecil	Chester	Cumberland	Delaware	Gloucester	Mercer	Montgomery	New Castle	Salem	Other	Grand Total
1990	1	980	120	470		686		298	48		1,363	1,226	4	380	5,576
1991	141	744	170	516		186		624	4		3,373	1	6	160	5,925
1992		592	197	179		386		1,066	62	5	4,410	45	3	2,026	8,971
1993	64	1,580	1,049	293		782		453	100	3	3,461	38		585	8,408
1994	4	630	157	264		52		294	45		4,534	185		1,303	7,468
1995		830	41	592		93		2,620	221		2,811	18	25	2,970	10,221
1996	3	703	183	126		110		224	13		989	13	5	3,766	6,135
1997	27	447	257	93		929		1,120	111	170	889	28	6	731	4,778
1998	3	614	120	76		441	9	551	16	16	2,042	37		635	4,560
1999		444	101	1,062		197	7	110	114		2,003	68		3,407	7,513
2000	25	301	76	205		44		657	1		1,169	7		623	3,108
2001		768	16	273	1	79		310	105		942	10	2	1,235	3,741
2002	1	642	126	105		52		2,186	79	13	813	5		3,415	7,437
2003		947	209	203		54	15	471	23	6	1,025	52		288	3,293
2004	1	565	145	245	3	108		190	63	8	1,104	85	3	1,160	3,680
2005		616	44	201		111		222	48	12	2,031	318		1,938	5,561
2006	10	462	107	216		133		140	241	105	582	201	1	461	2,659
2007		325	119	93		44		236	9	1	618	39		550	2,034
2008	3	494	236	122		46		318	60		1,206	27		734	3,246
2009	46	549	82	204		125	5	800	125	1	829	36	1	954	3,757
<b>Grand Total</b>	<b>329</b>	<b>13,233</b>	<b>3,555</b>	<b>5,538</b>	<b>4</b>	<b>4,658</b>	<b>36</b>	<b>12,890</b>	<b>1,488</b>	<b>340</b>	<b>36,164</b>	<b>2,439</b>	<b>56</b>	<b>27,341</b>	<b>108,071</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)



**Table F.10 - Departure of Firms from Philadelphia between 1990 and 2010, by Destination County**

Year	Berks	Bucks	Burlington	Camden	Cecil	Chester	Cumberland	Delaware	Gloucester	Mercer	Montgomery	New Castle	Salem	Other	Grand Total
1990	1	66	15	31		20		47	8		132	6	1	60	387
1991	2	64	16	23		11		32	2		151	1	1	25	328
1992		51	6	17		17		40	4	1	136	2	1	48	323
1993	2	61	9	24		13		45	3	1	130	5		41	334
1994	1	57	7	24		7		32	2		114	5		32	281
1995		68	7	25		13		46	10		179	5	1	42	396
1996	1	52	11	14		14		28	2		105	3	1	40	271
1997	2	48	7	12		11		33	8	1	108	5	1	25	256
1998	2	43	9	12		8	2	29	2	1	100	4		23	235
1999		34	7	19		6	1	21	4		71	2		34	199
2000	1	51	4	13		7		39	1		87	1		37	241
2001		80	6	27	1	15		60	13		131	4	1	59	397
2002	1	67	15	27		11		38	11	2	130	3		62	367
2003		80	14	34		16	1	42	9	2	160	6		71	435
2004	1	95	20	34	1	14		48	9	2	141	6	1	88	460
2005		51	10	27		10		33	6	2	98	6		61	304
2006	2	62	15	27		9		26	12	2	96	11	1	51	314
2007		49	9	24		9		30	5	1	77	5		57	266
2008	1	42	18	17		7		33	8		96	7		84	313
2009	5	59	20	23		20	1	42	6	1	100	10	1	98	386
<b>Grand Total</b>	<b>22</b>	<b>1,180</b>	<b>225</b>	<b>454</b>	<b>2</b>	<b>238</b>	<b>5</b>	<b>744</b>	<b>125</b>	<b>16</b>	<b>2,337</b>	<b>97</b>	<b>10</b>	<b>1,038</b>	<b>6,493</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)

**Table F.11 - Expansion/Contraction of Employment in the Philadelphia Five-County Region between 1990 and 2010, by Firm Size**

County	Less than 5	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000 to 2499	2500 to 4999	5000+	Grand Total
Bucks	45,935	12,158	11,455	18,071	6,945	(8,992)	(9,771)	(5,342)	(15,425)	(7,801)		47,233
Chester	42,107	16,970	12,619	9,737	11,163	1,115	(3,207)	(8,385)	(29,094)	(1,086)	(2,676)	49,263
Delaware	30,937	8,295	8,142	5,737	5,214	7,355	(7,211)	720	(5,322)	(8,355)	(13,489)	32,023
Montgomery	68,687	19,163	22,031	27,743	20,514	2,154	(19,996)	(20,172)	(42,071)	(7,244)	(26,242)	44,567
Philadelphia	113,787	29,315	35,064	23,460	28,874	2,718	(8,259)	(6,385)	(49,682)	(22,220)	(37,200)	109,472
<b>Grand Total</b>	<b>301,453</b>	<b>85,901</b>	<b>89,311</b>	<b>84,748</b>	<b>72,710</b>	<b>4,350</b>	<b>(48,444)</b>	<b>(39,564)</b>	<b>(141,594)</b>	<b>(46,706)</b>	<b>(79,607)</b>	<b>282,558</b>

Source: National Establishment Time-Series Database (2010), DVRPC (2012), Econsult Corporation (2012)