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Report highlights Penn's robust economic impact

By Tanya Barrientos




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"This bill is huge. It's not putting the money in place yet, but having an Alzheimer's czar will be transformative. I hope it will be someone who really knows Alzheimer's."

—John Q. Trojanowski, director of the Alzheimer's Disease Center at Penn, on President Obama signing the National Alzheimer's Project Act, establishing an interagency council that will give a full assessment of what needs to be accomplished to stem the disease. (*USA Today*, Jan. 6, 2011)

Event listings



[Author and educator Tim Wise speaks on Jan. 26 at 5:30 p.m. at the Zellerbach Theatre.](#)

By the Numbers



[In this edition of By the Numbers, we detail some of the steps Penn takes to keep its family safe and sound.](#)

Known across the globe for its exceptional teaching, research and health care system, Penn is consistently ranked among the top academic institutions in the world. But fewer people may know that Penn is also one of the strongest economic engines in the City of Philadelphia and the Commonwealth of Pennsylvania.

By generating thousands of jobs and millions of dollars in spending and tax revenues, spurring innovative entrepreneurship and improving the welfare of the community, Penn plays a significant role in keeping the economic pulse of the region sound. To paint a clearer portrait of Penn's overall economic impact, the University plans to release a report later this month detailing its contributions to the economy, in dollars and cents, during fiscal year 2010.

Using financial data analyzed by Econsult Corporation, the report shows that Penn's total impact on the state translates into \$14.1 billion, and that number reflects a 46.5 percent increase since 2005, when the last economic report was issued.

It also finds that in 2010, Penn generated \$9.5 billion in expenditures in the City of Philadelphia, \$172 million in local taxes, and 57,200 jobs that provide \$4 billion in salaries and wages.

Penn's Executive Vice President Craig Carnaroli says the report helps illustrate to government officials, public policy makers, alumni, donors and the general public how far-reaching the financial benefits created by institutions like Penn can be, and what powerful economic engines all universities have the potential to be.

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“On the face of it, a research university such as Penn exists to prepare its students to be productive citizens, provides health care and conducts cutting edge research that advances knowledge in medicine, technology and the social sciences,” Carnaroli says. “It is a unique enterprise. However, the manner in which we operate the University generates an equally important societal benefit—a tremendous economic activity in the city and the state. By calculating and measuring the economic impact of Penn, we can demonstrate that we are a major player as an employer, purchaser of goods and services, builder and magnet for new dollars to the area, which serves the local economy quite well.”

As Philadelphia's largest private employer, and second largest in Pennsylvania, with a payroll of \$2.3 billion, Penn provides 31,000 jobs to workers who are directly associated with the University and Health System. In 2010, despite the national economic downturn, Penn also generated 57,200 additional jobs in Philadelphia, and 145,000 across the state, by employing construction workers, real estate and leasing agents, architects, hospitality workers, store clerks and other ancillary workers.

With this month's inauguration of Gov. Tom Corbett in Harrisburg and a wave of newly elected lawmakers now in Washington, D.C., Jeffrey Cooper, vice president of [Government and Community Affairs](#) at Penn, says the release of the economic impact report will be instructive.

“We hope to illustrate Penn's contribution to the economy, to scientific research and especially our impact on our immediate community and its citizens,” he explains. “It's important for government officials to know the facts about the significant contribution Penn makes to the city, the region and the commonwealth.”

As a preeminent research institution, Penn regularly ranks among the top recipients of medical research awards from federal and other resources, attaining just under \$1 billion in total research awards in fiscal year 2010. That funding, the report says, is leveraged into jobs, start-up companies and licensing agreements that boost the state and regional economy.

The report notes that from 2006 through 2010, [Penn's Center for Technology Transfer](#) issued 262 U.S. patents, formed agreements with 31 startup companies and generated \$45.6 million in licensing agreements. And, for the City of Philadelphia, the University's research efforts in 2010 produced \$1.3 billion in expenditures, plus 5,400 jobs that generated \$240 million in salaries and wages, in addition to \$11 million in taxes.

The ripple effect that Penn has on the local economy is substantial, according to the report. The University, its students, visitors and employees spend millions on goods that range from books and clothes to hotel rooms, meals, taxi fares and rent. For example, the report states that people who visited students at Penn in 2010 spent \$209 million, and those visiting patients at the [University of Pennsylvania Health System](#) spent \$5.9 million. That spending benefited, in particular, the retail district surrounding the Penn campus, which, the report also explains, the University has been instrumental in developing.

Business conferences as well as athletic and cultural events held at Penn also generate significant spending. In 2010,

programs at the [Annenberg Center](#), [Morris Arboretum](#), [University Museum](#), [World Cafe Live](#), [Institute of Contemporary Art](#) and [Kelly Writers House](#) drew 618,000 visitors and generated \$11 million.

Additionally, the report examines the impact of [Penn Connects](#), the University's land-use and urban design plan calling for the construction of new buildings and green spaces such as [Penn Park](#). Penn Connects underscores the University's long-term commitment to strengthening the ties between West Philadelphia and Center City Philadelphia and advancing environmental sustainability through development. According to the report, Penn's capital investments translated into \$683 million in direct and indirect expenditures within Philadelphia and \$1.1 billion statewide.

Penn's dedication to diverse construction practices ensured that 35 percent of all on-campus construction jobs in 2010 went to minorities and women, and 26 percent of all contracts were issued to minority and women-owned businesses.

"It is satisfying to know that at the end of the day, Penn is both an internationally renowned university and a local engine powering both Pennsylvania and Philadelphia's economies," says Carnaroli. "You could say with confidence we play an indispensable role as educator, healers and economic developer. "

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