Southeastern Pennsylvania Economic Collaborative

Cooperating to Compete: Building Opportunity through a Shared Regional Economic Strategy and Implementation

Pennsylvania Intergovernmental Cooperation Authority
Fall Forum 2025

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Topics

- How are regional economic performance and economic mobility connected?
- What are the principles for taking action, and the outputs that will drive responses?
- Which “opportunity industries” are prioritized for joint effort, and why?
- How strong is regional capacity to implement?
- What are local government roles?

References

- Interactive Databook with county-level details: https://www.brookings.edu/articles/southeastern-pennsylvania-databook/
- Market Assessment as published: https://www.brookings.edu/articles/southeastern-pennsylvania-market-assessment-for-growing-opportunity-industries-and-economic-mobility/

Principles to practices: linking opportunity, competitiveness, and action

To achieve economic mobility for residents, Southeastern Pennsylvania needs **more quality, accessible jobs**.

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

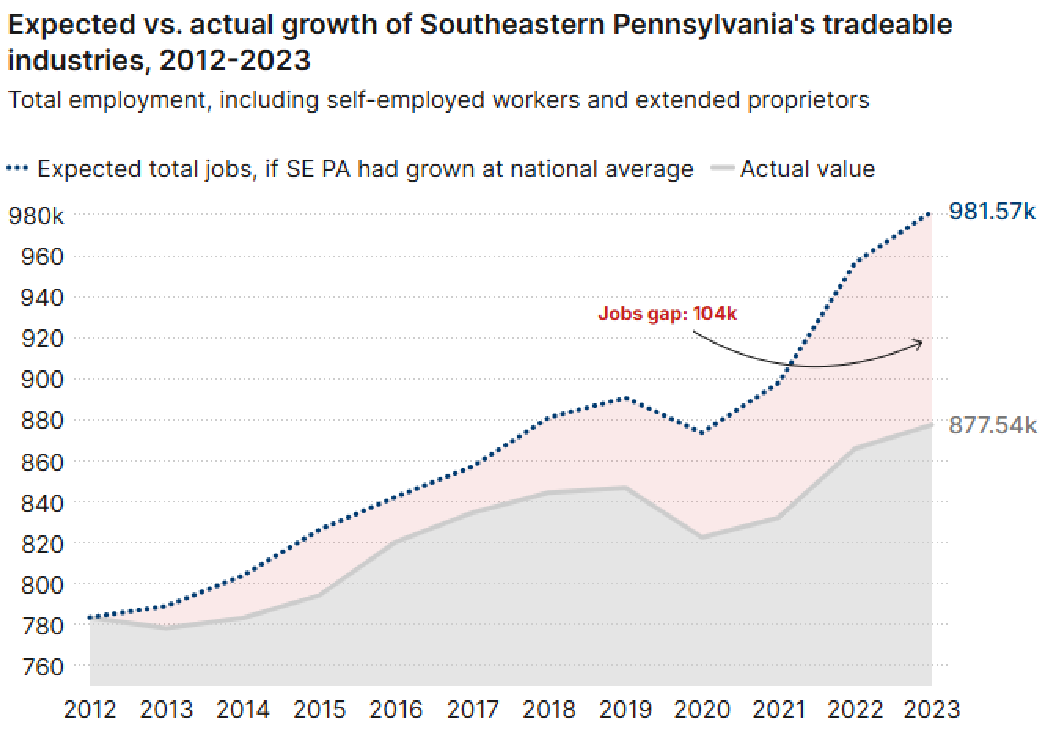
To maximize our potential, we need to **better focus our limited time and resources on “opportunity industries”:**:

- that tend to **concentrate quality, accessible jobs**
- in **traded sectors** that sell goods and services outside the region
- where we can be **most competitive** based on our assets
- at the **regional scale,** where the economy works

To take action, we need to:

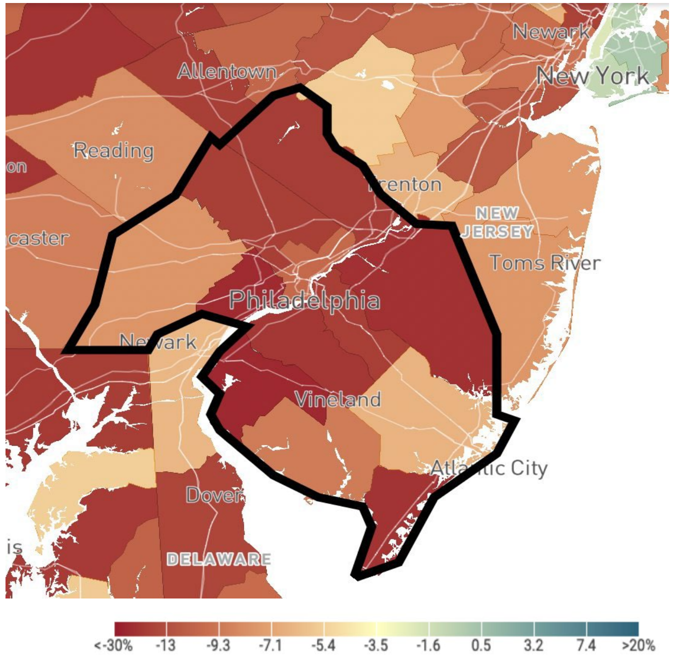
- follow a **shared, tactics-level economic strategy** across organizations and jurisdictions **for distributed implementation**, and guiding state alignment
- **link economic and workforce development** priorities
- increase **basic regional capacity to execute**

Southeastern Pennsylvania's economic performance + mobility challenge



The region created 104,000 fewer traded sector jobs than expected against national benchmarks over ten years, 70,000 of which would have been "opportunity jobs" enabling financial self-sufficiency.

Change in Household Income for Residents Born to Low-Income Families in 1978 versus 1992

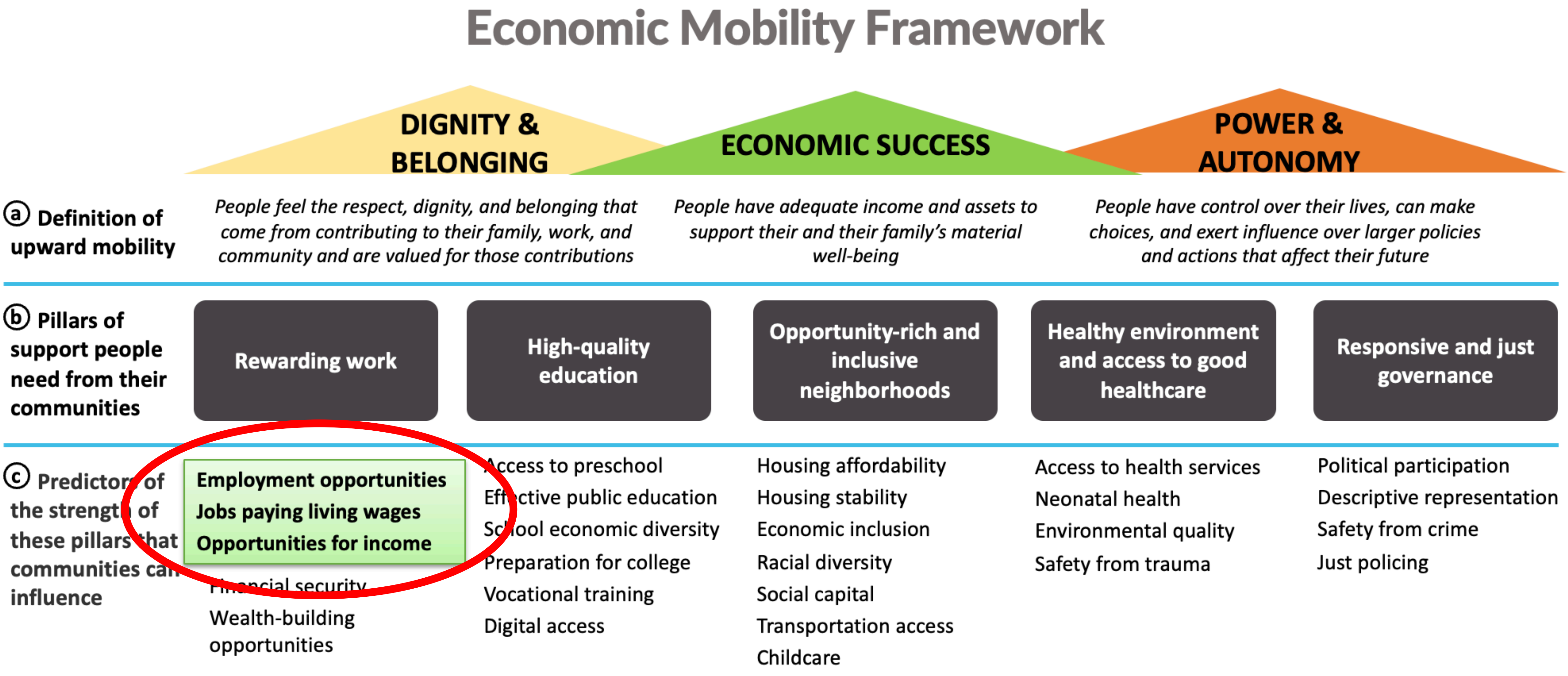


The region ranked last among the 50 largest U.S. metro areas in economic mobility for low-income residents, but also lags for residents across race, gender, and starting point in low, middle, or high income households. The same outcome was true to different degrees in each of the five counties.

Source: Brookings analysis of Lightcast, Crunchbase, and U.S. Census Bureau data.

Source: Opportunity Insights

Quality Jobs and Economic Success



Source: Urban Institute

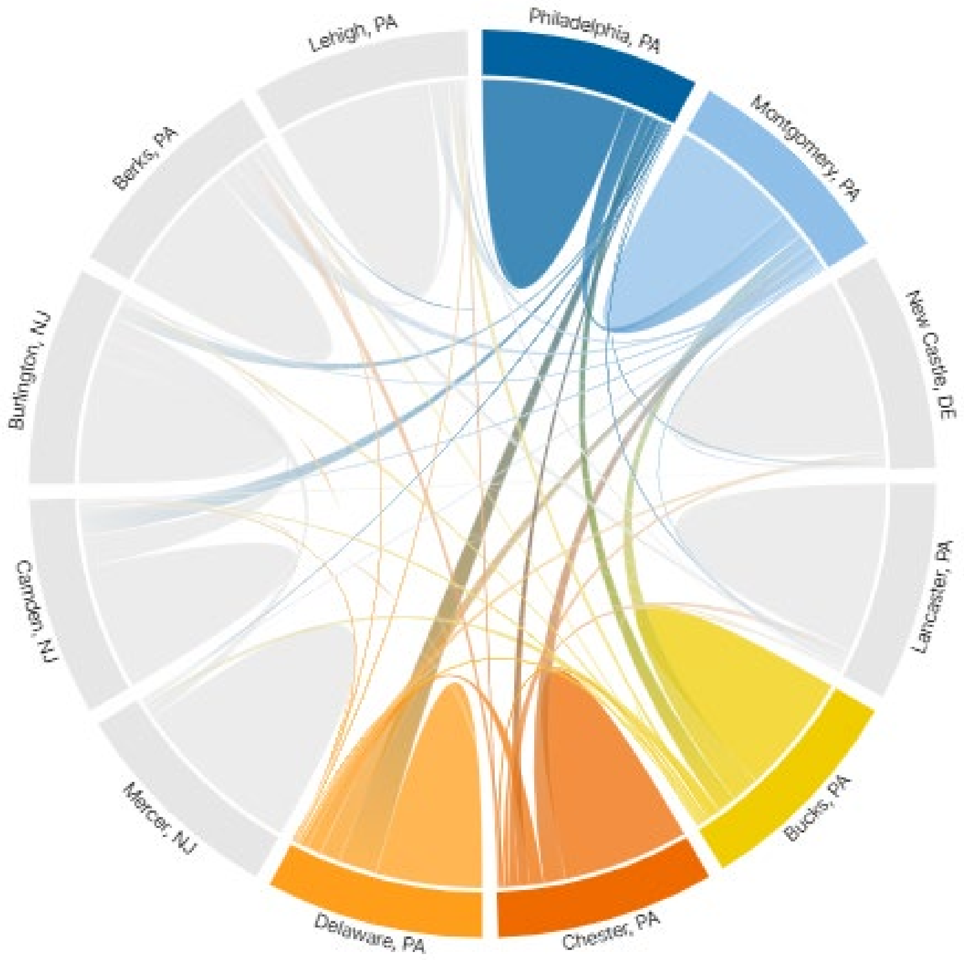
Southeastern Pennsylvania as the scale for economy and organizing

ECONOMIC

- 69% of jobs and 77% of GDP for the tri-state metro area
    - *Philadelphia has 35% of regional jobs and 33% of GDP, in line with population*
- 87% of the region's residents stay within the five counties for work
- 35% to 60% of residents in each county cross a county border to reach their job

FUNCTIONAL

- Common systems and programs
- Pennsylvania 10-Year Economic Strategy
- *34% of Pennsylvania's jobs, and 41% of GDP*



Inbound and Outbound Commuting Flows, 2023

Economic Success Themes: Opportunity requires Competitiveness

**Regions can have Growth without Opportunity…
but they cannot have Opportunity without Growth.**

**We cannot bring enough Economy into Neighborhoods …
we must connect Neighborhoods to the Economy.**

**Economic (and workforce) development metrics are annual …
achieving economic goals takes years.**

Business-led economic collaboratives are driving regional action

KC RISING

CEO
CENTERSTATE
CORPORATION FOR ECONOMIC OPPORTUNITY

ONE COLUMBUS
Partners for Regional Growth & Prosperity

GREATER MSP Partnership

Metro Denver EDC

NASHVILLE AREA CHAMBER OF COMMERCE

SAN DIEGO REGIONAL EDC

INDY CHAMBER

DRP Detroit Regional Partnership

DENVER METRO CHAMBER OF COMMERCE

IEGO Inland Economic GROWTH & OPPORTUNITY

GCEP Greater Chicagoland Economic Partnership

DRIVE GREATER FRESNO REGION

GREATER ST. LOUIS INC.

GREATER HOUSTON PARTNERSHIP

ELEVATE GREATER AKRON

prosper birmingham

METRO ATLANTA CHAMBER

ATL ACTION FOR RACIAL EQUITY
POWERED BY THE METRO ATLANTA CHAMBER
INCLUSIVE ECONOMIC DEVELOPMENT PLAYBOOK

CHARLOTTE REGIONAL BUSINESS ALLIANCE®

THE RIGHT PLACE
Advancing the West Michigan Economy

GREATER PORTLAND

Regional economic development implementation capacity lags peers

Peer regions have:

- Shared tactics-level written strategy prioritizing traded industry subsectors
- More people and resources to deliver at regional scale
- Less reliance or emphasis on public sector program delivery over business-led efforts and investment to pursue proactive, long-term strategies
- Greater state operational alignment and integration with regional coalitions

4 to 5x FTE

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

Southeastern Pennsylvania must address two gaps

WHAT

Shared Sector Priorities and Tactics
integrating both economic and workforce development

HOW

Region-Level Economic Development Capacity
commensurate with other leading U.S. metros

The region needs a race plan and coxswain to direct the boat, plus more rowers.

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Outputs and outcomes for a shared regional economic agenda

Southeastern Pennsylvania Economic Collaborative

✓ **MARKET ASSESSMENT AND DATABOOK**
Establish a common understanding of the region’s economic challenges and opportunities, including performance and functions.

✓ **SECTOR PRIORITIZATION**
Agree on three shared “now and next” industry segments for joint focus across the region, considering both competitiveness and job quality / access.

\+ **STRATEGIES AND TACTICS** (*target base Q3 2025, public Q1 2026*)
Determine the specific activities required to address industry growth needs, enlisting contributors across organizations and geography.

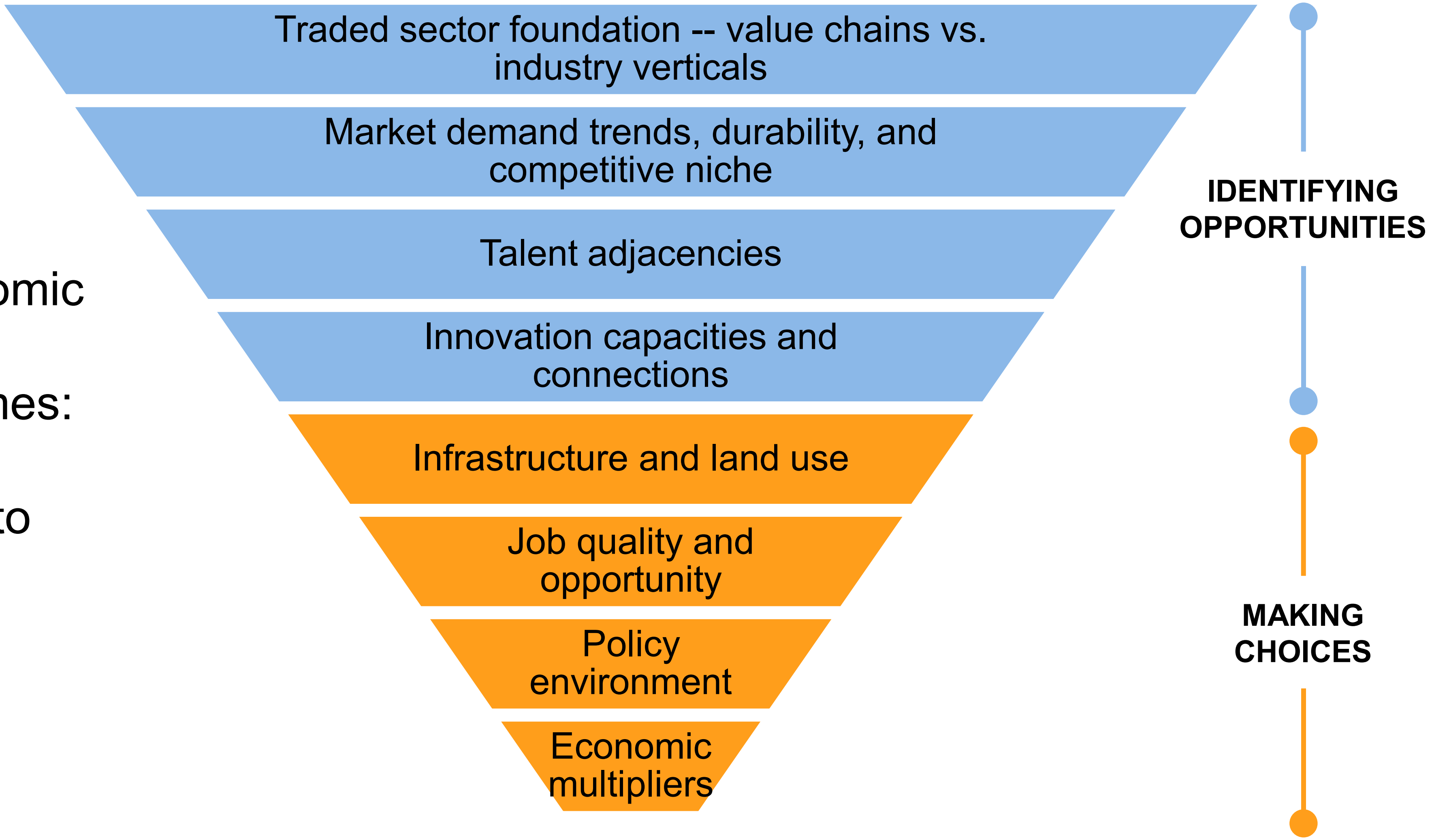
\+ **ACTIVATION WORKPLANS** (*target completion Q1 2026*)
Create a consolidated project management and accountability tool for each sector -- identifying tasks, assignments, timelines, and budgets for individual contributors to deliver tactics over a 12–18-month period.

\+ **CORE CAPACITY / OPERATING AGREEMENTS**
Address gaps in foundational regional economic activities or scale common to peers, with form and governance to follow function.

Sector evaluation: criteria to filter and weigh options

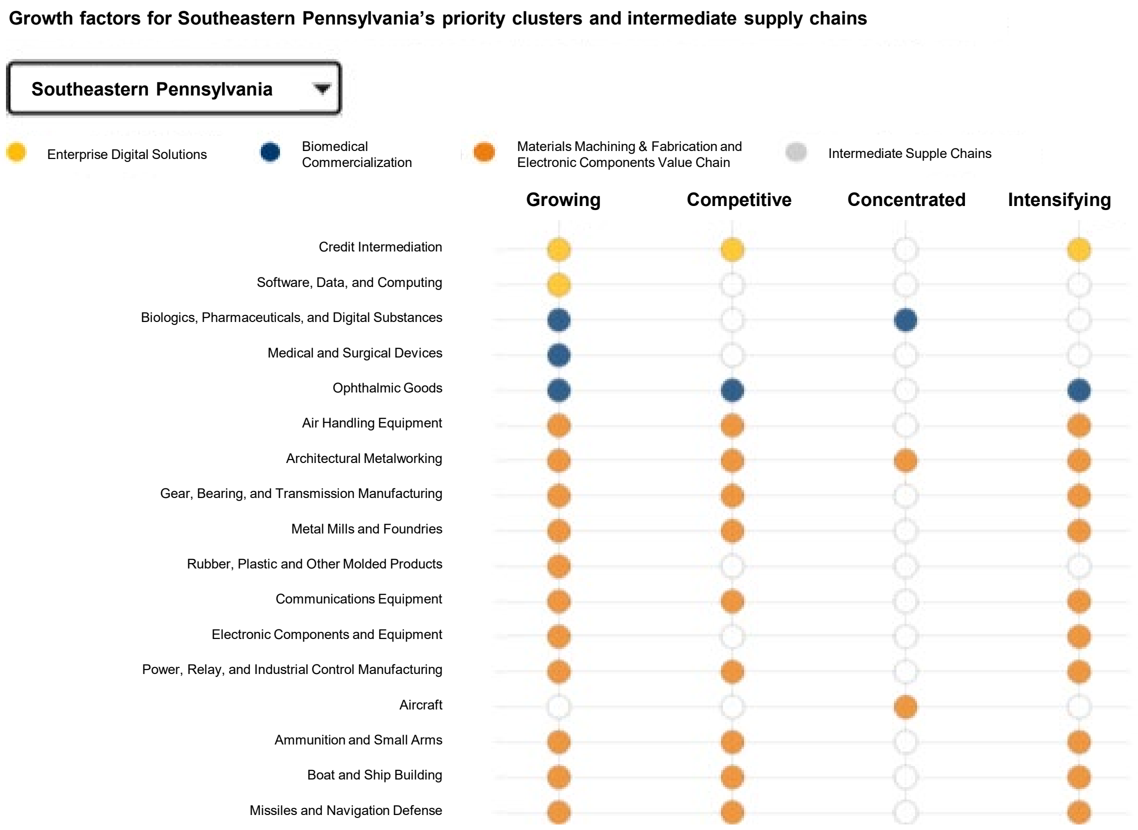
Moving from economic possibilities to opportunity outcomes:

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

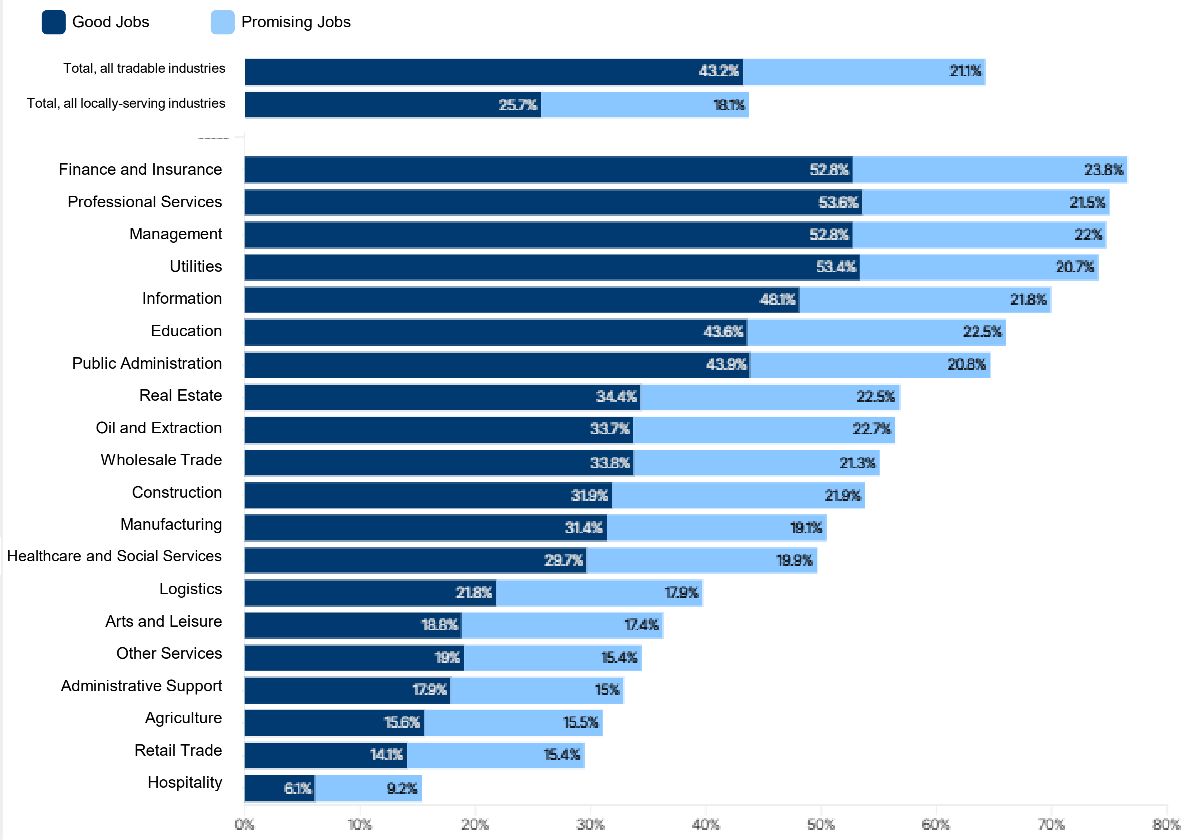


Sector evaluation: criteria to filter and weigh options

Competitive Advantage



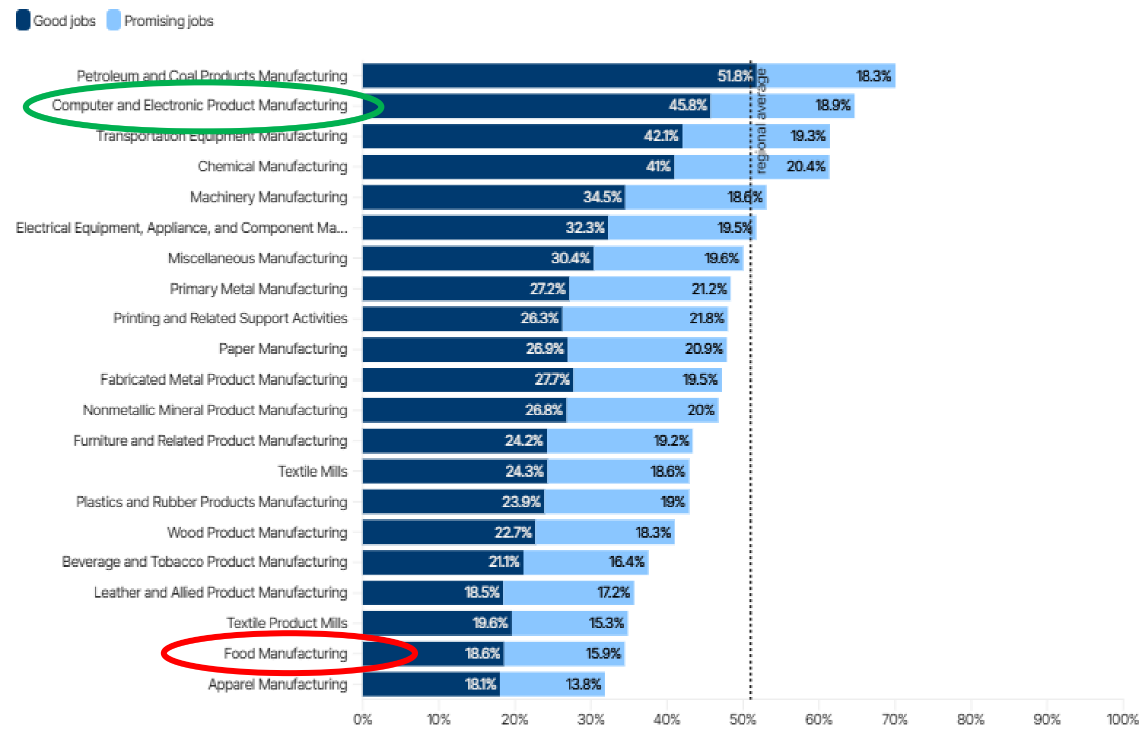
Economic Opportunity



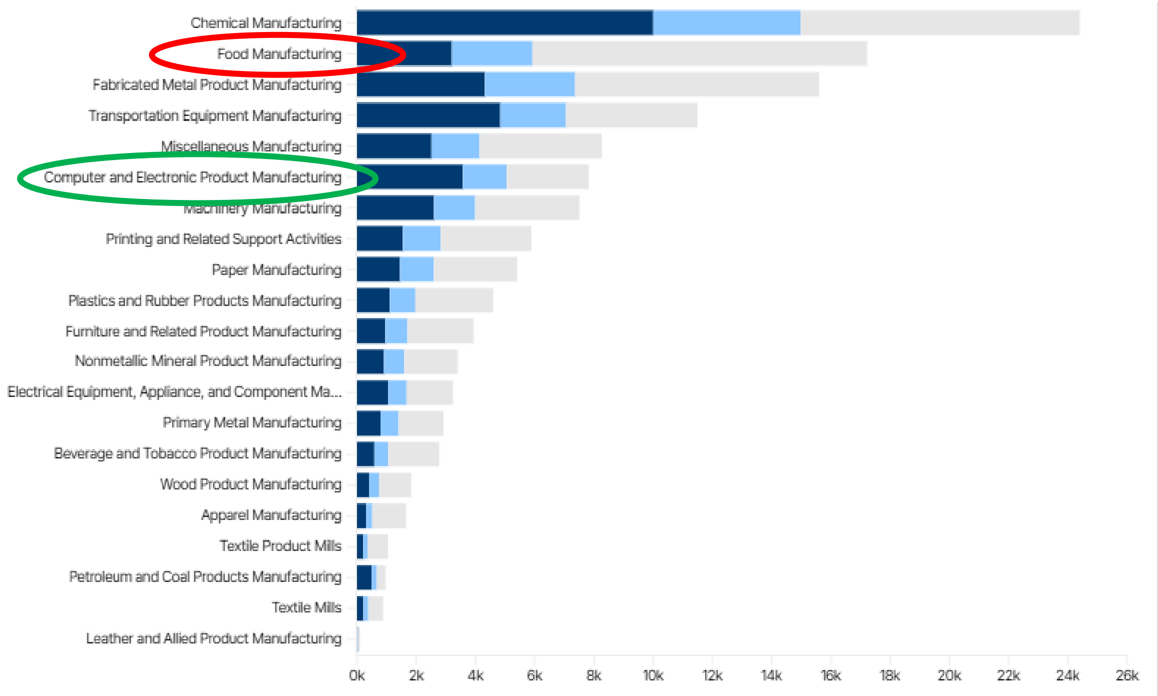
Source: Brookings analysis of Lightcast, Crunchbase, and U.S. Census Bureau data.

Job quality to understand and target subsectors: Manufacturing

Share of Opportunity Jobs in Manufacturing Subsectors



Number of Opportunity Jobs in Manufacturing Subsectors



Source: Brookings analysis of Lightcast, Crunchbase, and U.S. Census Bureau data.

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

Priority Sectors

ENTERPRISE DIGITAL SOLUTIONS

- B2B software platforms and services to manage and optimize back-office and middle-office functions
- Enterprise resource planning
- Business process management
- Financial and payment systems
- Data and analytics
- Platform enablement and middleware

MATERIALS MACHINING & FABRICATION and ELECTRONIC COMPONENTS VALUE CHAIN

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

BIOMEDICAL COMMERCIALIZATION (*broadened focus*)

- Medical device subsectors - *orthopedic, cardiovascular, ophthalmic, diagnostic, surgical, critical care*
- Therapeutics manufacturing – *diagnostics, biologics, and pharmaceuticals*
- Retention of discovery and seed-stage firms to early and growth stages

HIGHLIGHTS

ENTERPRISE DIGITAL SOLUTIONS

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

~$15.6 billion Gross Regional Product

4 of 5 jobs good or promising

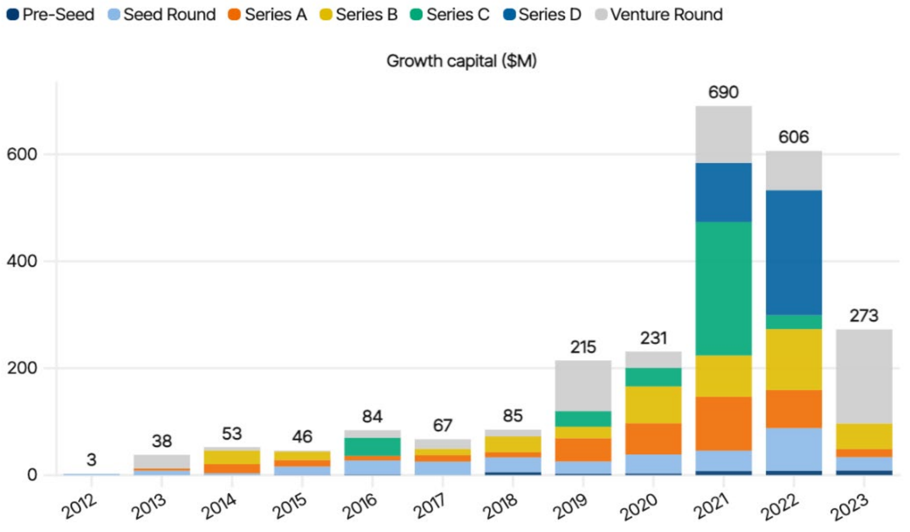
40% jobs accessible without 4-year degree

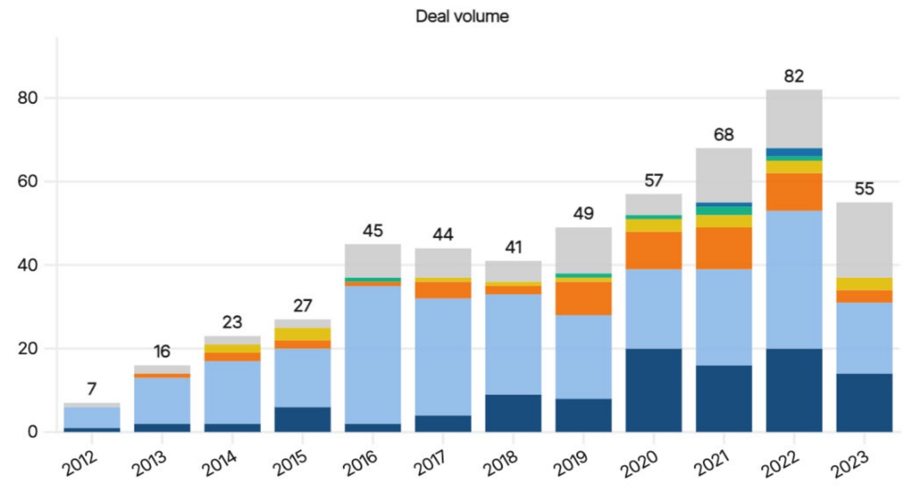
- *Foreign Direct Investment presence*
- *Growth Capital volume and value*
- *Industry adjacencies*

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

- Enterprise resource planning
- Business process management
- Digital integration - platform enablement and middleware
- Financial and payment systems
- Healthcare operations
- Data and analytics
- Regulatory and tax compliance

Growth capital invested in enterprise digital solutions startups, 2012-2023





Note: Investment deals may be categorized under more than one cluster and may not sum to totals.

Source: Brookings analysis of Lightcast, Crunchbase, and U.S. Census Bureau data.

HIGHLIGHTS

MATERIALS MACHINING & FABRICATION and ELECTRONIC COMPONENTS VALUE CHAIN

~26,000 total jobs (+3.8% from 2012)

~$6.6 billion Gross Regional Product

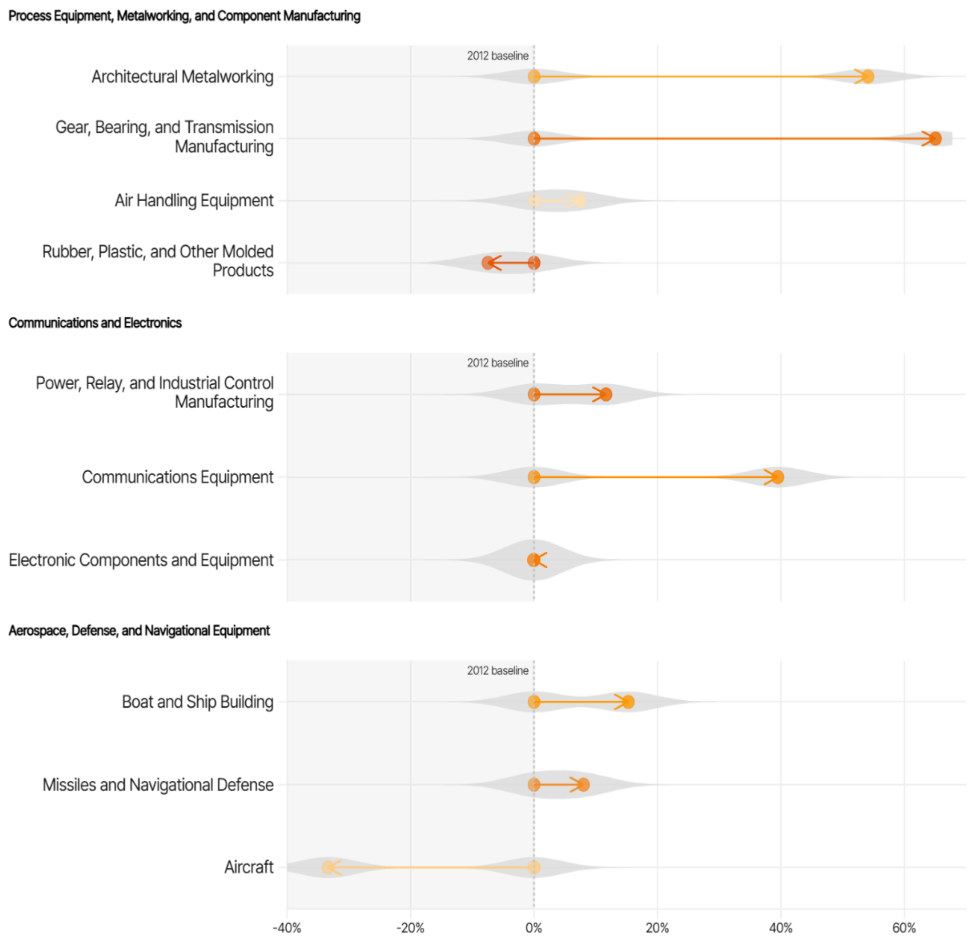
3 of 5 jobs are good or promising

67% jobs accessible without 4-year degree

- *Owner and Investor insight on demand*
- *Workforce pipeline bottleneck solutions*
- *R&D growth in Materials Science*

Capabilities versus vertical industry supply chains
- Precision machining and component fabrication
- Industrial and process equipment
- Electronic connectors and instrumentation apparatus
- Communication systems and controls
- Related assembly

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



Source: Brookings analysis of Lightcast, Crunchbase, and U.S. Census Bureau data.

HIGHLIGHTS

BIOMEDICAL COMMERCIALIZATION

~50,000 total jobs (+27.5% from 2012)

~$22.1 billion Gross Regional Product

3 of 4 jobs are good or promising

35% jobs accessible without 4-year degree

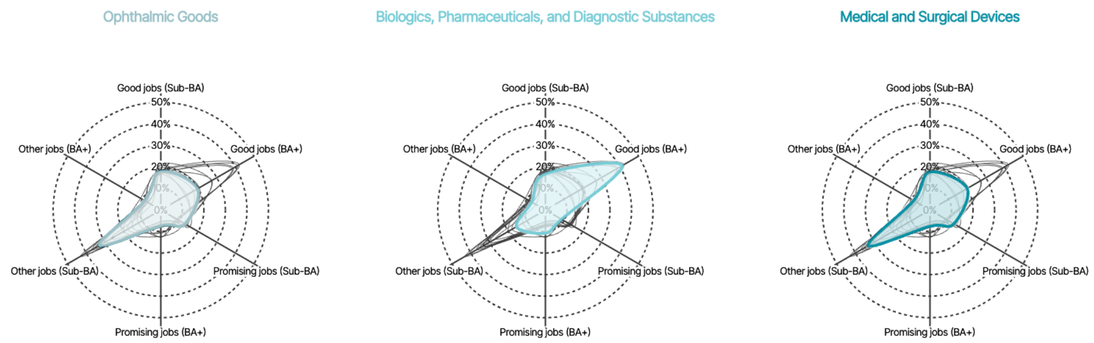
- *Concentrations not matched with focus to tap potential.*
- *Market and investment trends.*

Extending emphasis on discovery and new technology platforms to other strengths in life sciences value chain:

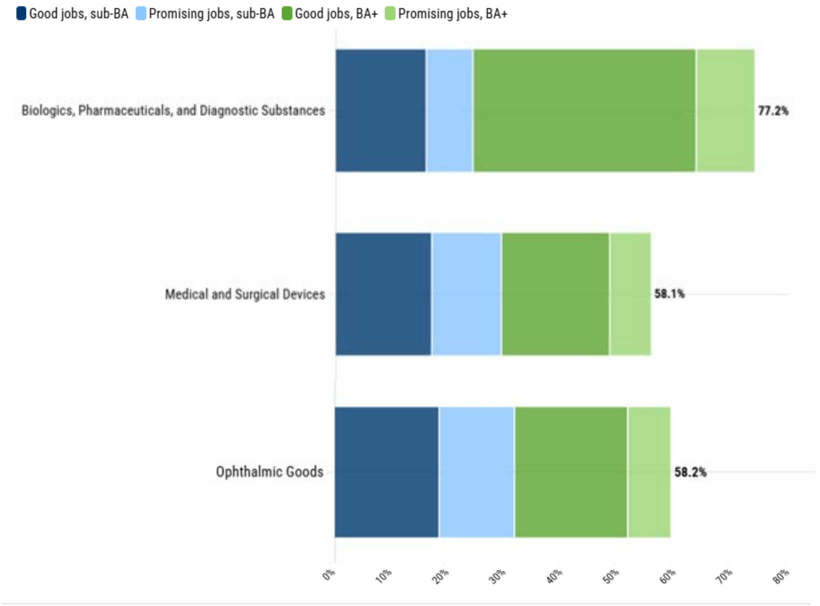
- Medical Devices – *orthopedic, cardiovascular, ophthalmic, diagnostic, surgical, critical care*
- Diagnostics, Biologics, and Pharmaceuticals production.

Retention of discovery and seed-stage firms through early and growth stages.

Opportunity jobs in Southeastern Pennsylvania's priority clusters and intermediate supply chains



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



Source: Brookings analysis of Lightcast, Crunchbase, and U.S. Census Bureau data.

Considerations for local governments

- Champion objectives and business leadership
- Support local agency activities and partnerships advancing regional tactics
- Connect mainstream program resources through policy emphasis, and mobilize additional resources for activation workplans
- Address administrative and regulatory issues needed to unlock opportunities
- Advocate for state alignment in resources and policy