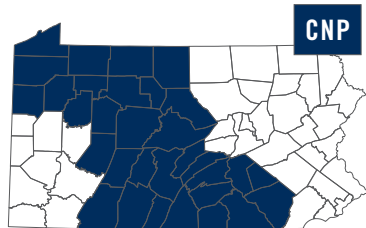
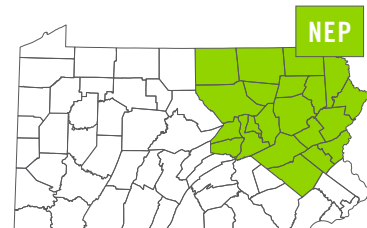


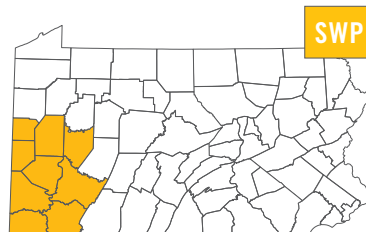
## Regional Ben Franklin Partner Locations



**CENTRAL & NORTHERN PA**  
**WWW.CNP.BENFRANKLIN.ORG**  
**STEPHEN BRAWLEY**  
 PRESIDENT & CEO  
 200 Innovation Blvd, Suite 150  
 State College, PA 16803  
 (814) 863-4558



**NORTHEASTERN PA**  
**WWW.NEP.BENFRANKLIN.ORG**  
**R. CHADWICK PAUL, JR.**  
 PRESIDENT & CEO  
**BEN FRANKLIN TECHVENTURES\***  
 116 Research Drive  
 Bethlehem, PA 18015  
 (610) 758-5200



**SOUTHWESTERN PA**  
**WWW.INNOVATIONWORKS.ORG**  
**INNOVATION WORKS**  
**RICH LUNAK | PRESIDENT & CEO**  
 Two Allegheny Center, Suite 100  
 Pittsburgh, PA 15212  
 (412) 681-1520



**SOUTHEASTERN PA**  
**WWW.SEP.BENFRANKLIN.ORG**  
**ROSEANN B. ROSENTHAL**  
 PRESIDENT & CEO  
 Building 100 Innovation Center  
 4801 S. Broad St, Suite 200  
 The Navy Yard  
 Philadelphia, PA 19112  
 (215) 972-6700

### About the Pennsylvania Economy League

The Pennsylvania Economy League is an independent, nonpartisan, nonprofit public policy research and development organization. Their mission is to provide critical information, perspective and support to the business, civic and governmental leadership of the communities and the state in their effort to make Pennsylvania a better place to live, work and do business.

### About KLIOS Consulting

KLIOS Consulting works at the intersection of economics and public policy. Their focus is enhanced economic competitiveness, achieved through sustainable growth and improved performance. KLIOS (for Knowledge, Logic, Innovation, Opportunity, Sustainability) provides a variety of services to non-profits, companies and public agencies.

# The Economic Impact of Ben Franklin Technology Partners

**BFTP Boosted GSP by \$4.1 Billion**



**4,182 additional PA jobs generated by BFTP**



**3.9:1 New State Tax Revenue : PA Investment in BFTP**



**BFTP client industries pay workers 52% more than the PA average**

**To request a full copy of this report, or to obtain more information on the Ben Franklin Technology Partners, please contact:**

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The Ben Franklin Technology Partners is an initiative of the Pennsylvania Department of Community and Economic Development and is funded by the Ben Franklin Technology Development Authority.

**2018 EXECUTIVE SUMMARY**

**5TH EDITION**

**2018 EXECUTIVE SUMMARY**  
**5TH EDITION**

In 1982, Pennsylvania Governor Dick Thornburgh and the PA General Assembly created the Advanced Technology Centers of the Ben Franklin Partnership to promote technological innovation and spur economic growth and prosperity across the Commonwealth. The organization became Ben Franklin Technology Partners (BFTP) through a series of subsequent legislative acts. The Ben Franklin Technology Partners is an initiative of the Pennsylvania Department of Community and Economic Development and is funded by the Ben Franklin Technology Development Authority.

BFTP continues to adapt and evolve in response to market and economic conditions and to meet the needs of the community that it serves. Those needs include: accelerating technology commercialization; supporting start-ups, entrepreneurs and established manufacturers; and encouraging public and private investment. BFTP is one of the nation's longest-running technology-based economic development programs. BFTP has been embraced by every Pennsylvania governor and the PA General Assembly since its inception over three decades ago.



To measure its success, BFTP periodically supplements its annual performance assessment with in-depth economic impact analysis of the program. BFTP's many stakeholders—program managers, legislators, government officials and others—all share an interest in understanding the extent to which BFTP succeeds, to ensure that public funds are well spent, and to strengthen the organization's programs. Periodic evaluation helps lay the groundwork for future success.

This independent economic analysis covers the period 2012 through 2016 (the last available year for which all data were available), focusing on the organization's role in providing financing and related services to early stage and established technology-based firms across the Commonwealth.

This analysis is the fifth of a series commissioned by BFTP that utilizes similar quasi-experimental design methodologies. The earliest such study for BFTP was conducted in 1999, and covered the period 1989 to 1996. The next analysis was completed in 2003; it extended the study period through 2001. The third analysis was completed in 2009, and extended the study period through 2006. With the arrival of its 30th anniversary, BFTP commissioned an analysis in 2012 to extend the study period to 2011. This report extends the analysis through 2016.

The advantages of the quasi-experimental design methodology are twofold. First, rather than rely on client-reported impacts, this analysis compares the performance of BFTP clients to a randomly selected "control" group of companies in Pennsylvania with similar characteristics that did not receive BFTP funding. That comparative analysis is then used as the basis for estimating the additional value added, employment, and tax revenues in Pennsylvania that would otherwise not exist were it not for BFTP intervention.

BFTP operates via four independent, nonprofit organizations strategically located throughout the state. The organization maintains regional headquarters in the Lehigh Valley, Philadelphia, Pittsburgh and State College. Each regional center participates within the business, academic and economic development community for its part of the state. Over the years, BFTP has helped identify needs within the specific counties that each Partner serves, and has launched initiatives to promote innovation and growth in technology-based businesses. Through the injection of funds and the commitment of staff time, BFTP has improved and expanded the financial, physical and knowledge infrastructure available to technology-based companies across Pennsylvania.

BFTP has made more than 4,500 financial investments in Pennsylvania companies since it began. Funds are provided to companies selected through a competitive process that carefully considers each firm's potential for success and job creation. Many companies in the BFTP portfolio are at the earliest stages of development when they first seek assistance, a time when funding is most critical and difficult to obtain. BFTP has often been the first institutional investor for firms, providing seed capital for initial product development and early commercialization efforts. Average gross state product (GSP) was about \$361,000 per job for those jobs attributable to BFTP's efforts from 2012 through 2016. After adjusting for inflation, per job GSP is higher than the average for each of the last two study periods.

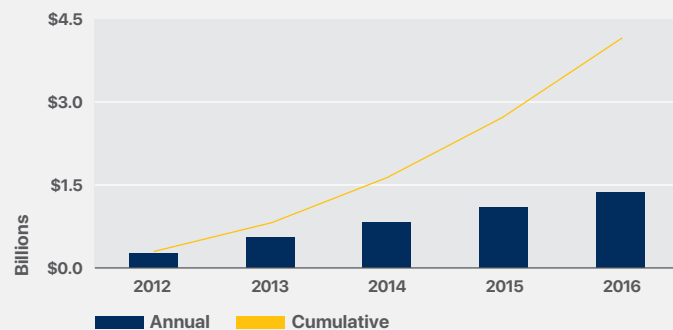
Among the reasons for BFTP clients' large impact on GSP is the fact that they are in industries that pay higher salaries and wages relative to most companies. Given the industry profile of BFTP-funded companies in the current analysis, the weighted average annual salary for client industries is \$79,364 – 52% higher than the average for all private non-farm industries in Pennsylvania.

Wages and salaries for BFTP client industries have increased more rapidly than for the rest of the economy in each of the past two study periods. For 2007-11, they were 36% higher in BFTP client industries; and for 2002-06, they were 33% higher than the average for all Commonwealth private non-farm industries, respectively.

**BFTP-funded clients have created significant economic impact for the Commonwealth of Pennsylvania.**

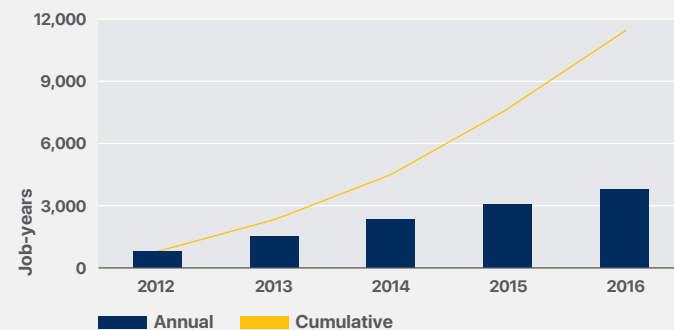
- ▶ BFTP boosted the Pennsylvania economy (Gross State Product) by \$4.1 billion from 2012 through 2016.
- ▶ Since 1989, BFTP has boosted the state's economy by \$25 billion.
- ▶ From 2012 through 2016, the Commonwealth received \$350 million in additional state tax receipts as a direct result of BFTP investments in client firms. Another \$36 million in state tax receipts flowed from related BFTP client services, for a total increase of \$386 million in state revenue due to BFTP.
- ▶ New state tax revenue generated because of BFTP represents a 3.9-to-1 payback to the Commonwealth on its \$100 million investment during that period.
- ▶ From 2012 through 2016, BFTP generated 4,182 additional jobs in client firms.
- ▶ Client revenues, purchasing and investments ripple throughout the Pennsylvania economy, giving rise to higher employment across the state. From 2012 through 2016, BFTP generated an additional 7,225 jobs beyond those in client firms.
- ▶ BFTP produced a total of 11,407 jobs in the Commonwealth between 2012 through 2016 that otherwise would not have existed.
- ▶ Since 1989, BFTP has generated 54,000 additional jobs in client firms.
- ▶ Since 1989, BFTP has generated 94,000 additional jobs as a result of increased purchasing and investment by client firms, yielding a total of 148,000 new jobs attributable to BFTP's work.

**Impact of Ben Franklin Technology Partners on Gross State Product (2012-2016)**



BFTP boosted Pennsylvania Gross State Product (GSP) by \$4.1 billion from 2012 through 2016.

**Impact of Ben Franklin Technology Partners on Statewide Employment (2012-2016)**



From 2012 through 2016, BFTP generated 4,182 additional jobs in client firms.

**Average Annual Salaries in BFTP Client Industries and All Industries in Pennsylvania, 2016**

