GPCC Member Distribution

- Montgomery: 19.3%
- Bucks: 4.6%
- Mercer: <1%
- Philadelphia: 53.6%
- Camden: 2.5%
- Burlington: 1.4%
- Chester: 4.6%
- Delaware: 6.1%
- New Castle: 1.1%
- Gloucester: 1.0%
- Salem: <1%
- Outside Delaware Valley: 5.2%
Survey Description

• Conducted from December 1-15, 2010
  – Completely web-based
  – 12 questions concerning business activity
  – Special question on problems members face

• Responses: 207 members of the GPCC
  – Roughly 7% response rate = good
Survey Population

November Employment in Philadelphia MSA

- "Eds & Meds" 21%
- Professional, Business Services 15%
- Trade, Transport, Utilities 18%

Survey*

Chamber Members*

* Number of Firms
Survey Questions

• Questions on current and future:
  – Activity
  – Employment
  – Prices
  – Investment

• Five possible qualitative answers
**Economic Outlook**

**GPCC Members**

**Diffusion Indexes**

- **Activity in Region**
  - 2010: 10% increase, 0% decline
  - 2011: 40% increase, 0% decline

- **Company Activity**
  - 2010: 0% increase, 10% decline
  - 2011: 50% increase, 0% decline

*A diffusion index is the difference between the percentage of firms indicating increasing activity and the percentage of firms indicating declining activity.*
Economic Outlook
Business Volume Metrics

**Diffusion Indexes**

![Chart showing new orders and sales/revenue diffusion indexes for 2010 and 2011.]

* A diffusion index is the difference between the percentage of firms indicating increasing activity and the percentage of firms indicating declining activity.
A diffusion index is the difference between the percentage of firms indicating increasing activity and the percentage of firms indicating declining activity.
Problems Facing Members

- Poor sales
- Labor costs--benefits
- Government regulation
- Competition--domestic
- Taxes
- Labor costs--wages
- Financing and interest rates
- Cost of raw materials
- Labor--quality
- Competition--foreign

Most Important
Problems Facing Members

- Poor sales
- Labor costs--benefits
- Government regulation
- Competition--domestic
- Taxes
- Labor costs--wages
- Financing and interest rates
- Cost of raw materials
- Labor--quality
- Competition--foreign

Legend:
- Most Important
- Second Most Important
- Third Most Important
Economic Outlook
GPCC Members

Diffusion Indexes*

- Full-time Employees
- Part-time, Temporary, and Contract Employees
- Average Hours Worked
- Wage and Benefit Costs

*A diffusion index is the difference between the percentage of firms indicating increasing activity and the percentage of firms indicating declining activity.
Economic Outlook
Investment

Diffusion Indexes*

Capital Expenditures on Physical Plant

Capital Expenditures on Equipment and Software

* A diffusion index is the difference between the percentage of firms indicating increasing activity and the percentage of firms indicating declining activity.
Growing Philadelphia

• Export-driven industries = Fewer workers
  – Long-term history of movement toward technology-intensive production methods

• Eds & Meds
  – Already the lifeblood of the Philadelphia region
  – Major research hospitals
  – Large nationally known universities
Is Philadelphia a Final Destination?

- This area attracts a large influx of students each year
  - Do they stay?
  - Tim Schiller, *Human Capital and Higher Education*

- Prime opportunity to retain the young and educated
  - Amenities

Research suggests that the amenities offered by a city affect location decisions by job seekers and companies positively.

- Early research focused on public-based amenities: museums, parks, etc.
- New work by Carlino and Saiz suggests that the same things that draw tourist visits also draw highly educated individuals looking to relocate.
Building Upon Strengths

• The future of Philadelphia is based on services, and we have major concentrations in key industries.

• Philadelphia has changed already as a result.
  – Convention Center, new hotels
  – Restaurant scene has exploded in the past 5-10 years
  – Casinos
  – Expansion plans of University of Pennsylvania
Thank You for Participating!

Make a difference by participating in next year’s survey.
Contact Information

Jason Novak
Research and Policy Support Manager
Jason.Novak@phil.frb.org
Phone: (215) 574-3852