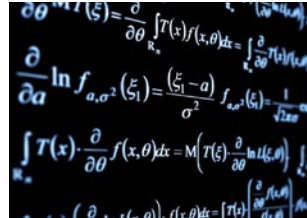
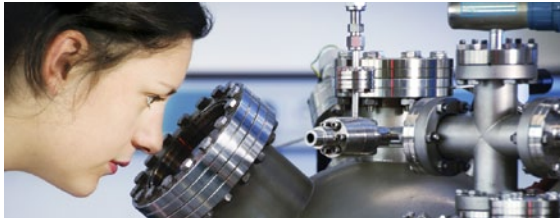
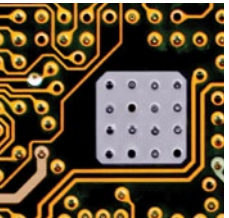


EXECUTIVE SUMMARY

Achievement in
Uncertain Times:
The Economic Impact
of Ben Franklin
Technology Partners
[2007-2011]



A Continuing Record of Achievement


**PENNSYLVANIA
ECONOMY LEAGUE**
Information, Insight, Integrity.

Produced in 2013 by the
Pennsylvania Economy League
and KLIOS Consulting

EXECUTIVE SUMMARY

In 1982, Governor Dick Thornburgh and the Pennsylvania General Assembly established the Advanced Technology Centers of the Ben Franklin Partnership – to promote technological innovation and spur economic growth in the Commonwealth. Since then, in a series of subsequent legislative acts, the organization took its present-day shape as the Ben Franklin Technology Partners (BFTP). Over the years, BFTP has periodically supplemented its annual performance assessment with in-depth analyses of the impact of the program. With the arrival of its 30th anniversary, BFTP decided to undertake another in-depth study of the impact of its funding and services on individual companies as well as the overall economy of Pennsylvania. This study continues the BFTP’s efforts to objectively measure the impact of the program and gather information that is useful for future strategy and program enhancement.

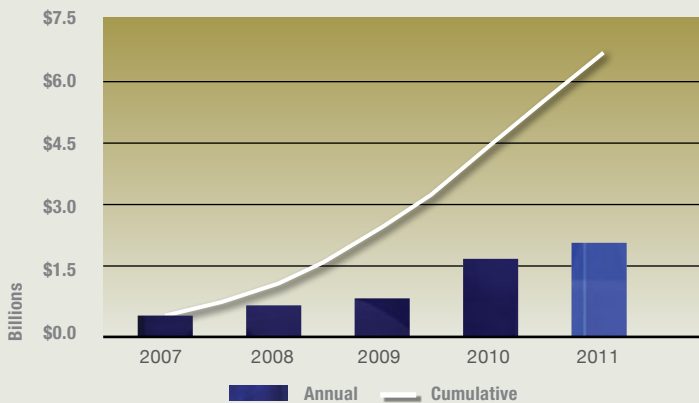
BFTP partnered with the Pennsylvania Economy League (through its southeastern Pennsylvania office, the Economy League of Greater Philadelphia) and KLIOS Consulting – both nonpartisan research organizations – to conduct an independent, objective evaluation of the economic impact of the program from 2007 to 2011, focusing on its role in providing financing and related services to early stage and established technology-based firms in Pennsylvania. This evaluation is one of a series conducted for BFTP utilizing similar quasi-experimental design methodologies, and the second completed by the Pennsylvania Economy League. The earliest of these studies was conducted in 1999, and covered the period from 1989 to 1996. A second analysis was completed in 2003 and extended the study period through 2001. The third analysis was completed in 2009 and extended the study period through 2006. (Copies of previous impact reports are available on the BFTP website at benfranklin.org/what-is-bftp/our-impact). A similar methodology to that used in each of the prior studies was used in examining the economic impact of BFTP program from 2007 to 2011.

By providing necessary capital and access to technical expertise and business assistance, Ben Franklin Technology Partners has substantially improved the business environment in which technology-based companies operate in Pennsylvania.

BFTP operates through four independent, nonprofit organizations established in different regions of the state to best serve companies across the Commonwealth. Each regional organization is an active participant in the business, academic and economic development community in its part of the state. Over the years, BFTP has helped identify needs within the specific counties that each Partner serves, and has launched significant 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.

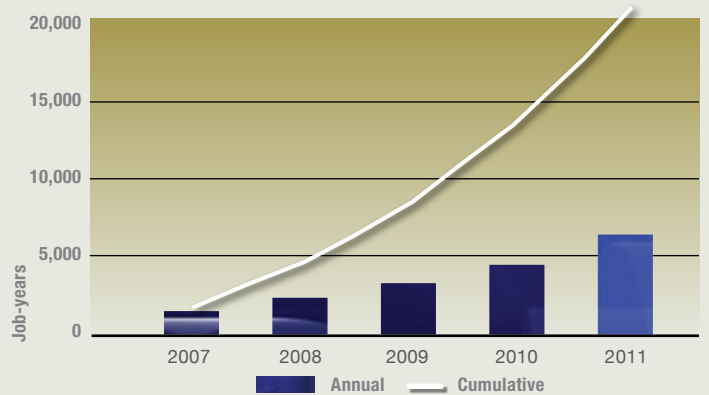
BFTP’s work has evolved over the past 30 years as a result of changing needs in the technology-based business community and the experience of the organization. But BFTP has continued its overarching mission: To provide companies with the financing and support resources they need to fuel innovation and growth in order to create high-value, sustainable jobs in Pennsylvania.

Impact of Ben Franklin Technology Partners on Gross State Product [2007-2011]



The BFTP program boosted the Pennsylvania economy by \$6.6 billion.

Impact of Ben Franklin Technology Partners on Statewide Employment [2007-2011]



From 2007 through 2011, BFTP generated an additional 7,485 jobs in client firms and, as a result of the ripple effects of client investments, generated an additional 12,715 jobs in Pennsylvania beyond that. The result was that BFTP produced 20,200 jobs in the state that otherwise would not have existed.

Since its inception in 1983, BFTP has made more than 3,500 financial investments in Pennsylvania companies. Many companies in BFTP portfolio were at the earliest stages of development when they first sought assistance, a time when funding is most critical and most difficult to obtain. BFTP has often been the first institutional investor for firms, providing seed capital for initial product development and commercialization efforts. The program provides funds to companies that are selected through a competitive process that carefully considers the firm's potential for success and job creation.

Ben Franklin Technology Partners remains a catalyst for technology-based entrepreneurship and technological innovation and a driver of economic growth.

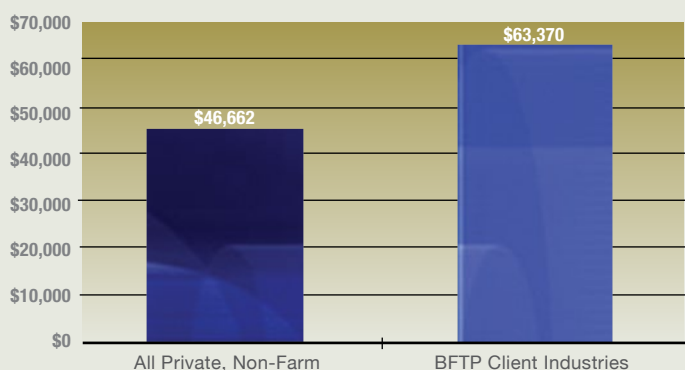
In addition to providing direct financing, BFTP helps companies secure additional capital from other sources. The BFTP brand and endorsement often provide firms with entrée to venture capital firms, other financial institutions and private "angel" investors. BFTP also sponsors forums, and its staff provides personal introductions to contacts within the investment and banking community. Often, BFTP has helped to establish new sources of capital to fill existing gaps in the market.

Adequate financing is a necessary and critical ingredient for company success, but it is not the only necessity. Successful firms also require robust business plans, talented management and thorough execution. Applying years of experience and a tremendous network of resources, BFTP staff work with portfolio companies to address critical business issues, anticipate future opportunities and needs, and accelerate companies' paths to success. BFTP staff often coach the management teams of portfolio companies, providing business advice and guidance. In addition, BFTP links firms with a variety of expert service providers, including university faculty, accountants, attorneys, technical experts, market researchers, management consultants and other business professionals.

Companies and communities across the Commonwealth have experienced real benefits from the presence of and assistance provided by BFTP. Portfolio companies have developed new products, built management teams, established production capacity, identified new markets, and achieved sales and profitability milestones. BFTP has significantly increased employment and income in the Commonwealth and expanded the state's tax base.

BFTP is among the most widely known and emulated state technology-based economic development programs, with a national and international reputation. BFTP provides capital and expertise to startups, early-stage and established companies, and promotes the development of a statewide climate and infrastructure favorable to technology-based businesses. In so doing, BFTP creates immediate economic gains while also building a foundation for continued economic growth in the future.

Average Annual Salaries in Ben Franklin Technology Partners Client Industries and All Industries in Pennsylvania [2011]



BFTP clients are in industries that pay relatively high annual salaries and wages. Given the client industry profile of BFTP-funded companies, the weighted average annual salary for client industries is \$63,370 – 36% higher than the average for all private non-farm industries in PA.

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

» BFTP boosted the Pennsylvania economy (Gross State Product) by \$6.6 billion from 2007 through 2011.

» Since 1989, BFTP has boosted the state's economy by more than \$23.5 billion.

» From 2007 through 2011, the Commonwealth received \$358 million in additional state tax receipts as a direct result of BFTP investments in client firms. Another \$144 million in state tax receipts flowed from related BFTP client services, for a total increase of \$502 million in state revenue due to BFTP.

» New state tax revenue generated because of BFTP represents a 3.6-to-1 payback to the Commonwealth on its \$137.7 million investment during that period.

» From 2007 through 2011, BFTP generated 7,485 additional jobs in client firms.

» Client revenues, purchasing and investments ripple throughout the Pennsylvania economy, giving rise to higher employment across the state. From 2007 through 2011, BFTP generated an additional 12,715 jobs beyond those in client firms.

» BFTP produced a total of 20,200 jobs in the Commonwealth between 2007 through 2011 that otherwise would not have existed.

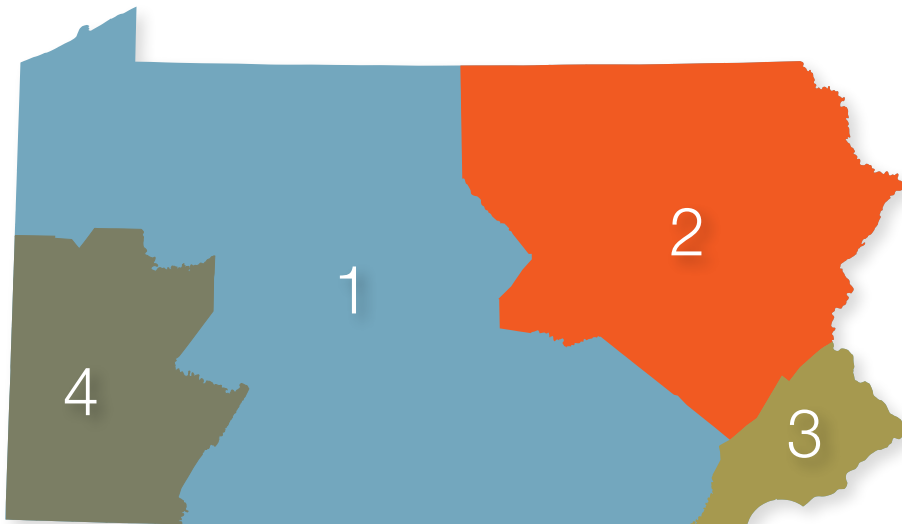
» Since 1989, BFTP has generated 51,000 additional jobs in client firms.

» Since 1989, BFTP has generated 89,000 additional jobs as a result of increased purchasing and investment by client firms, yielding a total of 140,000 new jobs attributable to BFTP's work.



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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 efforts 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.