

2026: FUTURE HISTORIES OF GREATER PHILADELPHIA

	A Message from the Co-Chairs >	4
Part 1:	Executive Summary >	
Part 2:	A Changing Region >	12
Part 3 :	2026 Futures >	22
	F 1: GLOBAL VILLAGE	
	F2: TIGHT BELTS	
	F3: PARTNERS IN HARD TIMES	
	F4: AMERICA IN THE DRIVER'S SEAT	
Part 4:	Positioning Greater Philadelphia	
	for Success >	66
Part 5 :	World Class Greater Philadelphia >	70
	Acknowledgments >	78

COVER

INSIDE COVER Jacob A. Gordon / Cooper's Ferry Development Assn. / Greater Camden Partnershir

MESSAGE FROM THE WORLD CLASS GREATER PHILADELPHIA CO-CHAIRS

We care about Greater Philadelphia. Our region—the fifth largest metropolitan area in the United States—boasts an incredible diversity of urban energy, small-town charm, and rural tranquility. At our fingertips lies a collection of cultural and recreational assets that is the envy of other regions. At the center of the Northeast Corridor, we are in the middle of the largest mega-region in the nation. And we, the people of this great place, are unique too. Our hearts beat with a passion and intensity that is recognized around the US—just ask any fan that roots against our sports teams.

As proud residents, we all want the best for Greater Philadelphia. Making the most of our considerable assets and addressing our biggest challenges, however, will require a different level of focus and collaboration among our region's leaders. In today's hyper-competitive global environment, Greater Philadelphia is competing for talent and investment not only with such US metros as Boston and Washington, DC, but also against such emerging international regions as Tianjin, Santiago, and Hyderabad. For all of Greater Philadelphia's recent gains, it is clear that our ability to thrive as a region will depend on how well we can come together and work strategically toward shared goals.

This is the spirit with which we launched the World Class Greater Philadelphia initiative. Our region is home to an impressive collection of bright people and great ideas. For too long, however, a lack of sustained, strategic focus and collaboration has stifled progress on the issues key to our region's future. With World Class, we aim to change that. We've put together a framework for building trust and alignment among the leaders and organizations that can make a difference in our region, so that together, we can agree upon a set of priorities that enable us to make targeted investments and achieve long-term goals.

With the release of 2026: Future Histories of Greater Philadelphia, we've reached a major milestone for the World Class initiative. Following months of intensive collaboration with regional stakeholders, we've developed four compelling stories that describe very different, but very possible, futures for our dynamic region. These stories explore how national and global forces could influence Greater Philadelphia's future, place a spotlight on our challenges and opportunities, and will enable business, civic, government, labor, and community leaders to identify what is most likely to drive our success as a region.

The scenarios presented in the pages that follow can help us manage future uncertainty and position our region for prosperity no matter how the future plays out. We encourage you to explore these possible futures and join in the conversation about how they should shape the priorities and investments that will ultimately make Greater Philadelphia a world class place to live, work, and play.

Together, we can make our Greater Philadelphia a World Class Greater Philadelphia. WORLD CLASS
GREATER PHILADELPHIA
CO-CHAIRS

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PART 1: EXECUTIVE SUMMARY

The Philadelphia region has undergone several dramatic transformations through its history. From Revolution era mercantile center to manufacturing powerhouse to poster child for post-industrial decline to the current knowledge-based economy, global and national forces beyond our control have helped shape Greater Philadelphia. The question is not whether such changes will continue, but rather what will they be and how prepared will the region and its leaders be to respond?

With this future uncertainty as a backdrop, the Economy League of Greater Philadelphia turned to scenario planning, a management tool commonly used by major corporations and institutions. Scenario planning is a strategy development technique used to create stories describing different ways the future might play out. The Economy League partnered with leading scenario planning firm Decision Strategies International to develop the four very different, but very possible, futures for our region contained in this report. These stories from the year 2026 are not meant to predict the future with perfect accuracy; rather, they are meant to challenge, provoke, and stimulate conversation among Greater Philadelphia's leaders about what our region must focus on in the years to come—no matter what the future holds.

Although the Economy League developed these scenarios with an eye toward planning for Greater Philadelphia's future, they will also serve as a useful tool for business, nonprofit, and government leaders to manage uncertainty and plan more effectively within their own organizations.



2026: FUTURE HISTORIES OF GREATER PHILADELPHIA



FUTURE 1: Global Village



In a Global Village future, no longer a dominant superpower, the US is watching "developing nations" boom, while North America and Europe hold steady. Due to innovations in alternative energy and battery technology, cheap power is available around the world. The dollar is no longer king, research and development centers are spread around the globe, and fully-emerged markets in China, India, Brazil and South Africa gobble up talent and capital.

At the same time, the international boom supports significant business growth driven by foreign investment in sectors where America remains competitive, such as end-stage manufacturing and financial and legal services. New wealth abroad means the US draws fewer immigrants and more tourists and students. Supported by a steady economy, American consumers lead global trends in style, culture, and media, and remain the target market of manufacturers. World leadership is no longer ours, but our quality of life is stable, and most of us can buy what we need.

FUTURE 2: Tight Belts



The Tight Belts future paints a picture of a world where power is consolidated within the hands of a few multi-national conglomerates, most of which are located outside of the US. Rising energy prices make it difficult for smaller businesses to get established. The US is no longer a global economic leader but maintains symbolic leadership status in diplomacy and world affairs, consulting and professional services, and via the persistent glamour of its former glory. Prolonged decline and reduced consumerism have made American lifestyles simpler.

A flat national economy and declining tax revenues have forced many local governments to consolidate, and belt-tightening has led to relatively little investment in education and infrastructure.

Dwindling entitlements and high health care costs mean more workers put off retirement, making opportunities ever-scarcer for young people. But hard times better position dense regions such as Greater Philadelphia that offer easy access to jobs, commodities, and transportation.

FUTURE 3: America in the Driver's Seat



In an America in the Driver's Seat future, the US economy rebounds and drives international growth. OPEC's tight-fisted control over oil leads to major price increases that depress the global economy. But newly-discovered domestic oil and gas reserves fuel American growth in the absence of a successful shift to alternative power sources. The US maintains its position as the global leader through sweeping education reforms that have improved science and math rankings and by addressing seemingly impossible issues in transportation and healthcare through strategic public-private partnerships.

At the same time, anti-American sentiment and terrorism remain a constant concern. Likewise, domestic cultural frictions rise as American growth attracts immigrant laborers for everything from lowwage to high-tech jobs.

FUTURE 4: Partners in Hard Times



In a Partners in Hard Times future of scarce resources and struggling foreign markets, smart partnerships help the nation do more with less and keep the economy on the uptick. In the interest of sustaining domestic and regional economies, major US corporations find willing partners for social ventures among the philanthropic foundations built on the wealth of the 20th century.

Government provides fewer direct services but allows for more public/private collaborations in education, transportation, and health care. As in Tight Belts, this environment gives big companies the upper hand. But the US still attracts venture capital and talented workers. Entrepreneurs know that promising technologies and innovative enterprises stand a good chance of being acquired by global conglomerates. Meanwhile, the slowdown of once-booming emerging markets aggravates internal problems in such countries as China and Pakistan. The US must find the resources not only to support its own growth but also to maintain an active international military and diplomatic presence.

POSITIONING GREATER PHILADELPHIA FOR SUCCESS

Each future described in this report presents an array of challenges and opportunities for US metropolitan regions in general and for Greater Philadelphia specifically. Prosperity is possible in each of them, but it isn't guaranteed in any. Regions will have to be prepared to anticipate and adapt to the future as global and national forces play out. As different as these possible futures are, however, there are some key factors for success that thread through all of them. These key success factors represent promising long-term investments for Greater Philadelphia.

BUSINESS CREATION AND ENTREPRENEURSHIP

Making the most of economic opportunities across all of the futures depends upon supporting business growth in industries where Greater Philadelphia has a competitive advantage. The ability of metropolitan areas to focus on their industry strengths and support entrepreneurship significantly increases their chances of success.

EDUCATION AND TALENT DEVELOPMENT

Providing quality education and a strong talent pipeline to meet business needs drives prosperity across the scenarios. Conversely, regions that experience a mismatch between workers' skill levels and available jobs strain under economic and social tensions.

INTERNATIONAL CONNECTIONS

Global connections and the international flow of commerce and workers figure prominently across all four scenarios. Greater Philadelphia's location on the East Coast and its connections to European and growing South American markets are advantageous.

HIGHER EDUCATION

Across all the futures, a well-established higher education base plays a key role in leveraging research and innovation, business growth, and a skilled workforce. The region's institutions of higher education are potent assets to the region's economy even in future scenarios where research and development resources end up going overseas.

INFRASTRUCTURE

In the Tight Belts and Hard Times high energy cost futures, regions that maintain strong regional transportation, and in particular transit, infrastructure are more successful in attracting and retaining businesses and residents. In the lower cost energy futures, the extent to which regions can manage congestion and modernize their infrastructure impacts their competitiveness and ability to make international connections.

EFFICIENT GOVERNMENT AND PUBLIC-PRIVATE PARTNERSHIPS

While the futures tend to focus on global and national economic forces and markets, governments play an important role in facilitating growth and quality of life. In each scenario,

governments that make the most efficient use of internal resources and leverage external ones help set the stage for success.

PUBLIC SAFETY

No matter how strong the economy or overall outlook, each future presents potential public safety challenges, whether due to domestic poverty and economic disparities or due to international terrorism. Unless a basic level of security and public safety is maintained, there is potential for any economic and social benefits associated with a given future to be subverted.

FOCUS AND COLLABORATION FOR A WORLD CLASS GREATER PHILADELPHIA

These scenarios and their implications cast a new light on the choices that Greater Philadelphia faces today. What kind of workforce will we need? What kind of education system? Which industries and partnerships will we depend on? What kind of infrastructure investments will benefit us most? The temptation is to try to guess which future is most likely. But the truth is that forces from each scenario are already visibly at work, and there's no telling which will dominate in the years to come. Greater Philadelphia must manage its investments strategically in order to be prepared for a wide range of possible outcomes.

Moving forward, the Economy League will use these possible futures to facilitate a regional conversation about what we need to focus on together to make our region a world class place to live, work, and play—no matter what the future holds. This will help in identifying a short list of long-term regional priorities that will drive strategies and implementation to make sure Greater Philadelphia is the world class region we all want it to be.

PART 2: A CHANGING REGION

IF WE COULD LOOK

15 YEARS INTO THE

FUTURE ... WHAT

WOULD WE SEE?

AND HOW WOULD GREATER PHILADELPHIA FARE?

HOW COULD WE GET FROM WHERE OUR REGION IS TODAY...TO WORLD CLASS?

THE GREATER PHILADELPHIA STORY

Most people who call this region home are surprised when they learn that Greater Philadelphia's economy is larger than that of such nations as South Africa, Thailand, and Finland. In fact, if this region were its own nation, it would have the 31st highest GDP in the world—between Denmark and Argentina.

Our region's residents historically have had the tendency to understate the Philadelphia area's size and assets. But Greater Philadelphia's market power and strengths clearly position it to be considered among the world's top metros. Our 11-county region —defined as Bucks, Chester, Delaware, Montgomery, and Philadelphia counties in Pennsylvania; Burlington, Camden, Gloucester, Mercer, and Salem counties in New Jersey: and New Castle County in Delaware—is powered by six million residents and located within a one-day drive of one-quarter of the total US population. It boasts a diversified economy with strengths in higher education, life sciences and health care, professional and financial services, information technology, tourism, and advanced manufacturing, among others. It has top notch cultural and historic assets, wonderful communities, and a quality of life to be envied.

Along with this dynamism, however, comes complexity. Our region spans three states and six legislatures and has almost 400 different local governments and 200 independent school districts. Despite these artificial dividing lines, all of us in our day-to-day lives experience how Greater Philadelphia truly functions as one region. We live, commute, work, and shop across the region. We share the same roads, transit, and airports as a region. We visit cultural institutions, enjoy natural landscapes, and root for sports teams together as a region. Businesses grow and share the same skilled workforce across the region. And when job growth occurs in one part of our region, it increases economic opportunities for all. By the same token, many of our biggest challenges—sustaining job growth, educating a prepared workforce, and

modernizing and investing in new infrastructure— are regional in nature and demand regional solutions.

If thinking and acting regionally benefits all area residents, it has become an absolute necessity to compete globally, as regions have clearly emerged as the primary unit of economic competition on the world stage. The key to competing for resources, jobs, and population is working together.

In the past, our region's business, civic, and political leadership may have shied away from the challenge of coming together to strengthen key assets and address regional challenges. But recent success stories like the revival of Center City Philadelphia, the tourism boom, and the creation of such collaborations as Select Greater Philadelphia and the Metropolitan Caucus have instilled a can-do spirit across a broad cohort of regional leaders. Many of these leaders believe that now is the time for Greater Philadelphia to rise to the "next level" as a world class region—if we can find a way to focus and collaborate on concrete strategies to get us there.

CREATER DHII A DEI DHIA OVER TIME

Over its 330-year history, the Philadelphia area has witnessed an amazing array of ups and downs. Through the years, our region has experienced large-scale transformations of its economy, its demographics, and its physical development. In the broadest of terms, Greater Philadelphia has evolved from a purely mercantile economy in the years immediately surrounding the American Revolution, to a high-powered manufacturing economy at the turn of the 19th century, to today's still-emerging knowledge-based economy. At every turn, major economic, political, and cultural shifts have directly affected the lives of the region's residents and the vitality of its businesses and institutions.

National and international conditions beyond the control of the region's leaders have influenced the Philadelphia area over time and will continue to do so in the future. But local strategies and actions have played a significant role in shaping the region's economy and quality of life. At its greatest moments, Greater Philadelphia has seen inspired leaders come together to supply the spark necessary to bring about transformational change. The timeline on the following pages presents several historical milestones that demonstrate the capacity of ambitious and focused leadership to proactively shape the future of Greater Philadelphia.



HOLY EXPERIMENT

Led by William Penn, Quaker colonists found
Philadelphia on the premise that religious tolerance
begets opportunity, creating an entirely new type
of community.



CRADLE OF LIBERTY

The Founding Fathers come together in Philadelphia in two Continental Congresses to give birth to bold social and political ideas that forever transform the world.



WORKSHOP OF THE WORLD

An ambitious group of civic stewards, industrialists, and entrepreneurs organize the 1876 Centennial Exposition to showcase Greater Philadelphia's industrial prowess and role as an innovation hub, as well as to solidify the United States' status as a global economic power.



MUNICIPAL REFORM

Following an era of widespread corruption, a collection of reform-minded business leaders and public sector officials form the Greater Philadelphia Movement in the late 1940s, revolutionizing the way Philadelphia government operates and serves its citizens and businesses.



DOWNTOWN REVIVAL

Political and civic leaders unite in the 1990s to make strategic investments in Center City as a destination for both residents and businesses, spurring an surge in activity and population that by 2010 contributes to the first overall population increase for Philadelphia since 1950.



THE TIMELINE

1681: William Penn founds Philadelphia as a community that embraces religious tolerance.

1700s: West Indies trade is the mainstay of the city's commerce.

1774: First Continental Congress meets in Philadelphia's Carpenters' Hall, agrees to boycott British goods.

1775-6: Second Continental Congress convenes in Philadelphia, writes and adopts the Declaration of Independence.

1800: Political capital moves to Washington, DC.

1825: The Erie Canal opens, diverting traffic from Philadelphia. Seaports in the Philadelphia area lose primacy to Baltimore, Boston, and New York.

1836: Philadelphia's grip on the US financial industry erodes, emblematic in Jackson's dismantling of the Second Bank.

1876: Centennial Exposition brings world to Philadelphia.

Late 1800s/early 1900s:

Pennsylvania Railroad is the largest publicly-traded corporation in the world.

Late 1800s/early 1900s: Baldwin Locomotive Works is the biggest locomotive maker in the world. 1901: City Hall completed.

1946: Robert McCracken organizes business leaders to form the Greater Philadelphia Movement which led the charge for a new municipal charter. The new City Charter revolutionized the way government operated, causing ripple effects for businesses and workers across the region.

1952: Construction on planned suburban community of Levittown begins, symbolizing the large-scale rise of the suburbs as residential communities.

1958: Pennsylvania Railroad merges with the New York Central Railroad in a futile attempt to stave off bankruptcy. Merger is the symbolic end of the once-mighty Philadelphiaarea corporate titan.

1961: Philco, a leading Philadelphiaarea business specializing in radios, televisions, and batteries, is sold to Ford Motor Company and shifts executive offices to Detroit.

1966: Philadelphia-based Atlantic Refining merges with Los Angeles' Richfield Oil and moves to the West Coast.

1969: City business and community leaders banded together to form The Philadelphia Urban Coalition. Nicknamed 'The Urb,' its purpose was 'to eliminate poverty, discrimination and civic unrest, and to secure human and civil rights."

1987: Liberty Place is built, exceeding the Billy Penn hat limit and setting off a building boom on Market Street West, reshaping Center City.

1991: Center City District is formed to focus on clean and safe in Center City Philadelphia.

1991: Cities of Philadelphia and Camden both face financial challenges and require significant state fiscal intervention.

1992: New Jersey Aquarium is opened, the first step in a planned revitalization of the Camden Waterfront.

1994: I-295 in New Jersey was completed, ending a total of 30 years of construction.

1995: Avenue of the Arts is launched on South Broad, capped by the opening of the Kimmel Center in 2001.

2000s: Eds and Meds rule, as anchor institutions grow throughout the region and become primary economic engines.

2002: Stadium Complex is revitalized with Vet and Spectrum replaced by new homes for the Phillies, the Eagles, and a new arena for the 76ers and Flyers.

2010: 20 years after base closure, the Navy Yard becomes an energy efficiency research hub and home to Urban Outfitters, and Tastykake.

HOLY EXPERIMENT CRADLE OF LIBERTY

OF THE WORLD

REFORM

DOWNTOWN REVIVAL



R. Kennedy / Greater Philadelphia Tourism Marketing Corp

WHAT WILL THE FUTURE HOLD?

The many twists and turns of Greater Philadelphia's history bear lessons for the region's leaders. The question looking forward is not whether such changes will continue, but rather what they will be and how well prepared will the region and its leaders be to respond to them?

Recognizing that tomorrow's world will look very different from the one we live in today, what can we say with certainty about what lies ahead for Greater Philadelphia? We know that global and national forces beyond our control will influence and shape our region. And we can be just as certain that the decisions that Greater Philadelphia's leaders make today will have a lasting impact in the decades to come.

While we can't predict what kind of future the Philadelphia region will face, we can prepare now for the possibilities.

SCENARIO PLANNING

In the face of this future uncertainty, the leadership of World Class Greater Philadelphia has turned to scenario planning, a management tool commonly used by major corporations and institutions.

Scenario planning is a strategy development technique used to create stories describing different ways the future might play out. These "future histories" are then used as a guide to help establish long-term priorities and strategies.

Whereas traditional planning focuses largely on forecasts and extrapolation of current conditions, scenario planning emphasizes future unknowns and possibilities. Instead of attempting to predict or define an uncertain future, scenario planning encourages consideration of different potential futures to stimulate proactive, strategic thinking.

Scenario planning first gained popularity during the 1970s and, in recent years, has increasingly been utilized in regional strategic planning efforts around the world. Regions in Europe have used scenario planning extensively to convene cross-sector

leadership and plan for the future. Given its forwardlooking orientation and emphasis on priority-setting, scenario planning appeared particularly promising for Greater Philadelphia at this juncture in its history.

FOUR FUTURE HISTORIES OF GREATER PHILADELPHIA

Last year, the Economy League partnered with leading scenario planning firm Decision Strategies International to develop four distinct scenarios, or future histories, for the Philadelphia region in the year 2026. The purpose of these scenarios is not to predict the future with perfect accuracy, but to provoke the region's leaders to expand their thinking about what the future might hold. Each future history is presented as a story that describes how this world came to be and what it looks like from a global as well as a US-centric perspective. We then look at some key opportunities and challenges that the Philadelphia region could face in each potential future.

Although the Economy League developed these scenarios with an eye toward Greater Philadelphia,



they are also intended to help our business, nonprofit, and government leaders manage future uncertainty and plan more effectively within their own organizations.

The four possible futures described in this report are the product of a highly collaborative process undertaken via the World Class Greater Philadelphia initiative over the past year. During the spring of 2010, the Economy League held 17 leadership roundtables in Pennsylvania, New Jersey, and Delaware to gather inputs about the trends and outcomes that will be most important for Greater Philadelphia's future. More than 500 business, nonprofit, government, and community leaders representing more than 350 organizations participated in these conversations.

The insights from these roundtables formed the basis for a two-day scenario planning workshop in October 2010 attended by 45 regional thought-leaders. At this workshop, participants discussed the broad range of economic, social, technological, political, and environmental forces that could impact the future of

Greater Philadelphia. The result formed the framework for the future histories contained in this report.

LOOKING INTO OUR POSSIBLE FUTURES

When reading these stories, the natural temptation is to guess which is most likely or to try to organize around achieving the preferred future. However, their strength is not in providing definitive answers but instead is in providing a lens through which we can see the capacities we need to build in order to thrive.

These stories are meant to challenge, provoke, and stimulate conversation among Greater Philadelphia's leaders about what our region must focus on in the years to come—no matter what the future holds.

SO...WHAT COULD GREATER
PHILADELPHIA'S FUTURE LOOK LIKE IN
THE YEAR 2026?

PART 3:

2026 FUTURES FOR GREATER PHILADELPHIA

Future 1: Global Village >

Future 2: Tight Belts >

Future 3: America in the Driver's Seat >

Future 4: Partners in Hard Times >

GLOBAL VILLAGE



CRITICAL FLEMENTS

- * EMERGING NATIONS DRIVE THE GLOBAL ECONOMY
- * ENERGY IS READILY AVAILABLE AND INEXPENSIVE
- * RESEARCH & DEVELOPMENT IS INCREASINGLY CLUSTERED OUTSIDE THE U.S.
- * FOREIGN DOLLARS DRIVE VENTURE CAPITAL INVESTING
- * INTERNATIONALLY-ORIENTED US SMALL BUSINESSES FLOURISH
- * CRIME PLAGUES METRO AREAS THAT FAIL TO ATTRACT FOREIGN INVESTMENT

- * PROFESSIONAL ADVISORY SERVICES REMAINS A STRONG US INDUSTRY
- * US BOASTS STABLE AND GROWING MIDDLE CLASS
- * DOLLAR NO LONGER THE GLOBAL RESERVE CURRENCY

SNAPSHOT

Global Village is a story about a global landscape where most of the once labeled "emerging economies" in Brazil, China, India, and South Africa are rising to ascendency, and the world is swimming in cheap, abundant energy. Due to innovations in alternative energy and battery technology, unconstrained power is now available around the world. This rising tide has lifted many boats: across the globe, innovations related to these energy breakthroughs have improved people's lives. The US economy is stable, but it has been outpaced by the greater output of other countries in Latin America and Asia. Foreign investment dollars drive entrepreneurialism in the US as well as abroad. Stateside, the economic opportunities that result from this investment contribute to the growth of the middle class. The nation's metropolitan areas reflect a mix of global influences. Family clusters, and all types of affinity groups based on ethnicity, skill types, and interests, populate regional production centers where they can thrive. World leadership is no longer ours, but our quality of life is stable, and most of us can buy what we need.

GLOBAL VIEW •



The world economy rebounded from the Great Recession of 2008-09. By most available metrics -number of patents filed, share of trade, GDP-all signs indicate that China, India, and Brazil are now the global leaders. The decline of the US dollar against other major currencies that began in 2002 continued through the teens. By 2017, a new order emerged, and the countries once referred to as "developing" are on the fast track. The economies of such former global leaders as the United States, Germany, Britain, and Japan, are flat. Foreign investors no longer accumulate US dollars. In 2022, a coalition of central banks made a critical decision: they ended the dollar's long dominion as the global reserve currency. To replace it, they created an international standard against which all global exchange rates are monitored. The US government cannot borrow as easily as it did in the 20th century. The American worker is no longer at the top of the global food chain. By and large, however, Americans still purchase more consumer goods than their counterparts in other countries; the US remains the primary "marketplace for the world."

This course was set by a series of strategic moves by the emerging economic powers. Brazil, China, and India made a concerted effort to invest a high proportion of their GDP in research and development after the Great Recession. As a result, the greatest scientists and engineers in the world are now clustered in the universities, think tanks, and corporate research centers of these nations. This shift is evident in a number of ways. The University of Beijing (UB) is now considered the premier academic institution in the world for engineering and the sciences. UB offers an English-language curriculum to accommodate the growing number of US and international students. As China and India have

elevated their status from commodity labor to highend skill sets. Africa has benefited from Chinese investment to create new low cost labor centers.

Economists and historians who study this seismic shift in the global economy towards a multi-polar world order cite two major events as turning points: the aforementioned move from the dollar to a managed system of central exchange rates, and a technology breakthrough, the ForeverBattery, that emerged out of a research lab in China in 2016. The ForeverBattery is a tiny battery the size of a now-defunct US coin (the "penny"). Manufactured from ceramic treated with a patented mixture of chemicals, the ForeverBattery's incredible capacity to safely and inexpensively store energy has transformed the world.

By making it possible to store reserves of energy generated by alternative sources (wind and solar), the ForeverBattery altered the energy landscape and drove down the cost of power. Every day, it seems, new consumer and industrial products are introduced that would not have been possible or affordable in the days before the ForeverBattery. Economists compare the seismic shift in how businesses and individuals now operate to the rise of the internet in the 1990s. New construction is now predominantly "off the grid." Many new buildings are covered with compact wind turbines that generate enough power to meet those buildings' energy needs. Industrial and school campuses generate geothermal heat from the ground underneath the buildings, and this renewable power keeps the lights above brightly shining. People enjoy cheap transportation, ubiquitous communications, and inexpensive consumer goods. We are a highly mobile, globally networked populace.





The ForeverBattery's discovery also marks a turning point in global patterns of investment. US businesses are no longer the primary target of foreign investment in research and development; investors now turn first to the dominant growth economies for entrepreneurs with the next big ideas. This abundant capital catalyzes other new innovations, such as medical devices, healthcare

technologies, home appliances and entertainment centers, and personal communications gadgetry all coming out of the R&D centers outside of the US. The eventual result is a cycle of continued innovation and renewed investment overseas—hastening the US's fall from its long-standing position as economic powerhouse.

U.S. VIEW ★

The US economy in 2026 looks a bit like it did in the middle of the 20th century: employment is steady, and many Americans work for small or mid-size businesses in services, advanced manufacturing, and logistics. Many of these businesses are partowned by foreign interests or represent subsidiaries of foreign companies. Due to a failure to tackle long-standing challenges within American school systems to improve educational quality in math and science, there is a distinct shortage of American scientists and engineers. Because of this talent gap, many large US corporations failed or moved overseas during the previous 15 years. Americans interested in engineering, technology, and hard sciences search for work on international job boards, and ambitious, young knowledge workers have no choice but to expatriate. They send their wages back home to support US relatives or hold them in international-currency bank accounts. On the plus side, it's relatively easy and affordable to get back and forth because every major city on the eastern seaboard offers direct flights to Beijing, and a decline in fuel costs has brought these flights within the reach of average American consumers.

Within the US, the most prosperous businesses are those in service, advanced manufacturing, and final-stage completion of goods that leverage foreign technologies. The gap between the cost of labor in the US and labor in China, India, and Brazil has declined. Basic manufacturing of everyday consumer products now happens predominantly in low-cost labor markets in Africa, South America, and Southeast Asia. The burgeoning advanced manufacturing industry, however, has grown in both the US and emerging nations.

Cities with a past history of factory production, such as Detroit and Pittsburgh, reopen and retrofit long-shuttered factories to meet the needs of advanced manufacturing and final-stage markets. Specialized small and mid-sized factories sprout

up in metropolitan areas across the country, and opportunities in skilled manufacturing are available for properly trained workers. The nation's colleges and universities have capitalized on the rise in skilled manufacturing by shifting their domestic focus to "technical degree programs" which prepare students for careers in manufacturing of digital consumer products, advanced medical products, and energy-related devices.

Grandchildren of white collar workers now consider these jobs decent opportunities. In this world of cheap power, factory work is more appealing due to the predictability and security it can offer: factories are well-lit and comfortable, and even the lowest line jobs leverage new technologies that spare the worker from back-breaking labor. Interestingly, the rise in factory work has an unforeseen impact on residential patterns. With more Americans again working in factories, loft-like apartment districts that mimic the look of factory buildings fall out of favor.

In the teens, some economists predicted that the end of the US dollar's status as the global reserve currency would prevent Americans from continuing to be big consumers of foreign products. This is not the case. In 2026, America remains the "marketplace for the world." We are content with this role. We drive our battery-operated vehicles from their charging stations to the malls, pulling power from the same ForeverBattery-powered "smart grid" that lights our homes and powers our entertainment and communication devices. Unfortunately, this "smart grid" hasn't solved traffic problems. Lowdensity development patterns prevail across the country. We still sit in traffic, wishing we were home. Obesity continues to strain our healthcare system: 20% of US citizens are diabetic (having risen from just over 8% in 2011). Domestically, the healthcare industry thrives, though foreign investors now hold a majority stake in many of the largest US companies.



America's most attractive metropolitan areas provide stability through steady employment options and smooth integration of new cultural and economic influences. Their cities' and towns' populations reflect the diversity of the world's new economic powers. Signage reads in multiple languages, films at the local theater offer subtitles, and many cultural events reflect the customs and foods from other nations. In contrast, those regions that fail to integrate foreign investment and entrepreneurial opportunities experience violent crime waves that mimic the mob-based incidents of the prior century. Resentment of foreign interests, housing overcrowding in substandard buildings, and underfunded services challenge public safety and security.

Start-ups and early stage businesses are fueled by two forces: foreign credit and foreign investors' eagerness to gain a foothold in the lucrative American consumer market. A recent example provides illustration. In 2016, a Brazilian company commercialized a technology for video conference-like communications with three-dimensional holograms. They found a small US company willing to manufacture and pilot the product. By 2018, Hello Honey Holograms were released in the American consumer market and became very popular among those with loved ones living abroad.

The US government, eager to keep even foreigncapital-backed businesses on US soil, provided
advantages for entrepreneurs such as tax
incentives and favorable regulations. In 2016,
Congress passed the Businesses on US Soil Act
to spur business creation, including a portfolio of
incentives around healthcare and labor. At a local
level, regions compete to be the most entrepreneurfriendly through business/government alliances.
The American education system, even at the
primary level, is geared toward developing
entrepreneurs or professional service workers in
the global marketplace. The proliferation of US small
businesses has extended economic opportunity and
has lessened income disparity at the national level.

At the top end of the economic spectrum, the most profitable US businesses are in advisory services that support multi-national corporations. The complex companies that drive global commerce rely on the expertise and advisory services available through American lawyers, management

consultants, and accountants. Just a few US companies remain on the Fortune 500. Their customers are almost all global companies seeking advice on adapting to and leveraging the technology innovations pouring out of Brazil, China, and India. The surviving consulting firms focus on supply-chain and operational efficiency as well as integrating innovation. The prominence of US professional services firms triggers a sharp rise in law school applications, which double between 2016 and 2026. Acceptance rates, even at top-tier schools, rise as well, due to increasing utilization of virtual education platforms.

Rising personal wealth in emergent nations such as China, India, and Brazil has led to an increase in international tourism to the US. Visitors from around the world flock to the country's most prominent cultural institutions, historic destinations, and natural wonders. While international tourism is on the rise, domestic cultural tourism has experienced a decline, largely at the hands of digital media. Most Americans now access and experience entertainment remotely from wherever they live. They turn to interactive digital experiences for entertainment when alone or with their families. Digital media now truly approximates virtual reality and is considered by many consumers to be a viable and less expensive alternative to a visit to a historical landmark or museum. The cultural elite who do continue to visit museums or concert halls don't think much of driving several hours or hopping on a plane to attractive and innovative regional arts centers. These evolve into more exclusive, subscription based, almost 'country club' membership models serving the most well to do Americans and curious, jet-setting foreigners.

HOW WE GOT HERE





- 1. FAILURE TO INVEST IN MATH AND SCIENCE EDUCATION. At the end of the 20th century, US public school students lagged far behind those in other developed and even high growth economy countries in science and math, despite spending the most per student of any country in the world. Reform efforts failed to reach their promise to reverse lagging trends, and efforts to identify a long-term solution to attracting and rewarding qualified teachers proved futile.
- 2. LITTLE TO NO INVESTMENT IN R&D. The early 2010s featured fierce debate about where the US should make R&D investments. In the ensuing debate, the country lost focus, and the weakened economy left little money to spare for new investments. As India and China shot ahead and the US lost its competitive edge, global investors began to overlook US businesses. Most R&D dollars are now invested elsewhere.
- 3. LITTLE IMMIGRATION OF KNOWLEDGE WORKERS. Immigration policies grew tighter and tighter. Many reforms limited the number of knowledge workers from India and China permitted to live and work in the US. This forced companies like Apple and Microsoft to relocate their headquarters to locations such as Delhi and Shanghai.
- 4. DOMINANCE OF THE HIGH GROWTH ECONOMIES. With knowledge workers concentrated in India, Brazil, China and South Africa, these nations, once considered "developing," now lead the world economy. Breakthroughs in energy technology including the development of superefficient batteries and alternative energy sources have enabled these countries to become R&D hubs.
- **5. RISING NATIONAL DEBT.** The Congress and White House continually promised to take on the issue of national debt, but the issue never made it to the top of the agenda. Instead, each administration attempts to chip away at debt, but there is no strong reversal.

KEY CHALLENGES & OPPORTUNITIES FOR GREATER PHILADELPHIA







In 2026, economic and social conditions at the national and global levels will influence what American metropolitan areas must do to thrive. Certain challenges that a region faces in 2011 could evolve into crippling liabilities by 2026, and certain 2011 assets could provide unexpected competitive advantages.

Below is a representative selection of key issues that would likely rise to the fore for Greater Philadelphia in the *Global Village* future. In presenting a handful of pressing challenges and opportunities that Greater Philadelphia might face in this hypothetical future, this list attempts to spark discussion around what key issues Greater Philadelphia must focus on to become a world class place to live, work, and play.

CULTURE OF ENTREPRENEURSHIP

The nation's metropolitan areas that best cultivate entrepreneurs and reduce barriers to commerce will have a leg up on those metros that do not and will succeed in attracting foreign investment. Given the global and national conditions presented in Global Village, businesses operating in logistics and supply chain, tourism and hospitality, and professional services would be positioned for growth.

GLOBAL CONNECTIVITY

In a world where the economy is driven by nations other than the US, Greater Philadelphia's capacity to plug in and participate in global commerce will largely determine the region's economic vitality. The ability of Philadelphia International Airport to serve as a global hub for business and leisure travelers will be key, as will the ability of regional ports to accommodate increased activity to and from emerging South American markets.

HIGHER EDUCATION'S ABILITY TO ADAPT

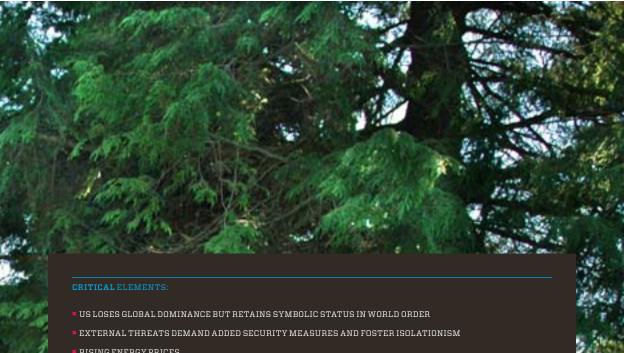
As the student population in America's premier higher educational institutions becomes increasingly international, the metropolitan areas whose colleges and universities successfully expand online courses and satellite campuses in emerging countries will retain an edge over those that do not. Additionally, those institutions that offer "technical degrees" oriented toward advanced manufacturing industries will capitalize on this sector's growth. The ability of institutions of higher learning to provide cutting-edge, low-cost education to American and international students will be a key factor in the struggle to remain relevant in the face of global competition.

TRAFFIC & CONGESTION

Access to inexpensive energy through the ForeverBattery has made for unprecedented change. The proliferation of affordable, battery-powered cars will have major implications on Greater Philadelphia's transportation infrastructure. Investment will be needed to adapt to this new paradigm.

TIGHT BELTS





- RISING ENERGY PRICES
- RESEARCH AND INNOVATION TIGHTLY CONTROLLED BY MULTI-NATIONAL CORPORATIONS
- WIDESPREAD CONSOLIDATION IN PUBLIC SECTOR AND PRIVATE SECTOR
- SMALL AND MID-SIZED BUSINESSES STRUGGLE, BUT GLOBALLY-ORIENTED PROFESSIONAL SERVICES ARESTRONG
- US HIGHER EDUCATION REMAINS STRONG, CATERS TO FOREIGN STUDENTS
- INNOVATION IN US IS FOCUSED ON ENERGY EFFICIENCY, SOCIAL PROGRAMS AND HELPING BUSINESSES AND INDIVIDUALS MAKE DO WITH LESS
- MANY AMERICANS DEPEND ON PUBLIC ASSISTANCE, BUT HOUSEHOLD DEBT IS LOWER THAN AT THE END OF SOTH CENTURY
- U.S. CRIME RATE ON THE RISE

SNAPSHOT

Tight Belts paints a picture of a world where power is consolidated within the hands of a few multi-national conglomerates. most of which are located outside of US borders. Rising energy prices make it increasingly difficult for smaller businesses to get established. The US is no longer a global economic leader but maintains symbolic leadership status in diplomacy and world affairs, consulting and professional services, and via the persistent glamour of its former glory. Prolonged decline and reduced consumerism have made American lifestyles simpler. A flat national economy and declining tax revenues forced many local governments to consolidate. However, as a nation we seem to be adjusting to the new status quo.

GLOBAL VIEW •



In 2026, the world economy is dominated by a handful of multinational conglomerates, most of which are headquartered in India, China, Brazil, and South Africa. These corporations are the rulemakers rather than the rule-takers; their leaders hold the reins. They represent a few dominant industries: energy, high tech, arms, transportation, and pharmaceuticals, bioscience, and healthcare.

A few incidents offer insight into this pathway to consolidation. In 2018, increasing geopolitical conflict pushed the price of oil beyond \$200 a barrel. Since its first price increases in 2004, OPEC learned that the world could absorb higher energy prices and continued to manage the oil supply tightly in order to protect the economic interests of its members. At this level, it became almost impossible for energy-dependent businesses to survive—only large conglomerates, able to move operations closer to end markets, remain viable. Indeed, in this world, it is generally assumed that any experimentation with alternative sources of power, such as biofuels and wind, are taking place within the walls of these corporate R&D centers or within large government institutions. Because of the competitive nature of this information, governments and corporations are disinclined to share technology and discoveries. And in 2020, General Motors moved its headquarters to Mumbai. Considering the intense interdependency between General Motors and the US government in the early teens of the 21st century, this was a particular slap in the face to the US. But GM, now led by Sameer Pandya, an American citizen of Indian descent and MIT grad, boasted to shareholders about the wisdom of this choice. According to Pandya, the relocation served several strategic ends by bringing GM closer to its suppliers and to India and South Africa—among the world's fastestgrowing consumer markets. Additionally, the move placed GM in close proximity to top-notch science

and engineering talent. While some shareholders protested initially, none could argue with the logic of Pandya's reasoning, particularly around the issue of talent. The move represented a symbolic loss for the American psyche and the end of the high-speed innovation and car culture of 20th century.

The precipitous decline in math and science education in the US and other western nations and the concurrent rise in performance in emerging nations means that global business conglomerates focus their recruiting efforts for researchers and engineers in China and India. In these countries, intensive math and science education begins in the earliest grades. By contrast, US public schools, in an attempt to lower dropout rates, now track students into two tiers: one focusing on rudimentary reading, math, and science with a pathway to vocational or technical schools and community colleges; and a specialized track that concentrates on STEM (science, technology, engineering, and math) and is designed to prepare students for careers in the service economy. The top-ranked universities in the world are still in the United States, but they accept foreign students primarily. The Americans who attend are among the gifted and elite. Many of the best American universities have accelerated investment in developing satellite campuses in booming overseas markets.

The US food production industry remains steady. While high transportation costs led to a decline in imported foodstuffs, regional food production has been re-invigorated. And, as South America and Africa gain wealth, international demand grows for US food exports. Large conglomerates and shipping firms benefit from this position. With immigration down, Americans on the lower rungs of the economic ladder, including some second and third generation immigrants, turn to farm labor.



Prices sky

ADDIAMINA DAY

Rapid economic development in China and India has had a transformative effect on the world. The label "Made in China" is no longer associated with cheap or low-quality products. Breakthrough innovations in foreign-made consumer products are prevalent in households across the United States. The US share of the world's manufacturing output fell to below 10% in 2018 from a peak of 28% thirty years prior. Just as

Britain did in the early part of the 20th century, the US has shifted from a largely manufacturing-based economy to one driven by professional services.

New York, like London before it, has re-emphasized its position as a financial center. Banking continues to be a lucrative career for the educated elite. Professional services including law, management consulting, and international relations, along with the diplomatic core in the public sector, all tap the combination of rigorous training and diplomacy cultivated in top tier educational tracks. While the US is clearly no longer the world's largest economy, it retains a certain sentimental, symbolic status as the early architect of individual freedoms and broad middle class ascendency. The dollar remains the global reserve currency, due to a decision made by the International Monetary Fund in 2016 to move it from a fiat currency back to the gold standard.

U.S. VIEW ★

Here in the US, the most pessimistic economists of 2010 who had forecasted a long recovery from the recession of 2008-09 are now regarded as soothsayers. While the dreaded "double dip" never materialized, the US economy remained stagnant over a prolonged period. In 2023, unemployment hovers at 12%. For a brief moment in the late teens, a few months of declining unemployment seemed to suggest some economic growth, and the numbers made front page news in the financial press for a few weeks. This was a false light, however. No real gains have yet been made—and it's looking increasingly unlikely that a turnaround is around the corner. News reports document grim figures: a stagnant dollar, skyrocketing energy prices, declining competitive standards in public education compared to the developed world. The American dream of home ownership has been replaced by the desire to live comfortably among extended family and friends. Foreclosure rates accelerated through 2020 creating abundant inventory for scarce buyers. Onequarter of American families rely on some type of public assistance, often community-based support services, to make ends meet. Most blame this decline on the aging workforce and the flight of jobs and industries overseas.

Cost-savings and the pooling of resources across family, ethnic, or community groups has become a national obsession. Across industries, no-frills products dominate the marketplace: barebones healthcare and insurance and cheap clothes and home goods are just a few examples. Neighborhood "connectivity centers" support communities by providing an alternative to pricey home entertainment and phone service bills. Individuals and organizations alike are preoccupied with achieving efficiencies. Families clip coupons, darn holes in clothes, barter locally, and dial down their thermostats. Companies slash budgets, reduce headcounts, and trim every possible expense.



Allison Kelsey

Department stores close their doors, and boutiques cater to a small group of very upscale customers. Discount retailers like Wal-Mart dominate. At a local level, community gardens and food co-ops help feed neighborhoods. Buildings left vacant by now-dissolved mega supermarket chains are used as food distribution centers and flea markets. Young and old work in neighboring plots to cultivate fresh produce. Local food fairs and events offer the chance to share favorite dishes and productive gardening techniques.

After the talent gap, economists cite the heavy burden of healthcare costs as another strike against American businesses trying to compete in the global marketplace. The rising age of the American workforce compounds this issue. By 2026, healthcare costs in America have risen to 26% of GDP from 16% in 2008. Despite multiple reform movements, government attempts to reduce these costs have backfired. Due to lack of subsidies for pharmaceuticals and other services



designed to treat chronic conditions like asthma and diabetes, more Americans are now living in a state of permanent disability. The average citizen has pushed back plans to retire which then raises the age of the average worker and leads to higher healthcare costs per employee.

A minority of Americans have maintained generational wealth. For this upper crust, life is easy. They grumble at the cost of gas but continue to drive their luxury cars, and they enjoy reduced costs in most other areas such as housing and consumer products. However, most of these people live in elite, gated communities. Private security forces are employed to protect this new upper class from crime. Its denizens tend to work in the services sector, usually advising multi-national corporations, and often spend many months of the year outside of the country.

Some Americans take matters into their own hands and start businesses. Recognizing the trend, national, state, and local governments do what they can, offering tax incentives to try to stimulate and encourage small business growth. It's very difficult for these businesses to survive, though, given prohibitive energy and healthcare costs and increased competition from overseas. For most entrepreneurs, the path to profitability is for a foreign conglomerate to acquire their businesses. This comes to pass for only a small percentage of entrepreneurs. Many small businesses are forced to fold for lack of alternative avenues for growth or exit strategies. US venture capital is minimal, and major financial institutions hesitate to take risks on anything other than the safest investments. Labor is cheap, but healthcare and raw materials are very expensive to obtain in the US. Only the most ironwilled entrepreneurs succeed, either by taking on a high-interest commercial loan, a government grant, or by leaning on private capital investments from friends or families. The most successful start-ups cluster in three areas: services, social innovations for community health and entertainment, and energy conservation.

In this situation, one could expect to see a population in despair. While some people do, many Americans adapted to the new normal of being a citizen of a less dominant world power. They've adjusted to their new circumstances with a renewed sense of community and quality of life, reflected by reduced stress and

increased time for taking care of the basics and enjoying leisure within their local setting. People are no longer living on the helium promise of credit card debt. Although lives are more constrained, with less travel and less accumulation of things, many find themselves better for it.

Trends that caused consternation in the early years of the century—overdependence on technology devices, high pressure on children to succeed—are also in decline. High energy and communication costs mean that families spend less time with technology. This leaves more time for interactive pastimes that build rather than fracture a sense of community like potluck dinners, neighborhood groups, and community sporting events. Many walk to work. A rise in compact, mixed-use communities supports a two-wheeled or two-legged 'mobile' lifestyle. Numerous communities across the nation, catalyzed by the high cost of healthcare and energy, have instituted "walking school busses," programs that encourage children and adult caretakers to meet at designated spots and walk children to school en masse. There are more local farms and farmer's markets, and the national diet has improved.

Cultural commentators like to point to a linguistic shift as evidence of Americans' changing perspective on their place in the new world order. By 2022, the year that more Americans tuned in to the World Cup games than the Super Bowl, neighborhoods and fantasy sports pools often align their allegiance to world class "football" teams. American football retains certain glamour, though, and so do American celebrities. America is still considered an arbiter of style, capable of synthesizing trends from around the world and pulling them together into something with global appeal. Although the film industry is almost entirely funded by the multi-national corporations, a majority of blockbuster movies continue to be set here. American movie stars are still the best-known faces around the world.

DOMINOES HOW WE GOT HERE



- STEADY INCREASE IN ENERGY PRICES. Throughout the teens, volatility
 in the Middle East disrupts oil supply. Uncertainty related to controlling
 oil interests and stability of Middle Eastern nations steadily drives up
 energy prices.
- 2. BRAIN DRAIN. A cash-strapped education system focuses on delivering basic curriculum and improved vocational skills to the broad US population. A specialized tier of students benefit from innovative education models, but aggregate US skill levels continue to sink against those of other nations. Talented educators accept positions abroad. The highly educated often work for foreign employers. The best engineers in the world hail from high-growth nations, though many receive their educations at American universities. They cluster in research and innovation centers in global corporations.
- 3. STRUGGLING ECONOMY AND LITTLE INVESTMENT. The recession no longer feels like a dip but a permanent state of being. National unemployment has reached 12%. In many regions, particularly those in the middle of the country that lack access to public transportation networks, the numbers are even higher. Without investment, the country's infrastructure breaks down. Bridges and roads present dangerous passage in some parts of the nation, and accidents are more frequent.
- 4. GROWING AGING POPULATIONS. Innovations overseas have resulted in new, lower-cost medicines that have pushed life expectancy into the 80s. People are now living longer and, because of the economy, pushing off retirement. The average age of the workforce has crept up. In 2026, the average age of the American worker surpassed 50 years—the age at which Americans once hoped to retire.
- 5. CONFLUENCE OF ECONOMIC FORCES LEADS TO PROLONGED STAGNATION.

 In the wake of the 2007-08 recession, Americans lower their own debt and spending. While citizens demanded the same of government, healthcare and national security costs made reduction difficult. These costs, along with rising energy demands, contributed to the economy's inability to rebound.

KEY CHALLENGES & OPPORTUNITIES

FOR GREATER PHILADELPHIA





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Below is a representative selection of key issues that would likely rise to the fore for Greater Philadelphia in *Tight Belts* future. In presenting a handful of pressing challenges and opportunities that Greater Philadelphia might face in this hypothetical future, this list attempts to spark discussion around what key issues Greater Philadelphia must focus on to become a world class place to live, work, and play.

PUBLIC HEALTH

Rising health care costs threaten the well-being of citizens across the country. In reaction to the prohibitive costs of reactive care, a renewed emphasis on proactively maintaining personal health takes hold. Communities that promote active lifestyles and reduce health-related expenditures by making it possible to walk to work or to the store or recreate on public facilities are at high demand.

REGIONAL FOOD PRODUCTION

In a future in which transportation and energy costs are high, food prices will rise. The metros that are able to hedge against these high costs by increasing regional food production will ease this pressure on residents and businesses.

GLOBAL BUSINESS ATTRACTION

With much of the global economy in the hands of select foreign-based multinationals, the US metro areas that house the US headquarters of these companies will reap economic benefits.

ECONOMIC OPPORTUNITY

In this world of constrained resources, large multinational corporations drive employment and continued consolidation is the order of the day. Small and midsize businesses struggle to stay afloat. Metros that provide pathways to employment for middle-class and low-skilled workers will have an advantage over their counterparts.

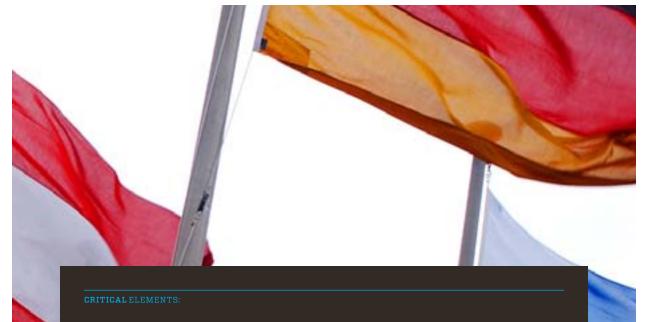
PUBLIC SAFETY

In this future, a strained national economy has widened the income gap across the country and given rise to class-related tensions. Conflict arises particularly in places where exclusive, wealthy communities are in close proximity to underprivileged communities. Metropolitan areas that find ways to connect underserved communities to opportunity and ease civil tensions are particularly attractive to businesses and talent.

GOVERNMENT FRAGMENTATION

In a highly constrained fiscal environment, the efficient use of taxpayer dollars for the provision of public services will be a necessity in communities across the country. Administrative and jurisdictional consolidation is a growing trend.

AMERICA INTHE DRIVER'S SEAT



- * US ECONOMY EXPERIENCES DOUBLE-DIGIT GROWTH
- * ENERGY ABUNDANT DUE TO DISCOVERY OF NEW FOSSIL FUEL RESERVES AND APPLIED USE OF ALTERNATIVE ENERGY SOURCES
- * AMERICAN SCIENTIST'S WATER DESALINATION DISCOVERY HELPS AVERT GLOBAL WATER CRISIS
- * US IS ACKNOWLEDGED WORLD LEADER, HOSTING SUCCESSFUL GLOBAL ALLIANCES TO ADDRESS THE WORLD'S PROBLEMS
- * US BREEDS RENEWED ENTREPRENEURSHIP AND INNOVATION
- * EDUCATION REFORM PLACES US STUDENTS AMONG HIGHEST ACHIEVING
- * COST OF HEALTHCARE FOR AGING POPULATION OFFSET BY NEW, CHEAPER PRIVATIZED APPROACH
- * HEALTHCARE REFORMS LOWER BARRIER FOR NEW BUSINESSES
- * TERRORISM ON THE RISE

SNAPSHOT

America in the Driver's Seat imagines a few critical discoveries—a method of water desalination, new ways to use alternative energy, and new oil reserves—have helped the US reassert its position of global leadership. This leadership is grounded in a renewed commitment to international collaboration, represented by the numerous groundbreaking global alliances that have been orchestrated within US borders. No longer overwhelmed by energy and water resource constraints, countries around the world see greater peace and prosperity. Nevertheless, hostility toward America continues to grow in some regions of the world, and terrorism remains a threat within our borders.

GLOBAL VIEW •



In the summer of 2014, a breakthrough discovery by an American scientist altered the global landscape.

A nanotechnologist formed a collaborative consortium of international scientists working to address water shortage issues. The consortium, supported by young entrepreneurs and philanthropists, engineered a new desalinating technology and committed itself to employing it to benefit the entire world. The team focused on the regions surrounding the 263 rivers that either cross or mark international boundaries, and plans were put into motion to replenish the aguifers of India, to clean the Nile, and to refresh the farms surrounding the Mekong Delta.

A serendipitous discovery then changed the game in the area of energy as well. In 2018, the American petroleum company ConocoPhillips discovered significant new fossil fuel sources near Alaska and the Caspian Sea. Additionally, reserves of natural gas across the country, including in Pennsylvania's Marcellus Shale, have proved more productive than originally expected. These discoveries weakened the stronghold that OPEC had over the price of oil. With decreased fuel costs and reduced oil constraints, the US became the nexus of collaborative innovation to address global challenges.

Energy breakthroughs and economic stability allowed for investment in much needed domestic infrastructure improvements. In addition to critical repairs to existing facilities, engineers undertook large-scale initiatives to improve traffic flows, enhance public transportation performance, and increase freight efficiency. These improvements increased mobility and access for Americans locally and regionally.







Jeff Fusco Photography

U.S. VIEW ★

By 2026, the US economy is at rapid 6% growth, having fully recovered from the flat years in the early teens. In 2012, the President designated two objectives as crucial to the country's continued preeminence: bold investments in science innovation and education, and a deliberate positioning of the US as an orchestrator of global alliances and partnerships. In subsequent years, when the two groundbreaking global alliances took place on American soil (water in 2016, and energy in 2022), the President's words appeared prescient.

Between 2012 and 2026, Americans accepted the President's challenge and worked together to "change the global game." The first step concerned K-12 education system reform. Recognizing the need for the brightest minds in the world to address the world's problem, the Secretary of Education ordered federal and state departments of education to take a hard, end-to-end look at the country's education system and its capacity for producing world-class scientists and engineers. In the 'teens decade,' education was the primary agenda. Embracing this spirit of innovation at the education level, the US adopted partnership-driven, outcomes-based models in schools across the nation. This new approach to national education emphasized entrepreneurial, decentralized, innovative schools with teachers and administrators permitted broad discretion. Leveraging a robust international information superhighway and "personal telepresence" technology made possible by latest-generation engineering, universities built interactive virtual education platforms capable of engaging a truly global student body. They also partnered with local high schools to attract students to research and have them influence and improve on traditional teaching methods through new technologies. A new GI bill extended access to higher education to underserved communities. Many students in this GI generation are the first in

their family to pursue a post-secondary degree. The education opportunities offered through the bill further encouraged underprivileged youth to pursue the military as a path to contribute to their country and participate in the global economy.

Simultaneously, a series of healthcare reforms resulted in a lower cost model for the country and put the US on par with Europe in terms of percent of GDP spent on healthcare. Two critical steps of this reform included substantially rewarding patients and doctors for making healthy choices and cost-effective decisions about care, and transparency reforms that established requirements for all providers and healthcare companies to display and explain cost information to patients so they could make informed financial decisions. The result was a decline in healthcare costs across the nation and broad economic growth.

In 2024, a newly elected President, Michelle Lewis, took office. Citing rising test scores nationwide, Lewis commended the country for bold changes around math and science education. "For the rest of this century," Lewis said, "We need to continue to demonstrate our willingness, not to outpace the world, but to collaborate with it." Quoting an early 21st century vision written by pundit David Brooks, Lewis said, "America needs to continue to be a crossroads nation where global talent congregates and collaborates."

For her first two years in office, Lewis's administration threw its energy behind the creation of an international business forum with real regulatory and market influence: the Global Exchange. The purpose of the Exchange is to connect business centers around the globe and to help US regions with the foresight to participate to gain recognition as international players. The mission of this organization is to help companies understand the value of actively participating in





the global marketplace. As of 2026, the location for this organization has not yet been decided. Governors and mayors are vying for the honor. Given the strong economy and improved climate, the US is once again a breeding ground for innovation. Regional initiatives emerge across the US to attract, develop, and build industry clusters of investors and innovators to support the renewed entrepreneurialism.

This new set of opportunities is not without costs. While the Middle East has, overall, become more peaceful, radical elements remain, and the US's resurgence has fueled anti-American sentiment. Terrorist attacks continue, growing more deadly and shaking national confidence. In the spring of 2017, homegrown terrorists coordinate the release of chemical gas in the Washington DC Metro, killing more than 2,500 people and injuring another 10,000. Days later, cyber terrorists hack the air traffic control system at Dallas-Fort Worth International Airport, causing a major air collision and the loss of 344 lives. In the wake of these incidents, protectionism begins to prevail. Government, citizens, and the medical community pull together to tighten the network of defense. In some cities, local law enforcement officers team up with newly organized community watch groups to collaborate and share information

about potential threats. On a national level, a citizen's monitoring network is created to enable Americans to connect directly to a national crime and terror database from their personal devices.

Relaxed immigration policies have led to a growing influx of foreign-born US residents. Social friction ensues, particularly in the highest poverty areas that have not benefitted from the nation's innovations in education or economic improvements. A labor conflict in a Cincinnati region manufacturing plant in 2022 led to a messy standoff that some called a race riot. Many old industrial cities feel left behind.

Arts and religious institutions pick up the mantle of encouraging tolerance through education, cultural awareness, and enrichment. They sponsor cultural exchanges and symposiums that teach people about the unique contributions from varied ethnic groups that have led to America's innovative culture and position as a global leader. Local entertainment venues partner with schools to supplement STEMbased education curricula with fine and performing arts experiences.

DOMINOES HOW WE GOT HERE



- 1. THRIVING, US-BASED R&D. The renewed focus on math and science education spurs a consortium of public and private institutions to declare a moratorium on the exodus of R&D organizations overseas. They are successful at keeping innovation inside our borders. Many R&D centers relocate from China and India to the United States. Venture capitalists focus on investing in US innovation hubs.
- 2. EDUCATION REFORM. Innovative school models proliferate across the country and, over time, math and science scores rise. Higher education connects to local primary and secondary schools to build bridges to lifecycle learning environments.
- 3. COMMITMENT TO GLOBAL ALLIANCES. As a nation, we begin to define ourselves as the aggregator of the world's best talent. Several breakthrough alliances serve as proof of concept for this idea, and it changes the nature of our belief about what it means to be a global leader.
- 4. SUCCESSFUL HEALTHCARE REFORMS. Reforms help keep costs down, improve wellness and economic stability across more of the population, and spurs increased investments by small and mid-size businesses.

KEY CHALLENGES

& OPPORTUNITIES FOR GREATER PHILADELPHIA





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LIFE SCIENCES

This future features transformational reforms to healthcare in the United States. Those metros whose medical and life science institutions are able to adapt to these reforms and cater to the new needs of the industry will be best positioned to effectively serve residents and remain financially viable.

REGIONAL COLLABORATION

With the US as convener of global alliances that address large-scale social and economic challenges, the metropolitan areas that successfully facilitate partnerships and accommodate cross-sector collaboration will be a magnet for foreign investment, employment, and population. This will require flexibility on the part of local governments, regional institutions, and businesses.

OIL AND NATURAL GAS INDUSTRIES

The discovery of additional domestic oil and natural gas reserves has perpetuated American dependence on fossil fuels for energy. The metropolitan areas that find ways to enjoy economic benefit from these booming industries without compromising environmental quality will remain attractive to talent and investment.

EDUCATION REFORM

In a future in which domestic research and development is thriving, the metropolitan areas that lead the charge for reforming primary and secondary educational models to focus more on science, technology, engineering, and math will have a head start on the attraction of talent and businesses.

CULTURAL INTEGRATION

Increased immigration gives rise to cultural tensions in US metros. Those regions that are able to provide ample economic opportunities to longtime residents and immigrants alike suffer fewer social disturbances and remain attractive to residents and businesses.

RESEARCH & DEVELOPMENT CLUSTERS

Metropolitan areas that incubate the next best ideas will be magnets for investment and talent.
Greater Philadelphia's assets in this arena, including University City, the pharmaceutical corridor along Route 202, the Navy Yard, and other emerging clusters, could develop into economic anchors for the region.

PARTNERS IN HARD TIMES





- * OPEC RAISES OIL PRICES
- * NEW ENERGY TECHNOLOGIES ARE NO SILVER BULLET
- * SHIFT FROM CAR CULTURE TO MOBILITY VIA MASS TRANSIT
- * HIGH ENERGY COSTS KEEP SMALL BUSINESS CONFINED TO LOCAL MARKETS EXCEPT FOR INTERNET BASED VENTURES
- * EDUCATION IMPROVES THROUGH CURRICULUM REFORM AND ADMINISTRATIVE OVERHAUL
- ▼ US ECONOMY IS STRONG, DRIVEN MAINLY BY LARGE CORPORATIONS AND PUBLIC-PRIVATE PARTNERSHIPS
- * PUBLIC-PRIVATE PARTNERSHIPS OFTEN HEADQUARTERED WITHIN US BORDERS ADDRESS THE WORLD'S
 LABORST PROBLEMS
- * US MAINTAINS PRESENCE IN MIDDLE EAST DUE TO CONTINUED TURBULENCE
- * THREAT OF TERRORISM REMAINS HIGH

SNAPSHOT

Partners in Hard Times is a story about a world constrained by OPEC's tight-fisted control over oil and corresponding rise in energy prices. Attempts to shift to alternative power sources failed due to lack of coordination across industries and countries. The global economy is sluggish. The US has maintained its position as the global leader through sweeping education reforms that have improved science and math rankings and by addressing seemingly impossible issues in transportation and healthcare through strategic public-private partnerships.

GLOBAL VIEW •

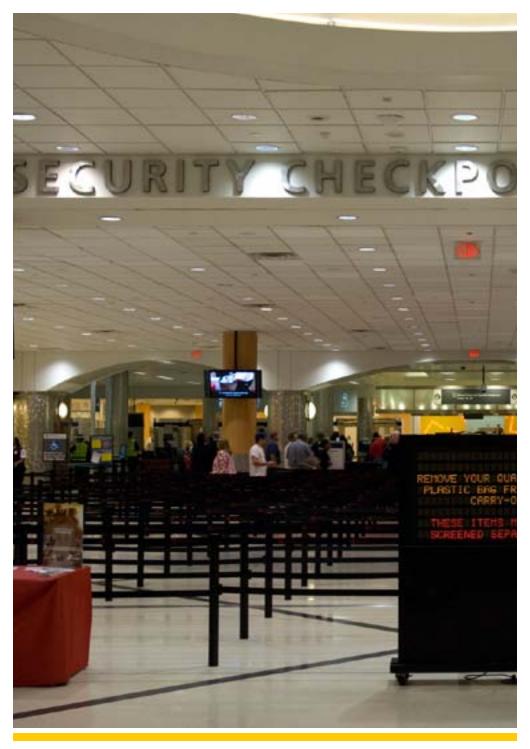


In 2026, everyone feels the pain of \$200/barrel oil prices caused by OPEC. Exploration by major oil companies has turned up new reserves, but the extraction costs are high. In 2015, a massive explosion at a rig in the waters off Alaska's coast led to the loss of 400 lives and increased oil companies' wariness about deep water drilling. Throughout the last fifteen years, entrepreneurs, NGOs, international organizations, and national energy concerns tried to transform alternative energy sources into viable alternatives to fossil fuels, but these efforts were sporadic and poorly coordinated. Rather than engineering our way out of an energy crisis, it becomes clear that the world needs change its consumption habits. There is no easy way out.

Middle East conflicts continue to create turbulence on the world stage. Massive population migration caused Pakistan to collapse in 2018, leading to even greater geopolitical instability. Terrorism hangs like a dark cloud over every nation, the US included. Given the high cost of travel, it is expensive for the US to maintain overseas bases, but these investments continue because global security remains a national priority. The US feels enormous responsibility for maintaining global peace, viewing it as pivotal to the world's ability to continue to make use of the scarce oil that is still available. Other nations of the world also look to the US to protect commerce and defend against terror. In 2016, the US was backed by the United Nations in its vow to protect the free flow of the world's exportable oil.







U.S. VIEW ★

Despite international instability, the US dollar remains strong. Other major currencies are flat or declining. The recession of 2008-09 caused the US to reconsider its economic position in the world and to take steps to guarantee continued future leadership. In 2013, a coalition came together to address this challenge. The coalition, America Leads the Way (ALTW), included CEOs of major corporations, leaders from all levels of government, representatives of left and right-leaning think tanks, a group of YBC leaders (the Young Billionaire Coalition, formed by Web 2.0 executives), and heads of major foundations and nonprofits. Together, ALTW made critical decisions about how to halt the decline of the US economy in relation to the rest of the world, one consequence of which was a drastic reduction in acceptance of Chinese imports. This shrinkage in its major export market and distractions wrought by internal strife, the Chinese economy remains flat. There is some fear that the country's instability could pose a threat in the future.

Two issues gained momentum: education and public-private partnerships. Regarding education, American economists had bemoaned the decline of US educational standards and called for reform since the mid-1980s. Starting in 2012, partnership models accelerated the pace with two radical steps: establishing a new curriculum and a set of standards that prioritized the STEM subjects (science, technology, engineering and math), and overhauling management and administration at both state and school district levels. Experienced teachers helped attract a new generation of teacher candidates to mentor, and an incentive-based compensation system generously rewarded those who could raise science and math test scores, particularly in struggling urban schools. A STEM-based curriculum was instituted at all grade levels. Arts and language programs were offered only to gifted students who could excel across curriculum areas. By 2022, just

a decade after these reforms were initiated, the cost per student of public education had decreased substantially and stabilized. In global tests, US students' scores became competitive with scores of students from Japan, Korea, and Sweden.

In the arena of public-private partnerships, government incentives encouraged the formation of strategic alliances to solve the largest problems facing the nation and the world, such as healthcare, the aging workforce, the rising cost of energy, food scarcity, and transportation. To make these partnerships possible, hybrid tax structures were put in place that permitted organizations to account for their social impact as a part of their bottom line. The result: several major governmentbacked partnerships among organizations that previously would not have had the opportunity to share ideas, no less resources. In healthcare, partnerships among governments, medical centers, pharmaceutical companies, and major national retailers dramatically expanded access to healthcare by delivering services according to familiar retail models. Another notable partnership is the Transport Central. Founded in 2021 and headquartered in Detroit, the Transport Central began as a partnership between Amtrak, General Motors, local transit authorities, and the Federal Highway Administration. Its mission, penned by Michigan's then-governor Kristin Wallace, was "to develop solutions that help people get to work, and to see the people they love."

Transportation in this world looks very different than it did a quarter-century earlier. Construction on a high speed train corridor from Atlanta to Portland, ME is well underway, with segments already operational along the Northeast Corridor. There are large parking hubs adjacent to suburban train stations. Due to energy constraints, most wealthy and middle class Americans now live near city



centers or rail hubs and are more likely to walk than to drive whenever possible. In fact, energy-guzzling, plus-sized refrigerators are now a thing of the past, so groceries are picked up more frequently in smaller quantities. Other similar symbols of 20th century life, such as heated swimming pools and minivans, are now museum relics. Enormous mansions in the suburbs are subdivided into multiple-family residences. There are more carpool lanes than lanes for single-passenger traffic, and nearly every car on the highway is a hybrid. Motor scooters and bikes also are big sellers.

In this economy, many secure jobs can be found in government, nonprofits, and corporations driving social enterprises through public-private partnerships. High energy costs stymie the growth of start-up ventures. Entrepreneurs who would have been tempted to hang out a shingle and "go it alone" are now far more likely to sell their idea to a large corporation or institution. The Young Billionaires Coalition also supports connecting promising entrepreneurs to larger entities where they can innovate from within. This action further consolidates and strengthens the position of the large institution. Economists call this trend the "Pharma Effect" because it looks much like the moment in the early 20th century when pharmaceutical manufacturers filled their pipelines for new products by buying up tiny biotech firms.

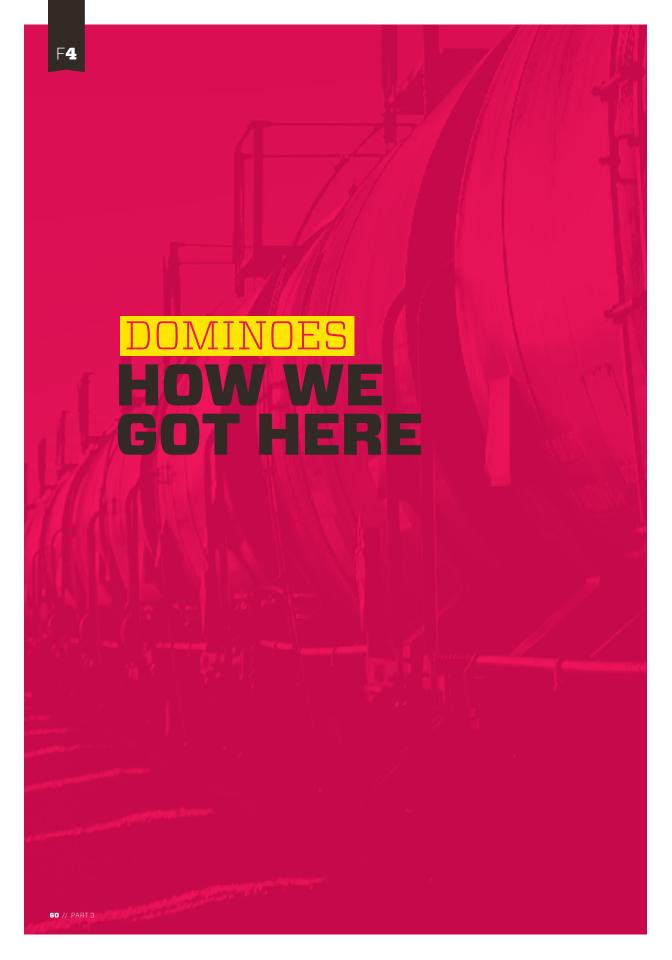
This does not mean that innovation is not happening -it just means that there are few small and mid-size businesses that drive it. There is general agreement across the public and private sector that the most exciting and important new ideas will be in the energy arena. Companies compete for the top graduates from energy-related academic programs. Investors sponsor contests with generous rewards to encourage new ideas. Venture capitalists and corporate venture groups from around the world come to these conferences in search of the hottest emerging American entrepreneurs. The best, most sought-after business ideas focus either on power conservation such as an insulation-like window film that can help buildings utilize energy for heating and cooling, or alternative energy innovation, like new technologies for storing power generated by wind turbines. They also encourage efficient mobility for people and commodities. Most government

agencies now have venture arms like the CIA's InQTel.

Entrepreneurs tend to draw from educated elite; these elite also hold most top management roles in the large corporations. If you aren't on a management track, employment can be found in servicing various infrastructure projects. The rest of the middle class is starting to blend into the large population block that was once called the working poor. They move between jobs, hopeful that an opportunity in a large institution will open.

In this future, many arts and entertainment offerings are provided free of charge, sponsored by the large institutions, just as county fairs with Ferris Wheels were paid for by factory owners in the early 20th century. Institutions seek affiliations with corporate partners to connect people to arts and culture. These connections support their reputations as essential assets to the US and regional economy.







1. BOLD MOVES TO PROTECT THE DOLLAR AND REDUCE NATIONAL DEBT.

In the early teens, given instability abroad and stagnation of other high growth economies, US regulators had the upper hand in international regulatory dialogue and took strong steps to ensure that the dollar retained its position as the currency of global reserve.

- 2. RISE IN ENERGY PRICES. OPEC raised oil prices, calling \$200/barrel the new norm. No new technologies have emerged that would lower the costs of exploration and drilling for the "difficult" oil that still exists in reserves outside of the Gulf region. Non-OPEC countries' hands are tied.
- 3. FAILURE TO MAKE ALTERNATIVE ENERGY VIABLE. There has been no "magic bullet," and the entire world still relies on the diminishing supply of global oil. Public and private interests collaborate to search for the solution to a dark future.

4. REFORM TO EDUCATION SYSTEM, STRESSING SCIENCE AND MATH.

The coordinated efforts of superintendents and state and federal education departments around the country resulted in a radically changed curriculum, and scores in science and math began to rise among American children. Public-private partnerships funded the transfer of knowledge and implementation of successful, innovative teaching models nationwide. It's notable that scores rise along the spectrum of American children, from the at-risk populations that had struggled in the 20th century (the urban poor, African Americans, Hispanics) to the advantaged upper-middle class children who had traditionally scored in the highest percentiles.

5. BOLD PUBLIC/PRIVATE PARTNERSHIPS. The US government recognized a need for a radical solution to some of the challenges faced by the country and chose to promote public-private partnerships to develop new solutions. Doing so required making systemic adjustments, such as changes to the tax code, to allow these new partnerships to thrive.

KEY CHALLENGES & OPPORTUNITIES

FOR GREATER PHILADELPHIA





In 2026, economic and social conditions at the national and global levels will influence what American metropolitan areas must do to thrive. Certain challenges that a region faces in 2011 could evolve into crippling liabilities by 2026, and certain 2011 assets could provide unexpected competitive advantages.

Below is a representative selection of key issues that would likely rise to the fore for Greater Philadelphia in the *Partners in Hard Times* future. In presenting a handful of pressing challenges and opportunities that Greater Philadelphia might face in this hypothetical future, this list attempts to spark discussion around what key issues Greater Philadelphia must focus on to become a world class place to live, work, and play.

EDUCATION REFORM

In a future in which domestic research and development is thriving, metropolitan areas that incubate innovative educational models and offer a variety of STEM-focused schooling options are more attractive to families and their employers.

GOVERNMENT PARTNERSHIPS

With the United States known for its ability to broker unlikely but powerful global partnerships in this scenario, the US metros that embrace the spirit of collaboration and incubate public-private partnerships to solve pressing challenges will serve as proving grounds for national and global partnership models. National partnerships in the transportation, business, and healthcare arenas provide opportunities to transform people's daily lives, but the ability of a region to implement partnerships locally will determine how effective collaborative efforts are.

ENERGY EFFICIENCY

Given the high global oil prices and failure to develop alternative energy sources in this future, primary value is placed on technological solutions that increase energy efficiency. The metropolitan areas that leverage partnerships to incubate and commercialize ideas in this arena are magnets for talent and investment. Additionally, communities that provide energy-efficient housing and office choices rise in popularity.

TRANSPORTATION CHOICES

With energy costs constraining Americans' ability to get around, the regions that provide the most transportation options, including public transportation, walking, bicycling, and driving, will be able to retain a mobile and productive workforce.

BLUEPRINT OF THE FUTURES

THE FUTURES

	F1 Global Village	F2 Tight Belts
BUSINESS	Significant. Driven by foreign investors who desire access to US consumers.	Minimal. High failure rates and low supply of venture capital discourage entrepreneurs.
AHTS&CULTURE	Minimal. Digital media largely overtakes the live arts.	Thriving. Local. Community based.
TRASNPORTATION ADVANCES	Significant. Cheap flights and ForeverBattery powered vehicles.	Very minimal. Declining infrastructure. Rise in biking and walking.
IMMIGHAILION	Minimal. US not very attractive to immigrants. Strict immigration policies focus on knowledge workers.	Minimal. Protectionist, isolationist posture.
INVESTMENT INVESTMENT	Moderate. Inexpensive energy lowers project costs.	Minimal investments or repairs. US adopts cost-cutting practices for most industries.
EFFECTIVENESS	Poor math and science. Focus instead on entrepreneurship and professional services training.	Tiered. Vocational and STEM tracks.
USECONOMY	Flat. Manufacturing and services focus. Outpaced by global economy.	Stagnant recession. High unemployment, inflation, and poverty.
SECURITY US	Moderate. Anti-foreign related crime and petty theft. Minimal terrorism.	Increase in crime. Increased trade tensions and terror threats.
HEALTHCARE S ACCESS S	Reduced. Nationwide obesity and diabetes stress the healthcare system.	Reduced. Many Americans live in a state of permanent disability due to high costs.
LABON FUNCE NEAL AG	Elite group in professional services and law. Majority are in middle class.	Aging. Elite group in professional services.







F**3**

America in the Driver's Seat

Significant. US-based consortium of business drives innovative partnerships and joint ventures.

Thriving. Hyper-local focus to encourage tolerance and unity.

Significant. National, state, and local governments invest to update public transit and airports.

High. Relaxed policies lead to influx of foreign-born US residents.

Significant. Focus on transportation advancements, schools, and healthcare buildings.

Strong. Revamped K-12. Entrepreneurial, decentralized, innovative schools.

Significant. Double-digit growth.

Low local crime. High threat of terrorist attacks.

Increased. Focus on prevention and costbenefit analysis of treatments reduces costs.

Diverse and skilled. Competitive globally.

Partners in Hard Times

Minimal. Entrepreneurs sell ideas to large corps; high energy costs stymie start-ups.

Thriving. Sponsored by big business and institutions.

Moderate but advancing. Construction underway on high-speed rail corridor on eastern seaboard. Locally, people rely on walking.

Moderate. Economy and education encourage immigration but high energy costs discourage it.

Some. Focus on minimizing energy use. Smaller, eco-friendly buildings. Efficient transportation.

Strong. STEM-based curriculum supported at all grade levels. Outcomes-based teacher compensation system.

Growth. Primarily in government, non-profit, innovative public-private partnerships.

High. Threat of terrorist attacks likely due to geo-political instability.

Increased. Partnerships with national retailers expand access

Elite group in top management roles.

The working poor grows as the middle class declines.

ARTS& CULTURE

TRASNPORTATION ADVANCES

INFRASTRUCTURE INVESTMENT

STATE OF USECONOMY

SAFTEY & SECURITY

HEALTHCARE ACCESS

PART 4:

POSITIONING GREATER PHILADELPHIA FOR SUCCESS

Each future described presents an array of challenges and opportunities
for US metropolitan regions in general and for Greater Philadelphia specifically. Prosperity is possible in each of them, but it isn't guaranteed in any.
As different as these possible futures are, however, there are some key factors for success that thread through all of them. These key success factors represent sound investments for Greater Philadelphia regardless of how global and national trends and forces play out. The following items stand out across all four plausible futures.

KEY SUCCESS FACTORS

BUSINESS CREATION AND ENTREPRENEURSHIP

Making the most of economic opportunities across all of the futures depends upon supporting business growth in industries where Greater Philadelphia has a competitive advantage. In the America in the Driver's Seat and Partners in Hard Times stories, a culture of entrepreneurship is supported by US research and innovation in the former and by selling ideas to large international corporations in the latter. In the Global Village future, business creation is driven by foreign investors seeking access to US consumer markets. While high failure rates and scarce venture capital discourages entrepreneurs in Tight Belts, the most promising path to business growth in that future is via global acquisition. The sectors that drive US growth vary across the scenarios-services and advanced manufacturing in Global Village, innovation and life sciences in Driver's Seat, professional services in Tight Belts, and government and nonprofits in Hard Times. Metropolitan areas' ability to focus on their industry strengths and support entrepreneurship significantly increases their chances of success.

EDUCATION AND TALENT DEVELOPMENT

Just as being able to focus on the region's most competitive sectors is crucial to success in each future, being able to provide quality education and a strong talent pipeline to meet business needs drives prosperity across the scenarios. In futures where the US has failed to significantly improve education outcomes, especially in the science, technology, engineering, and math (STEM) fields, US economic growth stagnates and talent flees overseas. The Driver's Seat and Hard Times scenarios that experience successful education reform see economic growth that, in turn, spurs immigration of talented workers. In the Tight Belts future, regions that are able to provide paths to opportunity for lower-skilled populations have an advantage. Conversely, regions that experience a mismatch between workers' skill levels and available jobs strain under economic and social tensions.

INTERNATIONAL CONNECTIONS

Global connections and the international flow of commerce and workers figure prominently across all four scenarios. In particular in the Global Village and Tight Belts futures where the locus of economic power shifts away from America, connecting to international opportunities is crucial to economic vitality. Regions compete for foreign investment, US headquarters of global corporations, and immigrant workers. Several scenarios also emphasize the importance of international airports and seaports to move people and goods. Across all futures, those regions that proactively make the most of global connections fare better, and in the Driver's Seat future, the US takes on a leadership role brokering major global alliances. Greater Philadelphia's location on the East Coast and relative to European and growing South American markets presents a leg up in expanding these global connections.

HIGHER EDUCATION

Across all the futures, a well-established higher education base plays a key role in leveraging research and innovation, business growth, and a skilled workforce. Higher education institutions serve as major exporters, whether by attracting foreign students in the Tight Belts or Driver's Seat futures or by establishing satellite campuses and online course offerings abroad, as in the Global Village future. In addition to tailoring educational and training offerings to meet industry needs, universities also can lead the way in partnering with secondary schools and lower-skilled workers to maximize economic opportunities in the Partners in Hard Times and Driver's Seat futures. The region's institutions of higher education are such considerable current assets that it is possible to still envision a robust role in the region's economy even if research and development resources end up going overseas, as they do in the Global Village and Tight Belts futures.

INFRASTRUCTURE

In the Tight Belts and Hard Times high energy cost futures, regions that are able to maintain strong regional transportation, and in particular transit, infrastructure are more successful in attracting and retaining businesses and residents. In the lower cost energy futures, the extent to which regions can manage congestion and modernize their infrastructure impacts their competitiveness. These investments also tie directly to metropolitan areas' ability to make international connections.

EFFICIENT GOVERNMENT AND PUBLIC-PRIVATE PARTNERSHIPS

While the futures tend to focus on global and national economic forces and markets, governments play an important role in facilitating growth and quality of life. In the Driver's Seat scenario, strong economic growth puts government in the position to innovate and provide improved services. Both

in the resource-rich Driver's Seat future and the resource-constrained Partners in Hard Times future, public-private partnerships drive advances in health care, education, and public safety. The more extreme economic challenges of Tight Belts force local government consolidation. In each scenario, governments that make the most efficient use of internal resources and leverage external ones help set the stage for success.

PUBLIC SAFETY

No matter how strong the economy or overall outlook, each future presents potential public safety challenges, whether due to domestic poverty and economic disparities or due to international terrorism. These threats underscore that unless a basic level of security and public safety is maintained, any other economic and social benefits associated with a given future can be subverted.

While none of the key success factors described above should come as a big surprise—regional experts frequently cite similar keys to competitiveness—viewing their importance across the four futures brings them into focus in a different way. At the same time, these futures also provide a framework to evaluate issues that we would like to address but that do not rise to the level of fundamental strategic imperatives, such arts and culture, historical assets, livable communities, and quality of place—areas where the region is currently considered to be strong, if not already, world class.

An argument can be made that Greater Philadelphia will need to strengthen its position relative to each of the key success factors in order to achieve world class status. However, if leaders want to make an impact in any of the challenging areas discussed in this report, that will require focused, sustained effort.

Moving forward, the Economy League will use these futures to facilitate a regional conversation to identify a limited number of long-term priorities that leaders must concentrate on to make Greater Philadelphia a world class place to live, work, and play.

PART 5:

WORLD CLASS GREATER PHILADELPHIA

World Class Greater Philadelphia is designed to cultivate and strengthen civic leadership around a focused set of long-term priorities and actions to better our region. Facilitated by the Economy League of Greater Philadelphia, this multi-year initiative strives to make the region a world class place to live, work, and play by 2026—the 250th anniversary of the signing of the Declaration of Independence.

The World Class initiative operates on the premise that collaboration and focus are primary drivers of regional prosperity. In today's climate of constrained resources, no single entity is capable of fully addressing the issues that influence a metropolitan area's competitiveness. Collaborative civic action from businesses, nonprofits, governments, communities, and labor enhances a region's capacity to thrive. And collaboration is most effective when focused and deliberate. The strategic allocation of resources and talent is essential to have meaningful impact at the regional level.

The priorities and actions that emerge from the World Class initiative are meant to serve as touchstones for the region's leaders and to enable governments, institutions, businesses, and communities to tailor their efforts toward shared goals for mutual gain. This will be as much about coordinating and strengthening existing efforts in our region as creating new ones. World Class does not aim to replace other quality planning and implementation efforts in our region but instead to help give them more focus and increase their impact.

Launched in 2009, World Class Greater Philadelphia represents the combination of a variety of research-driven and collaborative efforts across four major project phases.



WORLD CLASS GREATER PHILADELPHIA PHASES

DISCOVERY (2009-2010)

Benchmarking

Research on what the world views as "world class" today and how Greater Philadelphia is perceived nationally and internationally.

Online Survey

Public survey to gather information on what Greater Philadelphians believe is currently world class in the region and what would need to change for the region to be considered world class.

Future Headlines Roundtables

Discussion-based, cross-sector leadership sessions devoted to gathering ideas about what would need to happen for Greater Philadelphia to become a world class place to live, work, and play by 2026.

PRIORITY SETTING (2010-2011)

Scenario Planning Workshop

Two-day session convening a core group of diverse regional leaders to initiate the strategic process of scenario planning. Led by experts from Decision Strategies International, participants developed concepts for four very different, but very possible, futures for Greater Philadelphia.

2026: Future Histories of Greater Philadelphia

Public report presenting four stories that explore different ways that national and global forces could influence Greater Philadelphia's future. These "future histories" are intended to spotlight the region's challenges and opportunities and enable business, civic, labor, and government leaders to identify what is most likely to drive our success as a region.

Regional Priorities Roundtables

Discussion-based sessions for cross-sector leadership to reflect on regional implications of the four "futures" presented in 2026: Future Histories of Greater Philadelphia and identify the key issues that leaders must focus on to make our region a world class place to live, work, and play. Discussion at a series of roundtables around the region will help to yield three to four, long-term strategic priorities for the region.

Strategic Priorities Report

Report presenting a short list of long-term regional priorities identified through World Class Greater Philadelphia and issuing a call to action for Greater Philadelphia's businesses, nonprofits, governments, labor, and community leaders to work strategically toward shared goals.

STRATEGY DEVELOPMENT (2011-2012)

Strategy Working Groups

Diverse leadership working groups focused on establishing shared goals around the World Class strategic priorities and developing action plans for achieving them.

Regional Asset Mapping

Ongoing development of detailed assets maps to provide a clear picture of which organizations are working in World Class strategic priority areas, the nature and magnitude of current investments in these areas, and a sense of what efforts are having the greatest impact here and in other regions.

IMPLEMENTATION (2012 AND FORWARD)

Implementation Working Groups

Cross-sector advisory groups to recommend implementation channels and oversee resource development for action plans.

World Class Progress Monitor

Dynamic system to regularly track regional progress towards the shared goals identified by the strategy working groups.



SIMILAR INITIATIVES IN OTHER REGIONS

Greater Philadelphia is not the first region to undertake such

an endeavor. Many regions have developed regional strategies and collaborative efforts led by business and civic leadership. The World Class initiative draws inspiration from a handful of efforts that have leveraged cross-sector collaboration to advance focused regional agendas and achieve results.



Jeff Fusco Photography

GREATER TORONTO CIVIC ACTION ALLIANCE

In 2003, the Toronto City Summit Alliance produced Enough Talk: An Action Plan for the Toronto Region -a roadmap focusing on issues where there was clear consensus for action among regional business and community leaders, and where the group felt progress could be quickly made towards improving the Toronto region's social, economic, and environmental future. Since its release, Enough Talk has informed an ongoing collaborative agenda, resulting in a number of successful projects to better the region.

CINCINNATI'S AGENDA 360

Launched in early 2007 by a group of leaders representing organizations across the four counties of Southwest Ohio, Agenda 360 lays a framework for tackling tough issues facing the Cincinnati region. The action plan focuses on five key issues: competitive economy, educational excellence, livable communities, urban renaissance, and effective governance. Annually, Agenda 360 produces a Regional Indicators Report to provide authoritative insights on the region's economy that will lead to positive community action, based on recommendations outlined in the Agenda 360 report.

ENVISION UTAH

Launched in 1997, Envision Utah is a strategy developed by the people of Utah to deal with growth challenges—population growth, geographic constraints, and resulting political constraints—to ultimately provide more choices for how current and future generations would like to live. The group facilitates community-level strategies based on its approach—which involves community workshops, scenarios, and implementation—ranging from historic neighborhood preservation to multicounty transportation strategies to land-use visions across Utah.

JOINT VENTURE: SILICON VALLEY NETWORK

Established in 1993, Joint Venture: Silicon Valley Network serves as a neutral forum where leaders from business, labor, government, local universities, and the non-profit sector come together to "think outside of the box and build creative solutions." The coalition of organizations that has come together through Joint Venture has made significant inroads on some of that region's toughest issues, including climate change, disaster preparedness, land use planning, and economic development.

CENTER FOR HOUSTON'S FUTURE

The Center for Houston's Future brings together business and other communities on behalf of the Houston region. The group informs the general public of regional progress in key areas and engages the wider community in addressing the challenges that will shape the region's future. The Center monitors progress on strategic public policy issues and engages the region's leadership and the public on an ongoing basis. In early 2011, the Center for Houston's Future released Scenarios 2040, an exploration of different possible futures for the Houston area that will serve as a strategic tool for setting a regional agenda.

WORLD CLASS

PLATINUM INVESTORS

Brandywine Realty Trust H.F. (Gerry) & Marguerite Lenfest

GOLD INVESTORS

Cephalon

PECO Energy Company

Pepper Hamilton LLP

PNC Wealth Management

Radian Group

Shire Pharmaceuticals

Sunoco

SILVER INVESTORS

The Children's Hospital of Philadelphia

Dow Chemical Company

Holy Redeemer Health System

ParenteBeard LLC

David Seltzer

Stradley Ronon Stevens & Young, LLP

Suzanne and Steve Wray

BRONZE INVESTORS

Dunleavy & Associates

James M. Buck III

James P. Dunigan

Spouting Rock Consulting

GOVERNMENT

US Economic Development Administration

FOUNDATIONS

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Shire Pharmaceuticals

Sunoco Trion

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Wells Fargo

wells rai gi

Regional Partner

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AmeriHealth Mercy Family of

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Aon Hewitt

Aqua America, Inc.

Ballard Spahr LLP

Brandywine Global Investment

Management

Brandywine Realty Trust

Buchanan Ingersoll & Rooney, PC

The Children's Hospital of Philadelphia

Citizens Bank

Community College of Philadelphia

The Cooper Health System

Cozen O'Connor

Deloitte & Touche, LLP

Drexel University

Drinker Biddle & Reath, LLP

Ernst & Young, LLP

Fox Rothschild, LLP

Holt Logistics Corporation

Holy Redeemer Health System
Janney Montgomery Scott, LLC

KPMG.LLP

La Salle University

Mercator Advisors

Microsoft

Montgomery McCracken Walker &

Rhoads, LLP

ParenteBeard, LLC

Peirce College

Pepper Hamilton, LLP

Pinnacle Foods Group, LLC

PricewaterhouseCoopers, LLP

RAIT Financial Trust

Reed Smith, LLP

Rutgers University at Camden

Saul Ewing, LLP

Sovereign | Santander

Temple University

Thomas Jefferson University

Hospitals

Tierney Communications

Urban Engineers, Inc.

Wawa, Inc.

Wesley Enhanced Living

Widener University

Regional Entrepreneur

Concordis Real Estate Advisors

Diversified Search Odgers Berndtson

James P. Dunigan

Executive Coach & Consulting, LLC

Jefferson Wells

Jeffrey P. Lindtner & Associates

Kelleher Associates, LLC

Mitchell & Titus, LLP

Naroff Economic Advisors

John F. Smith, III

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