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## **BRAIN DRAIN? NOT SO FAST**

SOURCE: James M. O'Neill

### ■ What brain drain?

For years, Philadelphia, in typical inferiority-complex fashion, has believed that it suffers a depressing hemorrhage each spring of irreplaceable, energetic talent, as new college graduates flee to hot spots such as New York.

Well, it just isn't so. A new study, to be released today, indicates that the Philadelphia region retains 86 percent of college graduates who are originally from the area, and 64 percent of all graduates - better retention rates than in Boston, Philly's arch-rival in the knowledge industry.

In fact, the study suggests that Philadelphia has a slight brain gain each spring, because about 1,000 more non-Philadelphians stay here after graduating than there are native Philadelphians who leave.

But the study also suggests there is room for improvement. Only 29 percent of those not from Philadelphia actually stay when they graduate, while Boston retains 42 percent of its nonnative college grads.

"The numbers show our retention is higher than conventional wisdom had assumed, which is very encouraging," said David B. Thornburgh, executive director of the eastern division of the Pennsylvania Economy League, a nonprofit group that researches public policy issues related to economic development and that cosponsored the study.

But local colleges and businesses need to focus more intently on retaining the gold mine of nonnative talent drawn to Philadelphia colleges.

"I refuse to buy the argument that we should just give up on these folks because they're going to leave anyway," Thornburgh said. "These are folks most likely to start new companies, and small companies create 60 to 70 percent of new jobs."

If Philadelphia could increase its hold on nonnative graduates to Boston's rate of 42 percent, it would mean 2,400 more college grads entering the local workforce each year.

The report emphasizes the implications of Boston's success in holding on to nonnative graduates: "Of all businesses founded by MIT graduates, half are located in Boston or Cambridge, including such high-profile companies as Bose, IDG and Teradyne. For

every MIT grad who grew up in Boston, two more nonnative alums remain in the region after earning degrees."

The new study, conducted by the Knowledge Industry Partnership, is called "Should I Stay or Should I Go?," and is based on e-mail responses from 2,550 people who graduated in 2003 from 29 colleges in the region. (The report is at [www.kiponline.org](http://www.kiponline.org).) Thornburgh said it was one of the first, and certainly the largest, study of its kind nationally.

Philadelphia University president James Gallagher, who is chairman of the partnership, said that the region was "drawing fabulous talent" but that colleges needed to talk more with businesses and to refashion curriculums to meet those businesses' needs, channeling students into fields where jobs are.

A highly successful way to retain prized graduates is for more companies to offer internships. The survey found that, among nonnative graduates, those who had internships were twice as likely to remain.

Typical is Anthony Dina, 22, who grew up on Long Island and graduated from Villanova University in 2003. Dina, an electrical engineering major, won a competitive summer internship with Lockheed Martin in King of Prussia in his junior year. The week before the internship ended, Lockheed Martin offered him a job.

He now does satellite-system analysis for Lockheed and rents in Manayunk. Friends from New York visit all the time.

Dina, 22, said he liked the youthful feel of Manayunk, frequented the bars in Old City, had taken in the Philadelphia Orchestra at the Kimmel Center, and called Philly "a great city."

Lockheed spokeswoman Tracy Carter Dougherty said the company had 57 interns each summer in the Philadelphia region and considered such programs vital to Lockheed's future. Lockheed hired 1,219 employees in the region in 2003.

But tiny companies often don't have the staff to oversee internship programs. So a public/private partnership called Innovation Philadelphia created a CD-ROM, "Internship in a Box," that helps small businesses with the process. It also set up a Web site ([careerphilly.com](http://careerphilly.com)) to connect students with Philadelphia-area internships.

Gina DeLaurentiis, 22, who graduated from the University of Pennsylvania last month, agreed that internships certainly help bond students to potential employers. DeLaurentiis is part of the 86 percent crowd - those native Philadelphians who remain once they graduate. She grew up in North Philadelphia, and, while at Penn, interned for three years with the Phillies. Now she works for the team full-time, selling season ticket packages.

"I love it here," said DeLaurentiis, who just rented an apartment in Roxborough. "I was

so glad to be able to stay. Philly is very easy to get acclimated to. It's easy to find housing that's relatively affordable, and there are great opportunities here for young people."

So, if the news is brighter than expected, how did the brain-drain myth evolve? Several other studies, and plenty of anecdotal tales of fleeing students, fueled the myth.

For starters, Philadelphia trails many cities in the percent of its population 25 or older with a college degree. Its share of college students relative to its residential population also lags other regions.

Then in 1999, a national study of MBA recipients found that only 4 percent of graduates of the Wharton School at Penn stayed in Philadelphia - primarily because they wanted jobs in management consulting and investment banking, and such companies are based in New York and Boston.

But that study took a look at a thin, specialized segment of the college-graduating crowd.

"The results of retaining graduates will vary from college to college," said Patricia Rose, who handles career services at Penn. "Philadelphia still has work to do to create jobs that make people stay."

She said that Penn students crave jobs in financial services but that no large bank has headquarters in Philadelphia. Still, Rose said, "there's plenty of opportunity for smaller companies to develop links with students, like private-equity, hedge-fund and investment-management firms."

In fact, Philadelphia's efforts to link students with the city's cultural and recreational offerings and its push to increase internships have attracted the notice of other cities that hope to boost their own retention of college graduates. Among the cities eyeing Philly as a model to copy? Beantown.

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