

# The Philadelphia Inquirer

Published on April 6, 2003

## THE BRAIN DRAIN

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■ Maria Soledad Sklate never set foot in Philadelphia before she arrived in 1998 to attend Bryn Mawr College. The city was a bit of a change from her home-town of Godoy, Argentina (population 800), a farming village in the grassy pampas where her father works as a procurador (a legal advocate) and is sometimes paid in chickens. Five years and a bachelor's and master's degree later, Sklate is looking for a job in the legal field and wants to stay right here.

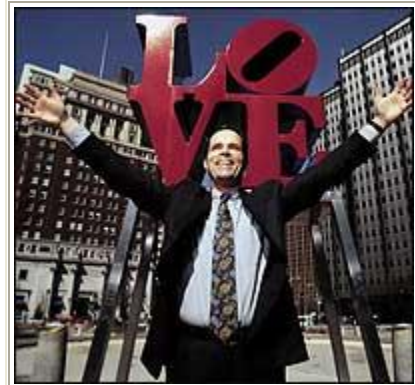
"I love Philadelphia," the 24-year-old said in her lightly accented English not long ago. "It has all the advantages of a big city without being overwhelming. And it's amazing how much the city has improved in the past five years."

Jeremy Schifeling, a senior at Swarthmore College from Buffalo majoring in political science and education, envisions a future teaching in Philadelphia. A summer internship with a social-services organization connected him with the city. Some of his friends and classmates, however, want to get out of town. They've mostly stayed away from the city, complaining that it's dirty, dangerous and dull, lacking the allure of New York, San Francisco, Boston or even Austin, Texas.

"People are looking for cool in entertainment and the arts and a fresh buzz," Schifeling said. "They say Philadelphia is too much about history and not enough about now."

Cool or not cool? Jobs or no jobs? Stay or hit the road? These questions have hung over Philadelphia for so long they should be framed in a thought balloon over the head of The Thinker on the Parkway. The outcome? Too few like Sklate and too many like Schifeling's friends, resulting in a net outflow of B.A.s to places such as N.Y.C. and S.F. Consider: Only 6 percent of Wharton M.B.A.s from the Class of 2002 planned to stay in greater Philadelphia, while more than 40 percent of their peers at Harvard stayed in the Boston area.

Various programs have tried to arrest the flow. But is it any surprise that recent attempts - such as a state ad campaign with a Joe Six-Pack type in a tutu as the "fairy job-mother" - have been duds?



Photography by Michael Bryant

David Thornburgh says the Knowledge Industry Partnership has been one of the best programs he's been involved with in his eight years with the Economy League.

Trying to get past lame attempts, a new public-private coalition called the Knowledge Industry Partnership will unveil on Tuesday the most coordinated and complex attempt to turn Philadelphia's brain drain into brain gain. Beginning by promoting the city as "one big campus," the new campaign is designed to bolster the job market and make it easier for graduating students to connect with employers. There are more than 80 colleges and universities in the region, and about 215,000 full-time students, and the goal is to make them an offer to stay that they can't refuse.

University of Pennsylvania bioethicist Art Caplan has an avocation in studying why college graduates leave greater Philadelphia. Students tell him they think there are more opportunities for jobs, particularly entry-level jobs, in other cities; that Philadelphia is not as innovative and entrepreneurial in science and technology as other parts of the country; and that the city is "expensive for what you get" in amenities. "We suffer somehow from Cleveland syndrome," said Caplan, who is originally from Minneapolis. "I'd rather suffer from Boston arrogance."

Rutgers economist Paul Gottlieb said it's all about jobs, stupid. "Brain drain is a symptom of an economic development problem. It is not the problem itself," he said. "Nobody's going to stay if they don't have jobs to take."

But what about Jeremy Schifeling's pals, Professor Gottlieb? Sure, jobs and good wages are important, but so is the cool factor - a city's effervescence, not to mention its weather, recreational opportunities, and cultural and other leisure amenities.

Richard Florida, an economist at Carnegie Mellon University in Pittsburgh, espouses a slightly different theory in his book *The Rise of the Creative Class*. A desirable location should have jobs and a certain buzz, but also be a place where bright ideas are rewarded.

"Young people don't just cluster where the jobs are," he wrote. "They cluster in places that are the centers of creativity and also where they like to live."

A cool place with hot jobs. How hard can that be?

David Thornburgh resembles his father, a former governor, physically, but in spirit, at least, he has much in common with the son of the current governor of Pennsylvania. Like Penn senior Jesse Rendell, Thornburgh plays in a rock band, although the musicians are in their 40s, including his wife, children's book illustrator Rebecca McKillip. Thornburgh proudly notes that the band has its first CD on the way, cunningly titled *Demo*.

When he is not rehearsing with the Reckless Amateurs in his Chestnut Hill neighborhood, Thornburgh serves as a kind of nagger-in-chief in his capacity as executive director of the Pennsylvania Economy League. The league, named as if it sprung from the adventures of Sherlock Holmes, is a nonprofit public-policy research organization, and under Thornburgh it has acquired a more activist bent - a "think and do tank," to use his pet phrase.

Thornburgh has been prominent among leaders in calling for major cuts in the city wage tax, which he claims is stifling the city's economy and contributing to the flight of college graduates from Philadelphia. A former director of the Wharton Small Business Center, Thornburgh has been a leading advocate of entrepreneurship as an engine for economic development. He calls the Knowledge Industry Partnership the "most significant endeavor" he's been involved with in more than eight years at the Economy League's southeastern headquarters.

"This has been a chronic issue for 20 years, and it's a demographic issue," Thornburgh said as he sat in his office on the 31st floor of 1700 Market St. "If you want to know where you're going to be, then this is the right question." Here's what Thornburgh is up against. For companies, especially those looking to relocate to a particular area, the gold standard is the share of the workforce that has a college degree. Census figures show that 18 percent of Philadelphians have a college degree, compared with 39 percent in Washington, 36 percent in Boston, and 25 percent in Chicago.

As a state, Pennsylvania lost about 237,000 residents with bachelor's degrees from 1989 through 1999, according to the independent research firm Postsecondary Education Opportunities. The flight of more than 90 percent of Wharton's M.B.A.s puts the matter in high relief.

Thornburgh touts the Knowledge Industry Partnership as "cool because it's highly un-Philadelphia. There's a lot of cooperation, a lack of turf squabbles, and it deals with real, fundamental issues," he said. "I think the aims are doable, and it would have a significant impact on the future of the city and the region."

The partnership is divided into three working groups, organized around the student "life cycle," the caterpillar-to-butterfly metamorphosis into degree-holders. The "arrive" group, led by Meryl Levitz, president and chief executive officer of the Greater Philadelphia Tourism Marketing Corp., is concentrating on ways to increase student enrollment at the region's 80-plus colleges and universities.

"Explore," headed by City commerce director James J. Cuorato, is responsible for getting students off their campuses and involved in a City of Brotherly Love affair.

Finally, the "achieve" working group is charged with finding ways to keep the butterflies from migrating. Rich Bendis, president and CEO of Innovation Philadelphia, a public-private initiative designed to spur entrepreneurship and aid start-up businesses, is developing programs to retain young, educated people.

The launch Tuesday is an attempt to coordinate the many separate programs that have sprung up over the last several years to retain graduates.

University of Pennsylvania president Judith Rodin, the campaign's general chairman, and Thornburgh will announce a variety of programs under the heading One Big Campus.

Many already exist, such as campus visit assistance and student recruiting at national and international events. But there are plans for an improved fall college festival, a second campus leadership conference, expanded internship and job-fair programs, and an intercollegiate competition to devise new business plans, all designed to open a pipeline from school to work. The three-year, \$8 million plan is partly funded by state grants, but this year and next are still unfunded, Thornburgh said.

Levitz, a veteran at trying to sell the city, is mindful that prospective students are increasingly concerned about a city's "cool" factor.

The first step is to attract more students to Philadelphia who aren't from the region, and that has proved a major challenge. At two recent focus groups of public and private high school seniors in the Boston suburbs, the kids evinced little or no knowledge of Philadelphia as a good college destination.

"Philadelphia didn't have a negative profile - it had no profile," said focus-group leader Todd Hoffman, president of a small marketing firm based outside Boston, CampusVisit. The firm was hired by Levitz to assist with the campaign. "It was neutral as margarine."

The city was better known to a group of high school seniors in Washington's Maryland suburbs, an area from which Penn and other Philly schools draw heavily. Half of the eight seniors had been to Philadelphia, yet they lacked basic knowledge about the city. The good news for the Knowledge Industry Partnership was that all of these high schoolers wanted to be near a city. They were impressed once Hoffman presented them with information about the city, and a proposed magazine ad, featuring an aerial view of Philadelphia with the headline "The campus you'll never outgrow," drew a very positive response.

"They were all surprised by what you can do off-campus to enhance the undergraduate experience," Hoffman said.

His job is to make it less of a surprise.

Houston Hall's Bodek Lounge at the University of Pennsylvania is a long room adorned with sober portraits of the flower of Penn officialdom. On a brisk day shortly before Thanksgiving, 110 students from 19 local colleges and universities gathered there for a "student leadership conference." The students were all campus leaders of some sort, members of student government or other organizations. They sat at round tables, sporting name tags and an infectious, cynicism-free enthusiasm for motivational gatherings. The purpose: to develop intercollegiate student networks and stimulate interest in Philadelphia activities and issues.

This was the second of two fall initiatives staged under the auspices of the Knowledge Industry Partnership. The first was a college festival in late September, which began with a rock concert and other events on the Benjamin Franklin Parkway and stretched into a week of orientation activities, business outreach, and opportunities to plug into

Philadelphia - that big campus outside the students' leafy quadrangles. The festival drew an estimated 25,000 students and was deemed a "great success" by Thornburgh.

Leading the November conference was Jon Herrmann, the slim, congenial head of Campus Philly, a nonprofit student-run organization that attempts to create links among the disparate campuses in the region. Herrmann came to Penn from North Jersey and got hooked on such off-campus pleasures as the Silk City Diner and art shows in Old City. Campus Philly and Herrmann have been retained by the city's Commerce Department to run the leadership conference and the festival, envisioned as annual fixtures in the "explore" part of the campaign.

"I want you to connect with each other and to bring the connection with other schools and the city into your daily lives," Herrmann told the student leaders. "If you have a good time in this area, maybe you'll want to stay."

The students heard from Happy Fernandez, formerly of City Council and now president of Moore College of Art, a Boston native who came to Philadelphia 38 years ago, and from Ed Rendell, a New Yorker who attended Penn and found love and a political life along the Schuylkill, and had just been elected governor - "our leading role model," as Rodin put it.

"I thought about going back to New York," Rendell told the students. "I just decided this was an easier place to live, a cheaper place to live, and in some ways a nicer place to live."

Representatives of Young Involved Philadelphia, a grassroots organization that tries to recruit graduating students for community advocacy, talked up "escaping the bubble" - getting off campus and into town and into something that would make the city better. The pitch was soft and sensible. ("The last thing you want to do," YIP's Josh Sevin told me later, "is seem like you're desperately asking for a date to the prom.")

The student leaders were blunt about Philadelphia's shortcomings, including a lack of public transportation for late-night revelers and nights that simply don't go late enough. Much of what they had to say echoed the results of a survey of 400 students conducted by Campus Philly.

Taking all of this in was Cuorato, the commerce director and a lifelong Philadelphian. The city has already contributed about \$110,000 to the Knowledge Industry Partnership, mainly for the festival. With one son at Penn and another preparing to enter St. Joe's, the mild-mannered Cuorato exudes a personal and professional passion for his hometown.

"I think we're cooler than people give us credit for," he said. "When I hear people cite Boston, I always chafe at the idea. I think we equal or surpass Boston in most categories.  
...

"If we do our job and get people to explore Philadelphia, then our success will be

reflected in the numbers of grads that we retain."

Build jobs and they will stay - that's the theory. One route into the workplace is through internships, a basic strategy for the "achieve" team as it works to retain college graduates.

Franny Gevarter, a 22-year-old Villanova senior, competed for and won a coveted internship at Lockheed Martin Corp. in King of Prussia last summer. Now Gevarter, who is from North Jersey, has a full-time position with Lockheed upon graduation. The internship is what persuaded her to stay in Philadelphia.

"It's funny, because I only applied for the internship because my friends were staying around Philly last summer," she said. "At the end of the summer, they offered me a job. If I didn't already have a job, I'd probably be looking first in New York City, because I could live at home and save money. I wouldn't have taken this job if I didn't love Philadelphia. I love the fact that the city has arts, entertainment and sports. And I think I'm going to live in Manayunk, which is a great place for 20-somethings."

Anthony Dina, another Villanova engineering student hired by Lockheed, also said the internship made the difference. "I might have stayed anyway," said Dina, 21, from Long Island. "But the internship really convinced me. The job market for engineers is actually good in Pennsylvania."

One model for the Knowledge Industry Partnership is Drexel University's co-op program, in which students alternate terms of classroom work with employment. Drexel president Constantine Papadakis said that the prospect of a good job in a desired field trumps everything else. As proof, he cites the fact that about half of Drexel graduates stay in Southeastern Pennsylvania and an additional 15 percent end up in New Jersey.

"Because of the co-op, they have jobs," Papadakis said. "One thing I've done is suggest that the biggest companies recruit more heavily from Philadelphia instead of nationally, as they do now. This needs to be done at the CEO level."

If Papadakis needs a poster boy, it could be Scott Zilber, a 23-year-old senior in Drexel's LeBow College of Business. His co-op experience led to internships with Ben Franklin Technology Partners and with Innovation Philadelphia. Zilber helped conceive a regional student competition to create business plans, an idea that Innovation Philadelphia has adopted. The native of Columbia, Md., also developed the concept of a Student Business Network to expose more undergraduates to the business opportunities available in Philadelphia.

"Nobody realizes what's here in the way of opportunities," said Zilber, a finance major. "For example, no one has any idea how big the venture-capital community is here. People don't even know it exists."

Innovation Philadelphia was created to enhance the city's profile in the knowledge economy by attracting, growing and retaining technology-based businesses. IP's guiding

force is Rich Bendis, a hyperactive John Malkovich look-alike with a military bearing. "Retention is a contact sport" is a typical Bendisism, meaning the more contact between grads and employers, the more likely the grad will stay. But IP is also about growing job opportunities by nurturing start-ups and small businesses.

Bendis is particularly excited about plans for minority internships. Spurred by Lincoln and Cheyney Universities, which expressed concern that their heavily African American enrollments did not have the same access to industry internship programs as students at other area universities, IP is planning to coordinate the first minority internship fair this year.

Following the model of a project he did with Kansas State University, Bendis wants to create a Mid-Atlantic Commercialization Corp. to help young entrepreneurs write business plans, secure funding and government grants, and develop management teams.

Another focus is "spin-out" enterprises from universities. Case study: Felix Wehrli, a principal researcher at the University of Pennsylvania, and three Wharton M.B.A. students developed a business plan around Wehrli's medical imaging technology, which has evolved into Envisia Microimaging. The business plan won the 2002 Wharton competition. Bendis and Innovation Philadelphia are working with Envisia on its commercialization strategy and have introduced a group of investors - "angels" - to the company. IP will also help the Envisia team try to secure federal grants to continue developing the technology.

Bottom line: Three Wharton M.B.A.s launch an advanced technology business - which in turn will provide more job opportunities for new graduates. Sounds pretty cool.

Will it all work? Ask Maria Soledad Sklate. In the last couple of months, she has had seven job interviews, three of them in the Philadelphia area. She attended the campus leadership conference in the fall and recently joined a mentoring program run by the Chamber of Commerce. She is exploring all the leads she gets. Still, she's not optimistic about finding the paralegal position she desires.

"I really hope to find something here," she said in an e-mail recently, "but the horizon does not look that great right now."

Her father is coming for her graduation in May, his first trip to the United States. She'd like to tell him she's staying here. Then Thornburgh and the Knowledge Industry Partnership can claim her as a success.

The first Philadelphian from Godoy, Argentina. How's that for cool?

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