



Transforming a Region with Local Share Gaming Revenue: An Economic Impact Study

2009 - March 2016



Photographer: Mark Feinstein

prepared by:
Parker Philips
assess. analyze. assist.

THE IMPACT OF GAMING FUNDS IN ERIE COUNTY

“What is notable in Erie’s case is the way the community has decided to use its share of the casino revenues. It’s different from what we’ve seen any place else, and I think it deserves attention.”

*National correspondent for The Atlantic,
James Fallows*

Erie County is at a crossroads. Thousands of residents have been laid off from its once largest employer. The poverty rate is four percent higher than the state average; the unemployment rate of young people under age 25 is three times higher than the national average. Residents are fighting to save Erie’s public schools, countywide rural communities, small- and medium-size businesses, and its waterfront urban center.

In the transition from its historic manufacturing base, local leaders, citizens, and investors have recently begun harnessing Erie’s strengths and forging a more advanced, more globally competitive economic future—and local share gaming revenue is playing a key role in that transformation.

Since 2008, the Erie County Gaming Revenue Authority has strategically invested more than \$44 million of gaming funds in inner-city renewal, business growth, education, neighborhood and municipal innovation, and community and cultural assets. **ECGRA’s transformational investments of local share gaming revenue are bolstering the economy and fueling a renaissance in ways never anticipated.** ECGRA has also successfully engaged like-minded business, nonprofit, education, and government leadership in Erie County and is a meaningful partner and active investor in the community’s future.

In Erie, local share gaming funds are hard at work accelerating ongoing state and local efforts to propel the region forward. **ECGRA’s use of funding is helping deliver on the legislative promise made when lawmakers enacted Pennsylvania’s Racehorse Development and Gaming Act in 2004.** Local share gaming funds are now an integral component for the region’s ongoing resurgence. ECGRA is making a difference.

Quality economic development focuses on multiple fronts simultaneously, including: workforce, attracting and growing new business, providing opportunity and affordable education, and having access to a high quality of life for the region's citizenry. ECGRA is working along these fronts with many local and national partners to create new jobs, expand economic development, and show the nation that Erie is a place that businesses want to locate and people want to live. Gaming revenue has become a source of funding that the region needs to assist in its transformation.

Erie County Executive Kathy Dahlkemper recognized the value of ECGRA in her recent testimony before the Pennsylvania Gaming Oversight Committee. "The Authority's investments have aligned with the priorities of Erie County focusing on initiatives that will create new opportunities for residents, that will rebuild our small towns, and that will improve the quality of life across the county.

"Through the Authority's Ignite Erie™ initiative, gaming funds strengthen small businesses and bolster growth areas like technology and advanced manufacturing. Gaming funds also contribute to the Tech After Hours program, which provides workforce training for young adults and displaced workers."

From 2009 until the end of fiscal year 2015-2016, ECGRA invested \$38.8 million in 171 Erie County organizations via 570 investments — all awarded and measured to get results in five focus areas: Small Business, Youth & Education, Quality of Place, Neighborhoods & Communities, and Municipalities. This report highlights the economic impact of those investments.

This judicious use of ECGRA dollars has enhanced Erie County's role as a regional tourist attraction in ways that are immeasurable. Even more valuable to the local and state economy, ECGRA's investments have raised quality of life for the residents of Erie County by increasing job training and employment opportunities, improving access to cultural programming and special events, and enhancing the long-term viability of Erie County's businesses, institutions, and assets thereby helping to stabilize the tax base.



WHAT IS AN ECONOMIC IMPACT ANALYSIS?

An **economic impact analysis (EIA)** quantifies the effect of an event on the economy in a specified geography. The economic event analyzed can include the implementation or elimination of a new policy or project or may simply be the presence of a business or organization. An economic impact analysis is commonly conducted when there is public concern about the potential impacts of a proposed change of policy, to demonstrate the value of a new project, or to show the contribution of an existing organization in the market.

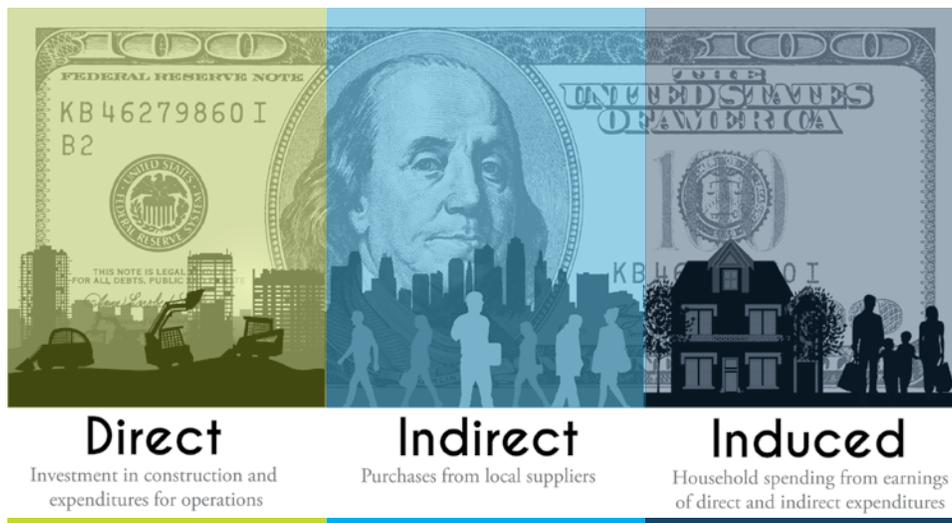
What does the ECGRA economic impact analysis show?

This EIA shows the economic, employment, and local and state tax impact of gaming revenue invested into organizations and companies throughout Erie County by ECGRA.

What do the terms direct, indirect, and induced mean for the ECGRA study?

- **Direct impact** refers to the dollar amounts invested in area organizations and companies due to ECGRA's strategic investment of gaming dollars.
- **Indirect impact** represents the additional impact generated from area suppliers and businesses created because ECGRA grant recipients need to purchase local goods and supplies.
- **Induced impact** represents the third wave of impact created because employees of the grantee organizations and their suppliers purchase household goods, pay mortgages, and spend money in the local community.

The combination of indirect and induced impact are commonly referred to as the multiplier effect.



The Study

In November 2016, Parker Philips was retained to complete a comprehensive economic impact study for the Erie County Gaming Revenue Authority (ECGRA) to demonstrate the economic, employment, and tax revenue impacts associated with the investment of local share gaming revenue distributed through ECGRA's grantmaking initiatives. The goal of this analysis is to exhibit the aggregate financial and social benefits garnered by Summit Township, Erie County, and the Commonwealth of Pennsylvania as a result of innovative investments of local share gaming tax revenues.

ABOUT THE STUDY

Data Utilized

Primary data from 2009 to 2016 obtained from ECGRA and key partner organizations

Geography

Erie County and Commonwealth of Pennsylvania

Methodology

IMPLAN Online, 2015 Data Set

ECGRA'S IMPACT INVESTMENT STRATEGY YIELDS RESULTS

Economic Impact Study Findings

The Erie County Gaming Revenue Authority strategically invests gaming revenue into key areas of the local economic ecosystem to achieve community development and promote stability and strength in the region. ECGRA has methodically invested in 171 Erie County small business lenders, nonprofit organizations, and educational entities. The Authority has transformed Erie County's local share gaming revenue into an integral component for the region's economic transformation and ongoing resurgence. The results are impressive.

IMPACT OF ECGRA FUNDS ON PENNSYLVANIA

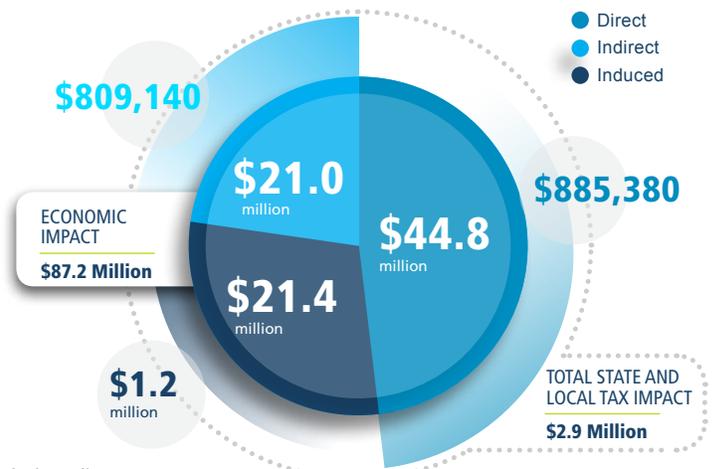
Cumulative Impact (since 2009)



ECGRA's investments have resulted in a cumulative economic impact of **\$87.2 million** (\$44.8 million direct, \$21.0 million indirect, and \$21.4 million induced).

Over the past eight years, **573 jobs** have been supported and sustained in Pennsylvania (276 direct jobs, 147 indirect jobs, and 150 induced jobs).

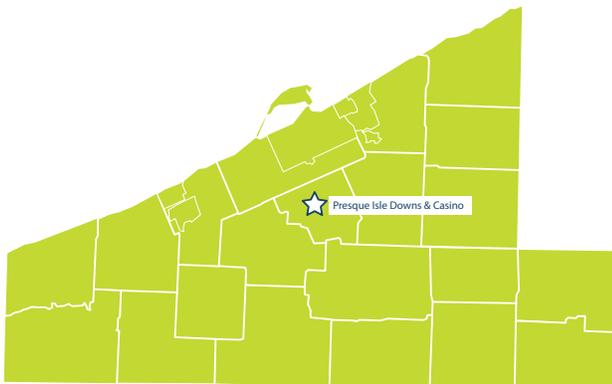
\$2.9 million in state and local tax revenue was generated (\$885,380 direct, \$809,140 million indirect, and \$1.2 million induced).



Source: Parker Phillips using IMPLAN with data supplied by ECGRA

IMPACT OF ECGRA FUNDS ON ERIE COUNTY

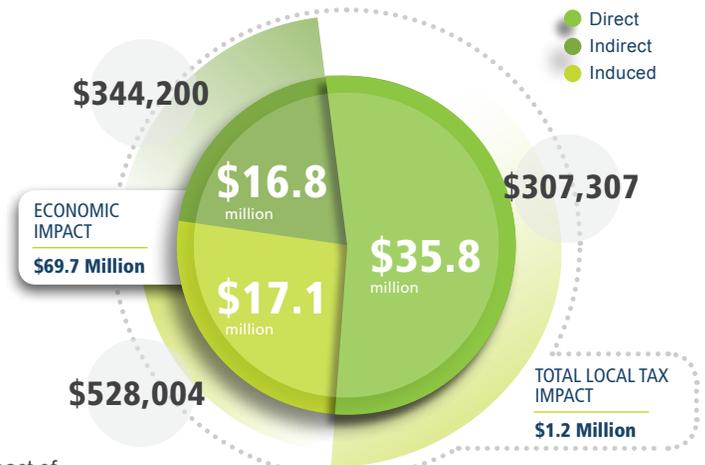
Cumulative Impact (since 2009)



ECGRA-invested gaming funds have produced a cumulative economic impact of **\$69.7 million** (\$35.8 million direct, \$16.8 million indirect, and \$17.1 million induced).

Over the past eight years, **458 jobs** have been supported and sustained in Erie County (221 direct jobs, 117 indirect jobs, and 120 induced jobs).

\$1.2 million in local tax revenue (\$307,307 direct, \$344,200 indirect, and \$528,004 induced) has been generated.



Source: Parker Phillips using IMPLAN with data supplied by ECGRA

GAMING REVENUE BY THE NUMBERS

Gaming revenues from Presque Isle Downs & Casino are an irreplaceable component of Erie's economic development ecosystem. Under ECGRA's strategic stewardship, these funds can continue to support Erie's renaissance.

6:1
return on
investment

For every **\$1 invested** by ECGRA into **small business development** throughout Erie County, companies across industry sectors **leveraged more than \$6**. Since 2011, **more than \$4.1 million** have been invested in small business development resulting in additional **capital attraction of \$24.2 million**.

\$7.6 million
economic impact

ECGRA's cumulative investments in **youth and education** yielded **\$7.6 million in economic output**, supported **50 jobs over eight years**, and generated **\$252,076 in state and local tax revenue**.

\$31.5 million
economic impact

ECGRA's overall investments into **quality of place** initiatives generated **\$31.5 million in economic impact**, supported **207 jobs over eight years**, and generated more than **\$1,040,426 in state and local taxes**.

\$1.9 million
economic impact

The cumulative impact of ECGRA's investment in **neighborhoods and communities** on Pennsylvania totaled **\$1.9 million**, supported **13 jobs over eight years**, and generated more than **\$64,303 in state and local tax revenue**.

\$23.1 million
economic impact

The cumulative impact of ECGRA's support of **municipalities** totaled **\$23.1 million** for the state, supported **152 jobs over eight years**, and generated **\$764,930 in state and local tax revenue**.

**Additional Gaming
Revenue Impact**
\$121.7 million

The impact of **Erie County** government's gaming revenue investments apart from ECGRA has totaled **\$106.1 million for the commonwealth**, supporting and sustaining an **average of 52 jobs each year**, and generating **\$1.4 million in state and local tax revenue**.

The cumulative impact of **Summit Township**, the host community to Presque Isle Downs & Casino, has totaled **\$15.6 million** and supported **8 jobs on average per year**.

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ABOUT LEGALIZED GAMING IN PENNSYLVANIA

Pennsylvania legalized casino gambling when Governor Ed Rendell signed Pennsylvania's Racehorse Development and Gaming Act (Act) on July 5, 2004. The new law allowed suitable facilities to apply for slot licenses and established three categories of licenses: Category one "racino" licenses were designed to bolster the state's existing racetracks; category three "resort casino" licenses aimed to do the same for the state's resorts. Category two "stand-alone casino" licenses set a pathway to establish a new industry in Pennsylvania.

Presque Isle Downs & Casino (Casino) is one of six category one casinos in Pennsylvania. Since 2007, Summit Township, Erie County, has hosted the Casino, entitling local, county, and Pennsylvania governments to a portion of tax revenues as outlined in the Act.

The Act was designed to produce benefits via tax revenue—now called local share gaming revenue—for host communities that bear the burdens associated with legalized gambling. Funds are directed to support a variety of community and economic development efforts, including: property tax relief for homeowners, sustainability and growth for local and county governments, support and cultivation of new and existing businesses, tourism, and to improve quality of life for residents. In Pennsylvania, table games are taxed at 14 percent and slots are taxed at 55 percent. The state began collecting gaming taxes when the first slots-only casino opened in November 2006; table games were added in July 2010.

In Erie County, a full one percent of the annual gross revenue of the Casino returns to Erie residents. Erie County government receives the first 1/2 percent and uses it to underwrite bonds for transformational projects, such as the Erie International Airport runway extension, a Next Generation Public Safety Radio System, upgrades to Erie Insurance Arena, and operational funding for the Erie County Public Library system and Erie Metropolitan Transit Authority; the second 1/2 percent is managed by ECGRA, established in 2008 to serve as Erie County's economic development authority. In addition, Summit Township, host to the Casino, has directly received \$12.2 million in the past 10 years.

Erie County represents an example of a successful host community for the Casino, and with the use of local share gaming revenue, has effectively managed to meet additional infrastructure and public safety needs generated by the presence of a gaming facility in its community. Erie County, and ECGRA in particular, invests local share gaming revenue for the purpose of improving quality of life and the economy in the region, fostering a healthy community in which the Casino can thrive.

The state's objective, as presented in the Act, of how local share gaming revenue would benefit host communities has come to fruition in Erie County—an example of when the intent of legislation achieves its promise. Under ECGRA's strategic vision, gaming funds are an integral part of the daily fabric of Erie County and its future development.



PA Supreme Court Ruling

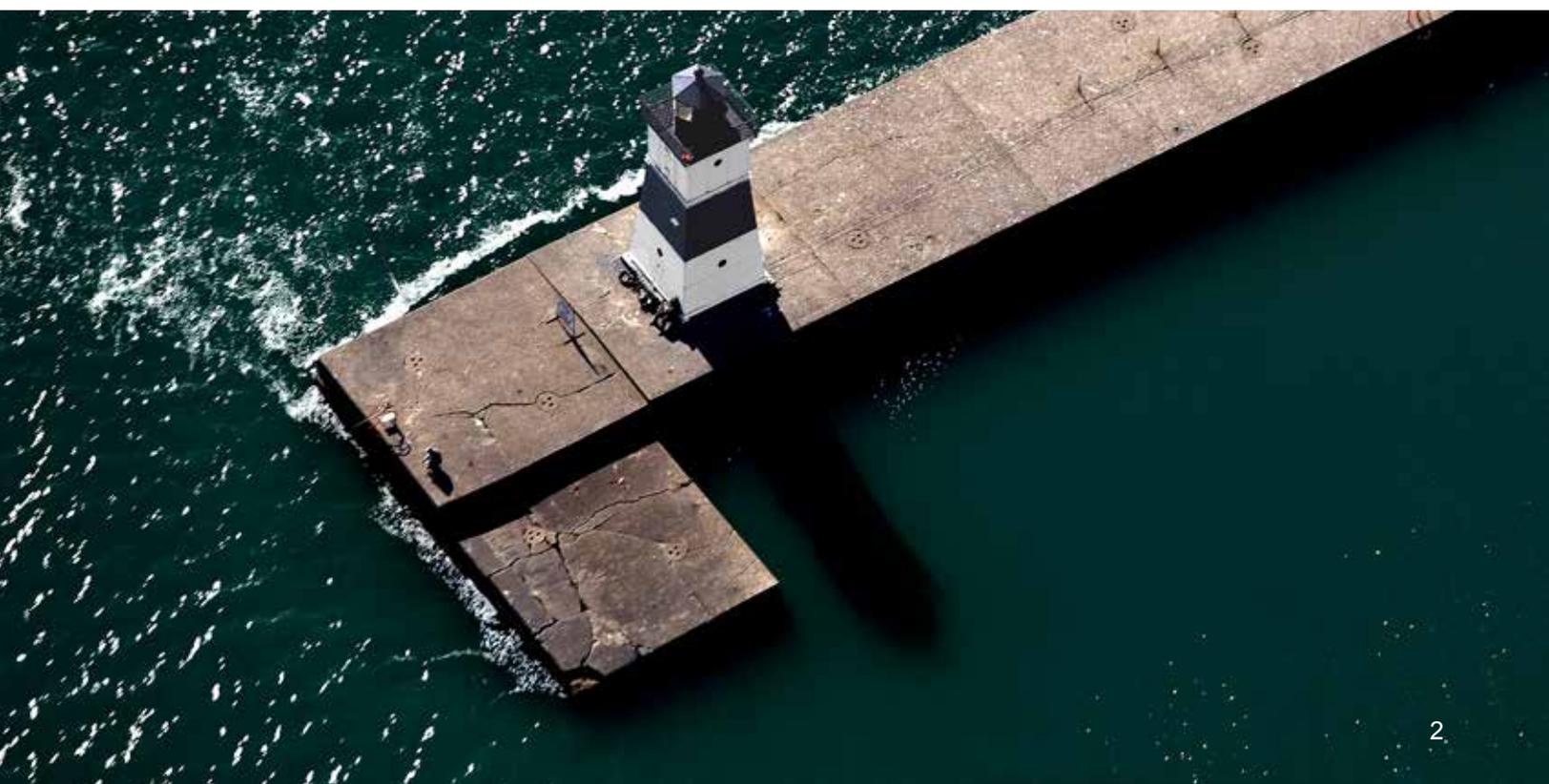
In September 2016, the Pennsylvania Supreme Court (the Court) declared that the current local share gaming clause in the State's Gaming Legislation is worded in a manner that is unconstitutional. In essence, the Court ruled that the municipal portion of tax on slot machines outside Philadelphia violates the state constitution, because it effectively imposes different rates on casinos depending on their size.

Under the state's gambling law, enacted in 2004, all casinos except those in Philadelphia and the resort venues in Nemaquin and Valley Forge are required to pay the greater of two percent of their gross terminal revenue or \$10 million a year to the host municipality. They paid two percent if revenues topped \$500 million a year or \$10 million if they did not. Since the law was enacted, every casino has paid the \$10 million.

The Court gave Pennsylvania lawmakers roughly four months to come up with a legislative solution, which, as this report was being finalized had not happened yet. Unless rectified, the ruling, which was the result of a lawsuit brought by Mt. Airy Casino, would effectively kill the stream through which Pennsylvania invests local share gaming revenues. According to the Pennsylvania Gaming Control Board, it could cost municipalities and counties statewide more than \$140 million in revenue each year.

The Pennsylvania Senate approved a gambling bill in October 2016 that included the \$10 million host fee, but that bill was changed by the Pennsylvania House of Representatives to include gaming expansions that would legalize internet and fantasy sports gambling. The Pennsylvania House bill also redefined local share in new forms of gaming revenue as funds to be used by the state's economic development bureaucracy, rather than given to local entities like ECGRA and Erie County government for local economic development. If passed by the Pennsylvania Senate, this bill would force ECGRA to compete with grant writers from all over the commonwealth to access tax revenue produced via Presque Isle Downs & Casino.

Most recently, Pennsylvania Senate leaders requested four additional months to make right the unconstitutionality of the local share assessment. In late January 2017, that request was granted by the Pennsylvania Supreme Court and Senate leaders now have until May 26 to act—that is an additional 120 days for the people and organizations that have come to depend on local share gaming revenue to await a decision regarding their future.



ECGRA'S MODEL OPTIMIZES ECONOMIC GROWTH

ECGRA's mission is to elevate Erie County by empowering nonprofits and small businesses toward economic and community development. Recognizing the inherent limitations of grantmaking, ECGRA adopted an impact investing strategy in 2014. Through its commitment to and practice of impact investing, ECGRA takes into account the social, cultural, and environmental outcomes of investments in addition to the potential financial return.

ECGRA strictly adheres to the intent of gaming legislation, which earmarked local share gaming revenue to act as a catalyst for transformational projects in host communities. Independent funding sources, such as gaming funds, provide the agility and flexibility to address the growing needs of a community, like Erie.

ECGRA recognizes that its fiduciary responsibility begins with the proper investment of gaming funds for the maximum benefit of the people living in Erie County. It incorporates job creation, regional competitiveness, needs of disadvantaged citizens, and development of at-risk youth and underserved communities into the investment decision-making process. ECGRA works to effect change and analyzes outcomes in five areas: Small Business, Youth & Education, Quality of Place, Neighborhoods & Communities, and Municipalities. Within these areas of focus, ECGRA has created a predictable grantmaking cycle, sensible grant categories, user-friendly online applications, a streamlined reporting system, and a support team focused on the needs of its grant recipients. (See Appendix C for a comprehensive listing of ECGRA grant recipients.)

These gaming funds help galvanize Erie County nonprofits, boost the region's economy, and inspire Erie residents and hundreds of thousands of tourists—one investment at a time. ECGRA launched the impact investing model in Erie, Pennsylvania, to effectively distribute its local share gaming revenue to bolster Erie County, achieving the intent of the state legislation that created the fund.

ECGRA also recognizes that the funds received in Erie County are not alone sufficient to address social, environmental, and economic development problems facing the community—they require a responsible steward that relishes its role as a changemaker in the region. ECGRA is that steward. **ECGRA's model is innovative in its design and implementation, and is sparking movement through effective, measured place-, life-, and economy-shaping investments. ECGRA's model is also sparking partnerships** with organizations capable of attracting additional dollars to the region.

In addition to investing gaming funds, ECGRA works to empower the region by building relationships locally and nationally to advance economic growth. Strategic partnerships have elevated ECGRA, which is recognized as an integral part of the team working to move the city comprehensive plan – Erie Refocused – and other transformative initiatives forward.



Relationships with strategic partners, including the Jefferson Educational Society, have resulted in Erie being recognized on the national stage from organizations, such as the Brookings Institution and The Atlantic (James Fallows). These relationships amplify Erie's story and brings it the attention it deserves for its present forward motion as it transitions to a vibrant metropolis.¹

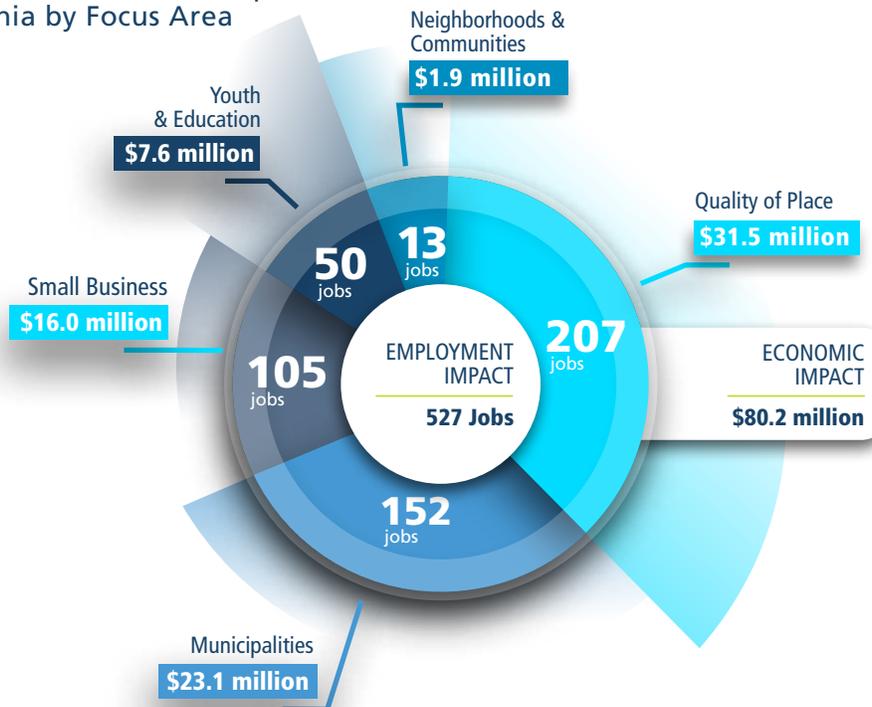
ECGRA has channeled the tax dollars generated by Presque Isle Downs & Casino, Summit Township, Pennsylvania, to strategic pathways to further Erie County's resurgence. By investing in small business development, opportunities for disadvantaged populations, community and neighborhood renewal, and collaborations among education, arts, cultural, and business establishments, ECGRA represents far more than a one-off grantmaking source in Erie County. ECGRA's use of local share gaming revenue is an engine for renaissance in the region.

¹ See Appendix E for *The Atlantic* and *Brookings* articles.

ECGRA's economic impact by focus area is presented below:

2009-2016

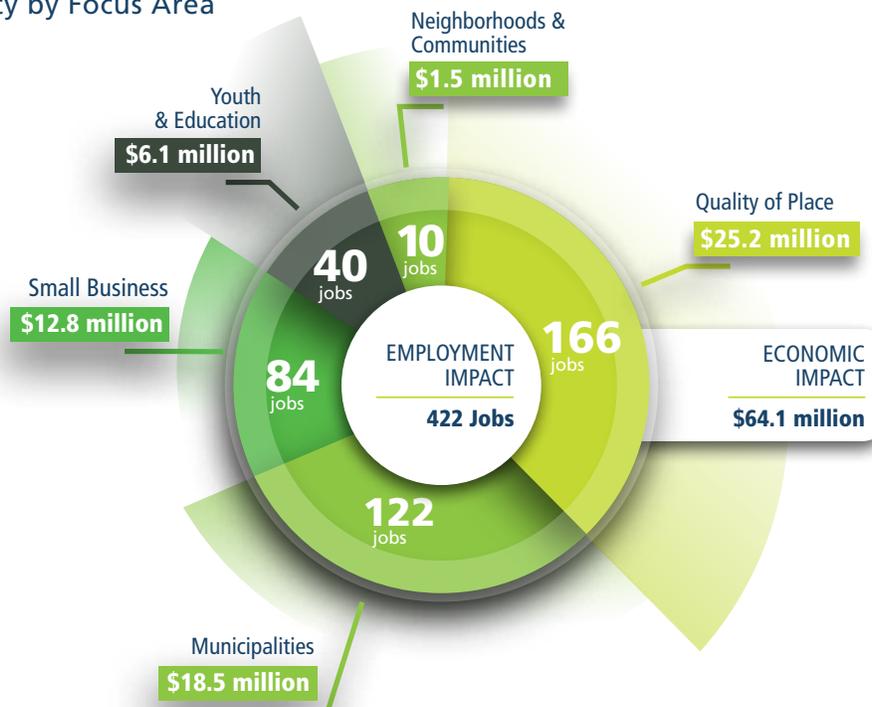
ECGRA Cumulative Economic Impact on Pennsylvania by Focus Area



Source: Parker Philips using IMPLAN with data supplied by ECGRA

2009-2016

ECGRA Cumulative Economic Impact on Erie County by Focus Area



Source: Parker Philips using IMPLAN with data supplied by ECGRA



IMPACT: SMALL BUSINESS

To catalyze the region's private sector and develop Erie's entrepreneurial ecosystem by spurring small business development, building collaborations for business acceleration, and offering a broader spectrum of financing products for starting, growing, and reinventing small business. Current initiatives include Ignite Erie™ and Mission Related Investments (MRI) for small business growth.

ECGRA's Ignite Erie™ improves Erie's economic outlook through impact investments in three key areas: inner-city small business development; industry+university collaborations for business acceleration; and business financing. Ignite Erie™ partners are inspiring entrepreneurs, advancing business concepts, uncovering local and global market opportunities, creating jobs, renewing neighborhoods, and leveraging private investments.



First conceived in 2013, when ECGRA and 26 of Erie's leading innovation agencies co-hosted Ignite Erie™: A Day of Innovation, this highly successful event was a launching point for growth and collaboration in a critical part of the economy – small business and entrepreneurial activity – which led to future phases of the strategy and its implementation.

Phase Two of Ignite Erie™ was launched in 2014 and drew upon outcomes from the one-day session to develop a path to success. The \$6 million commitment was designed to utilize small business development as a tool to:

- Catalyze new resources in inner-city neighborhoods and commercial districts suffering from blight and disinvestment;
- Inspire meaningful partnerships between Erie County colleges, universities, and industry to accelerate intellectual property-based products and technology transfer to companies through industry+university and venture partnership models;
- Provide Erie County companies access to new and hybrid financial products at the microfinance, debt, and venture capital levels;
- Leverage private investments; and
- Create jobs through investments in the region's small businesses.



“Without this resource, my idea may have remained just that, an idea. With help through Quickstarter, my idea has launched and hopefully will continue to grow into a successful Erie-based business.”

*Kathy Fling CEO, Delectabites,
Quickstarter, ECGRA funded program
supporting entrepreneurs*

ECGRA has made it a priority to grow small business through strategic investments. Since 2014, ECGRA has invested **\$200,000 in inner-city small business development** through partners Bridgeway Capital Inc. and the Urban Erie Community Development Corporation. ECGRA invested **\$750,000 in the Ignite Erie™ Industry + University Business Acceleration Collaborative, a partnership with Penn State Behrend and Mercyhurst University**, and committed **\$5 million in mission-related investments** to: The Erie Innovation Fund managed by Ben Franklin Technology Partners, Bridgeway Capital Inc., the Enterprise Development Fund, and Penn Venture Partners.

“Partnering with ECGRA to create a pool of local capital that targets Erie County entrepreneurs and manufacturers has already helped several companies, in various stages of product development, begin to commercialize their efforts and hire additional employees – all without having to exert time and energy searching for capital outside of our area. While asset-based lending is plentiful in Erie, historically there has been a shortage of risk capital. Since most tech-startups have no assets to borrow against, access to risk capital is important to a community that wants to grow.”

*Stephen Brawley
President & CEO of
Ben Franklin Technology Partners*

Small Business Investment: ECGRA has directly invested more than **\$4.1 million dollars in small business development** resulting in an **economic impact of \$7.7 million for the commonwealth, creating an average of nine new jobs per year in the state, and generating \$307,366 in state and local government revenue. Erie retained nearly 80 percent of these dollars and jobs.** Analysis of data collected from actual firms receiving funding from ECGRA since 2011 illustrate how small business investments have produced significant results.

ECGRA's strategic decision to prioritize investing local share gaming revenue in small business has created a ripple effect. These investments have empowered organizations in multiple sectors from healthcare to manufacturing to culinary arts to leverage additional financing, attracting more dollars to the region and increasing the positive effects on Erie's economy. ECGRA's small business investments have attracted **\$24.2 million in additional funds resulting in an impact of \$40.2 million.**

ECGRA has played a key role in supporting and growing the capacity of local Community Development Financial Institutions (CDFIs), which play a critical role in providing capital to start-up and existing businesses. Research has found that many CDFIs face barriers to growth and often struggle to leverage additional funds. ECGRA has been successful in helping its partners leverage more than **\$6 in other capital for each \$1 of ECGRA funds.** As a result, Erie's start-up and existing small businesses have had much greater access to capital to support their growth and expansion.

“ECGRA has been instrumental in our ramp-up in Erie. The capital ecosystem in Erie is limited, and our model relies on securing grant or more flexible loan capital. In Pittsburgh, for example, this role is played by large foundations which you don't have in Erie. The ECGRA investment has allowed us to get to the place where we now have investments from local Erie banks, such as Marquette Savings Bank and Erie Bank.”

*Matt Madia, Chief Strategy Officer,
Bridgeway Capital*

Entrepreneurs and small business owners have also benefited from crowdfunding campaigns overseen by ECGRA's Ignite Erie™ partner Mercyhurst University and in collaboration with Penn State Behrend. The initiative, called Quickstarter, pairs staff-as-mentors and students with entrepreneurs ready to seek funding for their invention or project or to grow their business to the next level with a capital injection. To date, 18 out of 20 Quickstarter campaigns have been successful, representing a 90 percent success rate for Erie County. This number exceeds the national average success rate of crowdfunding campaigns by approximately 36 percent. Quickstarter campaigns have bolstered artists, manufacturers, chefs, inventors, and historians – all in Erie County. Through the work of more than 50 Penn State and Mercyhurst students, new capital investments have been drawn into the region supporting new business development in Erie County. These successful campaigns raised \$185,867. The economic impact of these dollars in the area is detailed below.

- The economic impact of Quickstarter campaigns on Pennsylvania totaled \$323,381, supported two jobs, and generated \$14,754 in state and local tax revenue.
- The economic impact of the Quickstarter campaigns on Erie County totaled \$258,705, supported one job, and generated \$877 in local taxes. It is important to note that the above analysis only captures the initial investment into a project or company. The 18 funded projects are still active in the area, supporting employees and generating impact because of their operations. Moreover, this impact only captures those campaigns that made it to launch on Quickstarter – students and staff do a great deal of advance work and preparation to help get companies and people ready to successfully launch their campaign.

The combined cumulative effect of all of ECGRA's investments in the small business category **have resulted in an economic impact of nearly \$16.0 million for the commonwealth, creating 105 new jobs over the past eight years, and generating \$527,740 in state and local taxes. Erie retained nearly 80 percent of this impact and job creation.**

	PA	\$15,971,137 in economic impact	105 jobs supported and sustained	\$527,740 in state and local tax revenue
	Erie County	\$12,776,910 in economic impact	84 jobs supported and sustained	\$422,192 in state and local tax revenue

Summary of Local Lending and Small Business Development Impacts

Since 2011, ECGRA's partnerships and investments in local lending have:

- Leveraged more than **\$6 for every \$1** invested in local businesses.
- Invested in **46 businesses** throughout Erie County from downtown Erie to Union City.
- **Leveraged \$24.2 million** from other sources into these businesses that range from a barbershop to a manufacturer of lay-flat hose.
- Included veteran-, minority- and woman-owned businesses for which ECGRA funds have provided critical capital for growth and expansion. By investing in local companies, ECGRA is making a real and lasting impact on the local economy, beyond one-off grantmaking or budget-balancing investments. Collectively, these impacts and investments have created 105 jobs.



IMPACT: YOUTH & EDUCATION

To educate Erie's workforce, strengthen schools and employers, and abate poverty. Initiatives include the School District Foundation Endowment Challenge, Summer Jobs and More, and a \$1 million joint Shaping Tomorrow investment with The Erie Community Foundation in four projects focused on education, healthcare, and character development for disconnected youth.

ECGRA has made critical investments in educational and vocational programming for youth in the 14-24 age group. Within this age cohort, research identifies a significant number of "opportunity youth"—individuals that are not progressing through school or through the labor market. These young people too often grow to represent a significant cost to society, through both lost economic potential and higher public expenditures. Opportunity youth are much likelier than their educationally engaged peers to suffer from worse health outcomes and higher rates of criminality.

A study for the Corporation for National and Community Service found that **each opportunity youth imposes, on average, an additional annual taxpayer burden of \$13,900 and an economic burden of \$37,450 compared to other youth.** ECGRA's investments in educational and vocational programming provide a significant benefit to local taxpayers for each at-risk youth that might otherwise drop out of school and not participate in the labor market.

Since 2014, ECGRA supported multiple pilot projects plus three youth employment initiatives: Summer Jobs and More (Summer JAM), Eagle's Nest Leadership Corporation, and Erie's Public Schools' Tech After Hours.

Erie Summer Jobs and More – A program that provides opportunities for economically disadvantaged youth ages 16-21 throughout Erie County to participate in career exploration and personal development under the direction of mentors, role models, and counselors while earning personal income. The program is a partnership between ECGRA, Erie County, and The Erie Community Foundation and helps participating youth learn soft skills, network, land one of their first jobs, have positive workplace experiences, and become financially literate.

Eagle's Nest Leadership Corporation – A program that instills hope for a future by providing a concrete plan for a pathway to a career for at-risk students between the ages of 18-25, as well as a chance to get ahead in life instead of settling for the status quo. It seeks to support students and give them the necessary life skills and mindset to elevate their quality of life and potential for success in the workforce.

Erie's Public Schools' Tech After Hours – A workforce program targeting out-of-school youth and adults launched in 2016 that recently graduated its first round of students in machining, nursing, and construction trades.

Workers need hands-on training in technical skills and knowledge of soft skills to land a good-paying job—that's what the ECGRA-funded Tech After Hours is all about. Tech After Hours, housed at Central Career and Technical School, is made possible by a \$200,000 ECGRA investment announced in November 2015.

In addition to machine technology, Tech After Hours offers training in auto mechanics, culinary arts, construction trades, patient care assistant, and welding. Some students are also able to pursue their high school diplomas if they need four credits or less.



The goals for Tech After Hours align with those spelled out in a Jefferson Educational Society essay, “Erie’s Advanced Industries,” by Jim Wertz, Ph.D., and ECGRA Executive Director Perry Wood, M.S. “Erie needs an educational model that recognizes the importance of both academic achievement and the benefit of skill development. Indeed, many of the lessons young people need to learn do not come from the classroom. So-called ‘soft skills’ are often cited as something learned on the job.”

In October, three Erie manufacturing companies, Modern Industries, Industrial Sales & Manufacturing, and PHB Inc., began to enroll employees in the machining apprenticeship program at Tech After Hours. “They are training with us while working at their facilities to become master machinists,” said Mathew Pundt, director of career and technical education for Erie’s Public Schools. Six other businesses have expressed interest in partnering with Tech After Hours.

Tech After Hours is one example of how ECGRA has its ear to the ground and is fine tuning its investments to align with the needs of the region. At the one-year mark since the Tech After Hours grant was awarded, the program had graduated 17 students, 13 of whom are working full-time in their desired field.

Summary of Youth & Education Impacts

- Since 2014, 475 students have participated in Summer Jobs & More.
- Since 2015, 85 students have participated in Eagle’s Nest Leadership Corporation.
- Since 2016, 25 students have participated in Tech After Hours.
- The combined average cost per student is \$5,505. The assumptions put forth in the above study on Opportunity Youth show that the total cost burden on society per student if no investment in the youth workforce is made totals \$51,350. **The total return on investment for all three ECGRA-sponsored programs utilizing the findings derived by the Corporation for National and Community Service totaled \$9.33 per student.**

“Turning to STEM skills, the region’s energetic Erie County Gaming Revenue Authority—an interesting philanthropic story in its own right—has been flooding the zone with grants instigating or supporting technical education and training of all sorts (along with regional economic development). ECGRA funding is helping expand the region’s new STEM Works program, which incorporates STEM lessons into existing public-school curricula. What focused last school year on Grades 3, 4, and 6 will now go K-12-wide. Moreover, the initiative will include a ‘STEM Academy’ approach for select 10th through 12th graders. The academy will feed into local advanced-manufacturing jobs.”

*Mark Muro
The Brookings Institute,
Erie’s Rust Belt Activism*

The cumulative impact of ECGRA’s investment in Youth & Education on Erie County **totaled \$7.6 million in economic output, supported and sustained 50 jobs over eight years, and generated \$252,076 in state and local tax revenue.**

	PA	\$7,628,661 in economic impact	50 jobs supported and sustained	\$252,076 in state and local tax revenue
	Erie County	\$6,102,929 in economic impact	40 jobs supported and sustained	\$201,661 in state and local tax revenue



IMPACT: QUALITY OF PLACE

To promote well-being, foster civic pride, drive tourism, and attract, retain, and mobilize creative talent and innovative businesses through cultural, heritage, service, and recreational organizations and projects. Currently, grant and endowment funds are at work for Lead Assets, Special Events, Community Assets, and Human Services.

In 2011, ECGRA designated and made its first investment in the Erie County Lead Assets.² These nine place-shaping culture-, heritage-, and recreation-based nonprofits are: Erie Art Museum, Erie Arts & Culture, Erie County Historical Society, Erie Philharmonic, Erie Playhouse, Erie Zoological Society, expERIEence Children's Museum, Flagship Niagara League, and Mercyhurst Institute for Arts & Culture.

In 2012, ECGRA committed to sustain Lead Assets in perpetuity and created the Erie County Lead Assets Endowment held in trust at The Erie Community Foundation. With ECGRA's most recent gift, the endowment grew to more than \$11 million. ECGRA has committed almost \$15 million in grants and endowment funds to the Lead Assets.

ECGRA funds other like-minded nonprofit organizations in the Quality of Place impact area: Community Assets Grants, Special Events Grants³, and Human Services Grants made in collaboration with The Erie Community Foundation. Organizations from Union City to downtown Erie have benefited from the support of ECGRA's investment of grant dollars from under \$500 to \$50,000. The grant funding is helping organizations be successful with their events, programming, and service provision.

“It is absolutely beneficial that ECGRA is a local funder as opposed to an entity housed outside the region. Local people are responsive to local needs. There is not a readily available source that can replace ECGRA’s funding.”

*John Vanco,
Erie Art Museum,
Lead Asset*



² Arts-, culture-, entertainment-, heritage-, and recreation-based nonprofits that improve Erie's economy and quality of place.

³ Special events promote a sense of community and inclusiveness, and often generate an influx of dollars from outside Erie County resulting in local economic growth and improved quality of place for Erie residents.

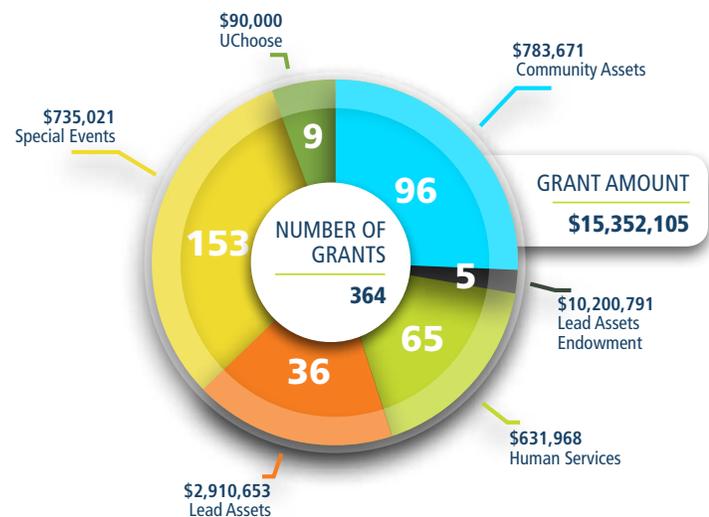
As one of ECGRA's Lead Assets, the Erie Philharmonic (Philharmonic) enjoys the foresight and predictability of the ECGRA-managed endowment held in trust at The Erie Community Foundation, which allotted them \$80,855 in FY 15-16 to create educational programming. The Philharmonic's forward-thinking executive director, Steve Weiser, used ECGRA funding to develop, market, and distribute curriculum to Erie County schools and follow up on how it is being taught. The project culminates with its youth concert hosted by the Philharmonic, which provides busing to the Warner Theater.

“You’ve never heard 2,200 kids get quiet all at the same time. They are enrapt and attentive hearing that live music for the first time right in front of them. And ECGRA is helping change the demographics. Younger people are coming and we are seeing a more diverse audience than ever before. And when you see a kid come back with his older brother or his parents experience a full philharmonic concert with their family—that would not happen if we didn’t have ECGRA’s support. I would think that most host communities should mimic what ECGRA has done.”

ERIE PHILHARMONIC CURRICULUM

Stormchasers, an original music education curriculum by Daniel Meyer and Steve Weiser of the Erie Philharmonic, aids educators in teaching weather science in a unique and interesting way. Culminating with a field trip to the Erie Philharmonic, teachers receive weather-centric curriculum to be used with the participating 4,500 students in English, geography, music, and reading. Participating classrooms then enjoy a fantastic music experience, including thematic compositions by Wagner, Beethoven, Debussy, and more.

ECGRA has funded 364 events, projects, and human services grants totaling \$15.3 million in direct support.



ECGRA investments into **Quality of Place** initiatives generated **\$31.5 million in economic impact, supported 207 jobs over eight years, and generated over \$1,040,426 million in state and local taxes.**

	PA	\$31,486,712 in economic impact	207 jobs supported and sustained	\$1,040,426 in state and local tax revenue
	Erie County	\$25,189,369 in economic impact	166 jobs supported and sustained	\$832,341 in state and local tax revenue



IMPACT: NEIGHBORHOODS & COMMUNITIES

To reinvigorate neighborhoods and main corridors, boost buy-local efforts, and combat blight. Current projects include Mission Main Street Grants and the Corry Neighborhood Initiative.

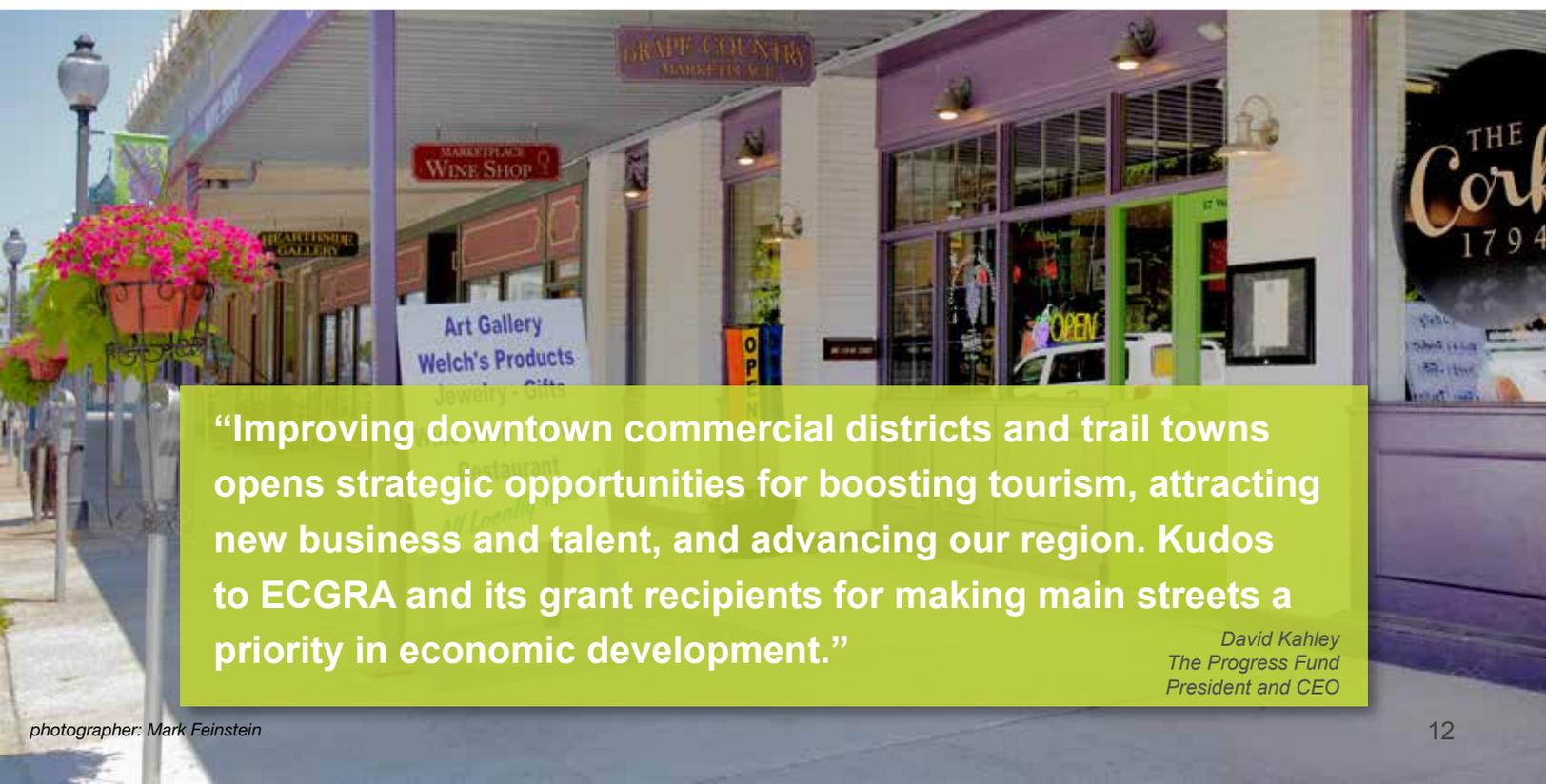
Main streets across the country have fallen into disrepair after the decades-long diaspora of retail from business districts to shopping malls. But, in communities where main streets are well-maintained, there is a sense of vibrancy and civic pride. Mission Main Street Grants improve Erie County’s primary commercial corridors – geographically distinct “main streets” that serve to incubate and host small businesses, events, historic structures, and the community’s central parks.

Main street revitalization is an economic and community development strategy that creates jobs, promotes tourism, impacts the region’s economy, and improves surrounding neighborhoods.

Corry Neighborhood Initiative is a community-led group dedicated to the removal of blight in the City of Corry that has realized real transformation as a result of ECGRA’s funding.

The cumulative impact of ECGRA’s investment in **Neighborhoods & Communities on Pennsylvania** totaled **\$1.9 million, supported 13 jobs over eight years, and generated \$64,303 in state and local tax revenue.**

	PA	\$1,946,011 in economic impact	13 jobs supported and sustained	\$64,303 in state and local tax revenue
	Erie County	\$1,556,809 in economic impact	10 jobs supported and sustained	\$51,442 in state and local tax revenue



“Improving downtown commercial districts and trail towns opens strategic opportunities for boosting tourism, attracting new business and talent, and advancing our region. Kudos to ECGRA and its grant recipients for making main streets a priority in economic development.”

David Kahley
The Progress Fund
President and CEO



IMPACT: MUNICIPALITIES

To foster progress and functional cooperation among Erie County’s 38 municipal governments. Current grant programs include Multi-Municipal Collaboration and Local Government Development.

Over the past 10 years, ECGRA has directly contributed \$8.8 million to Summit Township, the casino host community, which has generated \$11.2 million in economic impact for Erie County and supported 56 jobs. ECGRA has invested an additional \$7.6 million in the other five municipalities that are contiguous with Presque Isle Downs & Casino. From public safety to infrastructure to health and human services, these municipalities received ECGRA funds to use for the betterment of Erie County residents: Erie County, Greene Township, McKean Township, Millcreek Township, and Waterford Township.

Multi-Municipal Collaboration Grants were launched in 2012 to catalyze functional cooperation among Erie County’s 38 municipalities and to support economic growth and vibrancy in the community. In the creation of the grant requirements, ECGRA Executive Director Perry Wood worked closely with leaders from councils of governments, county authorities, and intergovernmental associations to educate them about the grant and to help coordinate the provisioning of services. The outcome: ECGRA has invested a total of \$488,000 among 34 municipalities and seven authorities, nonprofits, and intergovernmental agencies that now creatively cooperate and coordinate with one another on projects, including technology implementation, composting and recycling upgrades, structural and public safety improvements, and historic preservation.

The cumulative impact of ECGRA support of municipalities totaled **\$23.1 million for the Commonwealth of Pennsylvania, supported 152 jobs over eight years, and generated \$764,930 in state and local tax revenue.**

	PA	\$23,149,302 in economic impact	152 jobs supported and sustained	\$764,930 in state and local tax revenue
	Erie County	\$18,519,442 in economic impact	122 jobs supported and sustained	\$611,944 in state and local tax revenue



ADDITIONAL LOCAL SHARE GAMING REVENUE IMPACT

Summit Township

Host to Presque Isle Downs & Casino, Summit Township is set in central Erie County, Pennsylvania, with a population of 6,603 according to the 2010 census and is 24.1 miles in area. Being the host township of the Casino has required significant planning and development.

The planning and land development process for the Casino took five years and hundreds of man hours worked by Summit Township personnel. When the Casino opened, the health, safety, and welfare of its employees and thousands of patrons became Summit's responsibility. Summit Township's water and sewer authorities quickly found that the capacity they were counting on for development well into the future was used up and system upgrades needed to be fast-tracked. According to Summit Township officials, the local volunteer fire department has experienced an average increase of 120 ambulance calls, a dozen false fire alarms, and a 15-20 percent increase in vehicle accident calls each year – 65-70 percent of responses to these calls are not reimbursed to Summit Township. The transportation improvements, including new traffic signals and signage, are also Summit's to maintain.

The gaming funds allotted to Summit Township help to mitigate the negative externalities that come along with the introduction of a large tourist draw in the rural township. The gaming dollars are a way to mitigate the costs incurred by a host county while improving the host county's infrastructure and public safety net.

Over the past 10 years, Summit Township has directly received **\$12.2 million** in local share gaming revenue. The cumulative impact of Summit Township's direct share has totaled **\$15.6 million** supporting, on average, **8 jobs per year**.

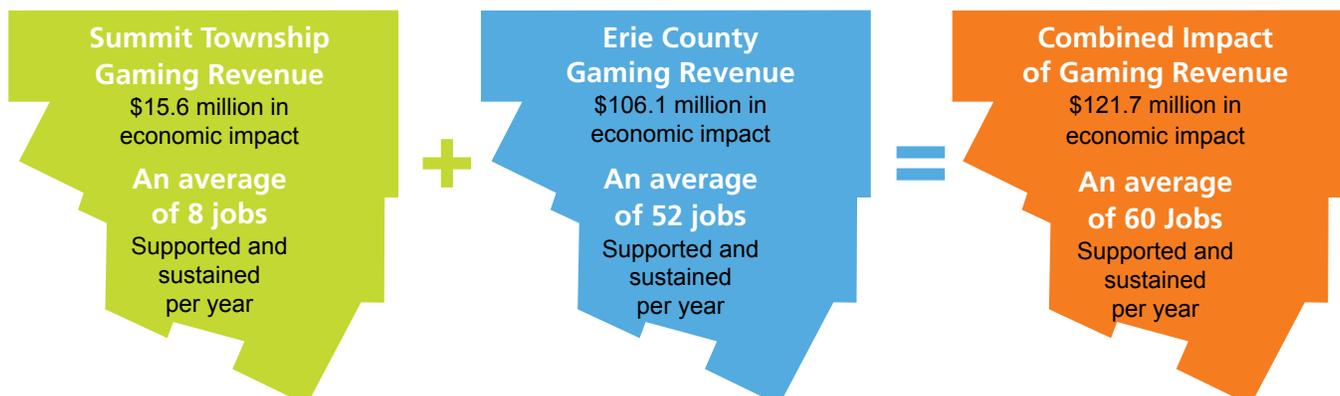
“I cannot stress enough the need for the gaming law to be quickly and concisely revised to accomplish the goals for which it was originally intended. To change the original goals of the gaming law by allowing any other politics to interfere will cause an extreme financial hardship on all casino host municipalities. The result could be an adverse effect on the casinos themselves and the much-needed revenues they produce for the Commonwealth of Pennsylvania.”

*Nancy Agostine
Township Supervisor and Director
of Land Development*

Erie County

In addition to the economic impacts outlined, **Erie County** has received \$52.5 million in local share gaming revenue and invested it in long-term infrastructure such as the library system, Erie International Airport expansion, the Erie Metropolitan Transit Authority, and other grant initiatives. The impact of Erie County's investments apart from ECGRA have totaled **\$106.1 million** (\$52.5 million direct + \$27.6 million indirect + \$26.0 million induced) for the commonwealth, supporting and sustaining an average of **52 jobs each year** (17 direct jobs + 17 indirect jobs + 18 induced jobs), and **\$1.4 million in state and local government revenue** (\$1.0 million state and \$376,939 local).

The effect of Erie County's investments of local share gaming revenue on a local level have resulted in **\$84.9 million** in economic output (\$42.0 million direct + \$22.1 million indirect + \$20.8 million induced), supporting and sustaining **42 jobs each year** (14 direct jobs + 13 indirect jobs + 15 induced jobs), and **\$376,939 in local government tax revenue**.



CONCLUSION

Erie County is in a period of rebirth and transformation with respect to its economic development and ongoing efforts to jumpstart a stalled period of growth. Local share gaming revenue, and by extension ECGRA, is making a positive impact on this redefining period for the long-term stability and betterment of the commonwealth's most northern region.

ECGRA funds have been inextricably woven into the Erie economy and are now a vital element of Erie County's collective economic development ecosystem. Erie, through ECGRA's strategic investments and partnerships, is making strides to help take it to the next level in its economic transformation. Indeed, the Casino as a tourist draw and employer has become a part of that new landscape.

When the gaming law was drafted, the stated goals of its authors included additional state revenue, property tax relief for PA residents, economic development and providing casino host municipalities with the revenue required to effectively deal with impacts created by casino development. That was also the overwhelming understanding of PA citizens when it was enacted. If these goals are compromised, host municipalities, such as Erie County, will be dramatically and negatively affected and the ripple effect will be immeasurable.

The withdrawal of gaming funding would have severe impacts on multiple levels for culture, small business, municipalities, and the citizens benefiting from the promise that gaming in Pennsylvania would generate a positive economic impact in host communities. If these gaming dollars were distributed in a common, state-level grant pool, Erie County would be at a distinct disadvantage.

Erie is so often defined by its geographic isolation: the snowy town nestled up to the lake in the far northwest corner of the state. In the case of managing the delivery of local share gaming revenue to its citizens, though, Erie County is making headlines and perhaps reserving a space in Pennsylvania history books.

By creating a bi-partisan entity that creatively and successfully utilizes the revenue set aside to enhance this host community, as defined by lawmakers who enacted the Pennsylvania's Racehorse Development and Gaming Act in 2004, ECGRA could serve as a shining example of how to deliver on a legislative promise to positively impact casino host communities across the commonwealth.

“There cannot be enough good said about the impact this funding has had on the culture and vitality of the Erie region. I highly doubt a centralized statewide distribution point would ever have the impact that ECGRA has been able to provide the citizens of our regions.”

*Michael T. Victor, J.D., LL.D.,
President of Mercyhurst University*

APPENDIX A

Primary data used in this study was collected from ECGRA since 2009. This data was utilized to complete the input-output models as developed by IMPLAN. This model and its economic findings are a conservative estimate of impact and based on actual financial information. It is a snapshot by year and cumulatively of the economic impact of ECGRA's strategic investments of local share gaming revenue derived from taxes paid by Presque Isle Downs & Casino in Summit Township.

OVERVIEW AND THE IMPLAN MODEL

The most common and widely accepted methodology for measuring the economic impacts of economic sectors is input-output (I-O) analysis. At its core, an I-O analysis is a table that records the flow of resources to and from companies/organizations and individuals within a region at a given time. For a specified region like a state or the nation, the input-output table accounts for all dollar flows between different sectors of the economy in a given time period. With this information, a model can then follow how a dollar added into one sector is spent and re-spent in other sectors of the economy, generating outgoing ripples of subsequent economic activity. This chain of economic activity generated by one event is called the "economic multiplier" effect.

The primary tool used in the performance of this study is the I-O model and dataset developed and maintained by IMPLAN Group LLC (formerly Minnesota IMPLAN Group, Inc.). IMPLAN is a widely-accepted and used software model first developed by the U.S. Forest Service in 1972. The data used in the baseline IMPLAN model and dataset come largely from federal government databases. The input-output tables themselves come from the Bureau of Economic Analysis. Much of the annual data on labor, wages, final demand and other market data comes from the Bureau of Labor Statistics, the Census Bureau, and other government sources.

Government agencies, companies, and researchers use IMPLAN to estimate the economic activities associated with spending in a particular industry or on a particular project. The IMPLAN model extends conventional I-O modeling to include the economic relationships between government, industry and household sectors, allowing IMPLAN to model transfer payments such as taxes.

The model works by tracking the flow of resources to and from companies/organizations and individuals within a region. Producers of goods and services must secure labor, raw materials and other services to produce their product. The resources transferred to the owners of that labor or those raw materials and services are then spent to secure additional goods and services or inputs to the products they sell. For example, an organization in a region may develop a company that produces trains with a value of \$1 million. However, to produce that product, they may be required to spend \$500,000 in wages and benefits, \$200,000 to suppliers of parts, \$100,000 for electricity, \$50,000 for transportation of goods and raw materials to and from the plant and \$50,000 in various professional services associated with operating a business (e.g. attorneys and accountants). The suppliers will, in turn, spend those resources on labor and raw materials necessary to produce the trains. Workers and the owners of the company will buy goods and services from other firms in the area (e.g. restaurants, gas stations, and taxes). The suppliers, employees, and owners of this second tier will, in turn, spend those resources on other goods and services either within the study region or elsewhere. The cycle continues until all of the money leaves the region.

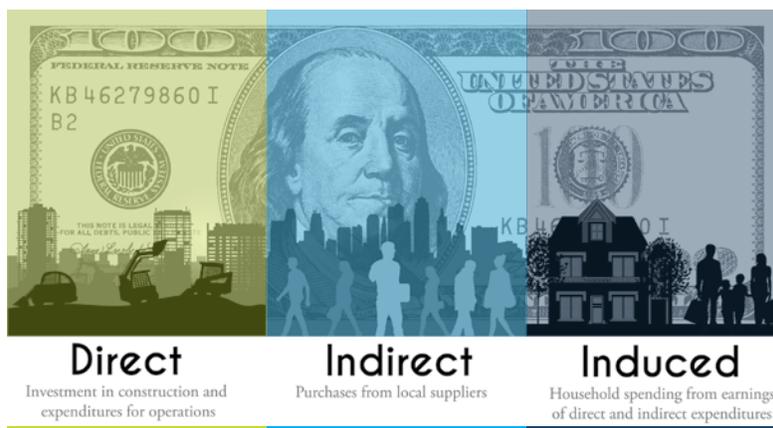
IMPLAN METHODOLOGY

The model uses national production functions for over 450 industries to determine how an industry spends its operating receipts to produce its commodities. These production functions are derived from U.S. Census Department data. IMPLAN couples the national production functions with a variety of county-level economic data to determine the impacts at a state and congressional district level.

To estimate these regional impacts, IMPLAN combines national industry production functions with county-level economic data. IMPLAN collects data from a variety of economic data sources to generate average output, employment and productivity for each industry in a given county.

IMPLAN combines this data to generate a series of economic multipliers for the study area. The multiplier measures the amount of total economic activity generated by a specific industry's spending an additional dollar in the study area. Based on these multipliers, IMPLAN generates a series of tables to show the economic event's direct, indirect, and induced impacts to gross receipts, or output, within each of the model's more than 450 industries.

The economic impact of ECGRA is the sum of these three effects. The model calculates three types of effects:



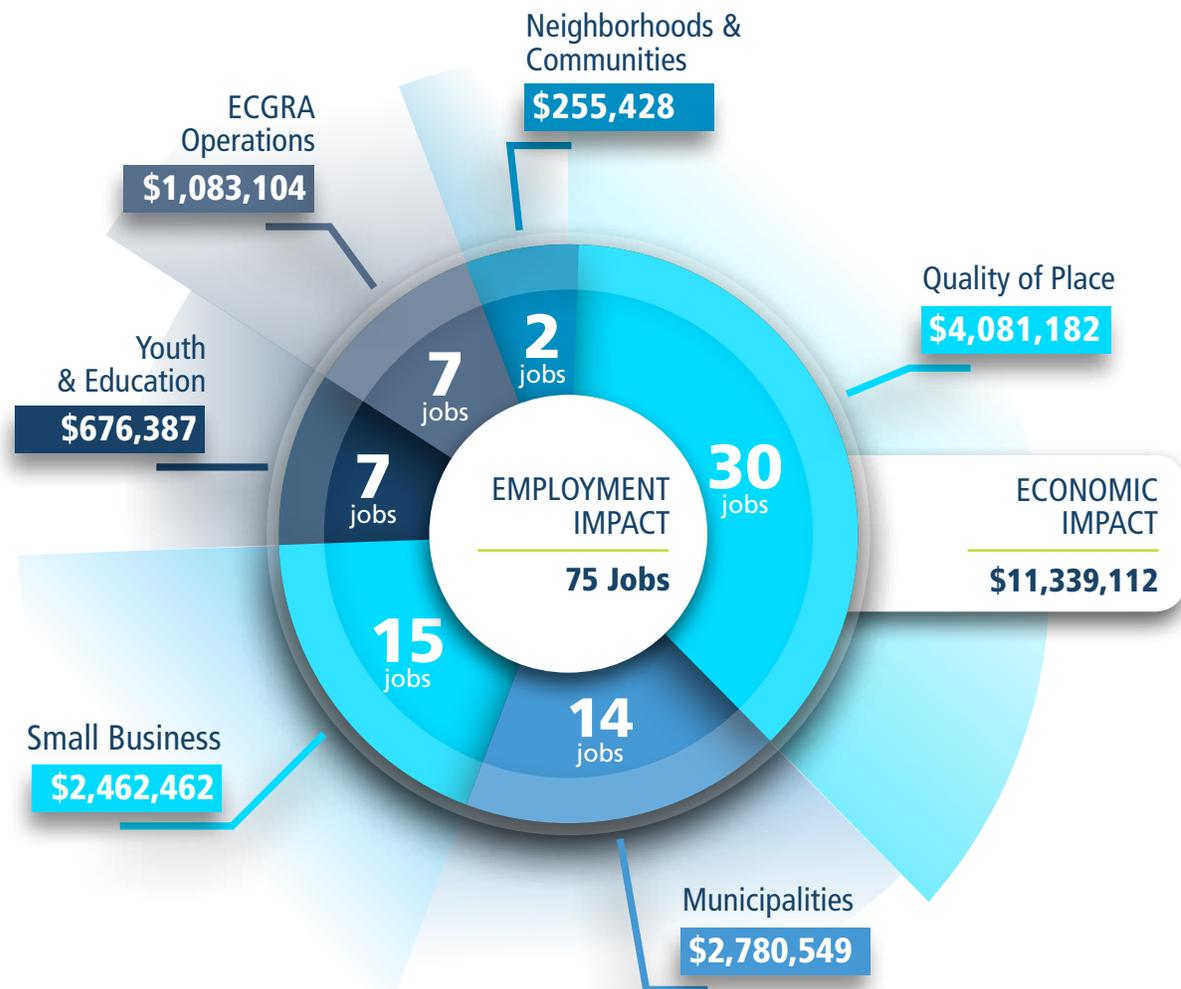
THINGS TO CONSIDER ABOUT IMPLAN

There are three important points about the use of IMPLAN (or any other input-output model):

1. It is a fixed price model. The model assumes that changes in consumption are not limited by capacity and do not affect prices. This simplifying assumption does not cause a problem for the analysis presented here because we are taking a snapshot of the industry in a specific year.
2. Like in many studies using this type of model, the direct impacts are not calculated by the model, they are a reflection of actual spending levels and patterns as a result of ECGRA funding. Changing the level of direct spending allows us to calculate the magnitude of the indirect and induced effects associated with the historical level of spending.
3. Because the model continues to calculate additional spending until all of the money leaves the region (we will refer to this phenomenon as "leakage"), the larger and more economically diverse the region, the longer it will take for spending to leave the region, and the larger the impact is likely to be. For example, employees may spend some amount of their income on automobiles. If they are in a state or district that has no automotive production, this spending will leave the region and the multiplier effect will stop. However, at the national level some portion of that same spending by that same individual may go to a domestic auto producer. Therefore, that spending would lead to more spending at the national level than would be captured by a more regional model. This leads us to assume that the national impact will be larger than the sum of the individual states and the individual state impact will be larger than the sum of the impacts in its congressional districts.

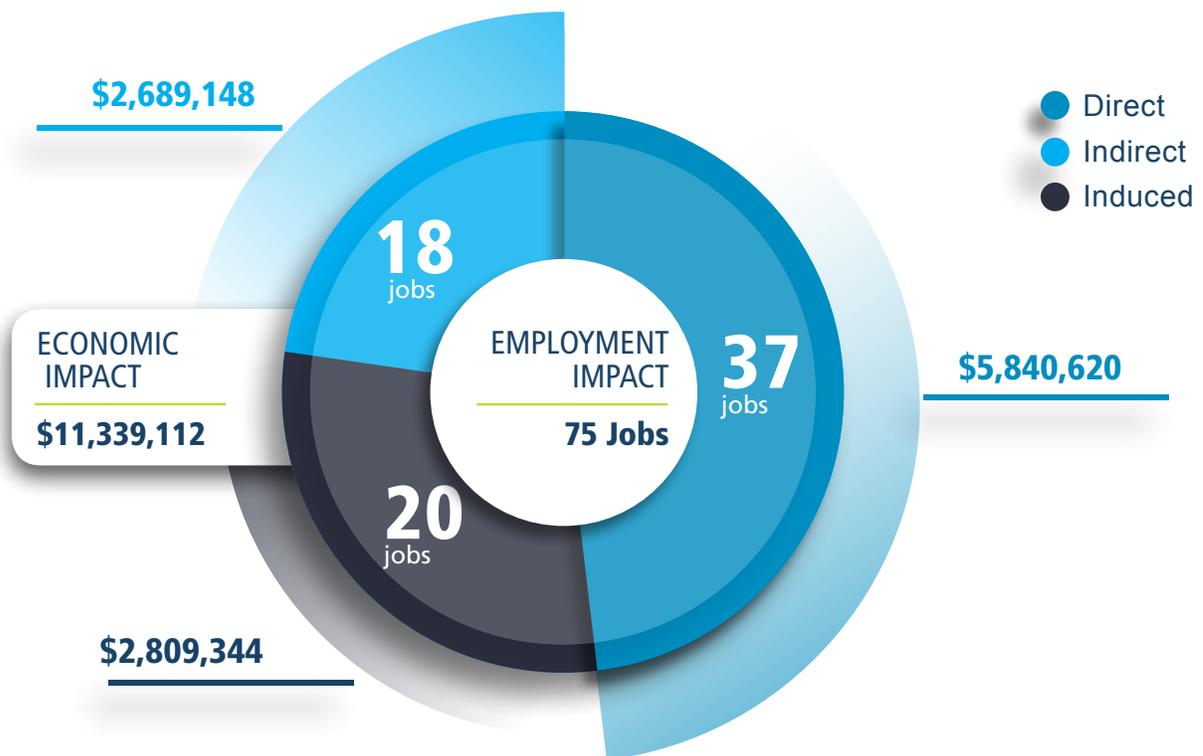
APPENDIX B

PENNSYLVANIA 2015-2016 ECGRA Total Impact by Focus Area



Source: Parker Philips using IMPLAN with data supplied by ECGRA

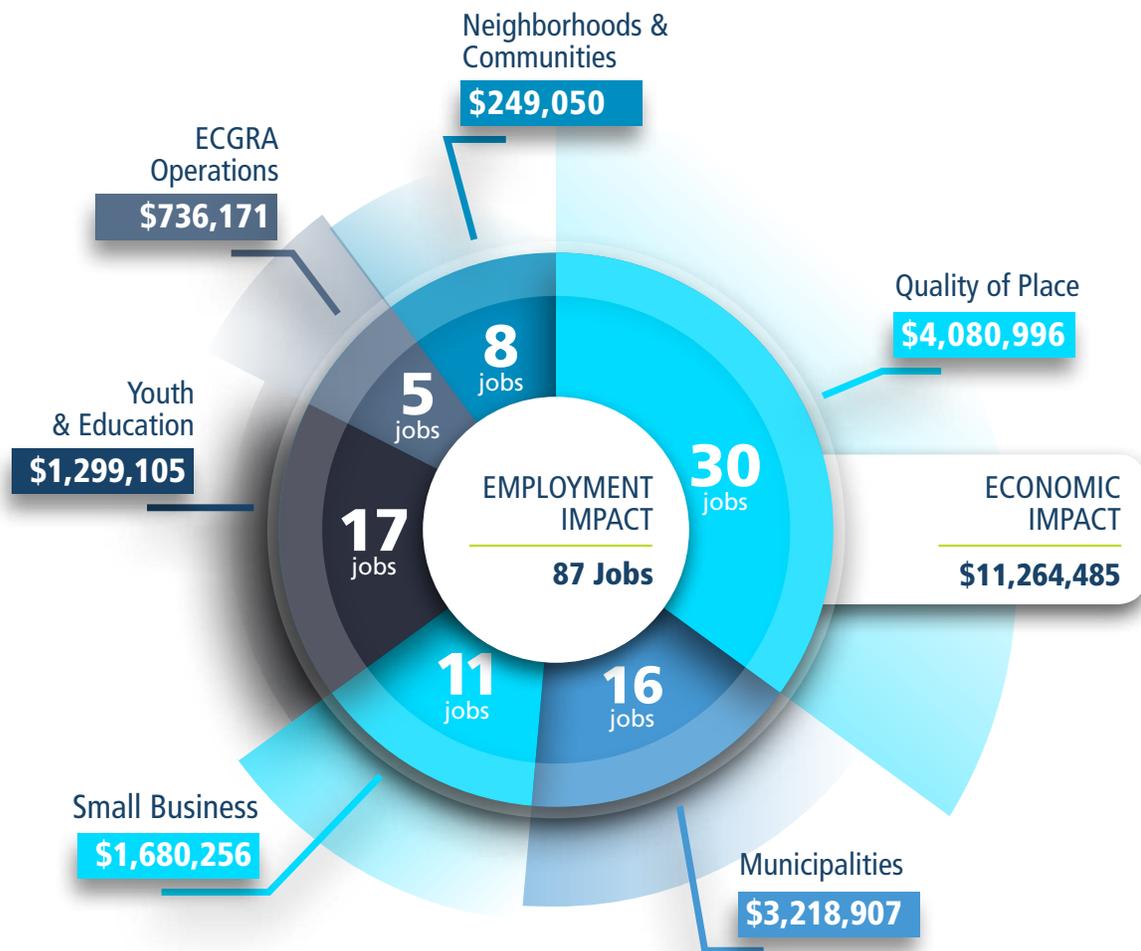
PENNSYLVANIA 2015-2016 ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

PENNSYLVANIA 2014-2015

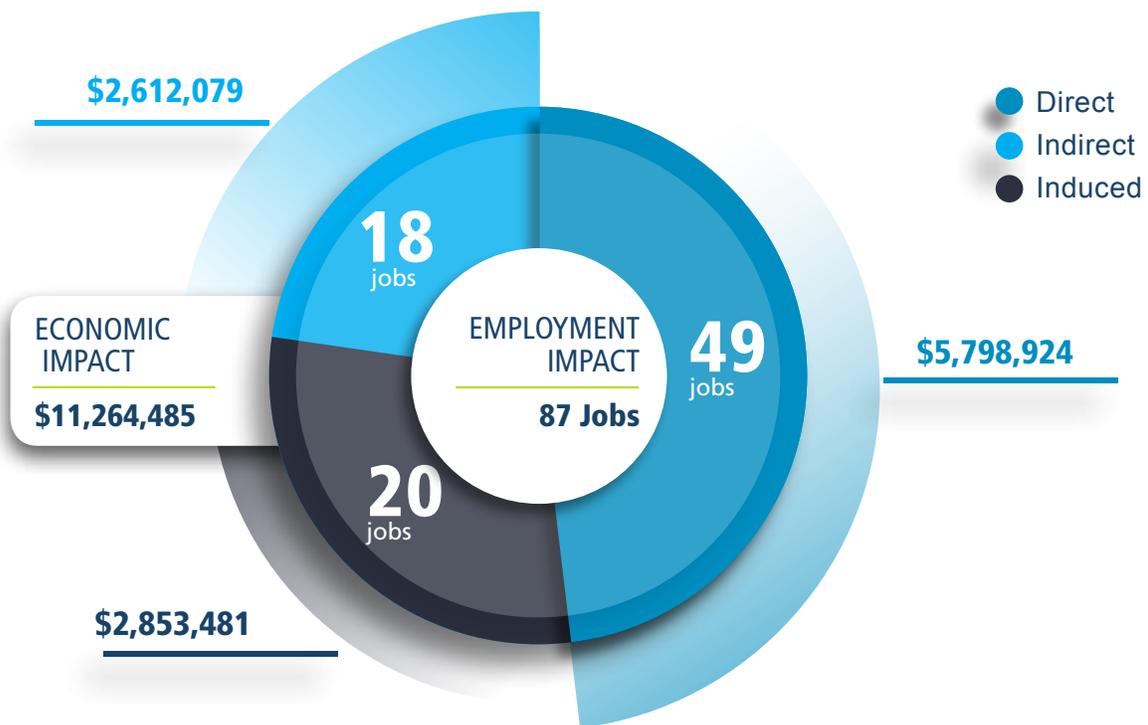
ECGRA Total Impact by Focus Area



Source: Parker Phillips using IMPLAN with data supplied by ECGRA

PENNSYLVANIA 2014-2015

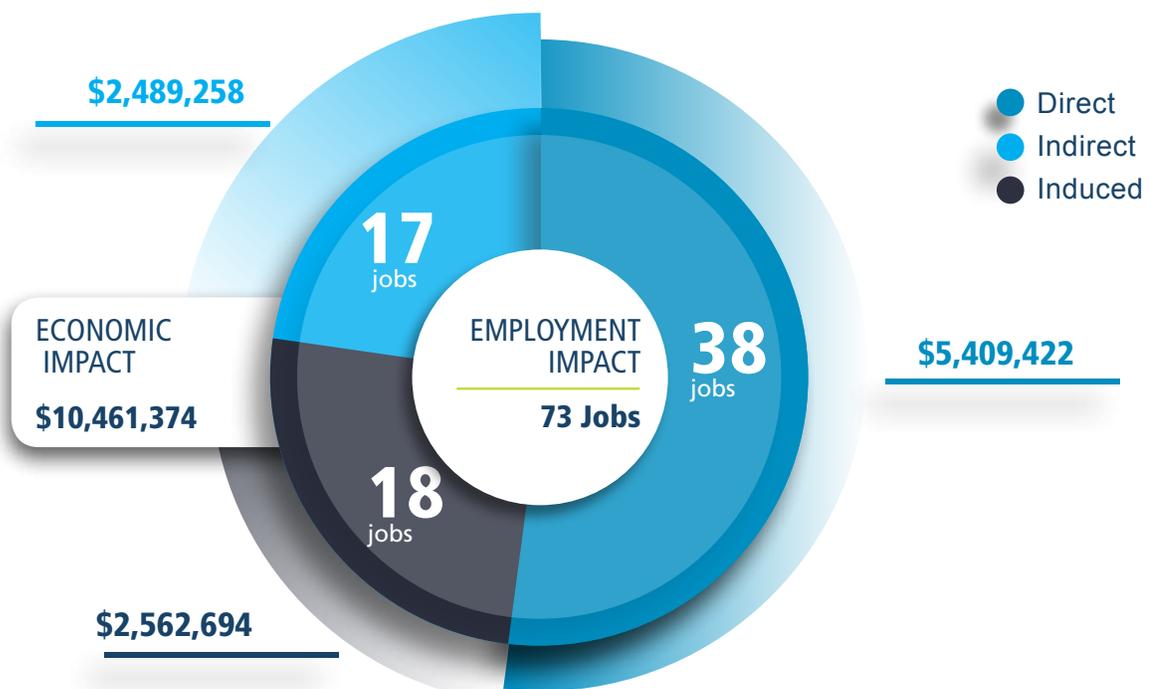
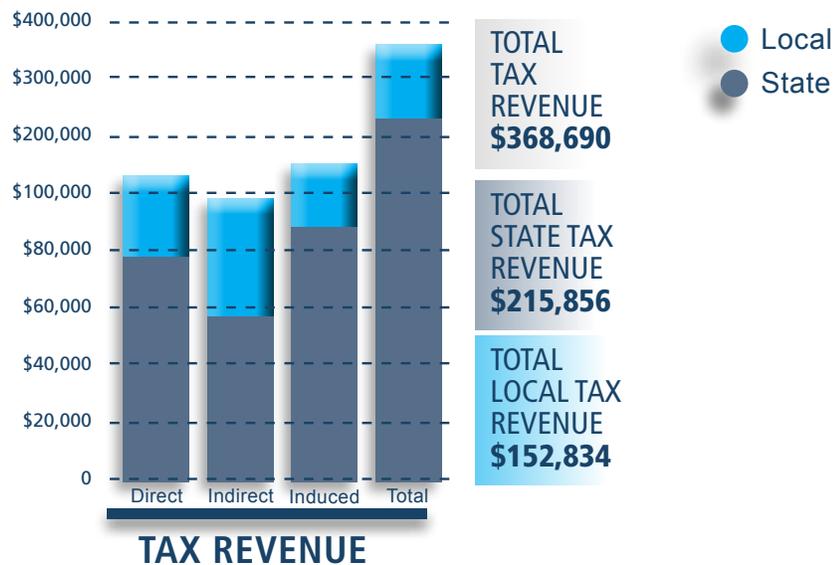
ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

PENNSYLVANIA 2013-2014

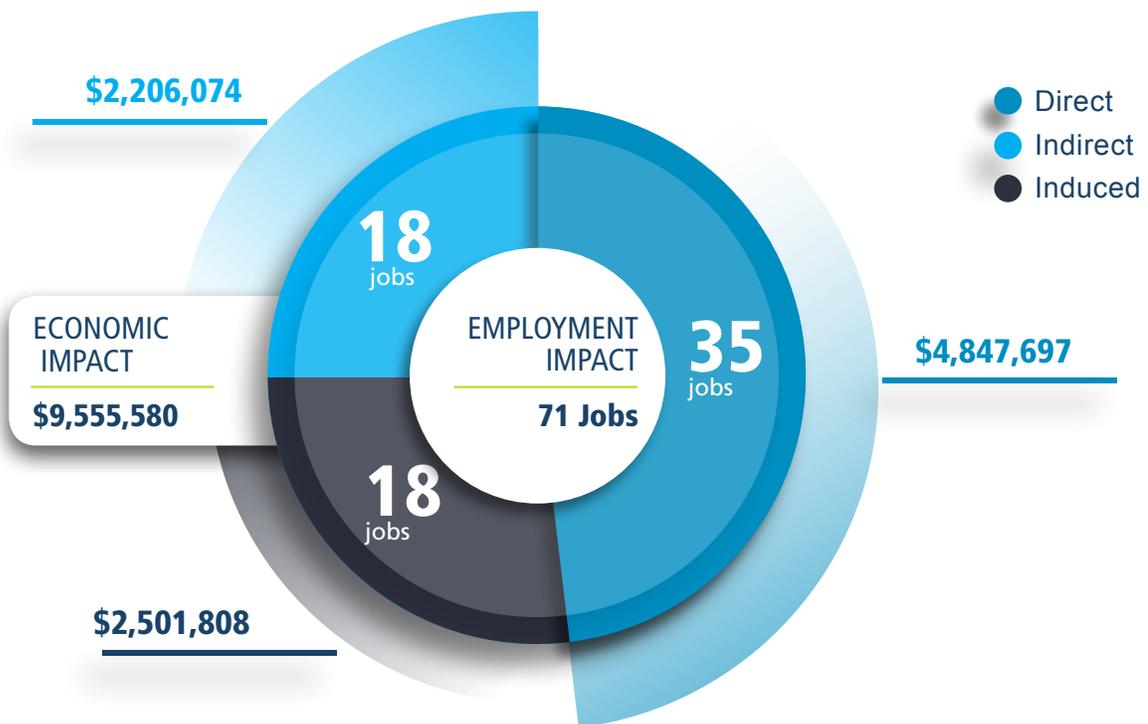
ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

PENNSYLVANIA 2012-2013

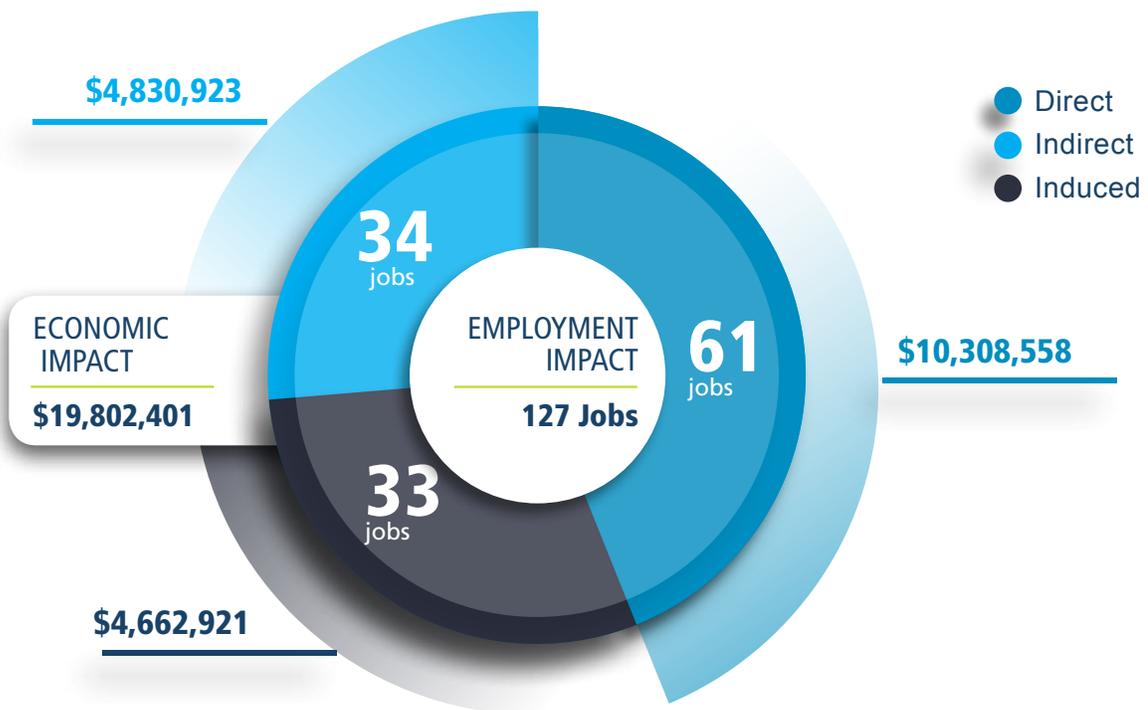
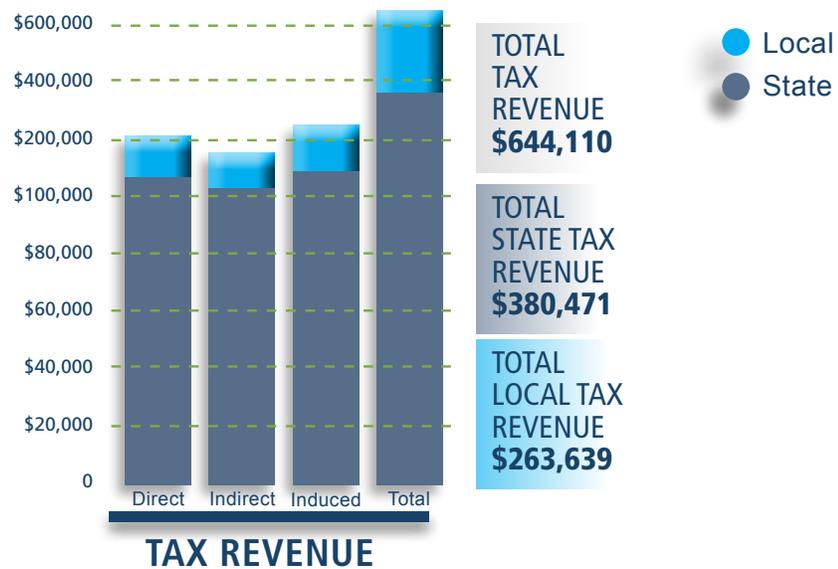
ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

PENNSYLVANIA 2011-2012

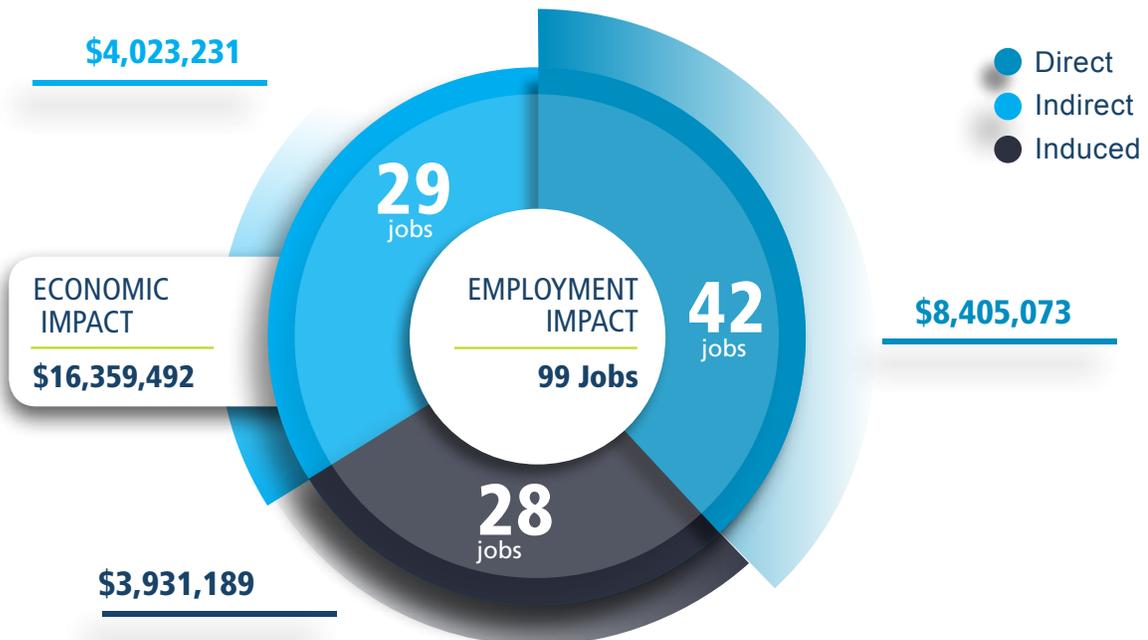
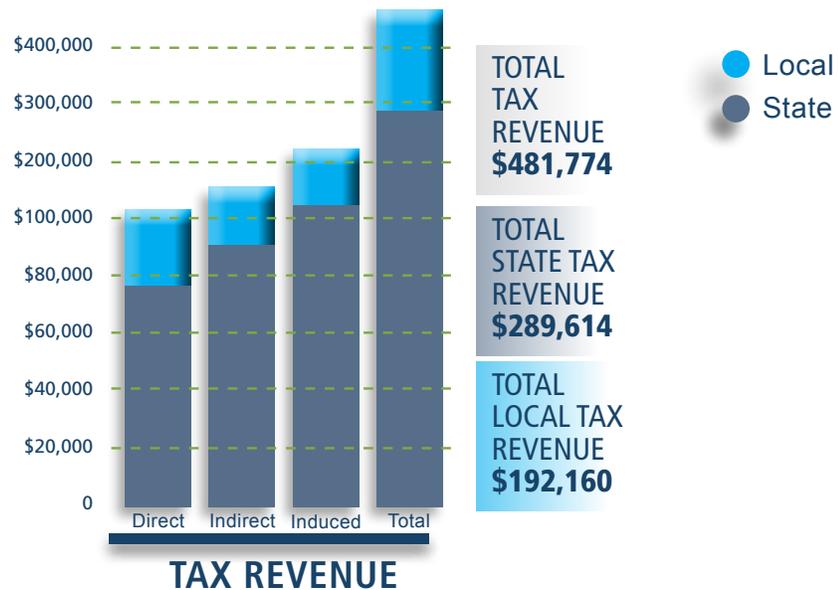
ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

PENNSYLVANIA 2010-2011

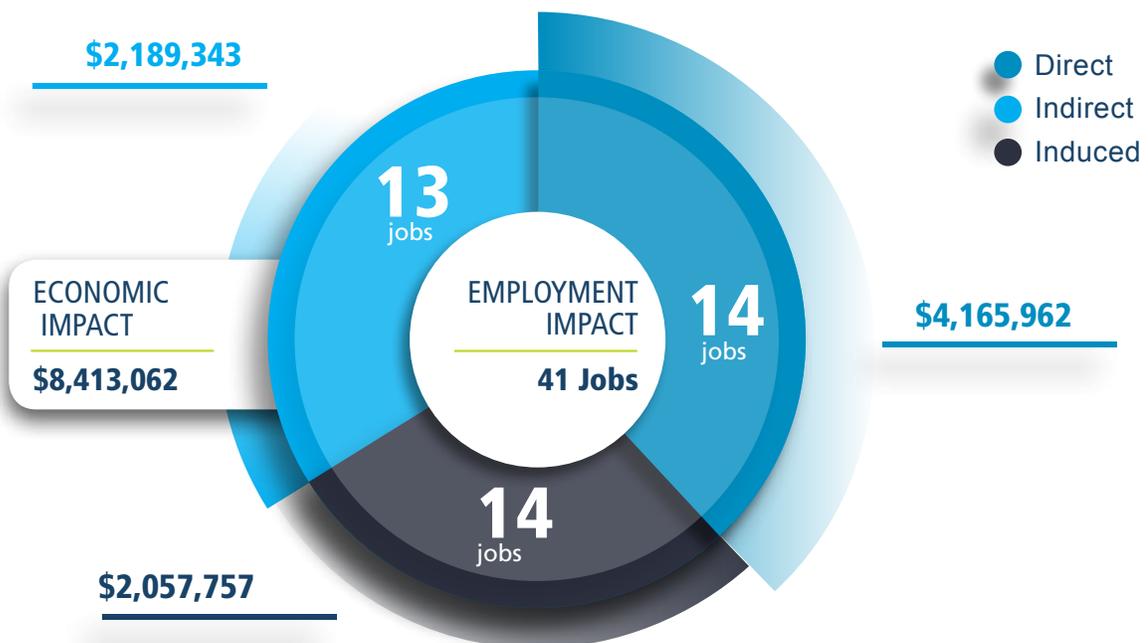
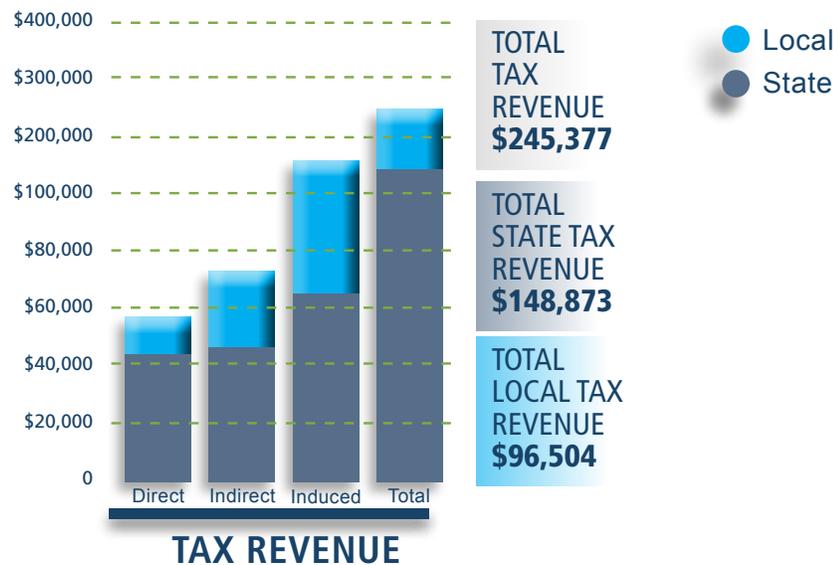
ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

PENNSYLVANIA 2009

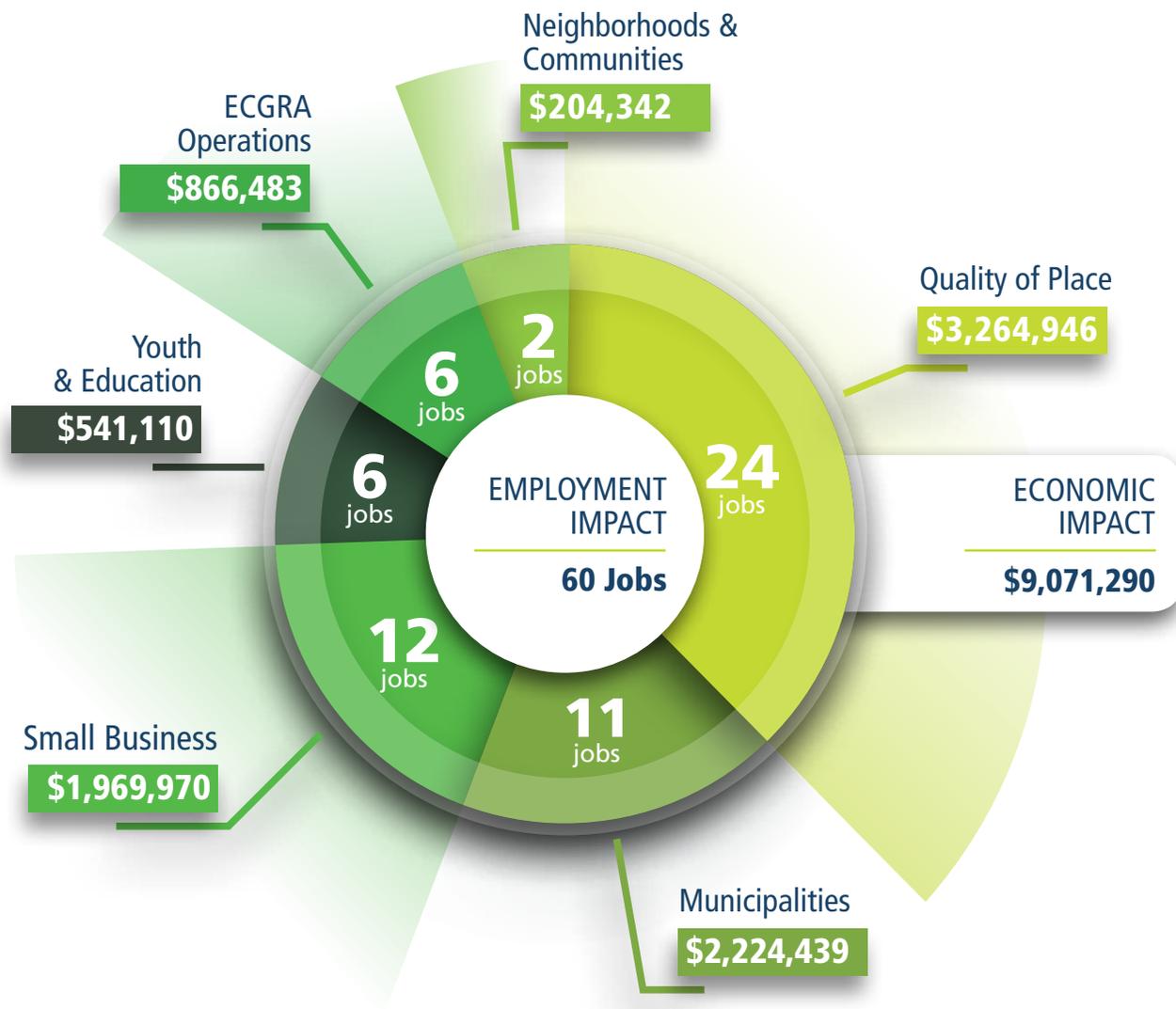
ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2015-2016

ECGRA Total Impact by Focus Area



Source: Parker Philips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2015-2016

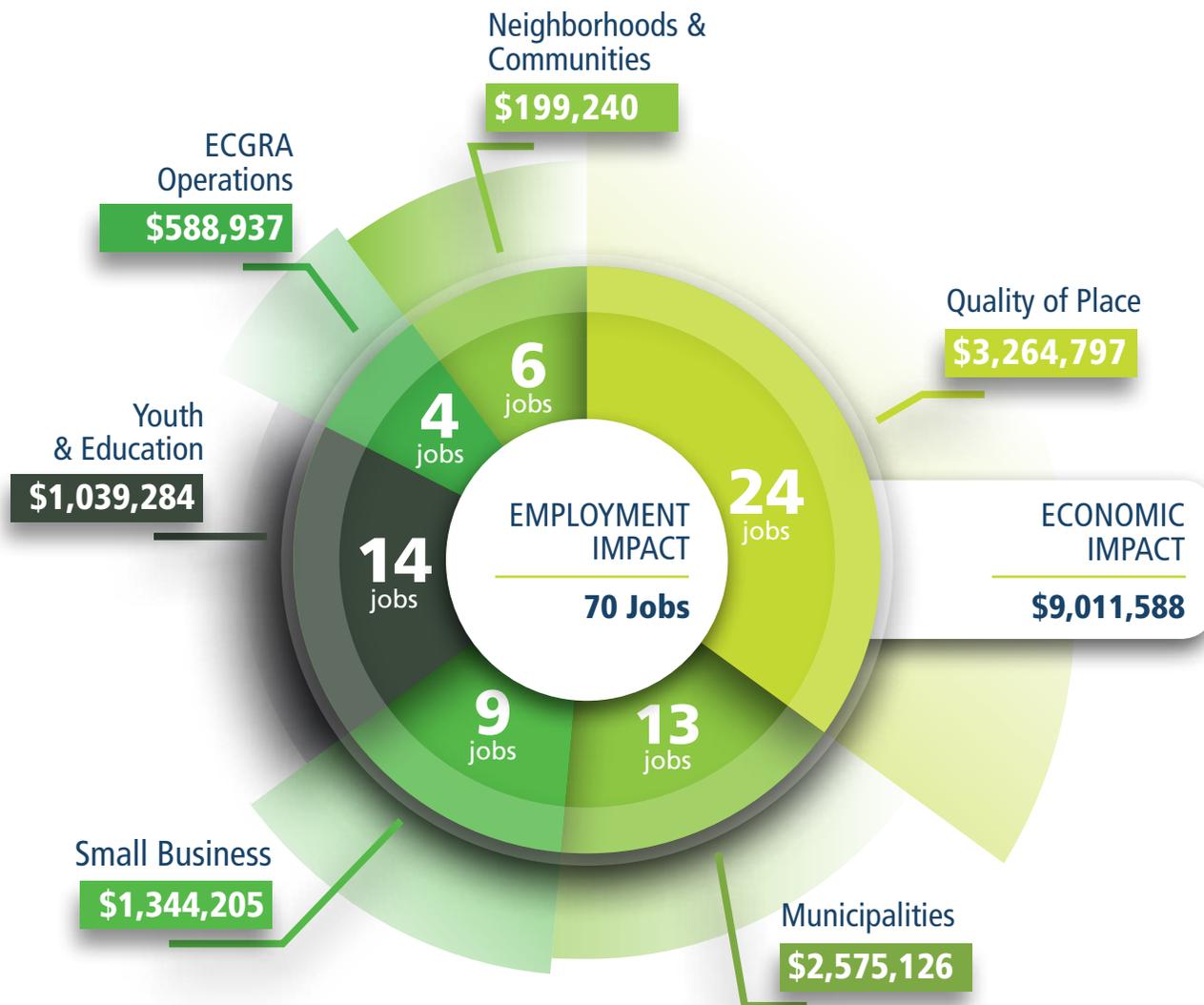
ECGRA Total Impact Breakout



Source: Parker Philips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2014-2015

ECGRA Total Impact by Focus Area



Source: Parker Philips using IMPLAN with data supplied by ECGRA

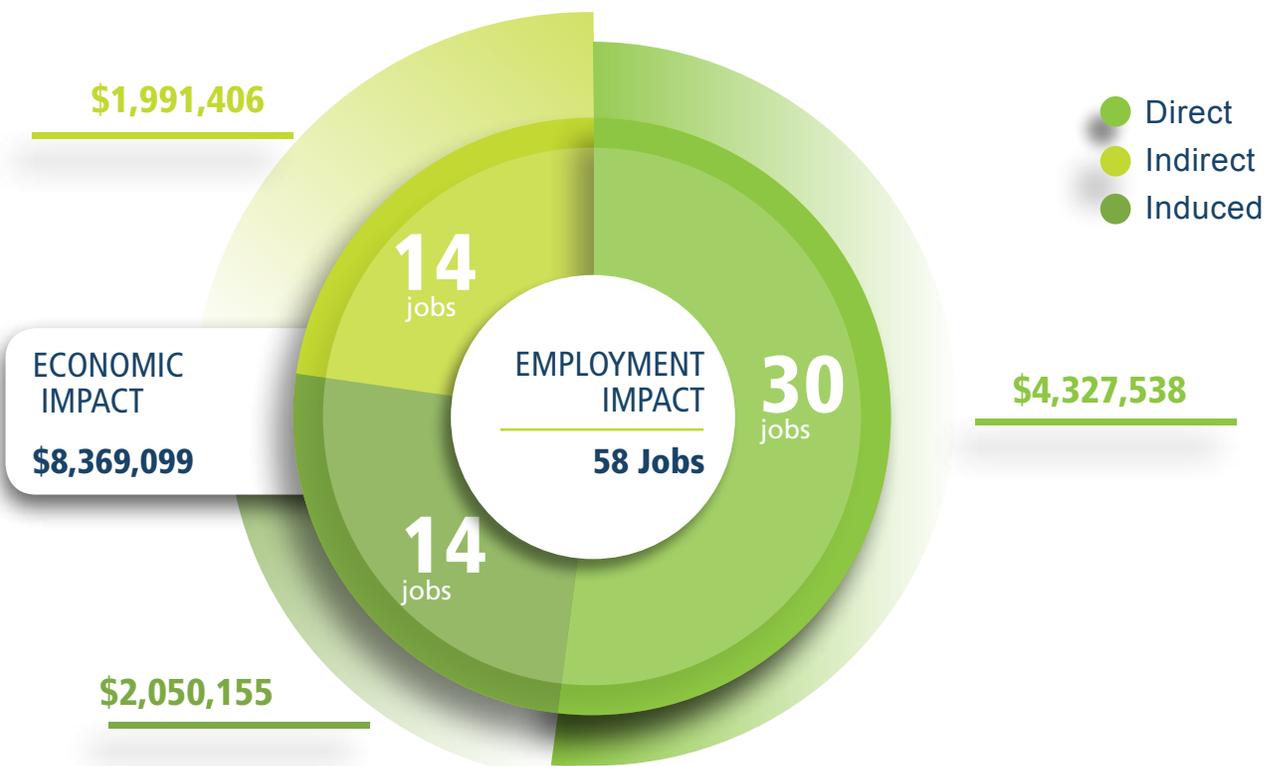
ERIE COUNTY 2014-2015

ECGRA Total Impact Breakout



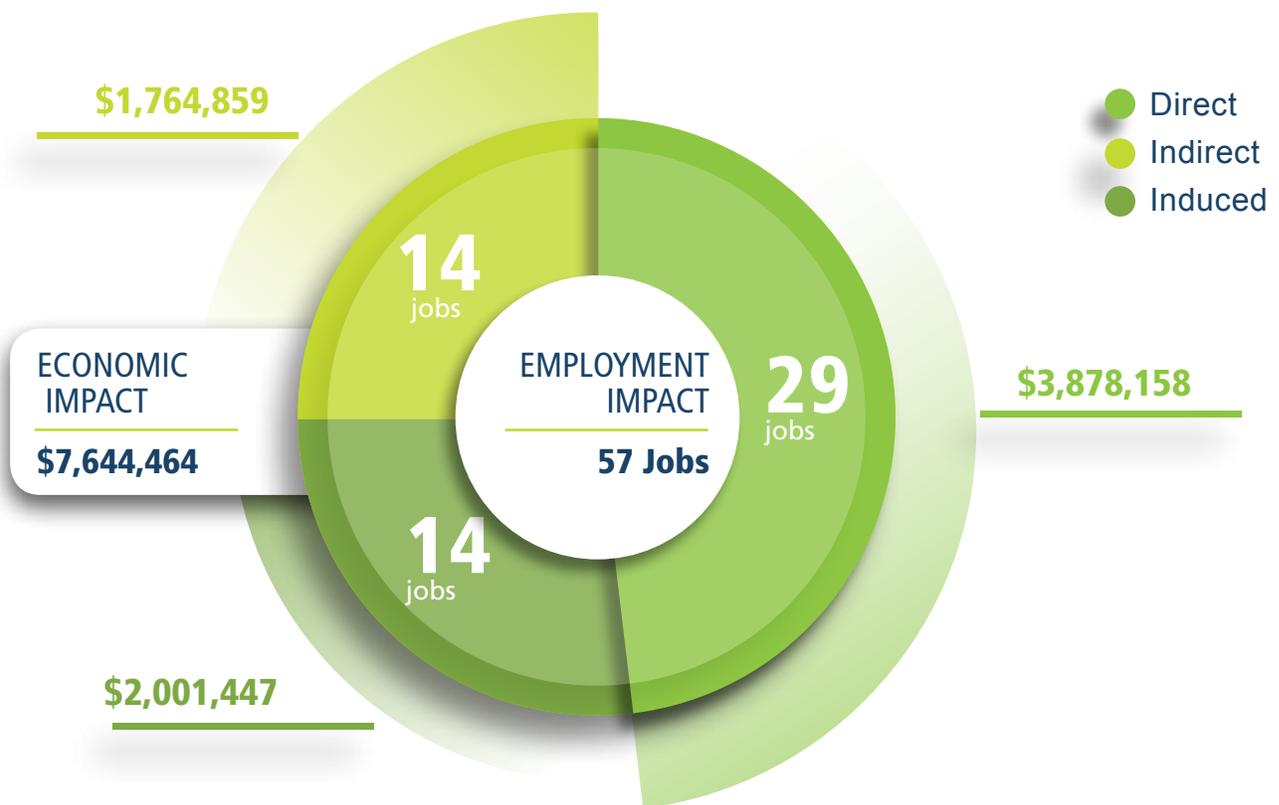
Source: Parker Philips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2013-2014 ECGRA Total Impact Breakout



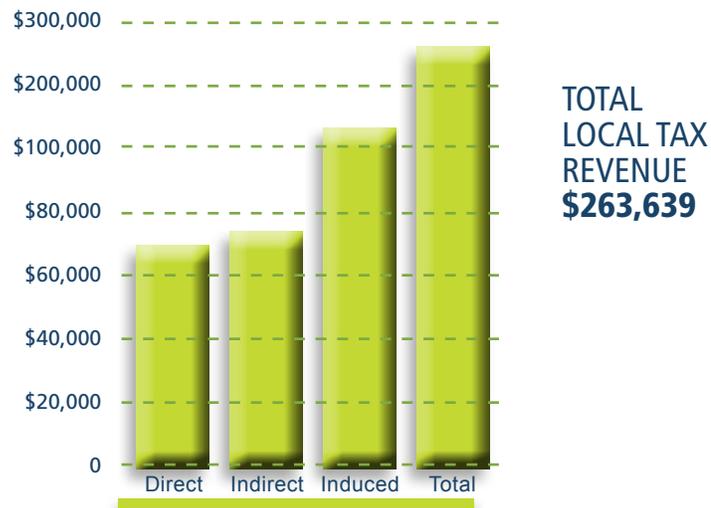
Source: Parker Philips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2012-2013 ECGRA Total Impact Breakout



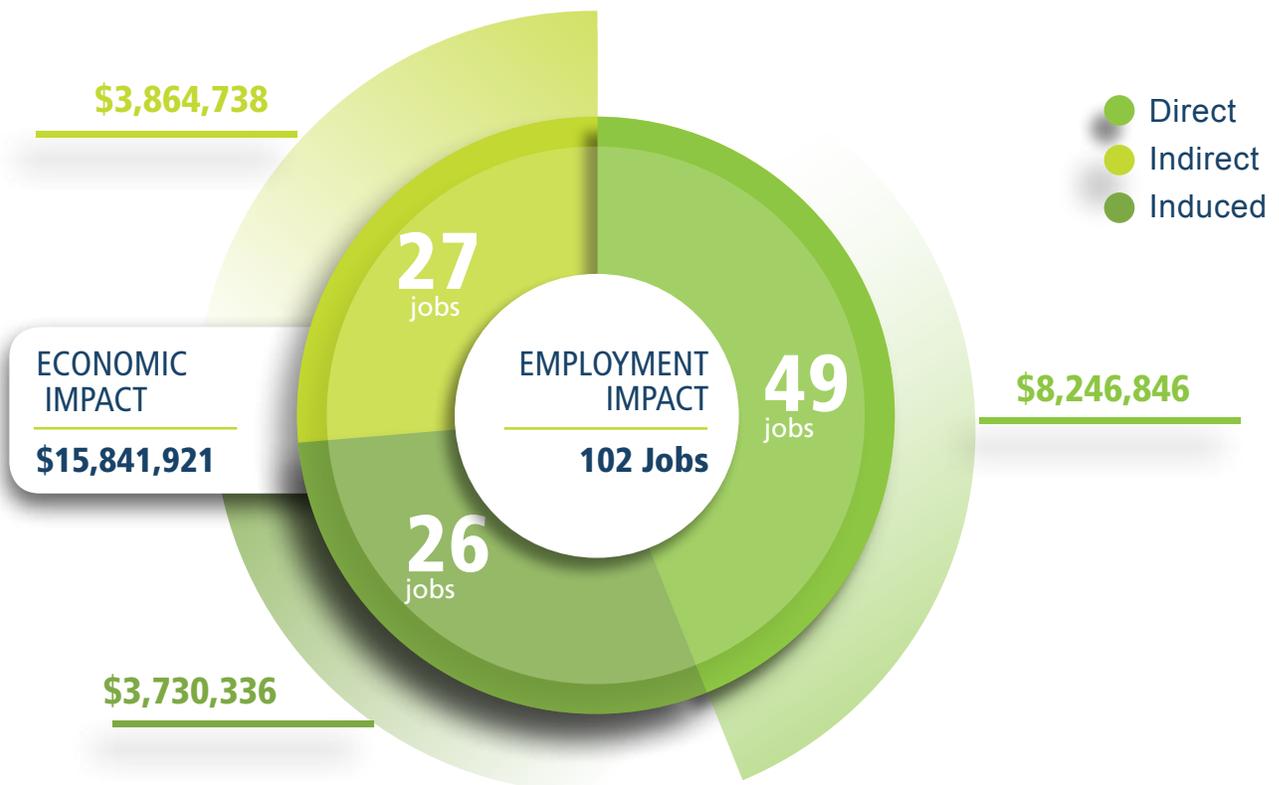
Source: Parker Phillips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2011-2012 ECGRA Total Impact Breakout



TOTAL
LOCAL TAX
REVENUE
\$263,639

TAX REVENUE



Source: Parker Philips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2010-2011

ECGRA Total Impact Breakout



Source: Parker Phillips using IMPLAN with data supplied by ECGRA

ERIE COUNTY 2009 ECGRA Total Impact Breakout



Source: Parker Phillips using IMPLAN with data supplied by ECGRA

2009-2016 CUMULATIVE IMPACT

2009-2016 Cumulative Economic Impact on Pennsylvania

	\$44,776,256	\$21,040,056	\$21,379,194	\$87,195,506
2015-16	\$5,840,620	\$2,689,148	\$2,809,344	\$11,339,112
2014-15	\$5,798,924	\$2,612,079	\$2,853,481	\$11,264,485
2013-14	\$5,409,422	\$2,489,258	\$2,562,694	\$10,461,374
2012-13	\$4,847,697	\$2,206,074	\$2,501,808	\$9,555,580
2011-12	\$10,308,558	\$4,830,923	\$4,662,921	\$19,802,401
2010-11	\$8,405,073	\$4,023,231	\$3,931,189	\$16,359,492
2009-10	\$4,165,962	\$2,189,343	\$2,057,757	\$8,413,062
	Direct	Indirect	Induced	Total

2009-2016 Cumulative State and Local Tax Impact on Pennsylvania

	\$885,380	\$809,140	\$1,186,712	\$2,881,231
2015-16	\$75,390	\$102,579	\$155,893	\$333,862
2014-15	\$77,107	\$100,937	\$158,357	\$336,401
2013-14	\$126,484	\$99,956	\$142,250	\$368,690
2012-13	\$238,634	\$93,344	\$139,040	\$471,017
2011-12	\$204,277	\$181,074	\$258,759	\$644,110
2010-11	\$106,465	\$157,072	\$218,237	\$481,774
2009-10	\$57,023	\$74,178	\$114,176	\$245,377
	Direct	Indirect	Induced	Total

2009-2016 Cumulative Economic Impact on Erie County

	\$35,821,005	\$16,832,045	\$17,103,356	\$69,756,405
2015-16	\$4,672,496	\$2,151,318	\$2,247,475	\$9,071,290
2014-15	\$4,639,139	\$2,089,663	\$2,282,786	\$9,011,588
2013-14	\$4,327,538	\$1,991,406	\$2,050,155	\$8,369,099
2012-13	\$3,878,158	\$1,764,859	\$2,001,447	\$7,644,464
2011-12	\$8,246,846	\$3,864,738	\$3,730,336	\$15,841,921
2010-11	\$6,724,058	\$3,218,585	\$3,144,951	\$13,087,594
2009-10	\$3,332,770	\$1,751,474	\$1,646,206	\$6,730,450
	Direct	Indirect	Induced	Total

2009-2016 Cumulative Local Tax Impact on Erie County

	\$307,307	\$344,200	\$528,004	\$1,179,510
2015-16	\$20,301	\$43,658	\$69,358	\$133,317
2014-15	\$21,058	\$42,979	\$70,455	\$134,492
2013-14	\$46,865	\$42,678	\$63,291	\$152,834
2012-13	\$104,612	\$40,083	\$61,870	\$206,564
2011-12	\$71,609	\$76,899	\$115,131	\$263,639
2010-11	\$28,127	\$66,932	\$97,101	\$192,160
2009-10	\$14,375	\$30,971	\$50,798	\$96,504
	Direct	Indirect	Induced	Total

Source: Parker Philips using IMPLAN with data supplied by ECGRA

APPENDIX C

ECGRA GRANT RECIPIENTS

CUMULATIVE FUNDS DISTRIBUTIONS THROUGH MARCH 31, 2016

Albion Area Fair Inc.	\$85,543.00
All About Character Inc.	\$85,000.00
ANNA Shelter	\$15,000.00
Asbury Woods Partnership Inc.	\$32,228.00
Bayfront East Side Taskforce	\$9,592.00
Bayfront Maritime Center	\$40,616.00
Bayfront NATO / MLK Center	\$13,630.00
Ben Franklin Technology Partners CNP	\$1,200,000.00
Benedictine Sisters of Erie	\$21,829.00
Bethany Outreach Center	\$3,500.00
Blended Spirits Ranch	\$10,000.00
Boro Women's Services	\$675.00
Borough of Wesleyville	\$16,186.00
Bosnian Islamic Community of Erie	\$10,000.00
Box of Light Studios	\$15,750.00
Boy Scouts of America -French Creek Council	\$22,000.50
Bradley H. Foulk Children's Advocacy Center of Erie County	\$10,000.00
Bridgeway Capital	\$1,100,000.00
Café	\$82,657.00
Commodore Perry Chapter of the Military Order of the Purple Heart	\$6,000.00
Community Health Net	\$19,000.00
Community of Caring	\$10,000.00
Community Shelter Services	\$10,455.52
Corry Area Historical Society	\$1,294.00
Corry Industrial Benefit Association	\$70,000.00
Corry Salvation Army	\$11,309.07
County of Erie	\$1,297,058.13
Crime Victim Center of Erie County	\$9,590.00
Dr. Gertrude A. Barber Foundation	\$40,677.00
Dafmark Dance Theater	\$900.00
Dan Rice Days (Girard Borough)	\$1,276.00
Downtown Edinboro Art & Music Festival	\$36,698.00
Downtown North East Inc.	\$53,950.00
Eagle's Nest Leadership Corporation	\$25,000.00
Early Connections	\$15,752.50
East Erie Suburban Recreation & Conservation Authority	\$22,550.00
Edinboro Area Historical Society	\$3,613.00

Edinboro Highland Games	\$21,936.00
Edinboro University Foundation	\$16,730.00
EnergyCare	\$30,000.00
Enterprise Development Fund	\$2,375,000.00
Erie Area Council of Governments	\$239,800.00
Erie Art Museum	\$390,022.83
Erie Arts Fest (Erie Summer Festival of the Arts)	\$7,611.00
Erie Arts & Culture	\$286,546.55
Erie City Mission	\$15,000.00
Erie Contemporary Ballet Theatre	\$4,567.00
Erie County CASA	\$8,522.00
Erie County Fair at Wattsburg	\$67,219.00
Erie County Historical Society	\$168,036.69
Erie County Lead Assets Endowment	\$10,200,791.18
Erie County Redevelopment Authority	\$25,600.00
Erie County Vietnam Veterans Memorial	\$19,998.00
Erie DAWN	\$10,000.00
Erie Downtown Partnership	\$64,628.00
Erie Homes for Children & Adults (EHCA)	\$21,575.00
Erie Opera Theatre	\$18,837.00
Erie Philharmonic	\$363,847.59
Erie Playhouse	\$367,490.21
Erie Regional Chamber & Growth Partnership	\$18,112.00
Erie Salvation Army	\$3,850.00
Erie-Western PA Port Authority	\$39,149.00
Erie Yesterday	\$28,940.00
Erie Zoological Society	\$832,183.76
Erie's Public Schools - Tech After Hours	\$200,000.00
expERIEence Children's Museum	\$126,336.26
Fairview Area Historical Society	\$1,861.00
Fairview Presbyterian Church	\$11,000.00
Fairview School Foundation	\$8,350.00
Flagship Niagara League	\$150,898.40
Fort LeBoeuf Historical Society	\$31,449.00
Fort LeBoeuf School District Foundation	\$10,655.00
Friends of the Tom Ridge Environmental Center	\$712.00
Gannon University	\$126,350.00
Gannon University: Erie Chamber Orchestra	\$33,996.00
Gannon University: SBDC	\$262,500.00
Gannondale	\$10,790.00
Girard School District Foundation	\$8,675.00
Goodell Gardens & Homestead	\$14,333.00

Greater Calvary Full Gospel Baptist Church	\$1,481.00	The Nonprofit Partnership	\$6,420.00
Greater Erie Area Habitat for Humanity	\$12,600.00	North East Community Fair Association	\$5,635.00
Greater Erie Community Action Committee	\$2,375.00	North East Historical Society	\$6,679.00
Greater Erie Youth Symphony Orchestra	\$15,000.00	Northwest Pennsylvania Area Health Education Center	\$15,000.00
Greene Township	\$1,297,058.13	Nurturing Hearts	\$20,000.00
Hamot Health Foundation	\$20,000.00	Opportunities Unlimited	\$15,000.00
Harbor Creek Little League	\$10,950.00	Orphan Angels Cat Sanctuary	\$5,000.00
Harborcreek Historical Society	\$3,198.00	Penn State, The Behrend College	\$775,000.00
Harborcreek Township	\$28,017.00	Pennsylvania Sea Grant	\$12,300.00
Harborcreek Youth Services	\$15,000.00	Performing Artists Collective Alliance (PACA)	\$8,487.00
Highmark Caring Place	\$2,250.00	Platea Borough	\$15,952.01
Holy Trinity Roman Catholic Church	\$17,572.00	Preservation Erie	\$35,254.00
Housing And Neighborhood Development Service (HANDS)	\$15,000.00	Presque Isle Partnership	\$107,928.00
Impact Corry	\$36,055.00	Primary Health Network - Sarah Reed Children's Center	\$100,000.00
Inter Church Ministries	\$3,950.00	Purple Martin Conservation Association	\$800.00
Iroquois School District Foundation	\$7,000.00	Russian Orthodox Church of the Nativity	\$5,415.00
JC Martin Golf Course	\$9,798.00	SafeNet	\$54,890.00
JFK Center	\$14,819.00	Saint Boniface Players	\$4,025.00
Jefferson Educational Society	\$229,343.00	Saint Joseph Church	\$10,061.00
Lake Erie Arboretum at Frontier (LEAF)	\$10,662.00	Saint Luke School	\$10,000.00
Lake Erie Ballet	\$14,302.00	Saint Patrick Church	\$24,163.00
Lake Erie Fanfare Inc.	\$71,225.00	Saint Paul Roman Catholic Church	\$6,532.00
Lake Erie Region Conservancy (LERC)	\$11,400.00	Sarah Reed Children's Center	\$15,000.00
Lake Shore Railway Historical Society	\$9,000.00	The Sight Center of Northwest Pennsylvania	\$7,500.00
Lawrence Park Township	\$10,182.00	Sisters of St. Joseph Neighborhood Network	\$64,525.00
LeBoeuf Little League	\$10,950.00	SNOOPS Neighborhood Association	\$32,640.00
LifeWorks Erie	\$6,600.00	Stairways Behavioral Health - Center City Arts	\$34,338.00
Maria House Project	\$10,000.00	StARTup Incubator, Inc.	\$9,972.39
McKean Borough	\$27,500.00	Summit Township	\$8,819,461.94
McKean Township	\$1,297,058.13	Sunshine Group of Erie	\$1,363.21
McLane Little League Association	\$7,760.00	Tickets for Kids Charities	\$10,000.00
Mead Park Association	\$23,970.00	Twilight Wish Foundation	\$5,000.00
Meals on Wheels	\$9,061.41	Union City Community House Association	\$41,500.00
Mercy Center for Women	\$13,488.00	Union City Family Support Center	\$9,275.00
Mercyhurst Institute for Arts & Culture	\$225,291.30	Union City Pride Inc.	\$3,276.00
Millcreek Township	\$1,949,705.13	The Upper Room	\$18,500.00
Miller Worldwide Ministries	\$372.00	Urban Erie Community Development Corporation	\$81,717.00
Mothers Against Teen Violence	\$8,000.00		
Multicultural Community Resource Center	\$8,800.00		
Multi-Cultural Health Evaluation Delivery System (MHEDS)	\$6,100.00		
My Father's House of Erie	\$10,000.00		

ECGRA GRANT RECIPIENTS cont.
THROUGH MARCH 31, 2016

Venango Training & Development Center, Inc.	\$228,250.00
Voices for Independence	\$13,813.00
WQLN	\$26,127.00
Washington Township	\$41,000.00
Waterford Borough	\$22,000.00
Waterford Community Fair Association	\$58,531.00
Waterford Township	\$1,297,058.13
Wattsburg Cemetery Association	\$8,400.00
Wayne Township	\$11,836.00
West Erie County Emergency Management Agency	\$15,400.00
Women's Care Center of Erie County, Inc.	\$10,000.00
YMCA of Erie	\$26,613.52
Young Artists Debut Orchestra	\$23,015.00
Young People's Chorus of Erie	\$43,982.00
TOTAL	\$38,760,756.49

APPENDIX D

Impacts by Category		Economic Impact	Jobs Supported 2009-2016	State and Local Tax Impact
	PA	\$16.0 million	105 jobs	\$527,740
	Erie County	\$12.8 million	84 jobs	\$422,192
	PA	\$7.6 million	50 jobs	\$252,076
	Erie County	\$6.1 million	40 jobs	\$201,661
	PA	\$31.5 million	207 jobs	\$1,040,426
	Erie County	\$25.2 million	166 jobs	\$832,341
	PA	\$1.9 million	13 jobs	\$64,303
	Erie County	\$1.6 million	10 jobs	\$51,442
	PA	\$23.1 million	152 jobs	\$764,930
	Erie County	\$18.5 million	122 jobs	\$611,944

APPENDIX E

The Atlantic

ERIE'S UNLIKELY BENEFACTOR: ITS CASINO

Legalized gambling is a familiar part of the modern American landscape. But an innovative scheme in a lakeside city in western Pennsylvania shows new possibilities for putting casino revenue to positive public use.



Downtown Erie Mark Fairstein

From the beginning, liberal democracies have faced this challenge: how to provide long-term resources for public benefit, in political systems that are always oriented toward the next election and by “what’s in it for me?”

FDR came up with his own solution during the Depression, with his belated discovery of the power of large-scale infrastructure spending. In almost every one of the dozens of cities Deb and I have visited, we’ve found libraries, post offices, overpasses, parks with little plaques showing a construction date in the mid-1930s and the message, “Built by the WPA.” (You can find a fabulous archive of remaining WPA projects at UC Berkeley’s “Living New Deal” site.)



The people, organizations, and ideas reshaping the country.
A journey piloted by James Fallows with Deborah Fallows.
[Read more](#)

The post-World War II California of my youth, under Governor Pat Brown, could draw on the always-growing revenues from its always-expanding economy to fund its new universities, parks, and freeways. Then as its economy slowed in the mid-1970s the state tragically hamstrung itself by passing Proposition 13, moving its public schools from among-the-best-funded to among-the-worst-funded in the country. On the national scale, I frequently think of the book *A Country Made by War*, by Geoffrey Perret, which argues that the United States has often leaned on the excuse of “national defense” to do what would be considered “industrial policy” or “long-term economic development” anyplace else. America’s aerospace dominance was fostered by the military; its Interstate Highways were built under the same rationale; so too with early semiconductor and internet research.

As we’ve visited cities around the country, we’ve noted a wide range of variations for better and worse in responses to the challenge of investing for the public good. San Bernardino, California, has much more than its share of “normal” economic

woes, which have been worsened by a bizarre city charter that makes it very hard for the city to pay its way. (That charter is at long last now under reconsideration.) Pittsburgh has gone through its long heavy-industrial decline and tech-driven renewal, but it would have been in far worse shape without the concentration of industrial-area philanthropies—Heinz, Mellon, Frick—still involved there. Detroit has outsized challenges but is also the focus of unusual national attention from governmental, charitable, and civic-action groups. Dodge City, Kansas, as we’ve outlined before and will explain in more detail soon, found an inventive way, through its “Why Not Dodge?” campaign, to create a permanent war-chest for civic investments and improvements. Allentown, Pennsylvania, engineered a state tax-refund program that has been a (mainly) effective for redevelopment of its downtown.

And now comes Erie, where a big surprise on our recent visit was the role of something called ECGRA.



The famed Presque Isle state park, reaching out from the city of Erie into the great lake of the same name. (ECGRA)

The acronym ECGRA, usually spoken as “eggrah” rather than spelled out, stands for Erie County Gaming Revenue Authority; its site is here. It exists because in 2004 Pennsylvania decided to authorize casinos and revive its horse-racing industry. Now the state has more than a dozen casinos, some stand-alone and some combined with resorts or race tracks. Erie’s Presque Isle Downs and Casino, which is named for the peninsular state park that juts out into Lake Erie but which is located off the Interstate just south of town, is a combined race track/casino. It has been open for about eight years.

For better or worse, nearly all states now allow casinos. (The two staunchest anti-gambling hold-outs are Utah and Hawaii, which don’t even allow lotteries. A few other states and jurisdictions, including Washington D.C., permit lotteries but not other forms of “gaming” businesses. Most everywhere else, place your bets!) Across the country we’ve seen the variety of ways in which the flow of resulting revenues is controlled. Some money goes to moguls: the Adelsons, Wynn’s, Trumps. Some, to the tribal authorities that run casinos in many states. Some, straight to state or county authorities, as in the unusual State of Kansas-owned Boot Hill Casino we saw in Dodge City. Virtually all lottery and casino schemes devote at least some of their money to schools or some other public-benefit purpose.

What is notable in Erie’s case is the way the community has decided to use its share of the casino revenues. It’s different from what we’ve seen any place else, and I think it deserves attention.

The short version of a complex story is that 1 percent of the Presque Isle complex’s total revenues come back to Erie County; half of that goes to retire bonds for airport expansion and other big-infrastructure projects; and the other half, totaling roughly \$5 million per year, goes through ECGRA for use toward the general goal of regional economic development. This share was about \$1 million a year higher until neighboring Ohio opened casinos recently and drew off some of Presque Isle’s traffic. Thanks, Kasich!

The system ECGRA has evolved might look unfamiliar to many gaming-revenue authorities, but it would be immediately recognizable to many of the economic-development and civic-rebuilding strategists we’ve seen in places from Fresno and Riverside in California, to Bend, Oregon, to Greenville, South Carolina. That is, Erie has matched a familiar source of money (gambling) with a widespread civic goal (economic and technical renewal), in a novel and apparently successful way.

“The structure of our gaming-revenue commission is unique, in having the flexibility to use the money for economic development,” Perry Wood, who grew up not far from Erie in the town of Franklin and has been ECGRA’s director for the past five years, told us at his office in Erie on our first day in town. “We’re asking ourselves, What can we do to shape the future of this community? What can we do to make it more attractive to young people? What will make Erie a more vital community?” After a while in Erie we began to recognize the work that terms like vital and future and attracting young people play in the discourse by Wood and his age-30-something contemporaries in Erie. At first glance, as I suggested here, Erie seems to illustrate just the opposite. The population has long been shrinking; many of the factories look shuttered and closed; the historic downtown is in obvious “pre”- rather than “post”-rebirth stage (as discussed here); and compared with the rest of the country and even the state, its people are on average old and poor.



Perry Wood, ECGRA director since 2011. (ECGRA)

From the beginning, liberal democracies have faced this challenge: how to provide long-term resources for public benefit, in political systems that are always oriented toward the next election and by “what’s in it for me?”

FDR came up with his own solution during the Depression, with his belated discovery of the power of large-scale infrastructure spending. In almost every one of the dozens of cities Deb and I have visited, we’ve found libraries, post offices, overpasses, parks with little plaques showing a construction date in the mid-1930s and the message, “Built by the WPA.” (You can find a fabulous archive of remaining WPA projects at UC Berkeley’s “Living New Deal” site.)

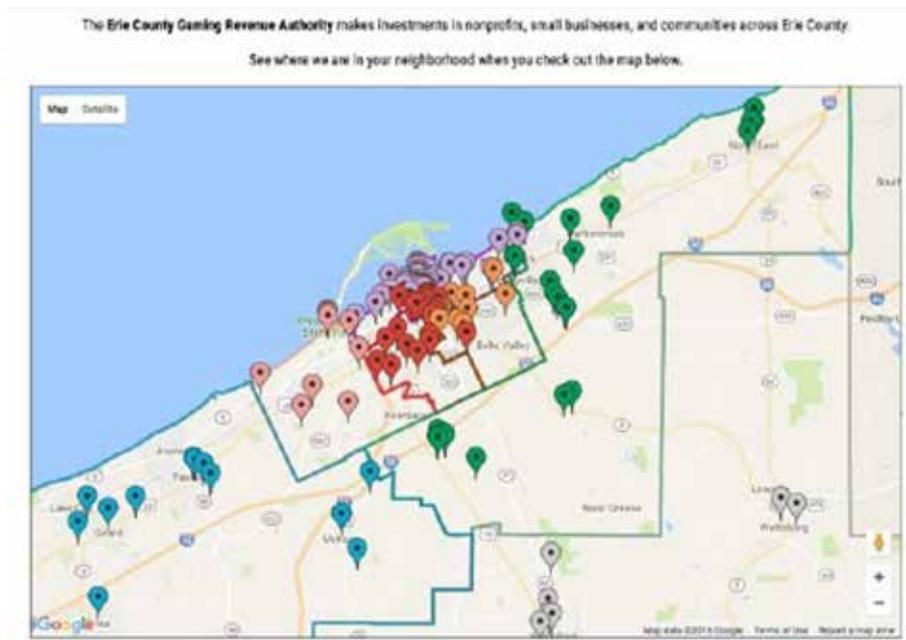


Erie students in one of the tutoring and college-search assistance programs that ECGRA supports, via the GO College initiative. (ECGRA)

That’s why it was so impressive to find a group of next-generation Erieites—those who never expected to get a lifetime job at the giant GE locomotive plant and therefore aren’t devastated as GE keeps shifting those jobs to Texas, those who look at the inexpensive real estate and still-present manufacturing infrastructure and see possibilities opening rather than closing—who think they can make this the next hot, successful city. The Erie Reader, a successful print publication (in the model of Seven Days in Burlington, which I wrote about three years ago), publishes an annual “40 Under 40” index of young business, cultural, and civic figures who have chosen to make something happen here.

As a community-journalism conceit this too is familiar. But I bet if you were driving past Erie on the interstate, and perhaps remembering Donald Trump’s recent appearance there to lament its lost glory days and tell his crowd that things were terrible in Erie as they were in the country as a whole, you would not imagine how strong a network of hopeful-seeming younger people was there. We’ve reported on similar trends in the also-hard-pressed San Bernardino; in Charleston, West Virginia; among the aspiring artistes of Fresno; and of course in the “Golden Triangle” of Mississippi. Around the country, the tension between trends that are objectively bad—economic, political, cultural—and the people trying to respond has been a continuing surprise of our reporting.

What does this mean, in specific, for ECGRA? You can read the organization’s latest annual report here, and see their history here, which includes official descriptions of their five focus areas. It describes them as: Quality of Place, efforts generally related to the national “place making” movement; Municipalities, improving cooperation among the crazy-quilt of public authorities that vex governance across Pennsylvania and that have overlapping impacts in the Erie area; Youth & Education, dealing with the unique structural-funding crisis for the city of Erie’s public schools (about which more in a later dispatch); Small Business, a kind of tech startup program; and Neighborhoods & Communities, for civic engagement of various sorts.



ECGRA's online map of its civic-improvement grants. (ECGRA)

In specific, according to Perry Wood, this includes projects like:

- “Ignite Erie,” an across-the-board tech-startup initiative designed to connect universities, technical colleges, entrepreneurs, and financiers to foster new businesses in the inner-city areas. This is a sort of collaboration we have seen succeed in many other areas.
- “Tech After Hours,” which allows displaced workers, adults, and others to use school-system facilities after the regular school day, for training as welders, machinists, builders, and other high-wage skilled trades.
- A youth summer-jobs program, which this year hired some 170 people from ages 16 to 19 in construction and landscaping jobs “that give them both an income and some ‘soft-skills’ training,” Wood said.

ECGRA’s web site is quite comprehensively detailed, so you can learn about the range of other programs there. But the nitty-gritty of its operations, which I’ve only begun to learn about, are not really my subject or the reason I mention ECGRA.

Instead my points for now involve creativity, and appearances.



In the GO College program, Gannon University prepares students from Erie’s public Strong Vincent and East high schools for post-secondary institutions and military specialties. (ECGRA)

Creativity, in that a place rarely studied as a national trends-setter has devised a novel way of matching a phenomenon of this era (casinos) with a need of the era (recovery in sites of old-industrial decline).

And appearances, in the surprising complexity and energy happening just out of view.

“You probably saw all those closed-looking factories along 12th Street, on your way here,” Wood told us when we first met him, after our drive from the Tom Ridge Airport. (Ridge, former governor and Homeland Security secretary, is a local.) “We sure did,” I said. “It looks bad.”

We’d walked into Wood’s trap: “What you don’t know is that behind nearly every one of those facades that look closed, there is some kind of machine that is humming or forklift being operated. There is essentially no available industrial space on that corridor.”

I asked him what the guiding “myth” of the Erie area was—how people there think of themselves.

“We are hardy people, and we make stuff. We’ve exported our products around the world. Unfortunately, we’ve also exported talented young people, and that is what we believe we can change.”

One more note on perspective: After an item last month on people working to reverse Erie's fortunes, I got into a polite-but-sharp Twitter exchange initiated by Chris Arnade. Arnade is a decades-long Wall Street trader, originally trained as a physicist, who in 2012 left Wall Street to see cities like the ones Deb and I have visited. In a series of photos, he has starkly documented the people most cruelly harmed, left behind, and broken by the technological dislocations, rich-vs-poor extremes, and new waves of drug-addiction during this Second Gilded Age.

Why, he asked, did he see and highlight what he did in his towns, and I saw and highlighted what I did? The real answer, I expect, is that both of us see the range from promise to despair—and also believe that recognizing the full extent of that range is important for facing the reality of our times. During the Great Depression, it mattered that Dorothea Lange, Walker Evans, and others gave unforgettable human faces to the suffering across the country. It also mattered that people were figuring out which parts of the WPA or the CCC were making a difference and how they could be expanded.

Today it matters that people like Arnade are documenting the human stakes of ongoing modern injustices. It also matters that today's Americans understand the efforts of people working toward greater justice and opportunity—and where and how they are making progress. All parts of today's contradictory realities matter; Deb and I are chronicling aspects we feel are much less well-known than they should be. The sources of despair, and of hope, are both important elements in the story of our times.



ABOUT THE AUTHOR

James Fallows is a national correspondent for The Atlantic and has written for the magazine since the late 1970s. He has reported extensively from outside the United States and once worked as President Carter's chief speechwriter. His latest book is *China Airborne*.

<http://www.theatlantic.com/national/archive/2016/09/eries-unlikely-benefactor-its-casino/499271/>



THE AVENUE ERIE'S RUST BELT ACTIVISM

Mark Muro - Thursday, September 15, 2016

America's advanced industries—the 50 critical manufacturing, energy, and service industries that invest most in R&D and STEM (science, technology, engineering, and mathematics) workers—continue to provide an economic lift in many American regions.

No less than 23 of the largest 100 metropolitan areas across the country—led by Nashville, Tennessee, and Kansas City, Missouri—saw employment in this well-paying sector expand by at least 4 percent a year in the last two years, according to the Metro Program's recent update.

Overall nearly half (47) of the nation's larger metro areas increased the share of their workers engaged in these highly productive industries that are prerequisites for inclusive growth, which is a good thing—it means that nearly half of the nation's large metros are making progress towards deep, durable advanced prosperity.

And yet, what about the other places? What about Erie, Pennsylvania, for example? Erie is one of the several hundred large and small American metros for whom the data is not now trending in a particularly promising direction.

Encamped at the state's far northwest corner by its eponymous lake, Erie was once a manufacturing juggernaut, but has seen steady manufacturing and population declines since 1960.

In 1980, some 45,000 manufacturing jobs accounted for 40 percent of the region's private employment, figures that have now dwindled to 26,000 jobs and 20 percent of employment. These recent numbers reflect a modest rebound since the recession, but in the last two years the numbers have been discouraging. Following the post-crisis recovery, the metro has shed nearly two percent of its advanced-industries employment, including hundreds of jobs in the gigantic GE Transportation factory just east of town, which makes high-tech locomotives and related equipment. The plant grew in the immediate recovery years but recently laid off 1,500 workers and will probably lay off more.

In short, Erie is one of the scores of Rust Belt metropolitan areas in which advanced-sector growth is now trailing the growth of the rest of the economy—meaning that lower-value, lower-pay activities are gaining sway. Erie is a place that poses the nagging question: What can a place that has fallen behind do about that?

Yet here Erie's answers are thoughtful, active, optimistic, and experimental. Faced with tough realities, an energetic circle of younger leaders has been working intently to change those realities, with a focus on the region's advanced industries.

Over the last few years, the local Jefferson Educational Society has invited numerous national experts on cities and city economies to Erie to provide advice. (Last year the list included Brookings Centennial Scholar Bruce Katz and myself). Likewise, the Society published a detailed paper of its own, drilling down on the region's 27 advanced industries with data supplied by Brookings. Through such investigation and other inquiries, the region has worked to understand its current situation and develop a data-informed, authentic strategy for strengthening the Erie economy by expanding its advanced industries, in keeping with its manufacturing past. The region's younger civic and business leaders have militantly bought into the need to bolster the fundamental inputs to advanced-sector growth by strengthening the metro's innovation capacity, its STEM skills, and its "ecosystem" dynamics.

Nor has the region's civic leadership been content to simply strengthen innovation, skills, and the ecosystem. Urgent and activist, Erie leaders are trying a lot of stuff. They want to be "actors in their own drama, rather than just being acted-upon," as The Atlantic's James Fallows remarked in a post after a recent visit.

On the innovation front, Penn State Behrend—the local four-year campus in the Penn State system—has launched a series of initiatives aimed at stimulating collaborative technology commercialization with a focus on speeding Erie's transition from commodity manufacturing to advanced manufacturing. Having earlier co-located the campus' schools of business and engineering under one roof, the school has embraced an "open laboratory" philosophy aimed at catalyzing constant collaborations between students and faculty, on the one hand, and business-and-industry engineers and technicians, on the other. Then, in July, the college held the grand opening of its new Advanced Manufacturing and Innovation Center, a \$16.5-million applied tech hub that will seek to eliminate barriers between academic and industry partners who want to collaborate on technology development projects in Erie. All of this ties into the region's comprehensive tech-startup initiative Ignite Erie, which links the region's universities, entrepreneurs, and finance people in a push to spawn new enterprises in the city. Explains Chancellor Ralph Ford: "Innovation most often occurs where people and ideas intersect. By co-locating students, faculty members, and industry partners in shared space, with access to the region's most advanced technology, we are removing many of the obstacles that can limit the development or refinement of products."

Turning to STEM skills, the region's energetic Erie County Gaming Revenue Authority—an interesting philanthropic story in its own right—has been flooding the zone with grants instigating or supporting technical education and training of all sorts (along with regional economic development). ECGRA funding is helping expand the region's new STEM Works program, which incorporates STEM lessons into existing public-school curricula. What focused last school year on Grades 3, 4, and 6 will now go K-12-wide. Moreover, the initiative will include a "STEM Academy" approach for select 10th- through 12th-graders. The academy will feed into local advanced-manufacturing jobs. Likewise, the agency has purchased 3-D printers, laser cutters, and metal-cutting machines for every high school in Erie County. These will support a locally developed

"maker space" curriculum. Similarly, the City of Erie School District's Central Tech High School has embraced the value of vocational education. Through hands-on projects designed to foster practical problem-solving, students are immersed in diverse environments that mimic a range of manufacturing plants.

And finally, the region's young civic leaders have ardently embraced the power of regional ecosystems and have sought to foster a spirit of networked, place-based high-tech entrepreneurship. With the old order of vertically integrated, "closed" shops declining, Penn State Behrend, Mercyhurst University, the Jefferson Society, and ECGRA have taken a series of steps to catalyze and foster "open," networked business development. Last year Penn State and Mercyhurst matched a \$750,000 ECGRA grant to support open and inclusive business acceleration. This May, ECGRA and Bridgeway Capital (a nonprofit community-development financial institution) partnered to make available \$5 million in entrepreneurship and growth loans for manufacturing firms and small businesses in Erie County. And just last month, a successful local entrepreneur named Joel Deuterman announced he was moving his IT-solutions company, Velocity Network, to a now-vacant building downtown and that he would be investing in restaurants, cafes, streetscape improvements, and a co-work space for tech startups in the area to make downtown more attractive for working and living. Regardless of how it all turns out, the move is another example of action rather than drift.

Ultimately, Erie is working to answer the question, "What about the other places?," not with a definitive result but with a hopeful, activist perspective. It has a vision and is trying stuff. As Fallows writes: "Being active, rather than passive, is one working definition of today's American Idea."

The Jefferson Educational Society and the Erie County Gaming Revenue Authority have provided support in the past to the Metropolitan Policy Program as members of its Metropolitan Council, a network of business, civic, and philanthropic leaders that acts as a financial and intellectual partner of the program.



ABOUT THE AUTHOR

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