

Northeast Pennsylvania WIRED Initiative (Wall Street West)

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Focus: Wall Street West is a not-for-profit partnership of more than two dozen local, regional and statewide economic development agencies, technology investment groups, workforce development organizations, educational and research institutions and experts from the private sector.

The current local financial services and insurance industry cluster includes the core segments of insurance, banking and securities and investments already operating in the Northeast Region of Pennsylvania. The Wall Street West Initiative is focused on bringing additional headquarters, back office/shared services, customer service, sales centers, software development and data centers to the Northeast region of Pennsylvania. Wall Street West will provide local support services for the financial services industry. These services will include:

- Software development
- Disaster recovery/business continuity
- Records management and electronic imaging
- Data center services
- Tax, audit and advisory services

Geographic Area Served: The northeastern Pennsylvania region is a nine-county area with a combined population in excess of 1.7 million, spread over approximately 5,189 square miles. There are five different Workforce Development Boards operating in the region. It is home to 27 colleges and numerous corporations including Bank of America, Wachovia Bank, Guardian Life Insurance Company of America and Sovereign Bancorp. More than 25,000 residents are employed within the financial services and insurance industries in northeastern Pennsylvania. The nine counties included are: Wayne, Lackawanna, Pike, Monroe, Northampton, Lehigh, Carbon, Luzerne, and Berks County.

Participant Age Level: Career Development programs have been designed for students beginning in kindergarten through grades 12 in order to create a pipeline of qualified workers for financial services occupations. Many students are enrolled in specific preparation programs in high school programs as well as post secondary programs. The majority of the initiative works with adults who are employed, seeking employment or managing organizations related to the Wall Street West initiatives.

Funding Sources: The Wall Street West group secured a \$15 million Workforce Innovation in Regional Economic Development (WIRED) grant from the U.S. Department of Labor in 2006 to help fund its effort to attract New York City-based financial institutions to establish their back-up and back-room operations in the region. Partners bring lots of additional funding through the numerous efforts that are focused on the initiative.

Key Services Abstract: Historically, Northeast Pennsylvania was an economy driven by coal and steel. Over the last several years, however, this region has completed several important research and planning activities necessary to transform its economy to become a region that serves as secondary operations, financial institutions - also known as Wall Street West.

Northeast Pennsylvania is focusing on five facets of transformation:

1. **Connectivity: Building the Infrastructure** - In order to meet the telecommunications needs for Wall Street West, private and public sector resources are united to build the broadband network between Northeast Pennsylvania and New York City.
2. **Creating the Talent Pool** - Wall Street West utilizes a variety of education and training programs to:
 - Create industry specified curriculum;
 - Retrain within the region's the large population of dislocated workers,
 - Create career ladders and current worker training to help workers advance;
 - Build a pipeline of workers through high school programs;
 - Increase the numbers of students engaged and completing post-secondary education; and
 - Creating internships for high school and college students.
3. **An Innovation Environment** -Through expansion of Keystone Innovation Zones and University partnerships with community-based organizations, Wall Street West continues to build a regional environment that supports technology transfer, research partnerships and entrepreneurial activity.
4. **Strategic Investment** - By increasing the coordination of existing economic development and investment programs, Wall Street West utilizes targeted investment in business expansion, attraction and start-ups, along with technology development in the financial services sector to enhance the region.

Stronger Regional Partnerships - In order to sustain momentum, Wall Street West builds on the existing Northeast Pennsylvania Telecom Working Group to strengthen partnerships and ongoing strategic collaboration between workforce investment organizations, education and economic development partners.

Summary of Key Benefits and Results: Wall Street West is focusing on relocating key financial services businesses from the Wall Street area in New York. They focus on providing incentives to help recruit businesses to the region. The Commonwealth of Pennsylvania's Department of Community and Economic Development offers a variety of incentives depending on certain qualifications of the company and the location selected for their operations. Examples of available incentives include:

Customized Job Training

Grants available for up to 75% of the cost for training newly hired employees that includes the cost of instruction, supplies and materials, contracted services and related travel.

Job Training Tax Credits

Tax credits for creating new jobs for approved businesses. A \$1,000 per job tax credit is used to offset various business tax liabilities. Business must create 1 job per \$1,000 within 3 years. 25% of the tax credits allocated each year must go to businesses with less than 100 employees. Tax credits may not be used by a business until the jobs are actually created.

Workforce and Economic Development Network of Pennsylvania (WednetPA)

Provide funds for a wide range of basic and high-tech training for qualified companies.

Opportunity Grant Program (OGP)

Funds available to support new jobs that offer significant economic impact and include:

- Machinery and equipment
- Working capital
- Job Training
- Infrastructure
- Land and building improvements
- Acquisition of land and buildings
- Site preparation

Keystone Opportunity Zones (KOZ)

For operations located in designated KOZ locations, the following taxes are reduced nearly to zero:

State Level

- Corporate Net Income tax
- Capital Stock and Foreign Franchise tax
- Personal Income tax
- Sales and Use tax (for purchases consumed by the business located in the Zone)
- Mutual Thrift Institution tax
- Bank and Trust Company Shares tax
- Insurance Premiums tax

Local Level

- Earned Income/Net Profits tax
- Business Gross Receipts, Business Occupancy, Business Privilege and Mercantile tax
- Sales and Use tax (city/county portion for purchases consumed by the business located in the Zone)
- Property tax

Lessons Learned: Wall Street West wouldn't be possible without the support of the numerous public and private partners. The work toward a regional economic development has brought many partners together through a shared strategic planned initiative.

Though more than 2,000 students at the area's 21 colleges and universities are pursuing degrees relevant to the financial services industry, in 2007, Wall Street West conducted a Gap Analysis to identify gaps between the available workforce and needs of the financial services industry. According to the report, which can be accessed as shown below, the region, like many regions across the country, has room for improvement.

<http://www.wallstreetwest.org/assets/base/pdfs/WSW-MSB-GapAnalysis.pdf> As such, Wall Street West has developed several programs, including the Innovation Investments and Workforce Investment programs, to address these gaps and ensure essential education and training are in place for Pennsylvania workers and students. For additional information on the Gap Analysis or these funding programs, please contact Susan Shaffer at sshaffer@wallstreetwest.org.

A number of education partnerships have been developed to focus on generating the pipeline of students essential to staff the businesses operating and coming to the Northeast Region of Pennsylvania known as Wall Street West. Northeastern Pennsylvania has the resources in place to ensure the workforce receives the best possible training. In addition to the 49,000 students currently attending the 21 area colleges and universities, programs are offered to advance the connectivity

among business/industry, education, and workforce and economic development stakeholders to people at all stages of their education and career. The following is a sampling of regional programs available in Northeastern Pennsylvania:

Northeastern PA Tech Prep Consortium - A consortium of schools, colleges and industry members working together to help students and parents better understand career opportunities available in the region and helps schools develop training programs that prepare students for highly technical careers. Offers a Leadership Academy, for 11th grade students at a college campus that focuses on teamwork, critical thinking, problem solving and customer service.

Berks Business Education Coalition - Coordinates the resources of the business community in partnership with the education community, toward selective initiatives that will improve student competency. The coalition developed a Career Pathways model to help students explore and make career choices. Additionally, they partner with Project 720 high schools to infuse the Career Pathways into the strategic plan of each school.

Luzerne County Business & Education Partnership - A program designed to develop a cohesive, comprehensive and viable school-to-work system to enhance the career and decision-making skills of all students within Luzerne County. The partnership created the Luzerne County Academic Assessment Tracking System (LUCAATS) linking students to higher education, community agencies, volunteer opportunities and career/employment information. In conjunction with the Greater Wilkes-Barre Chamber, they also produced a Guide to Business Education Connections to help educators connect with programs and services offered to students and teachers by area businesses.

Lehigh Valley Business Education Partnership - Collaborates with school districts to raise student achievement levels, support and align education with career preparation and workforce development, and advocate for sound educational policies. The partnership established more than 150 job shadowing opportunities for students in member school districts in 2005-06 and facilitates the Summer Teacher Internship Program, which allows local educators to work for local businesses for 6 weeks in the summer to increase their awareness of workforce issues and to relate those experiences to their students.