

# EMPLOYMENT

In March 2009, the Federal Reserve Bank released seasonally adjusted numbers showing that total non-farm employment declined nationally by 3 million jobs between January 2008 and December 2008. But while the U.S. economy shed 2.6% of its jobs, Philadelphia lost just 0.4% in 2008. Center City office buildings ended 2008 with historic highs in occupancy and rents. Education and health care, our largest sector, closed the year with employment up 1.4%. While national losses accelerated in January 2009, Philadelphia suffered less, partly because we haven't experienced extreme cycles of boom and bust and were spared the meltdown in financial services and in housing prices. January to January national employment dropped 3.31%, the region was down 1.72%, while the city contracted by just 0.56%.

Philadelphia has also been more stable because education and healthcare represent 36% of citywide private sector jobs, compared to just 16% in New York City and 17% of national employment. But while the city's economy is buoyed by reliance on “eds and meds,” professional services — including finance, real estate, management, technology, information and business support services — cumulatively account for 51% of Center City's jobs.

While outperforming the suburbs during the downturn, Philadelphia has continued to lose market share in the region. At the end of 2008, Philadelphia had 557,100 private jobs, a 26% share in the region, down from 570,300 jobs in 2001. Between 2001 and 2008, the number of suburban jobs grew by more than 4%, while the city lost 2% of jobs. Philadelphia experienced positive growth during this period in healthcare and education, as well as leisure and hospitality, albeit at a slower rate than in the suburbs. But we have steadily been losing regional office market share, falling from 41% in 1993 to 24% at the close of 2008.

Center City has extraordinary competitive advantages in transportation, real estate and labor costs, access to skilled labor, world-class amenities and an affordable cost of living. At the center of the northeast corridor, midway between Boston and Washington, D.C., Philadelphia is the second busiest stop on AMTRAK's high-speed line. It is also at the center of a multi-modal regional transportation system, with an expanding international airport two hours flying time from 50% of the American population and with non-stop flights to 80 domestic and 40 international destinations, including most major European cities. With more than 2.2 million workers in the 11-county region, Center City Philadelphia has access to a diverse and talented workforce. For professional services firms, Philadelphia's labor costs and office rents are also among the lowest in the Northeast.

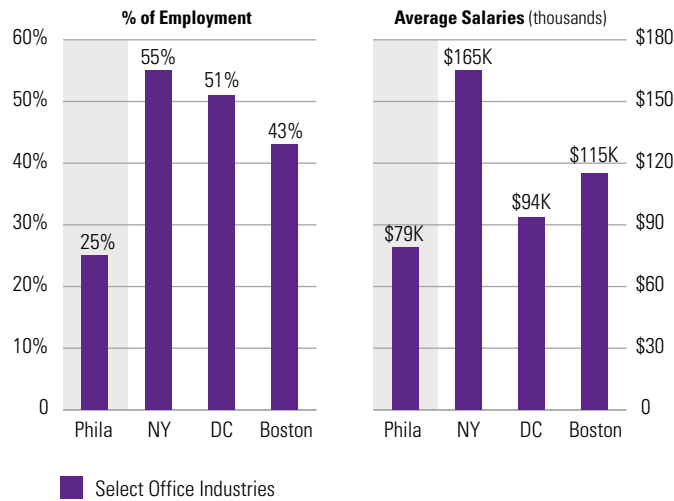


Comcast Center Lobby

Philadelphia's tax structure — the combined impact of wage and business privilege taxes (BPT) — historically have undermined the city's locational advantages, pushing growth and new firm creation beyond city boundaries and shifting jobs that had been accessible to neighborhood residents beyond the reach of regional rails. But steady, mandated reductions in the wage tax have significantly narrowed the cost-differential between the city and surrounding suburbs, 70% of which in Pennsylvania now have at least a 1% earnings tax. While immediate fiscal pressures have led the Nutter Administration to suspend decreases in wage and business taxes, the Administration has vowed to resume reduction as soon as the municipal budget crisis ends.

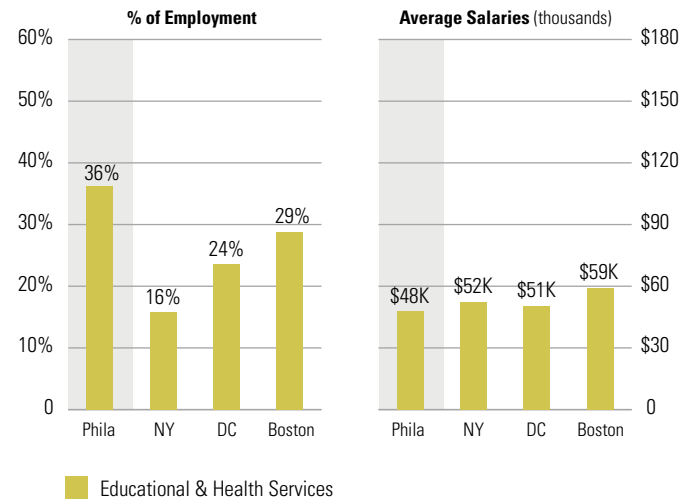
Only by reducing this tax burden and the cost of delivering city services will Philadelphia be able retain its diverse and talented workforce and become more attractive to new ventures, existing business growth and to relocating firms from outside the region.

Select Office Industries Employment, 2008



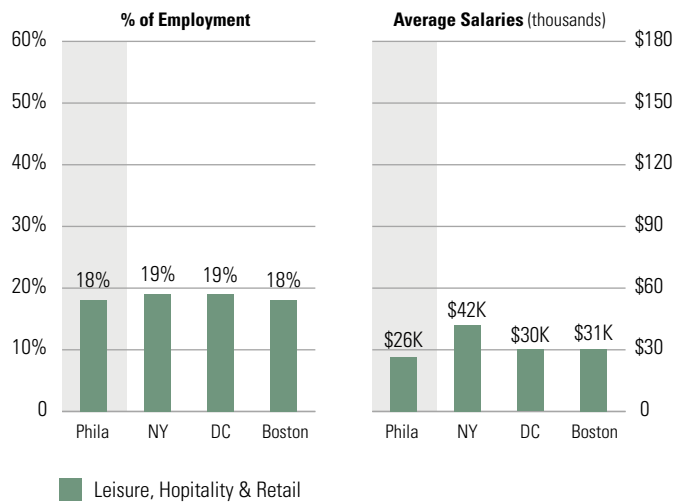
Bureau of Labor Statistics Current Employment Survey, 2009

Educational & Health Services Employment, 2008



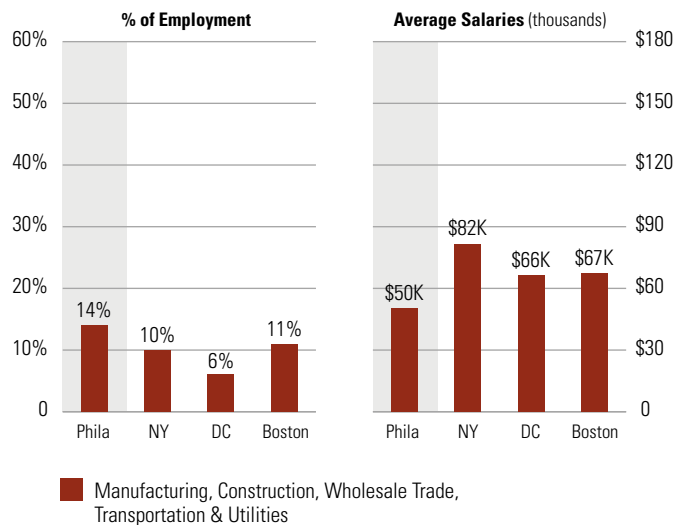
Bureau of Labor Statistics Current Employment Survey, 2009

Leisure, Hospitality and Retail Employment, 2008



Bureau of Labor Statistics Current Employment Survey, 2009

Manufacturing, Construction, Wholesale Trade and Utilities Employment, 2008

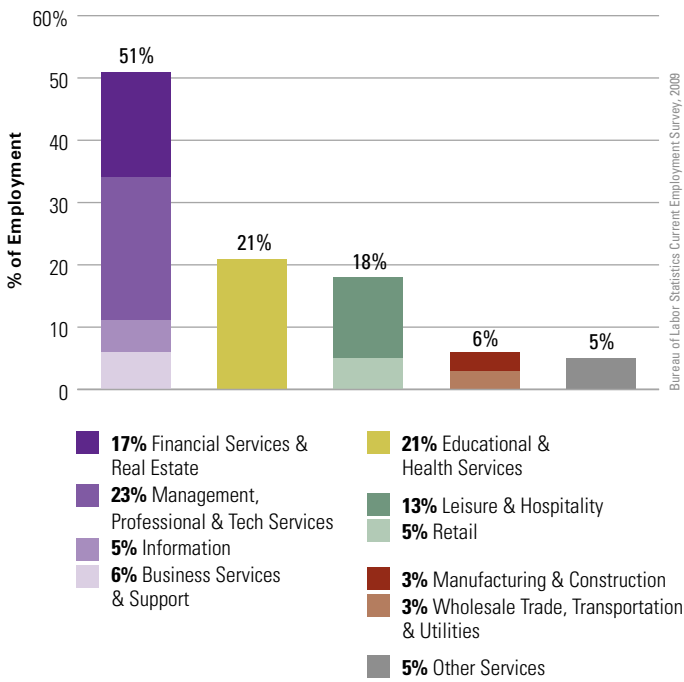


Bureau of Labor Statistics Current Employment Survey, 2009

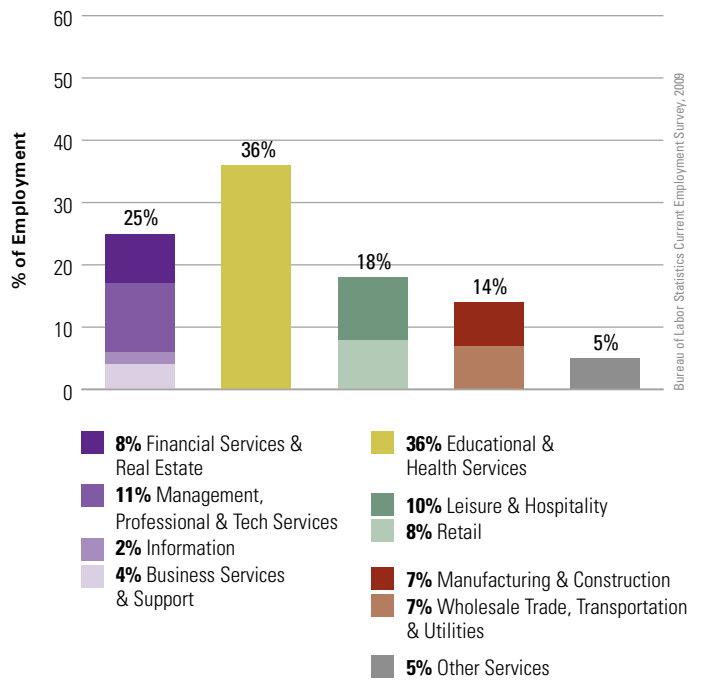
# EMPLOYMENT

## CITY AND REGIONAL EMPLOYMENT TRENDS

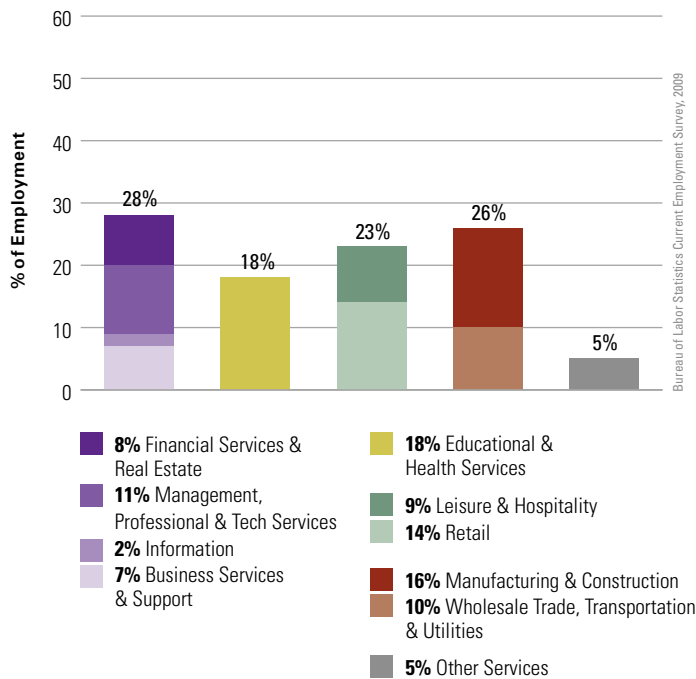
### Center City Private-Sector Employment, 2006



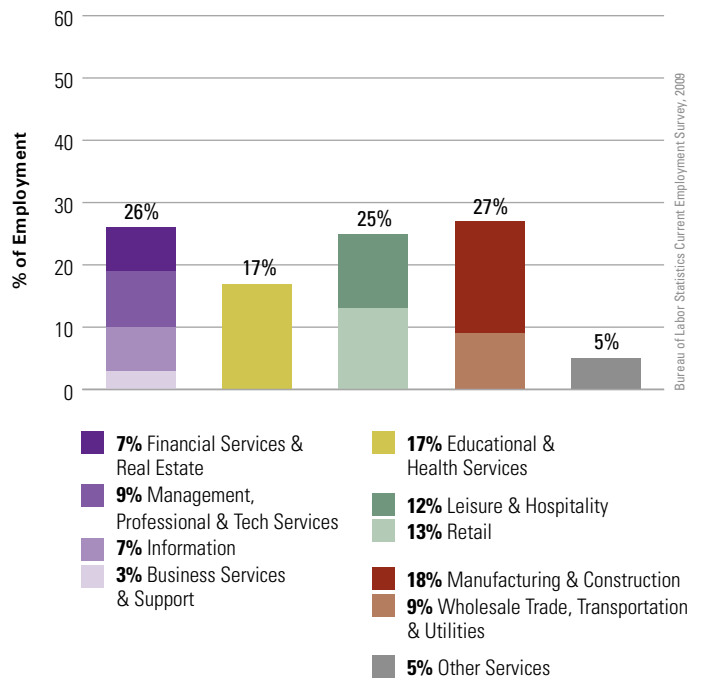
### Citywide Private-Sector Employment, 2008



### Regional Private-Sector Employment, 2008



### National Private-Sector Employment\*, 2008



\* For comparability, mining, which has no presence in the city or region, is not included in the national chart.

Public/Private Share of Philadelphia Employment, 2008

Philadelphia	Employees	Percentage
Federal	32,600	4.93%
State	10,900	1.65%
Local	60,600	9.17%
<b>Total Government</b>	<b>104,100</b>	<b>15.74%</b>
<b>Total Private</b>	<b>557,100</b>	<b>84.26%</b>
<b>Total</b>	<b>661,200</b>	<b>100.00%</b>

Bureau of Labor Statistics  
Current Employment Survey, 2009

Total Private-Sector Employment, 2001-2008

	(Thousands)			Change 2001-2008
	2001	2005	2008	
<b>Employees</b>				
<b>Philadelphia</b>	570,300	548,900	557,117	<b>-13,183</b>
<b>Suburbs</b>	1,534,300	1,570,700	1,598,808	<b>64,508</b>
<b>% Change</b>				
<b>Philadelphia</b>		-3.75%	+1.50%	<b>-2.31%</b>
<b>Suburbs</b>		+2.37%	+1.79%	<b>+4.20%</b>

Bureau of Labor Statistics  
Current Employment Survey, 2009

Philadelphia Region



Total Regional:

Population, 2007 = 5,135,054  
Employment, 2008 = 2,155,900

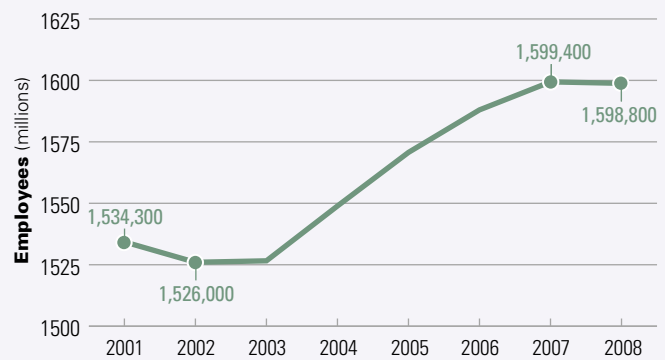
US Census Bureau; Bureau of Labor Statistics, 2009

Philadelphia



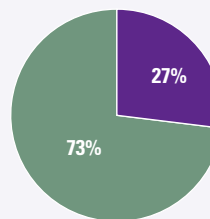
Bureau of Labor Statistics, Current Employment Survey, 2009

Suburbs

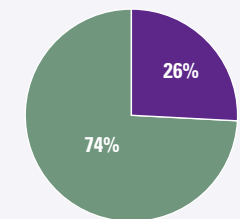


Bureau of Labor Statistics, Current Employment Survey, 2009

2001



2008



Philadelphia Suburbs

# EMPLOYMENT

## CITY AND REGIONAL EMPLOYMENT TRENDS

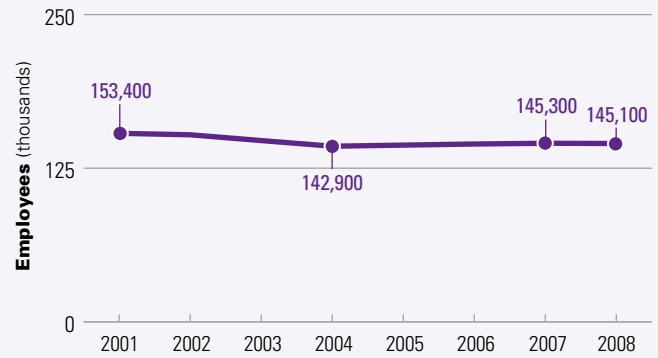
### Change in Employment, 2001–2008

	(Thousands)			% Change	
	2001	2005	2008	2001–2008	2007–2008
<b>Philadelphia</b>					
Information	17.1	13.2	13.1	-23.6%	1.3%
Financial Activities	52.6	48.2	46.5	-11.5%	-1.2%
Professional/Science/Technical	50.5	45.6	46.9	-7.1%	0.6%
Business Services	33.2	36.8	38.6	16.3%	-0.3%
<b>Select Office Industries</b>	<b>153.4</b>	<b>143.8</b>	<b>145.1</b>	<b>-5.4%</b>	<b>-0.1%</b>
Educational Services	60.7	65.2	67.3	10.8%	0.9%
Healthcare/Social Assistance	117.2	121.5	132.2	12.8%	1.8%
<b>Healthcare &amp; Education</b>	<b>177.9</b>	<b>186.7</b>	<b>199.4</b>	<b>12.1%</b>	<b>1.5%</b>
Accommodation/Food Services	46.9	46.1	47.3	0.8%	-0.9%
Arts/Entertainment/Recreation	9.6	10.5	10.7	11.3%	-0.2%
<b>Leisure &amp; Hospitality</b>	<b>56.5</b>	<b>56.6</b>	<b>58.0</b>	<b>2.6%</b>	<b>-0.8%</b>
<b>Suburbs</b>					
Information	46.8	36.6	38.4	-18.0%	-0.3%
Financial Activities	125.6	132.5	128.3	2.1%	-2.8%
Professional/Science/Technical	119.7	133.8	146.7	22.5%	2.5%
Business Services	131.3	136.2	146.7	11.7%	0.0%
<b>Select Office Industries</b>	<b>423.4</b>	<b>439.1</b>	<b>460.0</b>	<b>8.7%</b>	<b>0.0%</b>
Educational Services	41.4	46.8	47.9	15.8%	0.3%
Healthcare/Social Assistance	210.0	225.9	237.7	13.2%	1.4%
<b>Healthcare &amp; Education</b>	<b>251.4</b>	<b>272.7</b>	<b>285.6</b>	<b>13.6%</b>	<b>1.2%</b>
Accommodation/Food Services	96.3	107.3	110.5	14.8%	0.2%
Arts/Entertainment/Recreation	18.7	23.4	26.1	39.5%	12.7%
<b>Leisure &amp; Hospitality</b>	<b>115.0</b>	<b>130.7</b>	<b>136.6</b>	<b>18.8%</b>	<b>1.3%</b>

Bureau of Labor Statistics, Current Employment Survey, 2008

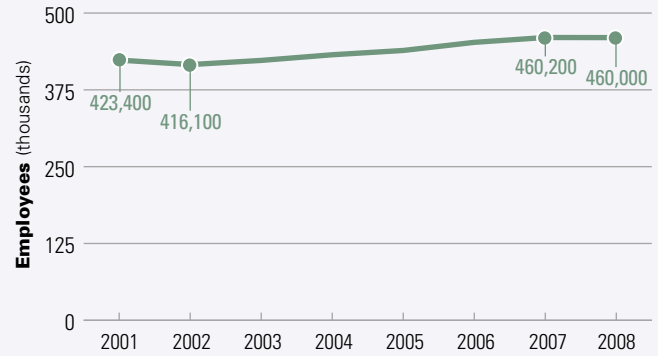
### Employment in Select Office Industries, 2001–2008

#### Philadelphia



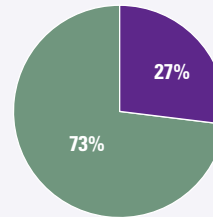
Bureau of Labor Statistics, Current Employment Survey, 2008

#### Suburbs

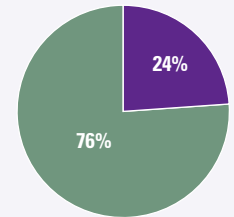


Bureau of Labor Statistics, Current Employment Survey, 2008

2001



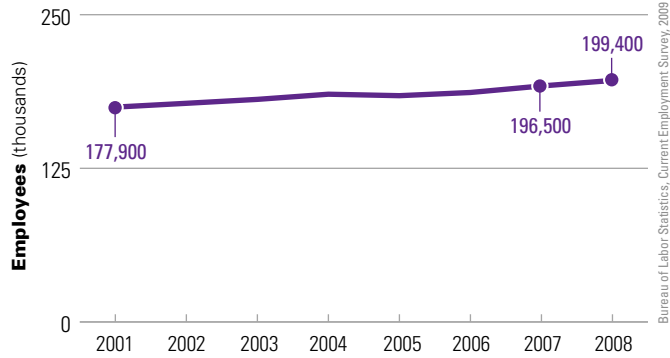
2008



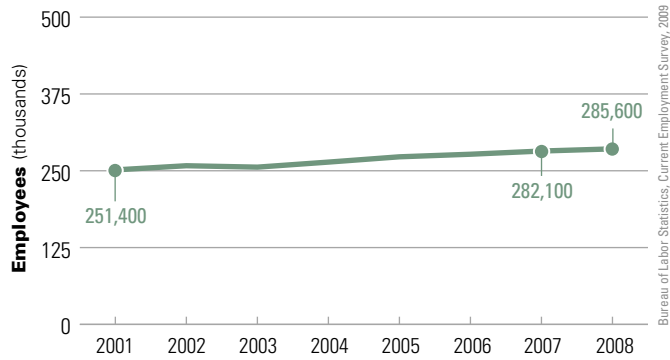
Philadelphia Suburbs

Employment in Healthcare & Education, 2001–2008

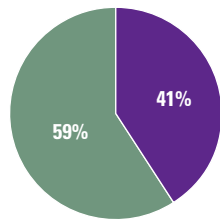
Philadelphia



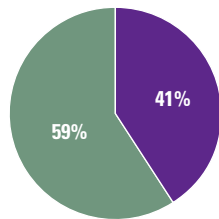
Suburbs



2001



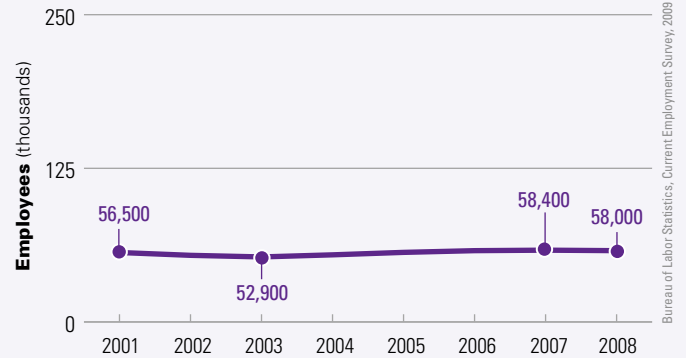
2008



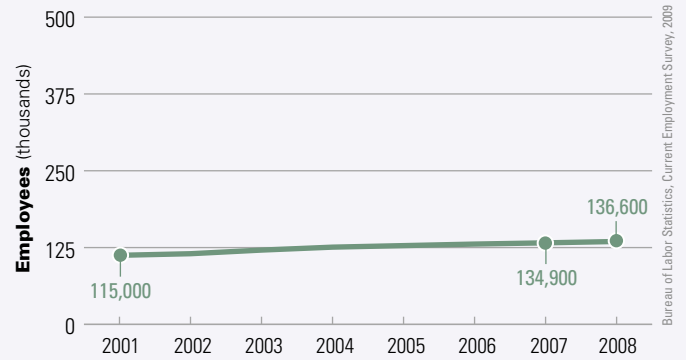
Philadelphia Suburbs

Employment in Leisure & Hospitality, 2001–2008

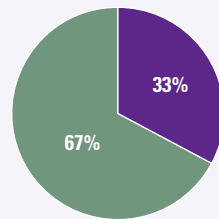
Philadelphia



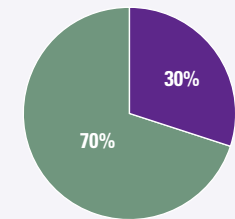
Suburbs



2001



2008



Philadelphia Suburbs