
Matt Stanley

EMPLOYMENT

Center City holds the largest concentration of jobs in the city and region. With 286,427 wage and salaried positions and another 8,500 individuals compensated as partners, self-employed, or working freelance, downtown is the setting for 42% of all jobs in Philadelphia. Located at the center of the region's transit and highway network, 49% of downtown jobs are held by commuters from outside the city, while 51% are held by Philadelphia residents.

Diversification is a defining strength of the downtown economy. Professional, business and financial services, real estate and information – the prime office-using industries – comprise 40% of downtown jobs. Education and health services, the largest sector citywide, is second largest downtown with 20% of all jobs. Entertainment, leisure, hospitality and retail hold a 16% share, while federal, state and local government employment provides 13% of all Center City jobs.

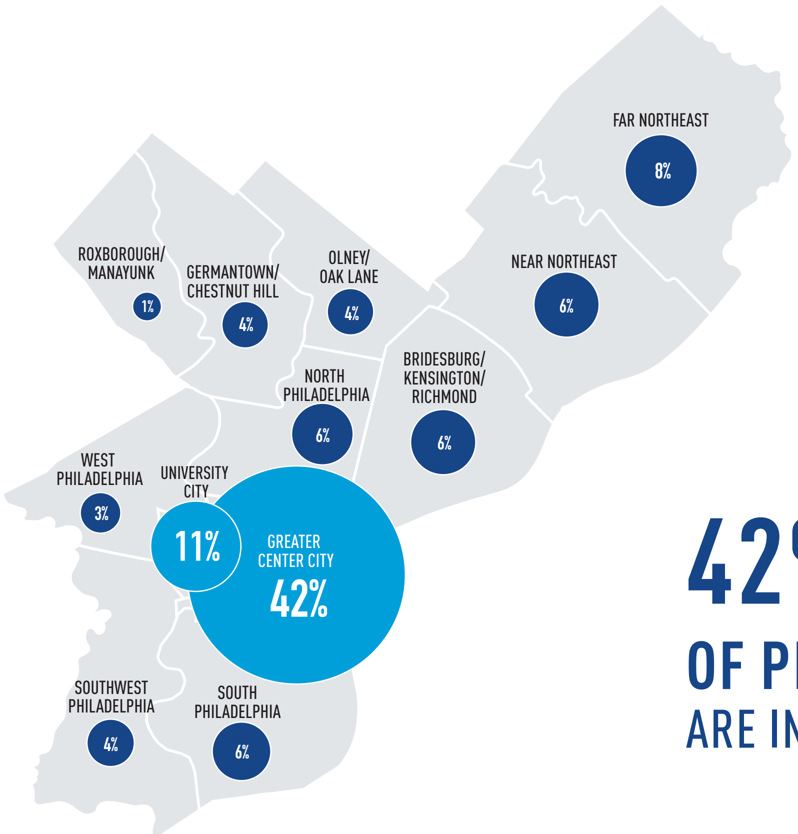
Downtown employers provide diverse opportunities. While 38% of Center City jobs require at least a college education, 30% are accessible to those with an associate degree, while another 32% require no more than a high school diploma. As a consequence, downtown provides opportunities for 23% of the working residents in neighborhoods outside the downtown area.

Philadelphia, however, is challenged by uneven growth. Education and health services and leisure and hospitality employment both increased by 51% during the past 25 years. Manufacturing has continued its historic decline, shedding 70% of its jobs since 1990, though leveling off recently. But office jobs – finance, information and real estate services – prime growth sectors for most 21st century cities – are down 43% citywide since 1990. Professional and business services have enjoyed a modest upward trajectory recently, but employment is still 1.2% below 1990 levels.

Philadelphia is at a turning point, enjoying the longest period of expansion since the mid-1980s, adding jobs in all but one year since 2005. For the first time in modern history, Philadelphia went into the last recession later than the region and nation, fell less far and rebounded faster. But we have lagged in recovery.

When we cease looking in the rear-view mirror and compare Philadelphia with its East Coast peers, the data tell a different story. Other cities that hemorrhaged manufacturing employment rebounded more strongly with post-industrial growth. Using 1970 as the baseline, New York's employment is up 6.5%, Boston's is up 16.2% and Washington, D.C.'s is up 19.7%. By contrast, Philadelphia has 28% fewer jobs than it did in 1970 and is still 5% below 1990 levels.

PHILADELPHIA EMPLOYMENT BY AREA



Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2014

42%

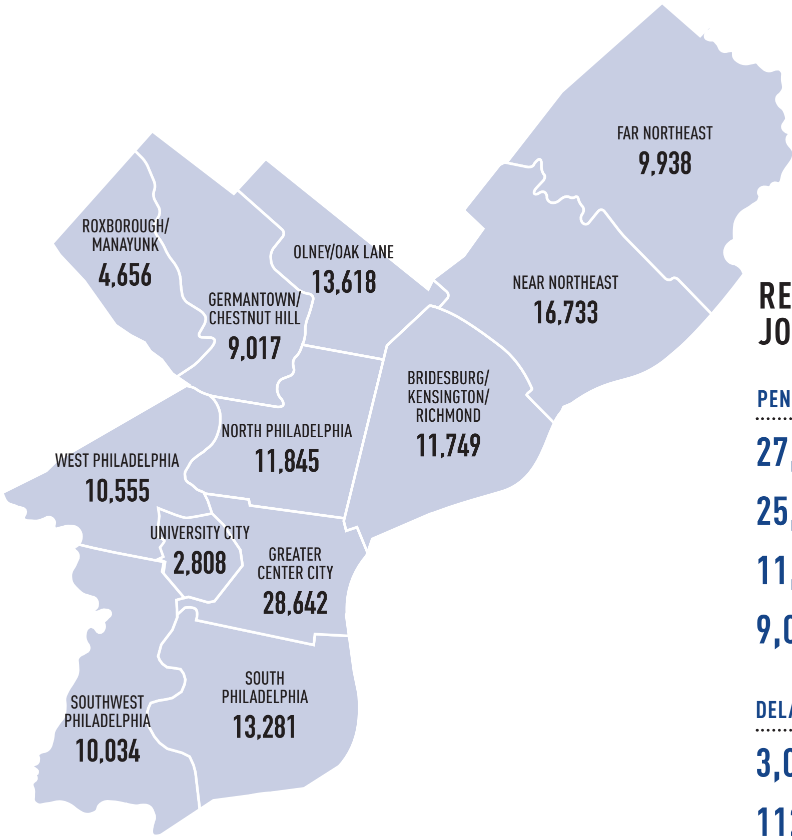
OF PHILADELPHIA JOBS

ARE IN GREATER CENTER CITY.

Since 2010, large cities have outperformed the overall economy. Nationally, while private-sector jobs have grown annually at 2.1%, the 25 most populous cities grew at 2.7% per year. Philadelphia has lagged at 0.9% per year. To be sure, the national urban average is pulled up by Sun Belt cities like Austin, San Francisco, and San Jose. But Columbus, Detroit, Indianapolis and Memphis have outperformed Philadelphia since 2010, as did every major Northeast Corridor city – Boston, New York, Baltimore and Washington, D.C. Professional and business services employment is up 1.6% in Philadelphia. But in the MSA, it is growing at 1.9%; the national rate is 3.4% and the 25 largest cities are growing at 4.6%. The same pattern holds for education and health services. The only sectors in which Philadelphia matches or surpasses its peers are entertainment, leisure and hospitality, and retail. These industries animate the city, provide benefits to residents and are the by-product of our growing residential population and increased visitation. But Philadelphia needs to capture a larger regional share of the growth of its professional, financial and business services firms, while expanding export industries that generate wealth for the region and drive more dynamic job growth. The expansion of Comcast and dozens of new startup, technology and traditional business and personal services firms demonstrates clearly that Philadelphia has no shortage of entrepreneurial talent and energy. Universities are investing in innovation to spur new growth. But Philadelphia is constrained by a tax structure that hasn't kept pace with the changing economy. Reliance on wage and business taxes may have made sense in the industrial age, built on fixed assets like factories and railroads. But in today's highly-mobile, digital economy, our tax structure depresses job growth at the very moment the city's inherent advantages have come to the fore.

State legislation endorsed by Mayor Jim Kenney, Philadelphia's Harrisburg delegation and a broad cross-section of business, labor and civic leaders will enable the city to reduce its dependency on highly mobile wages and business revenues and rely more on the property tax – also the foundation for funding schools. Philadelphia stands at the crossroads. Now is the time to capitalize on our extraordinary strengths and geographic position, select the path that unleashes growth across all neighborhoods and create opportunity for city residents, new immigrants and graduates of all our colleges and universities.

CITY RESIDENTS COMMUTING TO JOBS IN GREATER CENTER CITY



Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2014

REGIONAL RESIDENTS COMMUTING TO JOBS IN GREATER CENTER CITY

PENNSYLVANIA

27,752 MONTGOMERY COUNTY
25,388 DELAWARE COUNTY
11,731 BUCKS COUNTY
9,047 CHESTER COUNTY

NEW JERSEY

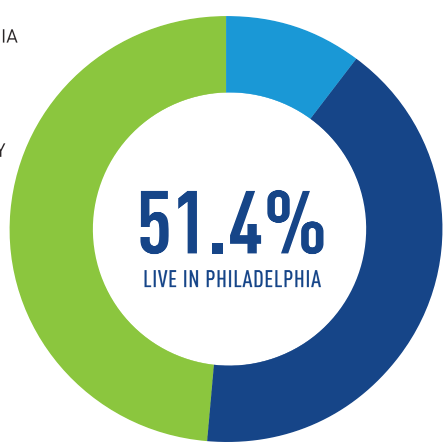
15,005 CAMDEN COUNTY
8,223 BURLINGTON COUNTY
6,915 GLOUCESTER COUNTY
534 SALEM COUNTY

DELAWARE/MARYLAND

3,028 NEW CASTLE COUNTY
112 CECIL COUNTY

WHERE DOWNTOWN WORKERS LIVE

48.6% OUTSIDE PHILADELPHIA
41.1% ELSEWHERE IN PHILADELPHIA
10.3% GREATER CENTER CITY

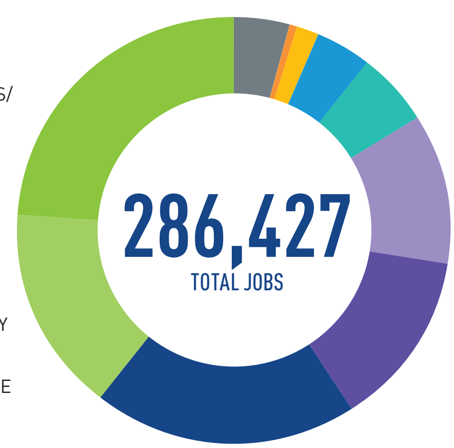


Source: U.S. Census Bureau, Local Employment-Household Dynamics 2014

GREATER CENTER CITY WAGE & SALARY EMPLOYMENT

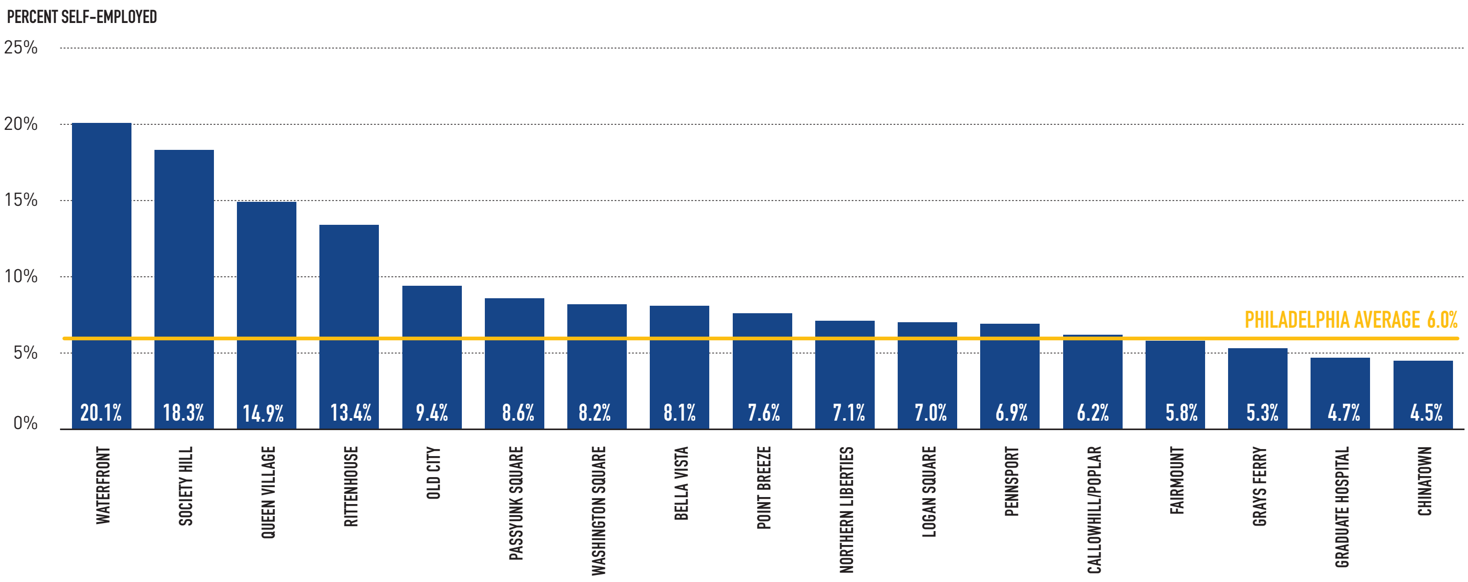
OFFICE JOBS:
24.0% PROFESSIONAL/ BUSINESS SERVICES
15.6% FINANCIAL ACTIVITIES/ REAL ESTATE/ INFORMATION

19.8% EDUCATION AND HEALTH SERVICES
13.2% PUBLIC ADMINISTRATION
11.5% ENTERTAINMENT/ LEISURE/HOSPITALITY
5.6% TRANSPORTATION/ UTILITIES/WHOLESALE TRADE
4.1% RETAIL
1.6% CONSTRUCTION
0.5% MANUFACTURING
4.1% OTHER SERVICES



Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2014; Bureau of Labor Statistics, Current Employment Statistics; CCD Estimates

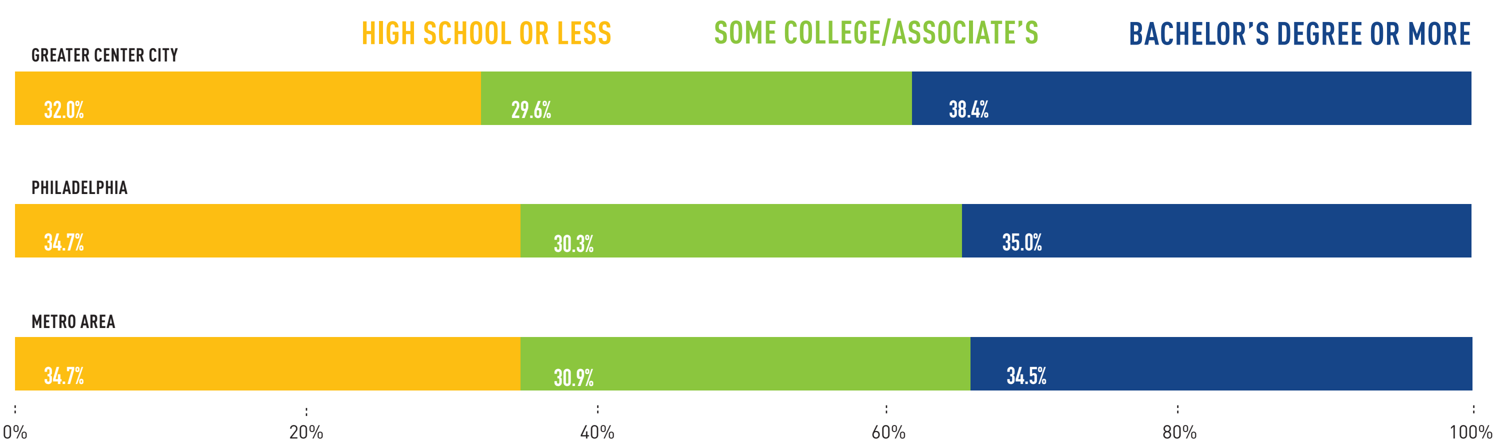
PERCENT SELF-EMPLOYED BY NEIGHBORHOOD



Source: US Census Bureau, American Community Survey 2010-2014

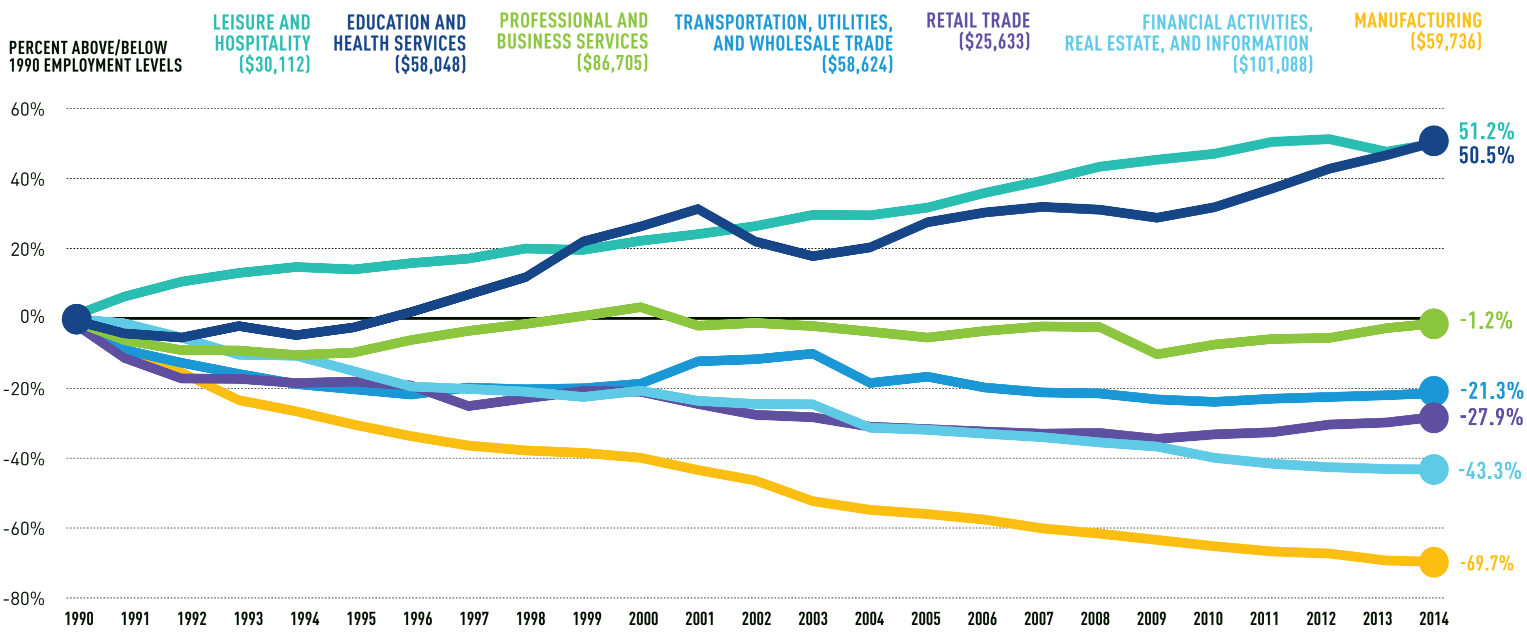
23% OF SELF-EMPLOYED INDIVIDUALS IN PHILADELPHIA LIVE IN GREATER CENTER CITY.

PERCENT OF JOBS BY LEVEL OF EDUCATION, WORKERS 30 AND OLDER



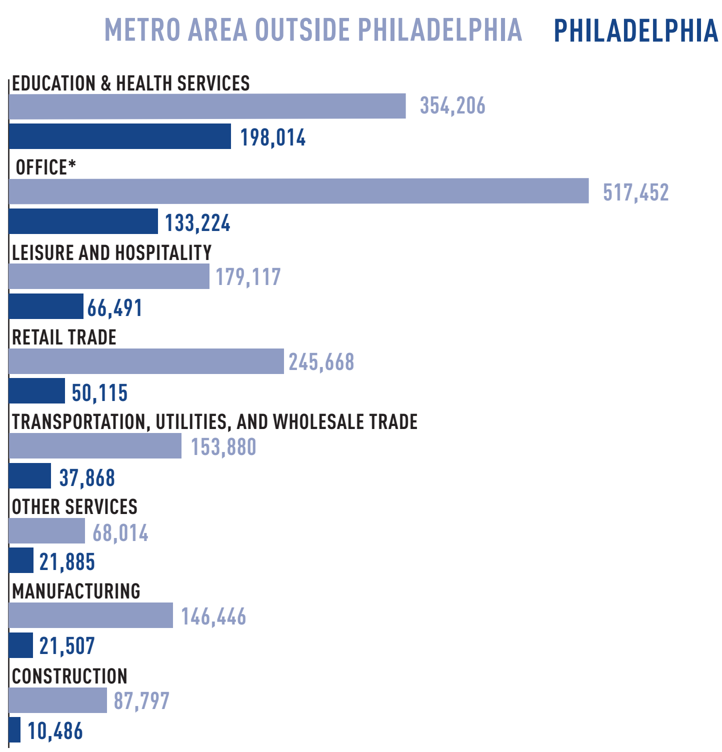
Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2014; Bureau of Labor Statistics, Current Employment Statistics

PHILADELPHIA PRIVATE WAGE & SALARY JOBS BY SECTOR, 1990–2014 (2014 AVERAGE EARNINGS)



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

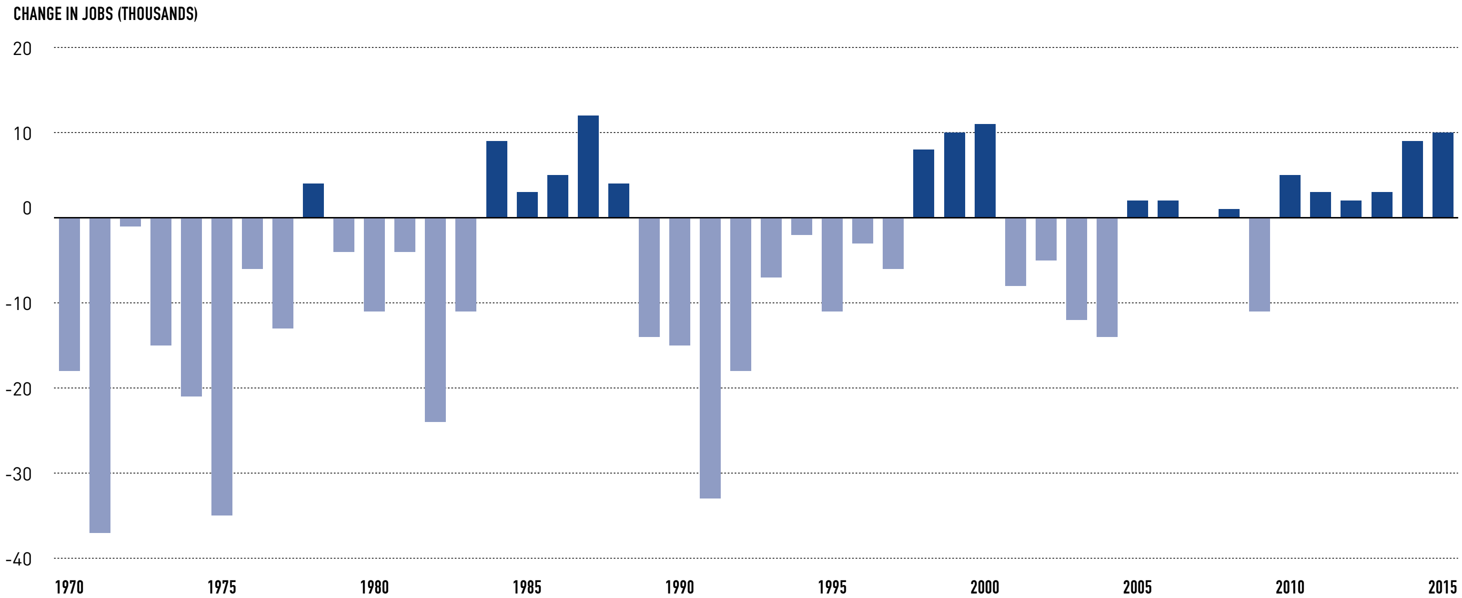
PHILADELPHIA AND METRO AREA JOB COUNTS BY SECTOR, 2014



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages
*Note: Includes Professional and Business Services: Financial Activities, Real Estate, and Information.

PHILADELPHIA IS CHALLENGED BY UNEVEN GROWTH: EXCELLING IN HEALTH, EDUCATION, LEISURE AND HOSPITALITY, BUT LAGGING IN OFFICE-USING INDUSTRIES.

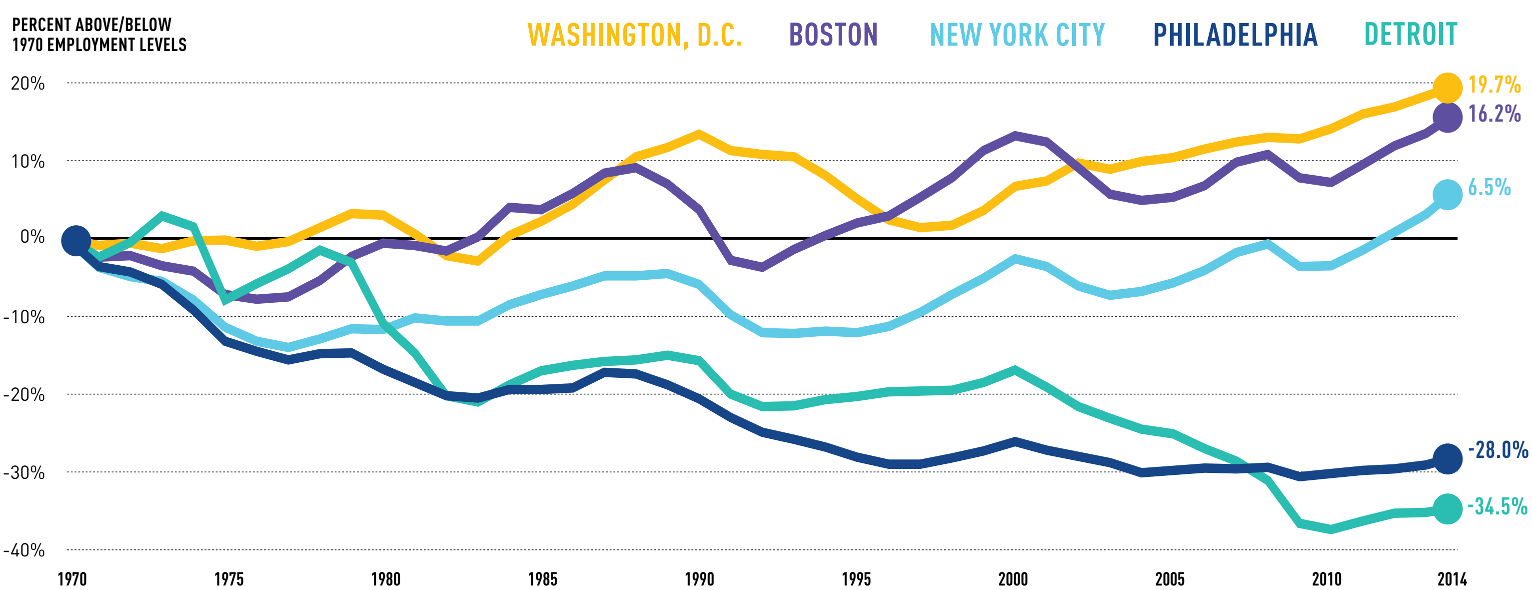
PHILADELPHIA ANNUAL CHANGE IN JOBS, 1970–2015



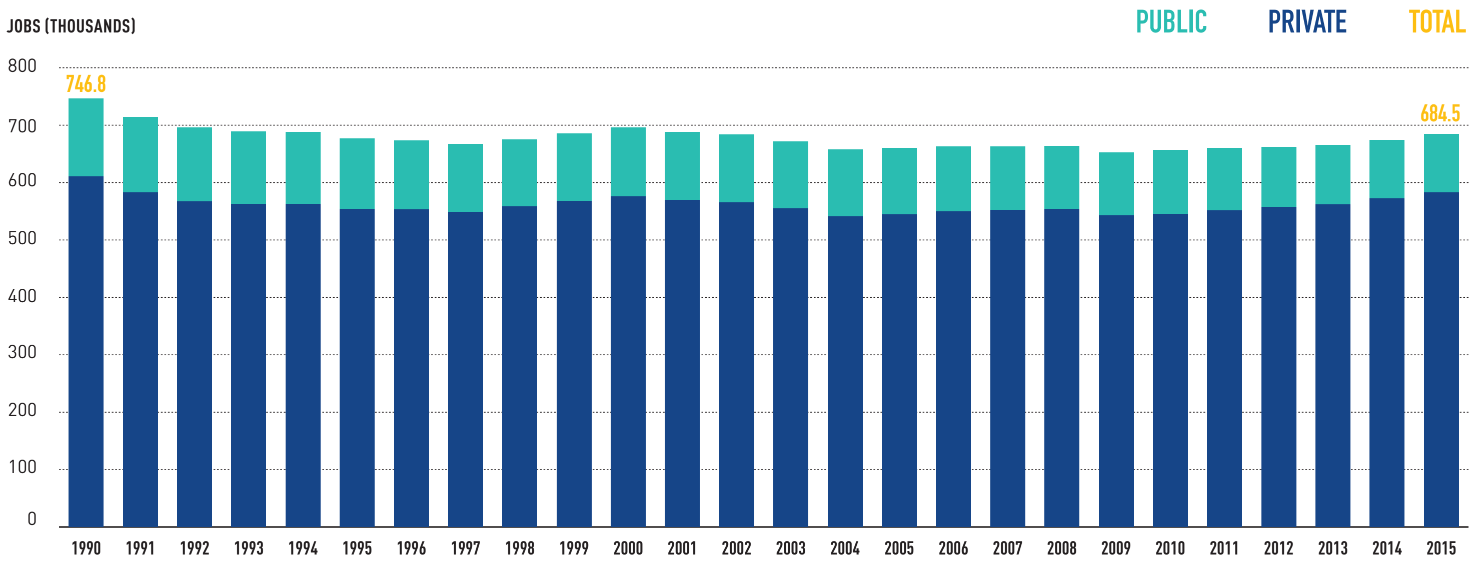
Source: Bureau of Labor Statistics, Current Employment Statistics

PEER EAST COAST CITIES HAVE REBOUNDED BETTER FROM MANUFACTURING DECLINE WITH STRONG POST-INDUSTRIAL GROWTH.

MAJOR CITIES TOTAL WAGE & SALARY EMPLOYMENT, 1970–2014



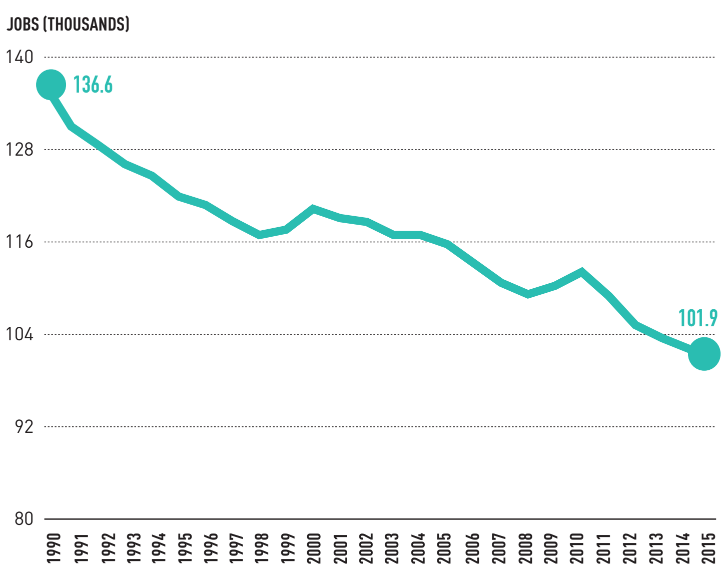
PHILADELPHIA WAGE & SALARY EMPLOYMENT, 1990–2015



Source: Bureau of Labor Statistics, Current Employment Statistics

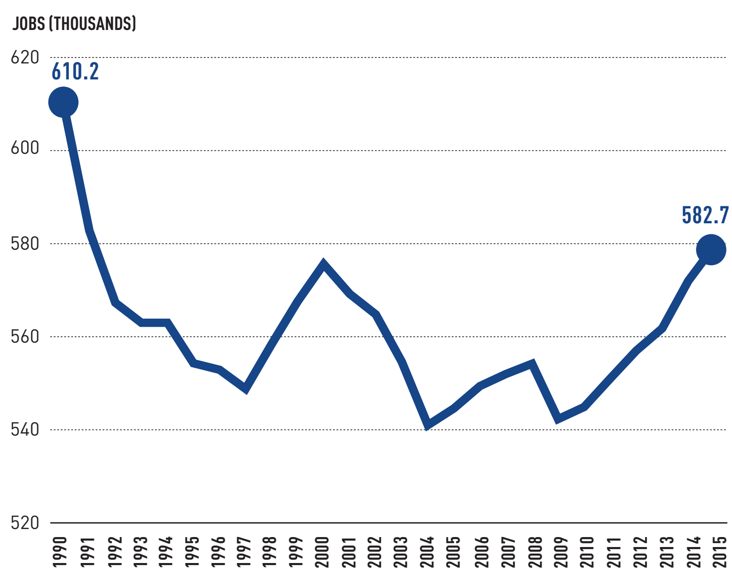
JOB LOSS HAS ENDED BUT MORE DYNAMIC GROWTH IS REQUIRED TO REGAIN LOST GROUND AND REDUCE UNEMPLOYMENT.

PHILADELPHIA PUBLIC-SECTOR JOBS, 1990–2015



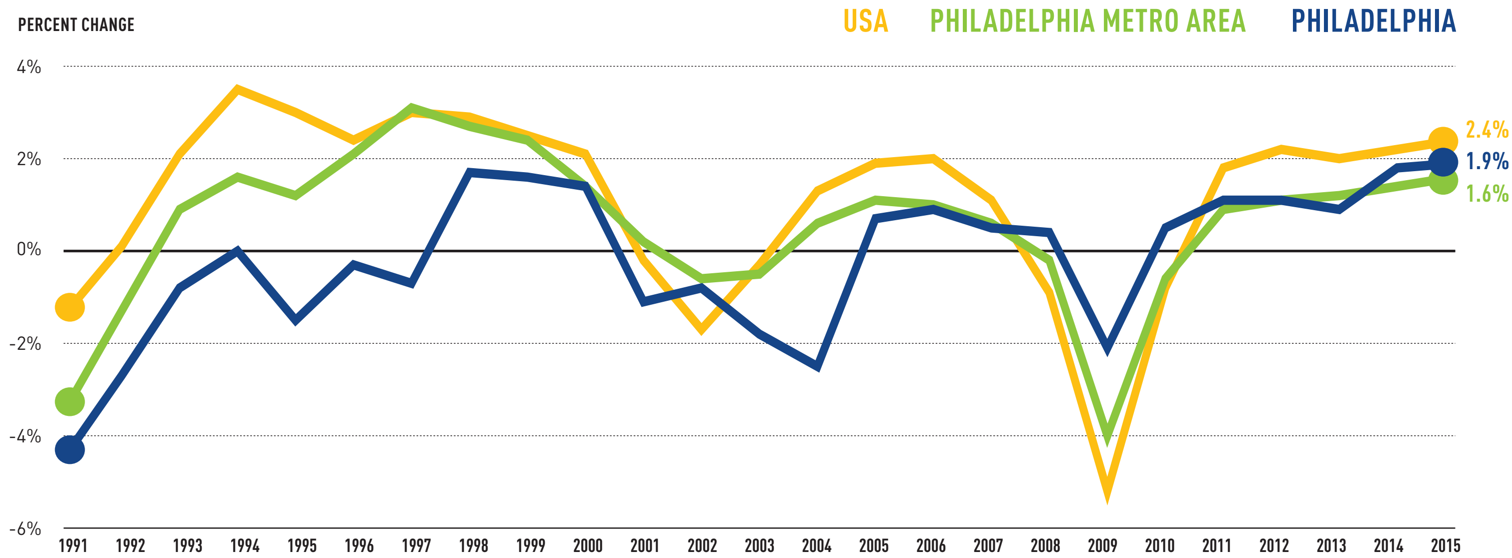
Source: Bureau of Labor Statistics, Current Employment Statistics

PHILADELPHIA PRIVATE-SECTOR JOBS, 1990–2015



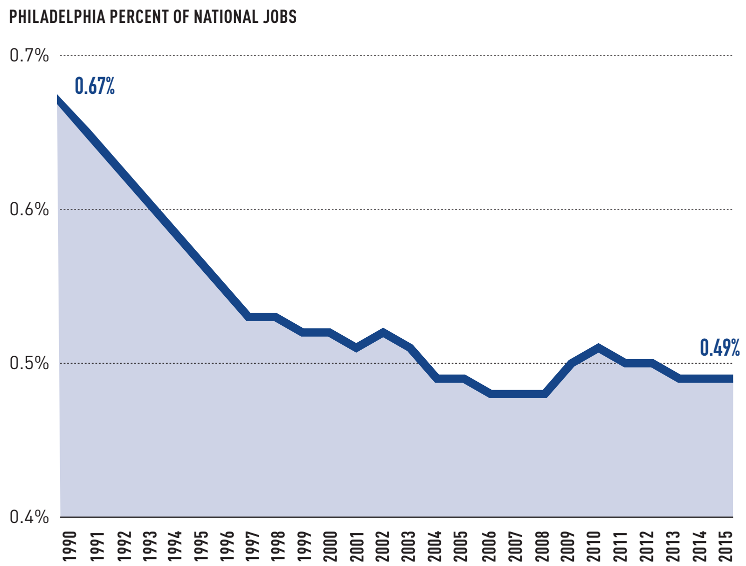
Source: Bureau of Labor Statistics, Current Employment Statistics

PRIVATE WAGE & SALARY PERCENT CHANGE FROM PREVIOUS YEAR



Source: Bureau of Labor Statistics, Current Employment Statistics

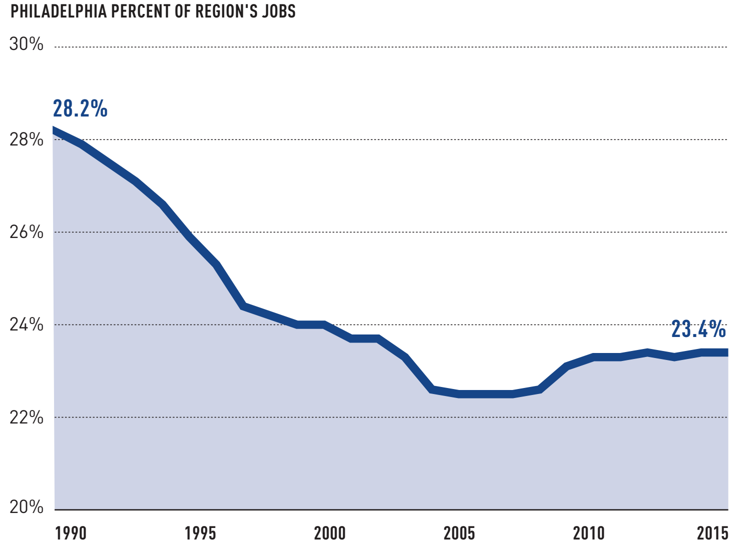
PHILADELPHIA PERCENT SHARE OF NATIONAL PRIVATE WAGE & SALARY EMPLOYMENT



Source: Bureau of Labor Statistics, Current Employment Statistics

PHILADELPHIA WENT INTO RECESSION LATER AND REBOUNDED FASTER THAN THE REGION AND NATION, BUT IN A PERIOD OF NATIONAL RECOVERY, LOCAL JOB GROWTH HAS LAGGED.

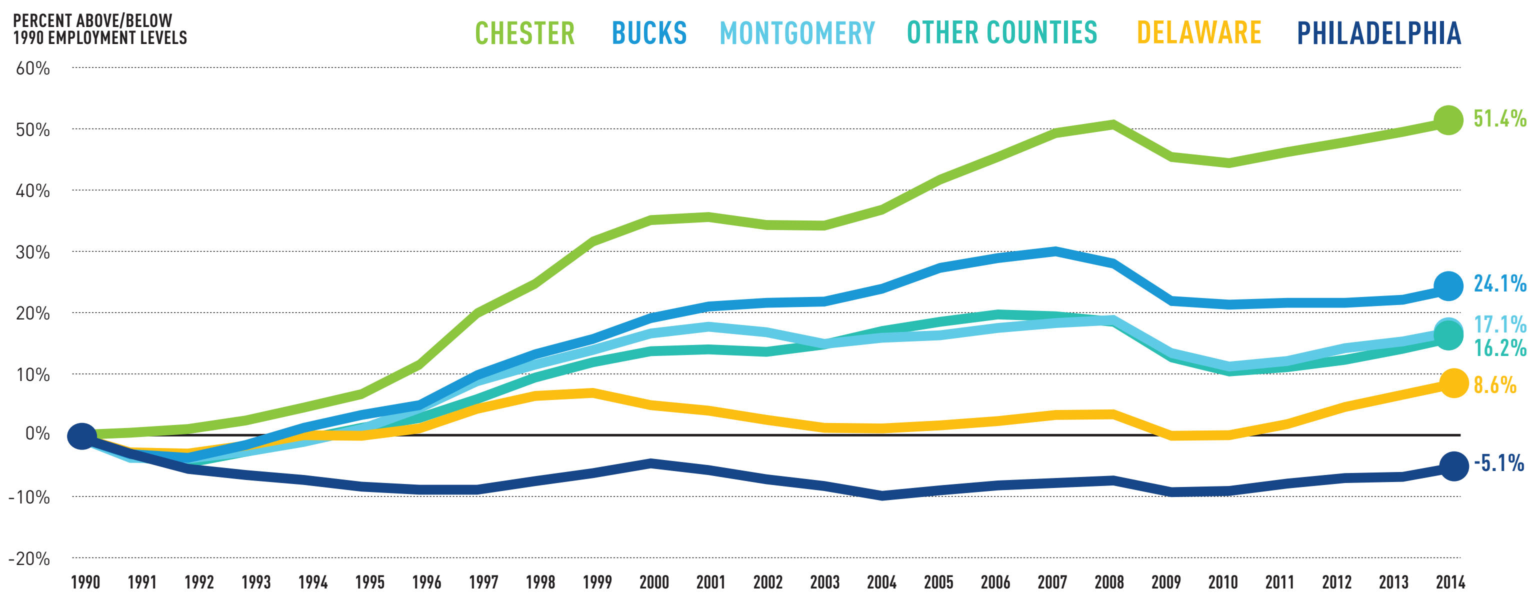
PHILADELPHIA SHARE OF REGIONAL PRIVATE WAGE & SALARY EMPLOYMENT



Source: Bureau of Labor Statistics, Current Employment Statistics

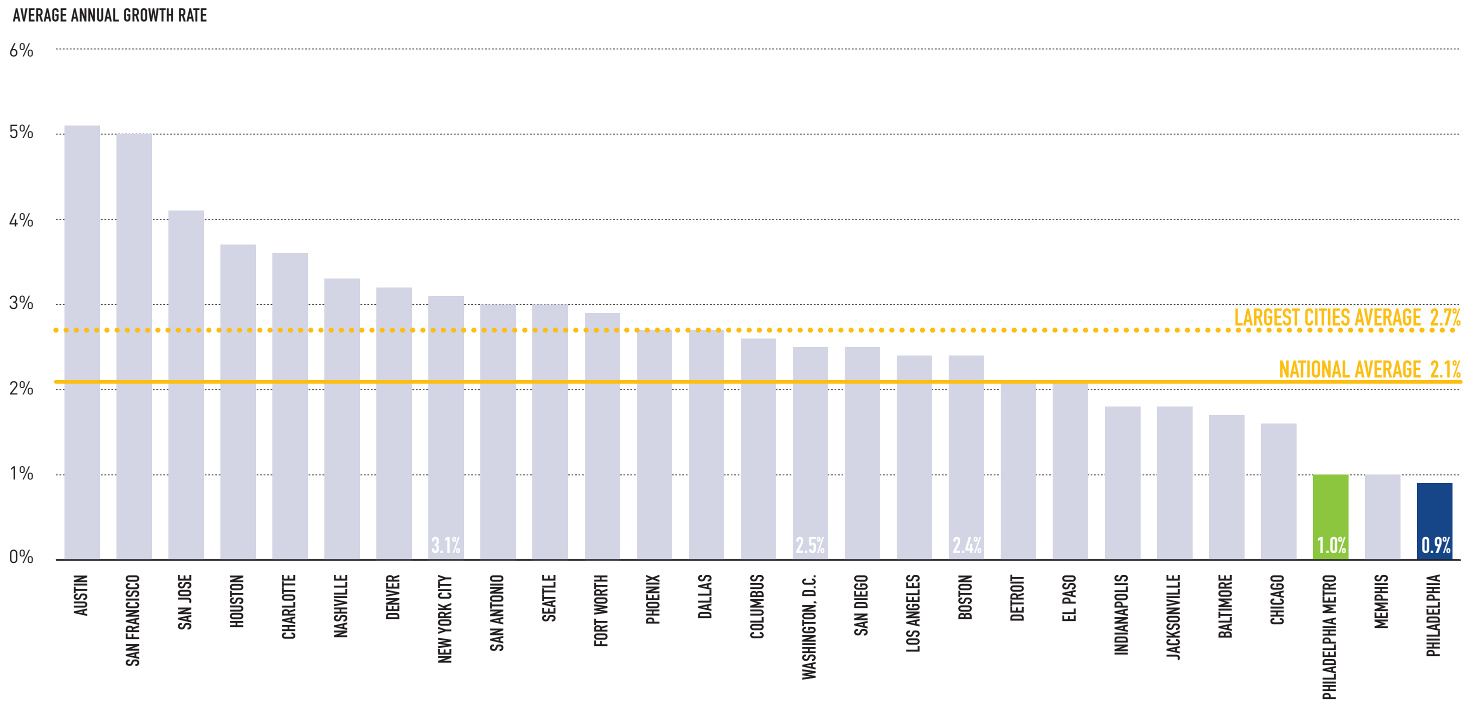
GROWING REGIONS ARE DRIVEN BY STRONG CENTRAL CITY JOB GROWTH.

REGIONAL PRIVATE WAGE & SALARY EMPLOYMENT, 1990–2014



Source: Bureau of Economic Analysis, Total Full & Part-Time Employment by Industry

MAJOR CITIES: AVERAGE ANNUAL GROWTH IN PRIVATE WAGE & SALARY JOBS, 2010–2014



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

AVERAGE ANNUAL GROWTH IN PRIVATE WAGE & SALARY JOBS BY SECTOR, 2010–2014

SECTOR	PHILADELPHIA	PHILADELPHIA METRO AREA	LARGEST CITIES	USA
Professional and Business Services	+1.6	+1.9	+4.6	+3.4
Education and Health Services	+0.6	+1.4	+3.3	+2.5
Financial Activities, Real Estate, and Information	-1.4	-0.6	+1.4	+0.7
Entertainment, Leisure and Hospitality	+3.5	+2.6	+3.6	+3.0
Retail	+1.9	+0.7	+2.3	+1.5
Transportation, Utilities, and Wholesale Trade	+0.9	+0.4	+1.2	+1.9
Other Services	+1.4	+0.9	-0.0	-0.7
Construction	+2.5	+1.3	+3.6	+2.7
Manufacturing	-3.4	-1.1	+0.2	+1.4
TOTAL	+0.9	+1.0	+2.7	+2.1

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages