

CENTER CITY REPORTS

# Retaining College Graduates

## Survey of College Graduates in Center City

The attraction of young, well-educated professionals to live in Center City Philadelphia has been a major component of downtown's revival. In an economy that runs on brainpower, easy access to recent college graduates is critical to knowledge and creative industry employers, professional-services firms and to health-care and educational institutions. Because well over half (58%) of this younger demographic downtown live alone and few have children, they tend to socialize outside the home, and thus animate the sidewalk cafes, bars, restaurants, movie theaters and health clubs of Center City.

Between 1970 and 2000, the portion of Center City's population ages 25 to 34 nearly doubled to 30%. Downtown's concentration of young adults is twice the city's and twice the region's average. Seventy-nine percent of this group has a college degree, compared to only 27% of the same demographic citywide. In fact, no place else in the region enjoys such high concentrations of both young and college-educated adults.

To be competitive, Philadelphia needs to increase the level of educational attainment of current city residents and encourage high school and community college graduates to complete four year degrees. But it's also helpful to attract and

retain college graduates from outside the city and region. Since Center City houses only 6% of the city's total population, it is important to understand what accounts for downtown's success in attracting young professionals and how it can be expanded into other areas of Philadelphia. To answer these and other questions, the Center City District repeated in spring 2006 a survey of recent college graduates living in the Philadelphia region that it had first conducted in 2003.<sup>1</sup>

### SURVEY LOCATIONS

	Date and Time	Indoor or Outdoor	# of Surveys Completed
Broad Street: Borders	Mon. 4/17, 12:00-2:00	Out	44
Rittenhouse Square	Tues. 4/18, 11:30-1:30	Out	57
South Street: Super Fresh	Thurs. 4/20, 4:30-6:30	Out	32
Boat House Row: Lloyd Hall	Tues. 4/25, 4:30-6:30	Out	70
Philadelphia Sports Club	Tues. 4/25, 6:30-8:30	In	21
12th St. Gym	Wed. 4/26, 5:00-7:00	In	77
Liberty Place	Fri. 4/28, 11:30 -1:30	In	30
Ritz 5	Fri., 4/28, 5:00-7:00	Out	17
Old City	Fri. 4/28, 7:00-9:00	Out	20
			<b>368</b>



J.B. Abbott



CCD



J.B. Abbott

**Key Findings**

The most significant change since 2003 is that as the population of Center City has increased, it has become even more attractive to recent graduates. There has been a large increase — from 26% to 39% — in the number of respondents who returned to the Philadelphia area after living elsewhere. Also, an even larger number of those who have lived elsewhere rated Philadelphia’s arts and cultural events and nightlife much more favorably than the place they came from.

Respondents were also asked to rank their priorities for improving Center City. Once again, almost half ranked *reducing taxes* as their number-one priority. Reducing crime, which remained in the second position, took a significant jump from 25% of respondents to 36%. Overall, the message from respondents is quite simple: *Accentuate the positives, but fix the basics.*

**Center City is More Attractive to Recent Graduates**

Center City is doing a better job attracting and retaining young professionals than in 2003. Fifty-three (53%) of the respondents reported that they lived downtown, up from 50% in 2003. Fifty-two percent reported that they worked in Center City, down slightly from 2003. Another 20% indicated that they were in Center City to conduct business.

**PRIMARY REASONS FOR COMING TO CENTER CITY**

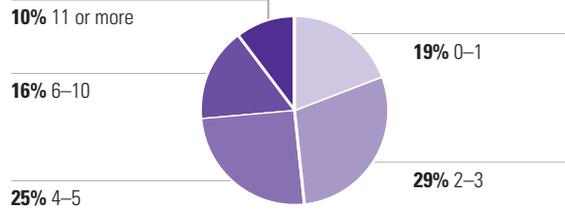
	2003	2006
Live in Center City	50%	53%
Work in Center City	56%	52%
Dine/go to nightclubs or bars	42%	44%
Go to theater/movies/museums/ cultural institutions/events	37%	36%
Shop	34%	31%
Visit friends	29%	28%
Conduct business	18%	20%
Attend school	7%	9%
Exercise/run/bike	1%	n/a

*(Multiple responses permitted causing the total to exceed 100%)*

Those who live in the region outside of Center City are choosing to visit downtown more often. The percent of non-Center City residents frequently visiting downtown increased 10 percentage points from 69% to 79%, with restaurants, nightclubs and bars the most visited locations.

Over one-half of respondents dine at a Center City restaurant at least four to five times a month. An additional 29% dine at a restaurant in Center City at least two to three times a month. On average, respondents in both 2003 and 2006 dine in the evening at Center City restaurants five times a month.

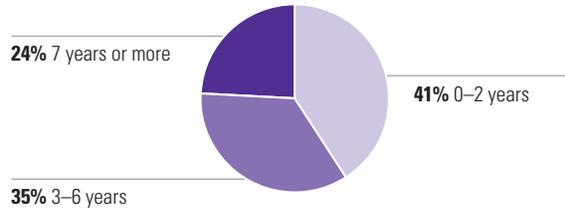
**AVERAGE NUMBER OF TIMES A MONTH RESPONDENT DINED IN CENTER CITY**



In both 2003 and 2006, respondents reported residing in Center City for an average of five years. But young professionals are staying longer: more respondents lived in Center City for seven years or more in 2006 (24%) than in 2003 (18%).

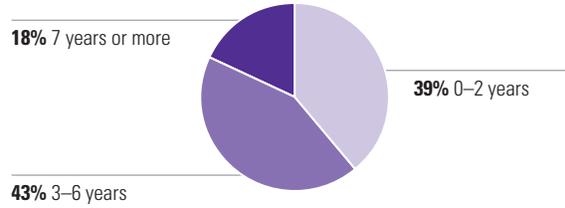
**AVERAGE LENGTH OF RESIDENCY IN CENTER CITY**

**2006 Survey:**



**2006 Average = 5 years**

**2003 Survey:**

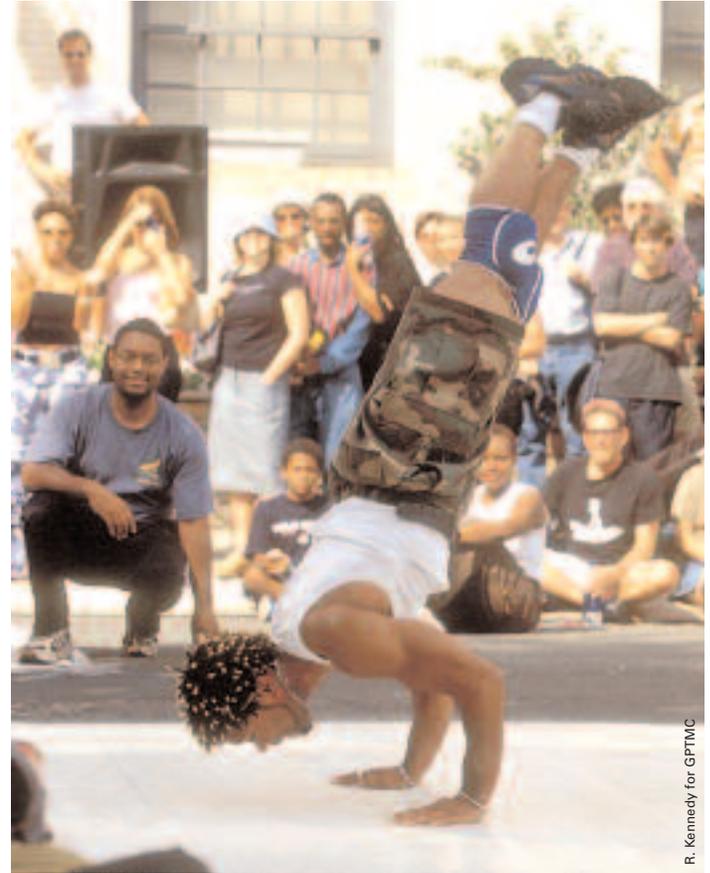


**2003 Average = 5 years**

Philadelphia has long been successful in retaining regional residents who attend college or university in the city. But the number of recent college graduates who lived elsewhere after graduation for a period of time and have come back grew significantly between 2003 and 2006, from 26% to 39% of respondents. The largest number (10%) had lived in New York City; 4% were returning from Boston, 4% from San Francisco and 4% from various places overseas. Center City is also acting as magnet in the region: 62% of respondents who are living in Center City are not native to the area.



Philadelphia's unique architecture, along with arts and entertainment events like the Fringe Festival, right, are a major draw for young professionals.



**Philadelphia's Appeal To Those Who Have Lived Elsewhere**

Respondents give many reasons why Philadelphia is more attractive than areas where they previously lived. Topping the list are Center City's unique and historic architecture, its arts and cultural events, population diversity, quality of nightlife and employment opportunities.

Those who have lived elsewhere reported two significant areas of improvement: In 2003, 57% said arts and cultural events were better than other places; this year 64% described them as better than elsewhere. Nightlife, too, jumped from 49% to 58%.

Philadelphia scores less well when its parks and green spaces are compared to other places. Philadelphia's cost-of-living is also deemed as more expensive. This response is understandable in that a significant number of respondents previously lived in small towns and communities outside major urban centers.

**PHILADELPHIA COMPARED TO OTHER CITIES WHERE RESPONDENT HAS LIVED**

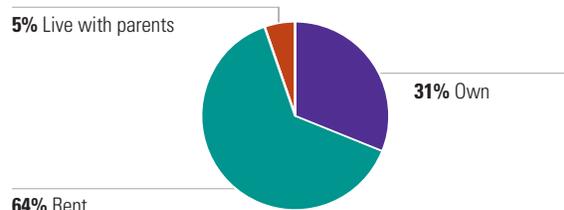
	Better	Same	Worse
Unique/historic architecture	64%	29%	6%
Arts and cultural events	64%	26%	9%
Quality of nightlife	58%	26%	16%
Population diversity	55%	30%	14%
Concentration of young professionals	47%	33%	18%
Employment opportunities for college graduates	45%	33%	20%
Recreational opportunities	38%	38%	23%
Attractiveness of parks and green spaces	32%	37%	30%
Cost of living	30%	25%	44%
Climate	22%	55%	22%

**Housing**

Living arrangements among recent graduates remained largely unchanged from 2003. The majority continue to rent their residence (63% for 2003 and 64% for 2006) although the number owning a home or condominium increased from 28% to 31%. A small percentage of respondents live with their parents.

**LIVING ARRANGEMENTS\***

2006 Survey:



\* <1% of respondents did not answer this question.

Respondents were asked why they chose their current housing location. Convenience to shopping, dining, entertainment, and work topped the list, along with cost and safety.

**REASON FOR CHOOSING HOUSING LOCATION**

2006	Very Important	Somewhat Important	Not Very Important	Not At All Important
A walkable environment	71%	20%	5%	2%
Housing costs	64%	29%	4%	2%
Security/safety	63%	30%	5%	1%
Proximity to employment	54%	33%	8%	5%
Proximity to arts, culture & nightlife	49%	38%	8%	4%
Proximity to public transportation	45%	32%	11%	10%
Condition/age/style/size of housing	44%	40%	12%	4%
Proximity to friends & family	41%	38%	11%	9%
Near parks and recreational areas	39%	43%	11%	6%
Ease of parking	32%	33%	14%	20%
Diversity of residents	27%	36%	22%	13%
Proximity to colleges/universities	27%	29%	25%	18%
Proximity to highways	26%	31%	22%	21%
Active civic associations/ community groups	23%	32%	27%	17%
School system	21%	17%	19%	42%

These findings were verified by a much larger survey of over 11,000 Center City residents also conducted in spring 2006.<sup>2</sup> Forty percent of the respondents to that larger survey were college graduates, ages 25-34 and, when asked to rank on a scale of 1 to 4 (with 1 being most important) their reasons for living in Center City, they responded as follows:

**REASONS FOR LIVING IN CENTER CITY**

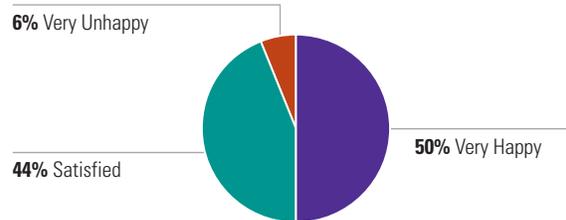
	2006
Convenience to shopping/dining/entertainment	1.5
Housing costs	1.7
Security/safety	1.8
Proximity to employment	1.9
Near parks & recreational areas	2.0
Close to arts and cultural institutions	2.1
Proximity to public transportation	2.1
Proximity of friends & family	2.3
Diversity of residents	2.5
Ease of parking	2.6
Proximity to highways	2.6
Condition/age/style/size of housing	2.9

CCD, Survey of Center City Residents, 2006

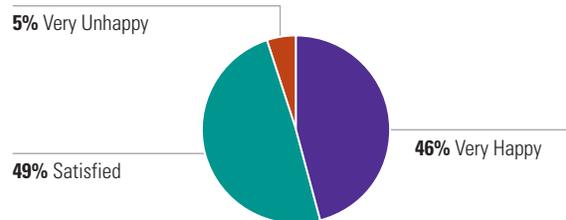
In the findings of the recent college graduates survey, young graduates living in Center City were more likely to report that they were very happy (54%) with their current residence than other respondents (50%). Overall, the vast majority of respondents have a very high level of satisfaction with where they live.

**SATISFACTION WITH CURRENT RESIDENCE**

**2006 Survey:**



**2003 Survey:**



**Employment**

More than three-quarters (77%) of respondents worked full-time, down from 81% in 2003. Thirteen percent were full-time students, compared to 10% in 2003, and there continues to be a small proportion working part-time (7% in both 2003 and 2006). Only 1% of respondents were not employed in 2006.

**EMPLOYMENT STATUS**

	2003	2006
Full-time	81%	77%
Full-time student	10%	13%
Part-time	7%	7%
Not employed	4%	1%

While arts and culture may be an important amenity that attracts young people to Center City, it is not a major source for employment. In 2006, the office sector remained the dominant employer (45%), down slightly from 2003 (46%).

This sector includes architecture and engineering, financial services, legal services, insurance, consulting, marketing, advertising and public relations. Health care and educational institutions employed 27% of respondents. The non-profit/social services sector employed 5% of those who worked, down from 10% in 2003.

**EMPLOYMENT BY SECTOR**

	2003	2006
Office sector	46%	45%
Health care and education	33%	27%
Hospitality and retail	8%	10%
Technology (Telecom/Internet/ hardware/software/biotech)	4%	6%
Non-profit/social services	10%	5%
Arts, culture and entertainment	2%	4%
Public sector/government	3%	4%
Pharmaceuticals	1%	<1%

*Multiple responses caused the total to exceed 100%*

**Mode of Transportation to Work**

For those who work full-time, 56% use public transportation to get to work. More than one-third of respondents walk to work, while nearly one-third drive alone to work. Eleven percent of respondents bike to work. The average commute time for all modes is 26 minutes. Among those who live in Center City, 54% walk to work.

**MEANS OF COMMUTING TO WORK**

	2006
Public transit	56%
Walk	35%
Drive alone	30%
Bike	11%
Carpool	5%

*Multiple responses caused the total to exceed 100%*

**Priorities for Improvement**

Most respondents ranked the reduction of taxes as the highest priority to improve Center City. But reducing crime, while remaining in the second position, took a significant jump between 2003 and 2006 from 25% of respondents to 36%. As downtown housing prices have increased, so has the concern among young professionals about affordability.



**More than half of young professionals in Center City regularly use public transit to get to work.**

**PRIORITIES TO IMPROVE CENTER CITY**

	2003	2006
Reduce taxes	44%	41%
Reduce crime	25%	36%
Build more affordable housing – to rent/buy	19%	22%
Lower cost of parking	27%	21%
Increase cleanliness	24%	21%
Improve parks and green spaces	17%	18%
Increase frequency/hours/customer service of public transportation	16%	18%
Expand employment opportunities	23%	17%
Reduce traffic congestion	16%	16%
Reduce panhandling/homelessness	16%	15%
Allow later hours for bars/clubs/restaurants	13%	11%
Reduce the cost of car insurance	29%	10%
Make entire downtown a wifi hotspot	n/a	8%
Add more quality retail	7%	6%
More nightclub variety	7%	4%
Increase the number of movie theaters	9%	3%

**Profile of Respondents**

The median age of respondents was 28. Seventy-six percent of the respondents were Caucasian, 10% were African-American, 7% were Asian, 4% were Hispanic/Latino and 3% identified as an other race. There were slightly more males responding to the survey than women. Fifty-three percent of respondents lived downtown; another 33% lived elsewhere in Philadelphia.

Twenty-two percent of respondents were married; another 15% lived with their partner. Most (86%) had no children and 63% rented. This group therefore has the potential to be highly mobile.

Sixty-eight percent (68%) of respondents had at least a college degree. Almost one-quarter (23%) held Master’s degrees, and 10% held either doctorate and/or professional degrees. Seventeen percent attended Temple University, while 12% were graduates of the University of Pennsylvania and 4% were from Drexel University. Overall, 48% were graduates of colleges and universities located in the city; another 21% were graduates of schools in the region; 31% graduate from colleges and universities in other parts of the country. This suggests that while Philadelphia has been doing an excellent job in retaining those who graduate from institutions in the region, we are not a significant magnet for those who have been educated elsewhere.

**What Attracts This Group?**

What draws recent college graduates to a region other than the one in which they received their degree? A March 2006 national study conducted by Yankelovich Survey for CEOs for Cities of 1,000 young professionals found that two-thirds of college educated, 25-34-year-olds indicate that they will choose a “great place” where they want to live first, then look for a job in that location.<sup>3</sup> That survey thus suggests that *image* matters to recent graduates and that the primary way of gathering information about locations was rather superficial: visiting for a weekend, looking at housing options and talking to friends or family who live there.

The attributes that most attract 25-34-year-olds to an area, according to Yankelovich, are the basics: clean and safe, affordable, compatible lifestyle, lots of parks and open spaces. If an area can deliver on those attributes, then factors such as employment opportunities, excellent schools for children and amenities become important.

**The Implications for Philadelphia**

This suggests that Philadelphia has a great opportunity to capitalize now on the improvements in Center City and upon the recent positive media images of the city. But since recent college graduates also tend to be highly mobile, marketing a

**A Tale of Two Grads:**

**One Who Came Back**

*I am surprised how frequently the job issue gets overlooked in the pro-amenities arguments. I think of my own post-college graduation experience when most of my friends desperately wanted to stay in Montreal, but left for Toronto, Vancouver, New York and LA for work or the promise of work — even if they spoke French fluently.*

*The only ones still there almost 10 years later are visual artists/musicians/writers/actors, with a quit-able second job if they need it. The labor market in Montreal at the time made it next to impossible for anyone else to stay, no matter how much they wanted to. As much fun as it was to live there, we got sick of waitressing/translating/being broke. So we left for places that had great amenities AND where we could find work in our field. I don't think other graduates are so different.*

*(A Philadelphia resident who attended McGill University in Montreal and returned after graduation.)*

**One Who Left**

*For college grads, I can believe that **place** is more important than **jobs**, since most of them really don't know what job they want anyway. But for graduate school graduates, it's all about jobs. That's the point of grad school for most.*

*From personal experience, even though my wife and I did not have permanent jobs when we moved to Denver, we waited until I had at least secured part-time work to make the move. We spent six months doing informational phone interviews and I came out to visit and had another 12 interviews in person several months before moving. Furthermore, the job climate for our profession was very critical for our decision: the passage of a regional \$4.7 billion ballot initiative to build 120 miles of rail transit and add 60 stations to the transit system over 12 years was perhaps the deciding factor for us choosing Denver. I ended up getting a job with the transit agency and my wife got a job with a homebuilder who has two developments at new train stations.*

*(A graduate of the Department of City and Regional Planning, University of Pennsylvania, who departed for Denver.)*

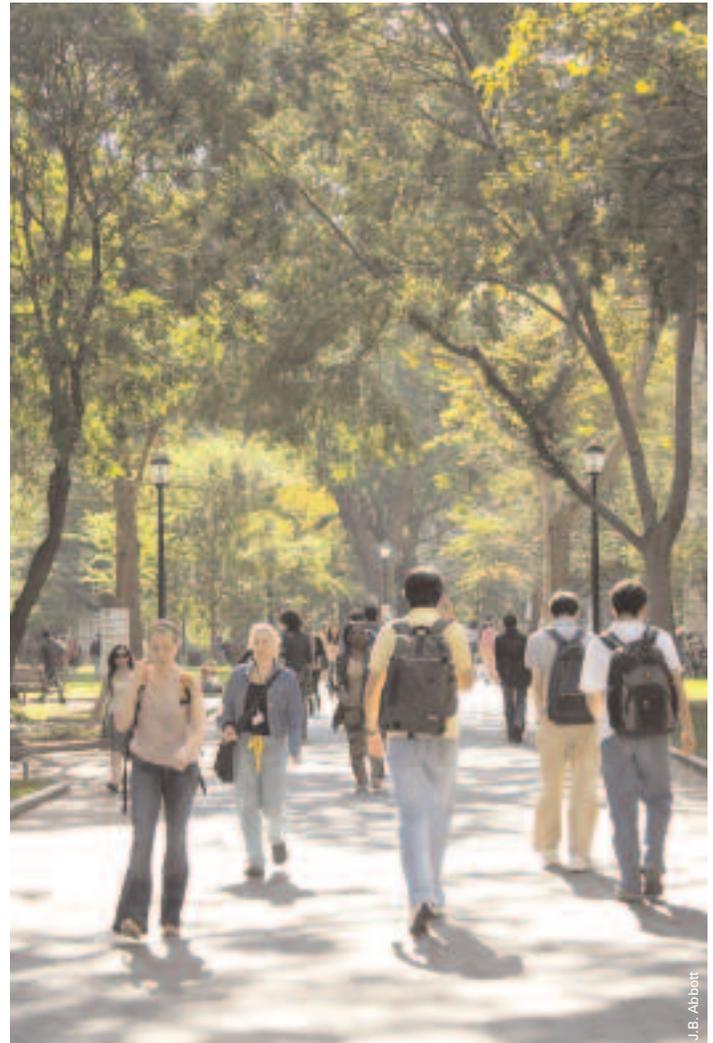
great image takes us only so far. Places that have the reputation of being vibrant and attractive usually are so because they have vibrant economies with thick labor markets that offer a broad range of choices for professionals. So without job growth in the office sector, the major source of employment for college graduates, and without reductions in taxes and crime, we are not as likely to hold onto our gains.

The Yankelovich survey also found that while many college graduates wind up staying in the region of the country in which they grew up, among respondents from the Northeast, only 50% remained, while 35% had moved to the South and 10% had moved to the West.

The importance of retaining those with advanced degrees and who are further along in their careers is underscored by another study. In analyzing what accounted for prosperity — rising incomes among existing residents — in American cities in the 1990s, Weissbourd and Berry conclude that neither climate, nor amenities, nor the presence of 25–34-year-olds was a determining factor.

Rather prosperity is best achieved in cities with strong concentrations of professional and business-services firms, health care and educational institutions, and a strong concentration of an older demographic, those ages 35–44.<sup>4</sup> Further along in careers, they earn higher salaries, and have more disposable income to spend in the local economy. Similarly, if the firms they have formed remain in town, they hire more employees at all skill and salary levels.

It is a fact of nature that 25-year-olds will become 35-year-olds. But it takes an expanding economy and good public policies for them to remain in the city.



J.B. Abbott

1 Methodology: Over the course of 12 days in April 2006, surveys were conducted by a survey team from the professional market research firm Eshelman & Townsend at nine Center City locations likely to be venues in which the targeted age group would be encountered; 368 interviews were completed. Respondents were pre-screened by interviewers. Those who met all of the following criteria were asked to complete the survey:

- Age 22 to 34 years old;
- College graduate (Bachelor's degree or higher);
- Living in Center City, or;
- Living in Bucks, Chester, Delaware, Montgomery or Philadelphia counties, PA or Burlington, Camden or Gloucester counties, NJ, and;
- Visiting Center City more than one day per week.

2 *Center City Reports: Residential Development: 2006–2008*, September 2006, available online at [www.CenterCityPhila.org](http://www.CenterCityPhila.org).

3 *Attracting the Young College-Educated to Cities*, prepared by The Segmentation Company, a division of Yankelovich, for CEOs for Cities, May 11, 2006, available at [www.ceosforcities.com](http://www.ceosforcities.com)

4 Robert Weissbourd and Christopher Berry, *Grads and Fads, The Dynamics of Human Capital Location*, CEOS for Cities, October 2004.

 **CENTER CITY DISTRICT**

 **CENTRAL PHILADELPHIA  
DEVELOPMENT CORPORATION**

660 Chestnut Street • Philadelphia PA 19106 • P 215.440.5500 • F 215.922.7672 • [www.CenterCityPhila.org](http://www.CenterCityPhila.org)