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EMPLOYMENT

Philadelphia has added jobs every year since 2009 – 71,100 in total. The 15,400 positions added in 2018 represent the biggest one-year gain since the Bureau of Labor Statistics began tracking these trends in 1969. The previous high, in 2016, brought 13,600 more jobs.

Center City is a prime driver of Philadelphia’s economy, holding 42% of city jobs. Diversification is downtown’s defining strength. Professional, business and financial services, real estate and information – prime office-using industries – provide 121,300, (40%) of downtown jobs. Education and health services, the largest sector citywide, is second largest downtown, accounting for 20% of jobs. Entertainment, leisure, hospitality, restaurants and retail hold a 16% share, while federal, state and local government employment provides 12%. Together, these total 305,500 wage and salaried positions with approximately 9,500 more individuals compensated as partners, self-employed, or working freelance. Located at the center of the region’s transit and highway network, 47.5% of downtown’s jobs are held by commuters from outside the city; 52.5% by Philadelphians. The city residents’ share has steadily expanded as downtown’s population has grown. Just to the west, equally accessible by

transit, University City holds another 11% of city jobs, with 80% in education and health services.

In Greater Center City, 40% of residents work downtown; another 11% commute to University City; 62% get to work without a car; 38% in the core walk to work. In neighborhoods outside Center City, 25% of workers travel to jobs downtown; another 5% work in University City. In every neighborhood outside Center City, more people work downtown than in the area in which they live. While 37% of Center City jobs require at least a bachelor’s degree, the broad range of other opportunities provided by downtown employers combined with strong transit connectivity, makes 30% of jobs available to those with associate degrees, while another 33% require no more than a high school diploma.

At the same time, sustained job loss beyond Center City, University City and the Navy Yard means that every day, another 40% of working residents of neighborhoods outside the downtown (221,000 Philadelphians) reverse commute to jobs in the suburbs. Philadelphia’s wage tax is structured so that regardless of where a city resident works, their employer is obligated to withhold the full tax. Thus, the commute to the suburbs carries with it an incentive to move to the suburbs

and population has continued to decline in many of the city's outer neighborhoods.

From 2009 to 2018, *health care and social assistance* accounted for almost half (30,100) of all new jobs added citywide. While this includes highly skilled doctors, researchers and technicians in lab coats, employment gains have come primarily in lower wage jobs. The *home health care services and individual and family services* subsectors – jobs with salaries that average around \$30,000 per year – account for more than 80% of the gains.¹ *Professional and business services*, with average wages at \$95,016, added 20,100 jobs since 2009. However, these were partially offset by losses in financial and information services. The third largest gains came in *leisure and hospitality*, adding 17,400 jobs since 2009 – with 80% in *food services and drinking places*. The biggest losses occurred in the public sector and manufacturing, shedding 6,700 and 5,800 jobs, respectively.

The past 10 years represent the first time most Philadelphians have experienced growth so strong and sustained. As the city added jobs, the poverty rate declined. However, nearly all large cities have outperformed the national economy since the depths of the recession, averaging 2.3% per year in private sector job growth since 2009. Philadelphia has grown at 1.5%. Even in sectors in which Philadelphia has grown fastest – *education and health services, professional and business services, and entertainment, leisure and hospitality* – local growth lags behind the large cities average.

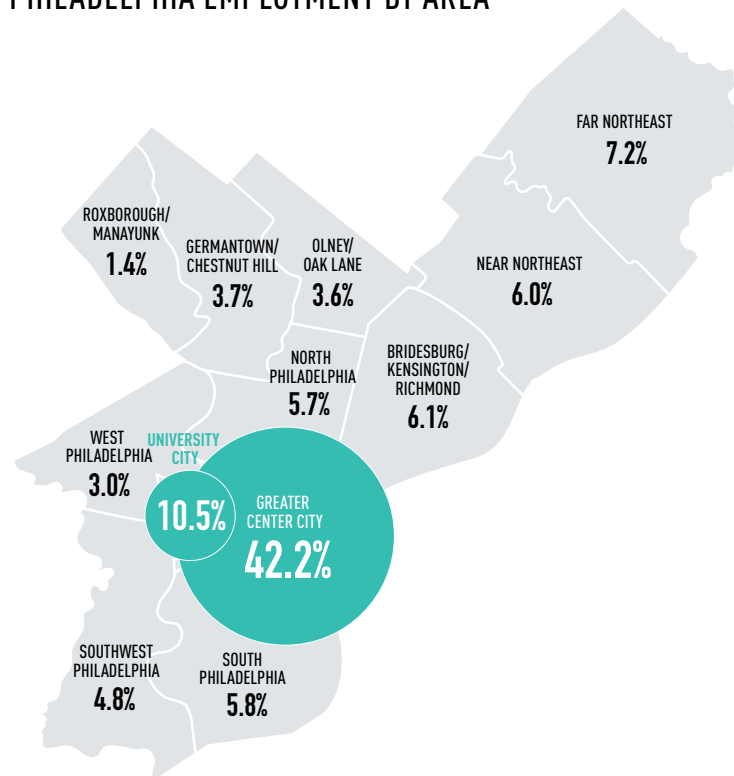
The last four years have been much stronger, with changes driven by the health and social assistance expansion. This sector added an average of 2,000 jobs per year from 2009 to 2014, but added 5,000 jobs per year from 2015 to 2018. The 2.3% growth rate in 2018 has put us on par with San Diego, Houston, and Atlanta. Still, Philadelphia's positive positioning in 2018, exceeding both the cities average and national average, is partially a result of cooling in other markets. Late in the business cycle, many other cities are slowing, while Philadelphia's health care and education employment are still going strong.

Despite the recent rebound, Philadelphia has 23% fewer jobs than in 1970 and is still 22,300 short of its 1990 employment mark. Boston and New York City, like Philadelphia, both lost 85% to 90% of their 1970 manufacturing jobs. However, both have added many more post-industrial positions and are now 26% and 14%, respectively, above their 1970 job levels. This is what largely accounts for Philadelphia's much higher poverty rate – at 25.7%, it is second only to Detroit among the top 25 largest cities in the United States. Deep poverty – the percent of the population living at less than half of the poverty level – is also second highest at 14%.

Growth has meant the unemployment rate has fallen to 5.6% in the city in 2018, compared to 4.2% for the region and 3.9% for the nation. However, unemployment statistics do not count those who are not actively looking for work. Philadelphia's workforce participation rate for those in their prime working years (25 to 54) is well below regional and national averages.

The federal government is steadily reducing the social safety net, while resources at the state level are similarly constrained. Philadelphia legislators need to fight for the city's fair share. But if Philadelphia is going to make a substantial dent in its low workforce participation rates in many neighborhoods and its 25.7% poverty rate, the highest of America's 10 largest cities, it has to grow jobs at a faster rate. Philadelphia needs to commit not only to its public schools, but also to comprehensive tax reform to grow jobs citywide. Otherwise, despite growth downtown, residents of many neighborhoods will continue to leave for opportunities in the suburbs.

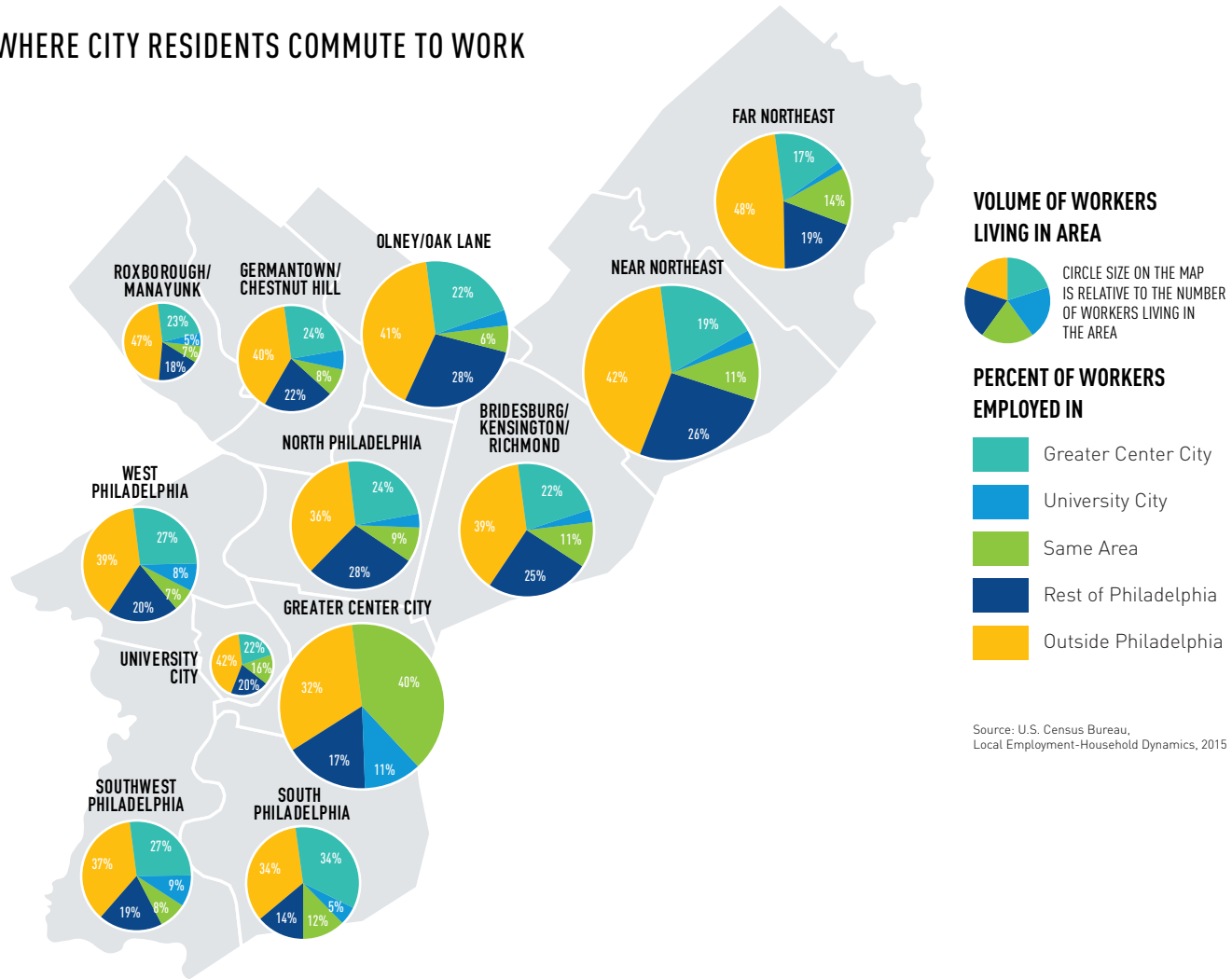
PHILADELPHIA EMPLOYMENT BY AREA



Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015

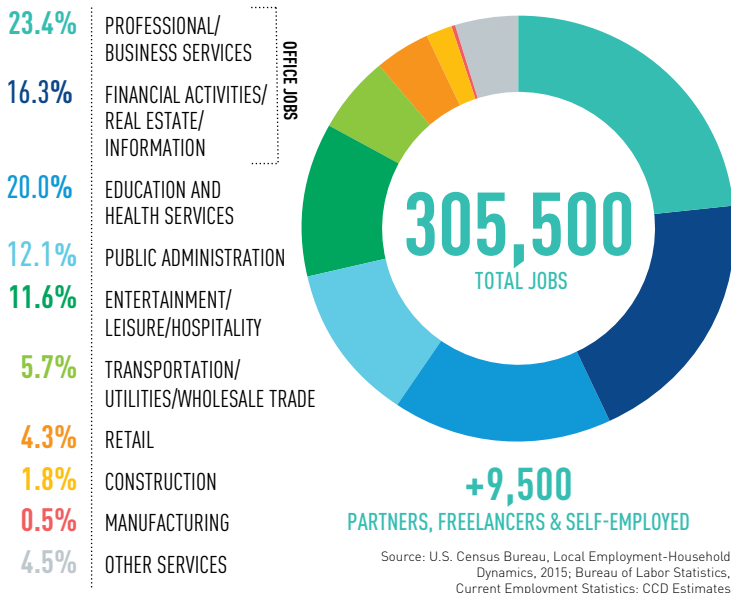
1: Salary data only available through 2017.

WHERE CITY RESIDENTS COMMUTE TO WORK

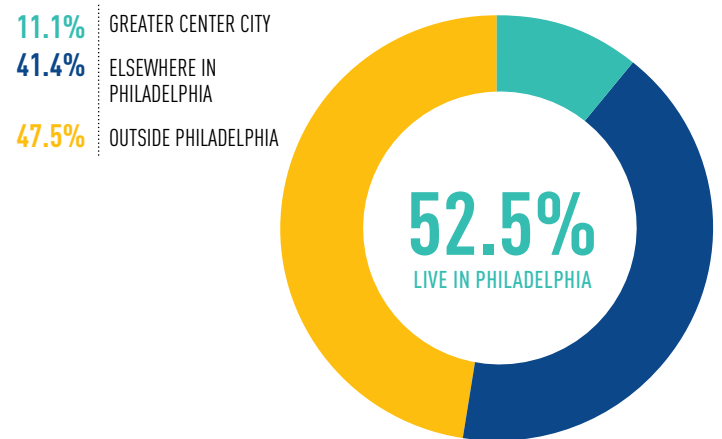


Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015

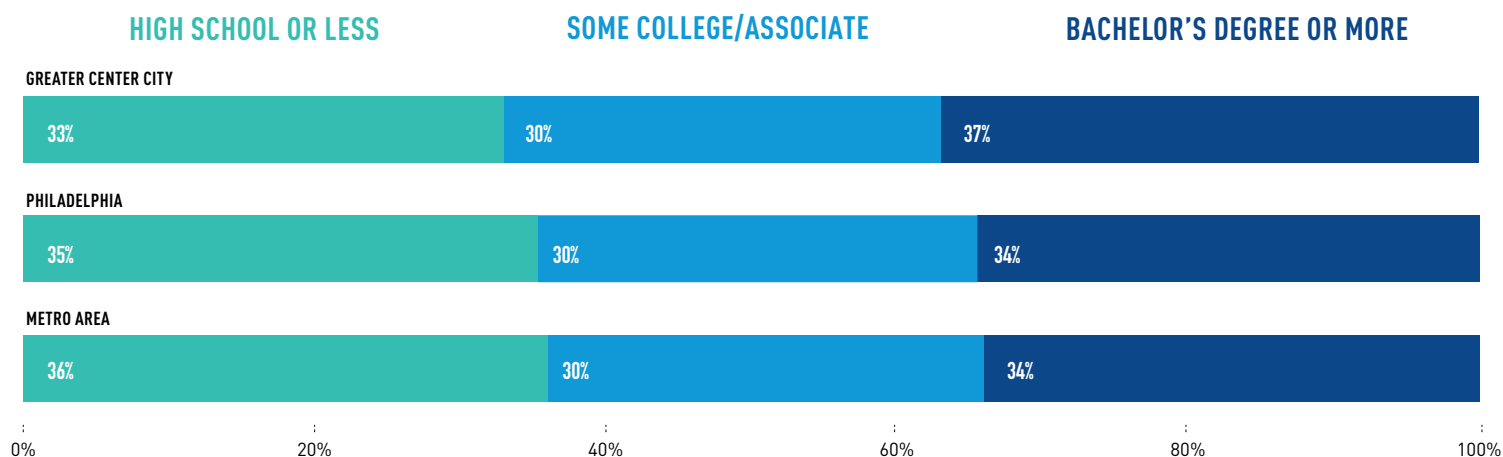
GREATER CENTER CITY WAGE & SALARY EMPLOYMENT



WHERE DOWNTOWN WORKERS LIVE



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

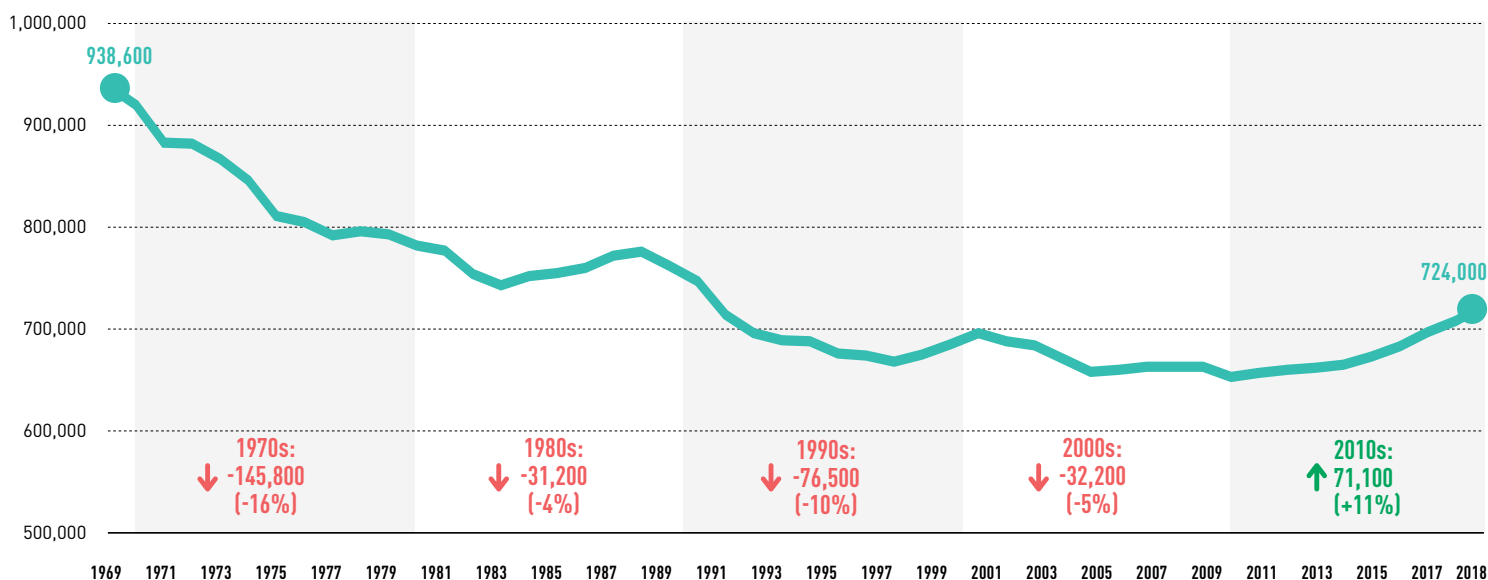


Source: U.S. Census Bureau, Local Employment-Household Dynamics, 2015



CENTER CITY IS HIGHLY INCLUSIVE, BASED ON THE SKILLS AND EDUCATION REQUIRED FOR THE JOBS IT OFFERS. DOWNTOWN AND THE REST OF THE CITY SIMPLY NEED TO GROW FASTER TO RECOVER FROM DECADES OF MANUFACTURING DECLINE

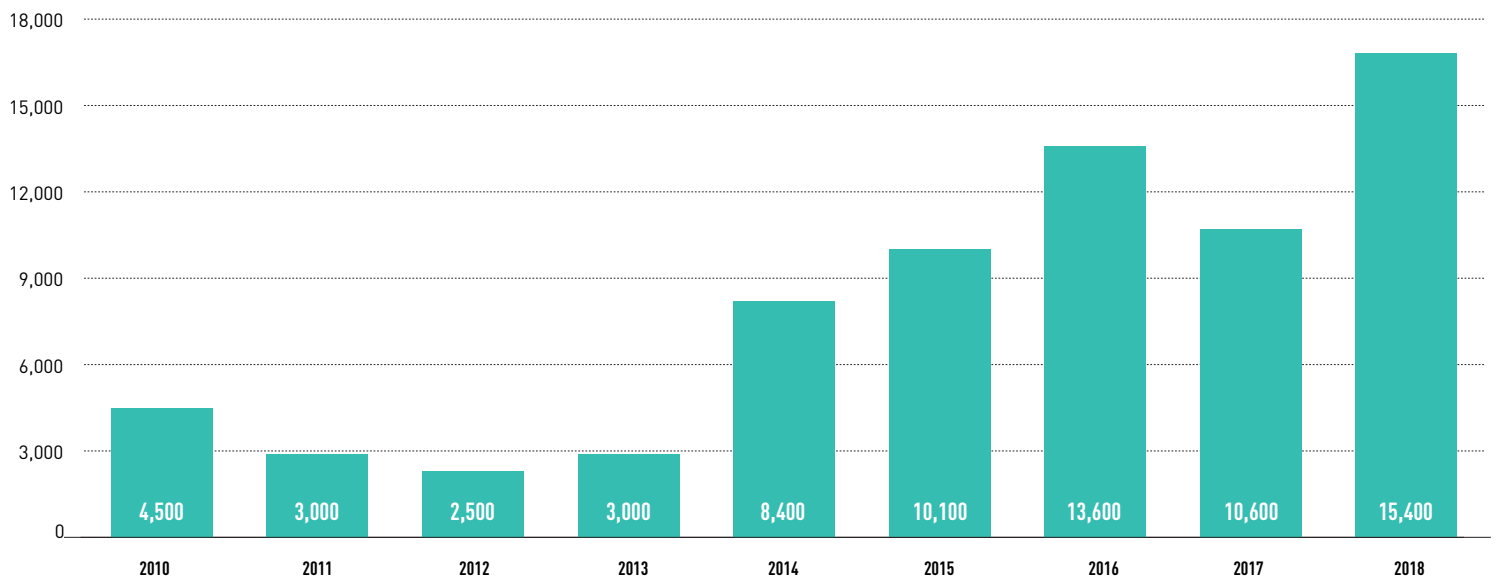
PHILADELPHIA TOTAL JOBS 1969-2018



Source: Bureau of Labor Statistics, Current Employment Statistics

TOTAL JOB CHANGE FROM PREVIOUS YEAR 2010-2018

CHANGES IN JOBS



Source: Bureau of Labor Statistics, Current Employment Statistics

2018 WAS THE CITY'S BEST YEAR OF JOB GROWTH IN THE LAST 50 YEARS

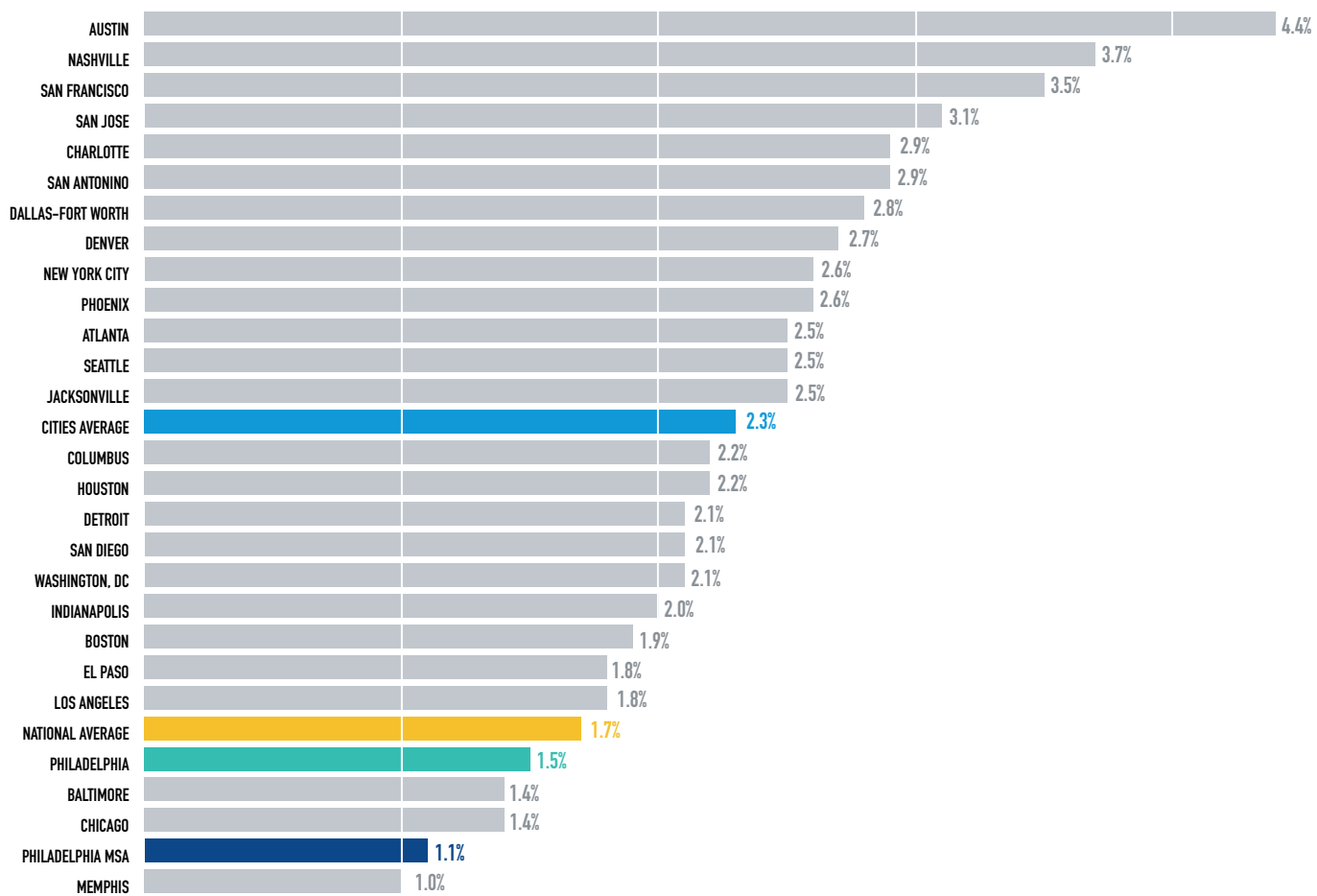
AVERAGE ANNUAL GROWTH BY INDUSTRY, 2009-2018

	PHILADELPHIA	PHILADELPHIA MSA	LARGE US CITIES AVERAGE*	US NATIONAL AVERAGE
Leisure and Hospitality	3.0%	2.4%	3.3%	2.5%
Mining, Logging and Construction	2.5%	1.1%	2.7%	2.0%
Professional and Business Services	2.4%	1.4%	3.2%	2.6%
Education and Health Services	2.0%	2.1%	2.8%	2.1%
Wholesale, Transportation, and Utilities	0.9%	-0.8%	2.0%	1.5%
Retail Trade	0.8%	0.8%	1.5%	1.0%
Other Services	0.7%	0.3%	1.4%	1.0%
Information	-0.4%	-1.2%	2.1%	0.1%
Financial Activities	-0.6%	0.5%	1.6%	1.0%
Manufacturing	-2.8%	1.4%	0.6%	0.8%

*This includes the 26 largest cities, with size determined by the number of jobs.

Source: Bureau of Labor Statistics, Current Employment Statistics

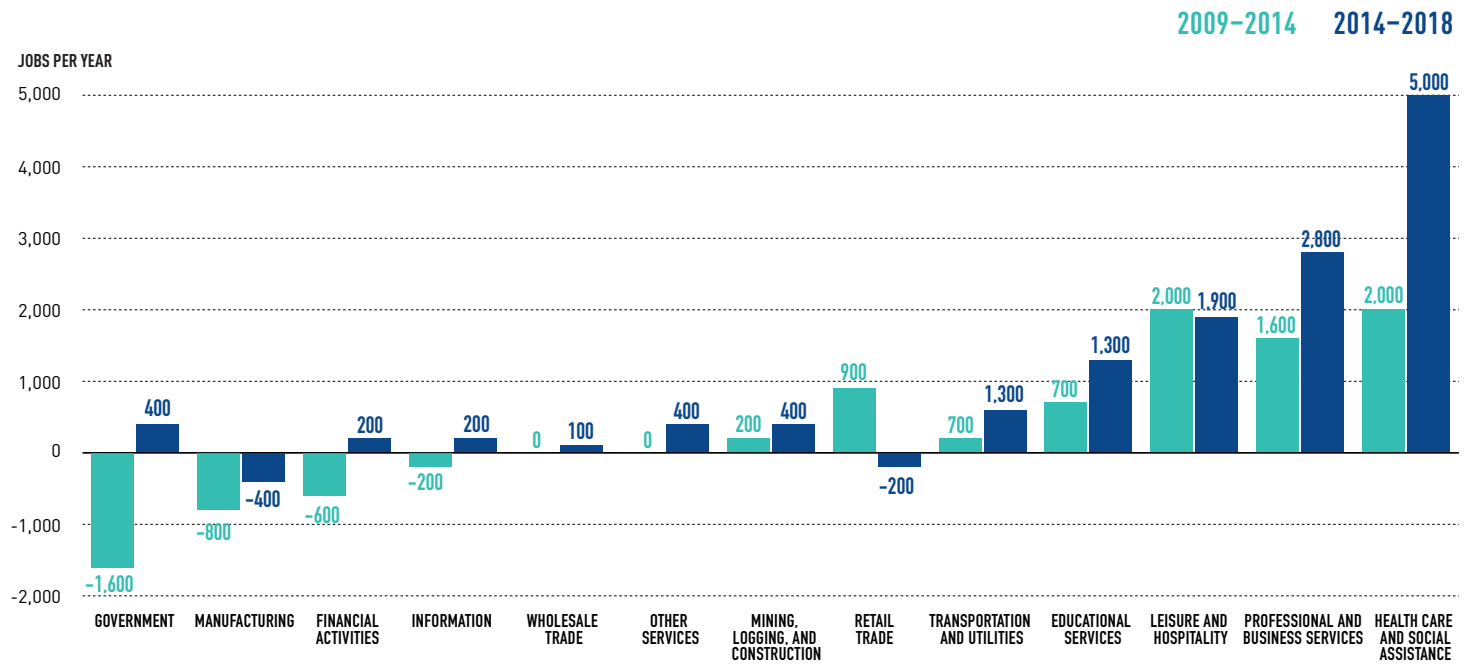
AVERAGE ANNUAL PERCENT CHANGE IN PRIVATE SECTOR JOBS, 2009–2018



Source: Bureau of Labor Statistics, Current Employment Statistics

**BY PHILADELPHIA STANDARDS RECENT JOB GROWTH IS STRONG;
BY NATIONAL STANDARDS WE SHOULD BE PERFORMING MUCH BETTER**

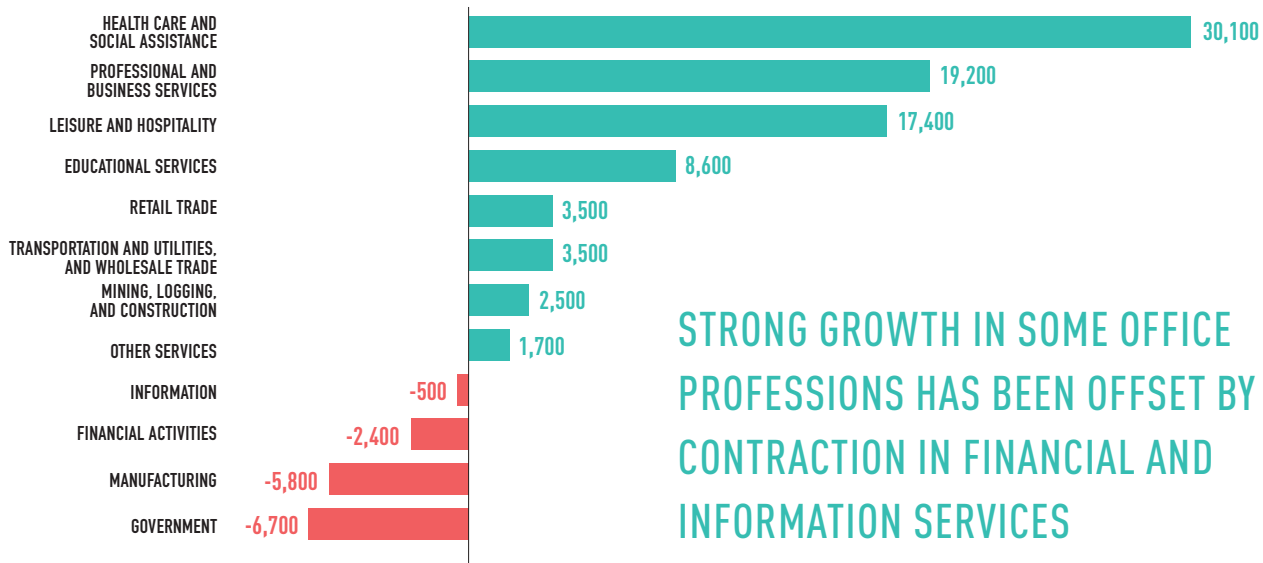
AVERAGE ANNUAL CHANGE IN JOBS BY SECTOR



Source: Bureau of Labor Statistics, Current Employment Statistics

RECENT JOB GROWTH HAS BEEN DRIVEN BY A SURGE IN HEALTH CARE AND SOCIAL ASSISTANCE EMPLOYMENT

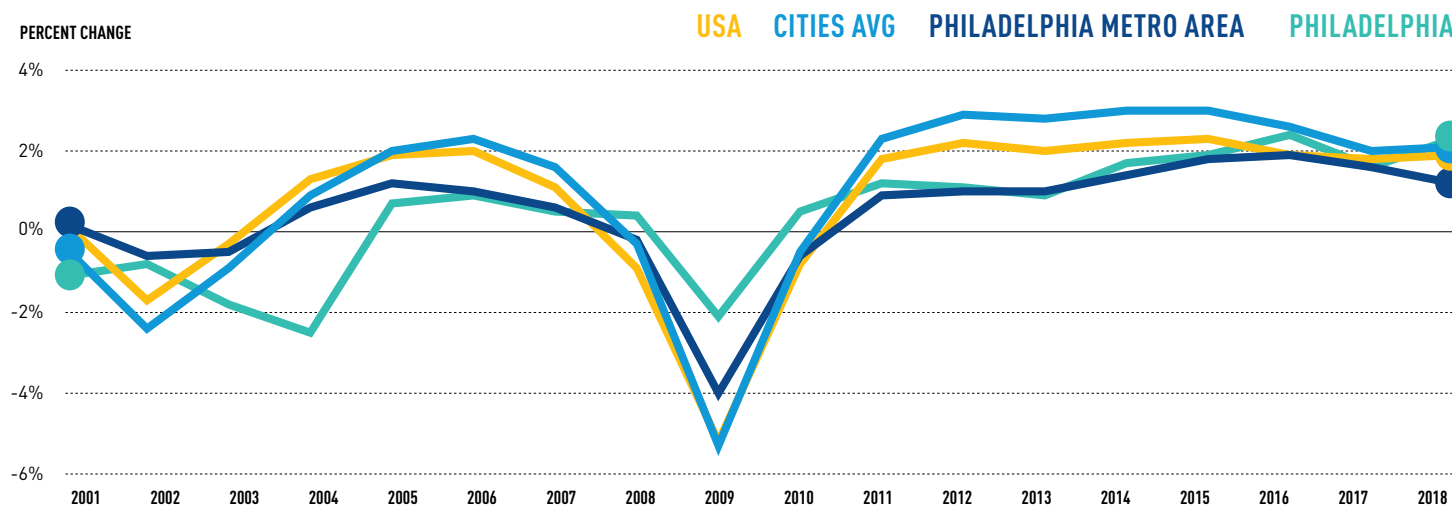
TOTAL CHANGE IN JOBS BY SECTOR, 2009-2018



STRONG GROWTH IN SOME OFFICE PROFESSIONS HAS BEEN OFFSET BY CONTRACTION IN FINANCIAL AND INFORMATION SERVICES

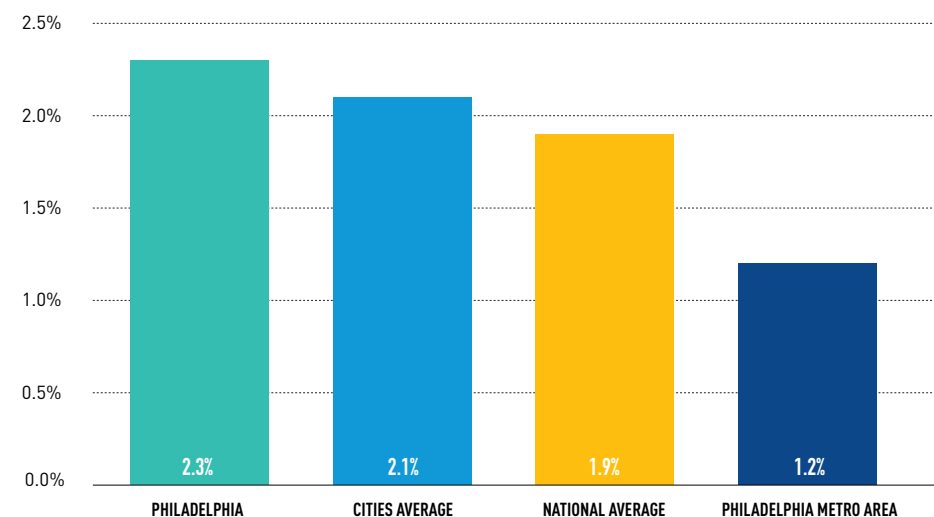
Source: Bureau of Labor Statistics, Current Employment Statistics

PRIVATE WAGE & SALARY PERCENT CHANGE FROM PREVIOUS YEAR, 2001-2018



Source: Bureau of Labor Statistics, Current Employment Statistics

ANNUAL PERCENT CHANGE IN PRIVATE SECTOR JOBS, 2017-2018

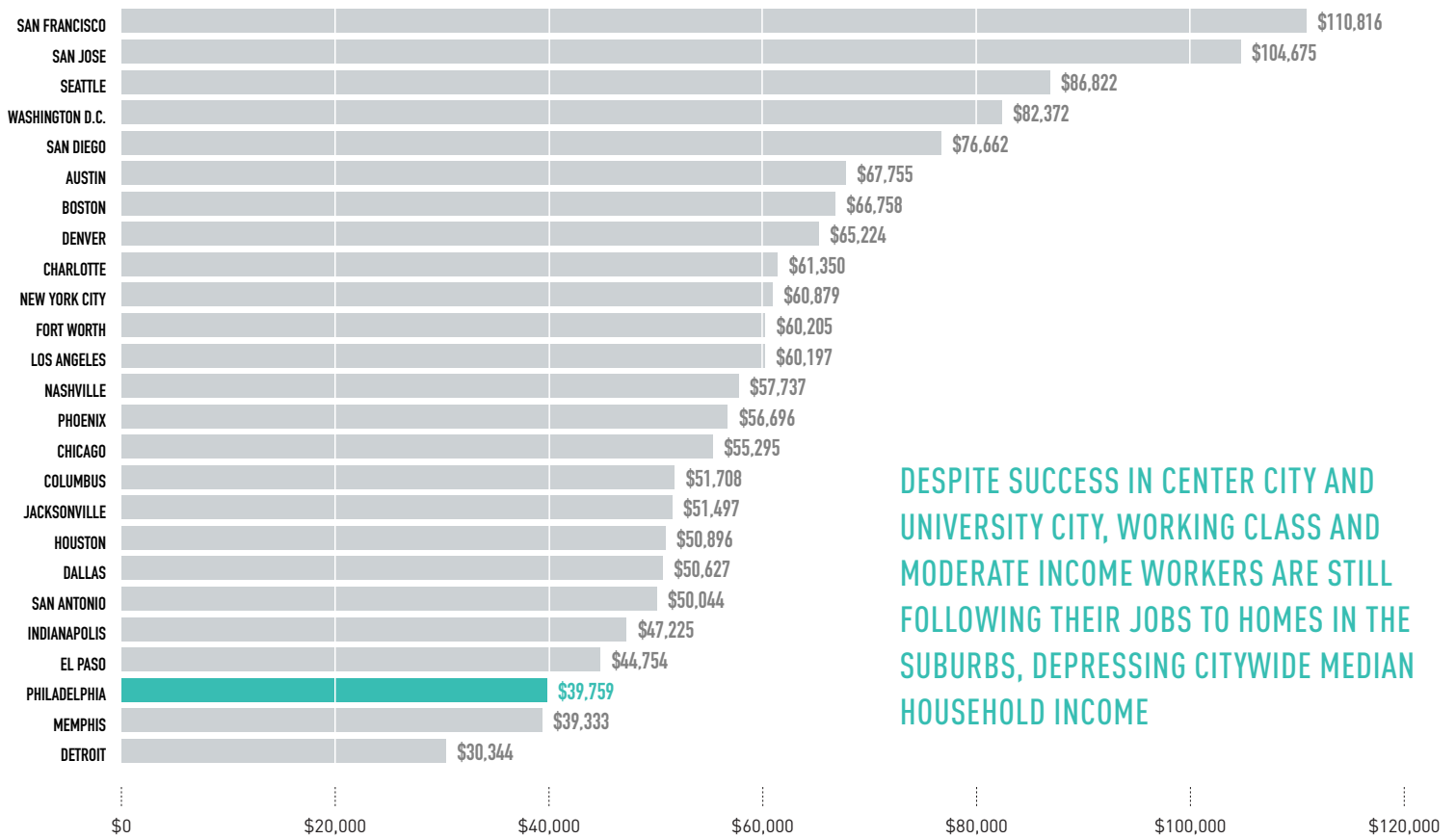


CITY	% CHANGE 2017-2018
Austin	3.9%
Phoenix	3.7%
San Francisco	3.3%
Nashville	3.2%
Seattle	2.9%
Jacksonville	2.9%
Charlotte	2.8%
Denver	2.6%
Dallas-Fort Worth	2.6%
San Diego	2.5%
Houston	2.3%
Philadelphia	2.3%
Atlanta	2.3%
New York City	2.1%
Cities Average	2.1%
Baltimore	2.0%
San Antonino	2.0%
San Jose	1.9%
National Average	1.9%
Washington, D.C.	1.8%
Los Angeles	1.7%
El Paso	1.7%
Boston	1.5%
Columbus	1.4%
Detroit	1.4%
Philadelphia Metro Area	1.2%
Indianapolis	1.1%
Memphis	1.0%
Chicago	1.0%

Source: Bureau of Labor Statistics, Current Employment Statistics

2018 WAS A YEAR OF
VERY STRONG GROWTH
FOR PHILADELPHIA

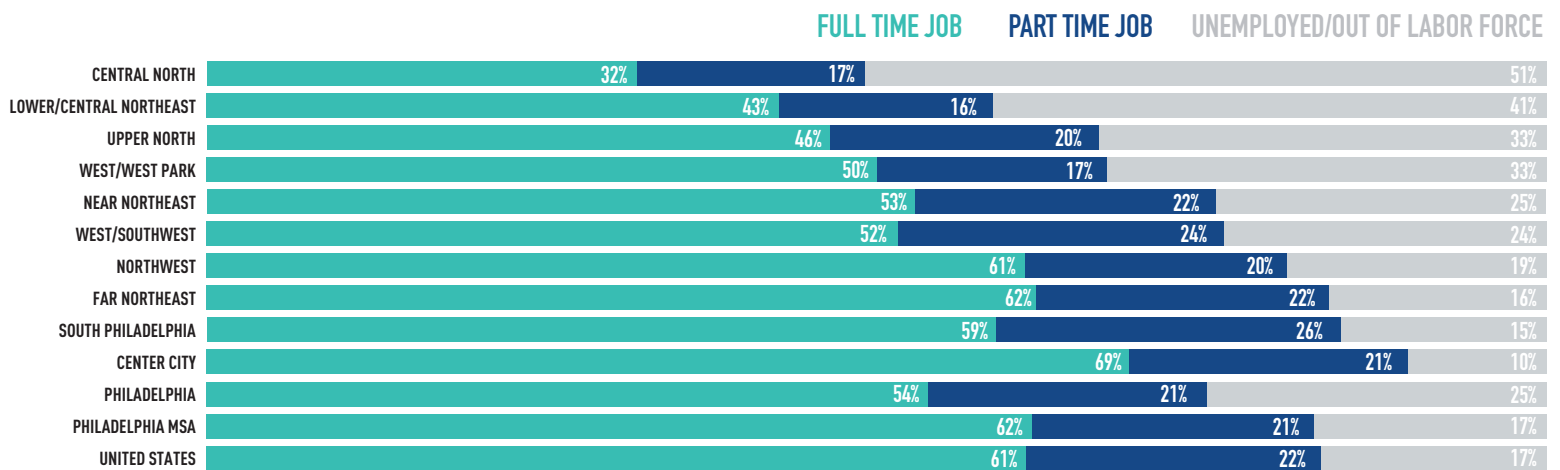
MEDIAN HOUSEHOLD INCOME AMONG THE TOP 25 LARGEST US CITIES



DESPITE SUCCESS IN CENTER CITY AND UNIVERSITY CITY, WORKING CLASS AND MODERATE INCOME WORKERS ARE STILL FOLLOWING THEIR JOBS TO HOMES IN THE SUBURBS, DEPRESSING CITYWIDE MEDIAN HOUSEHOLD INCOME

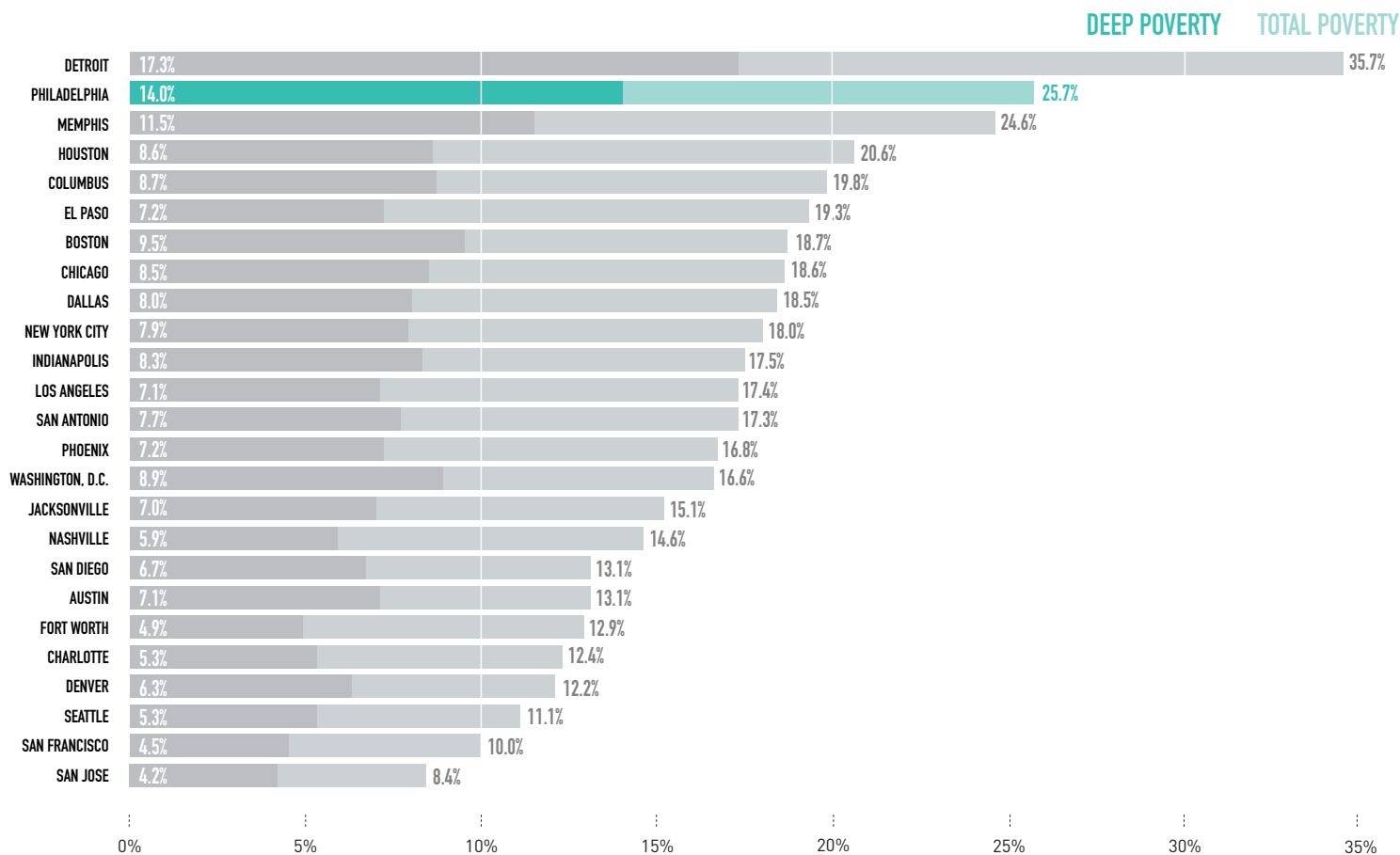
Source: US Census Bureau, American Community Survey 2017

LABOR FORCE PARTICIPATION - PRIME WORKING AGE EMPLOYMENT (25-54)



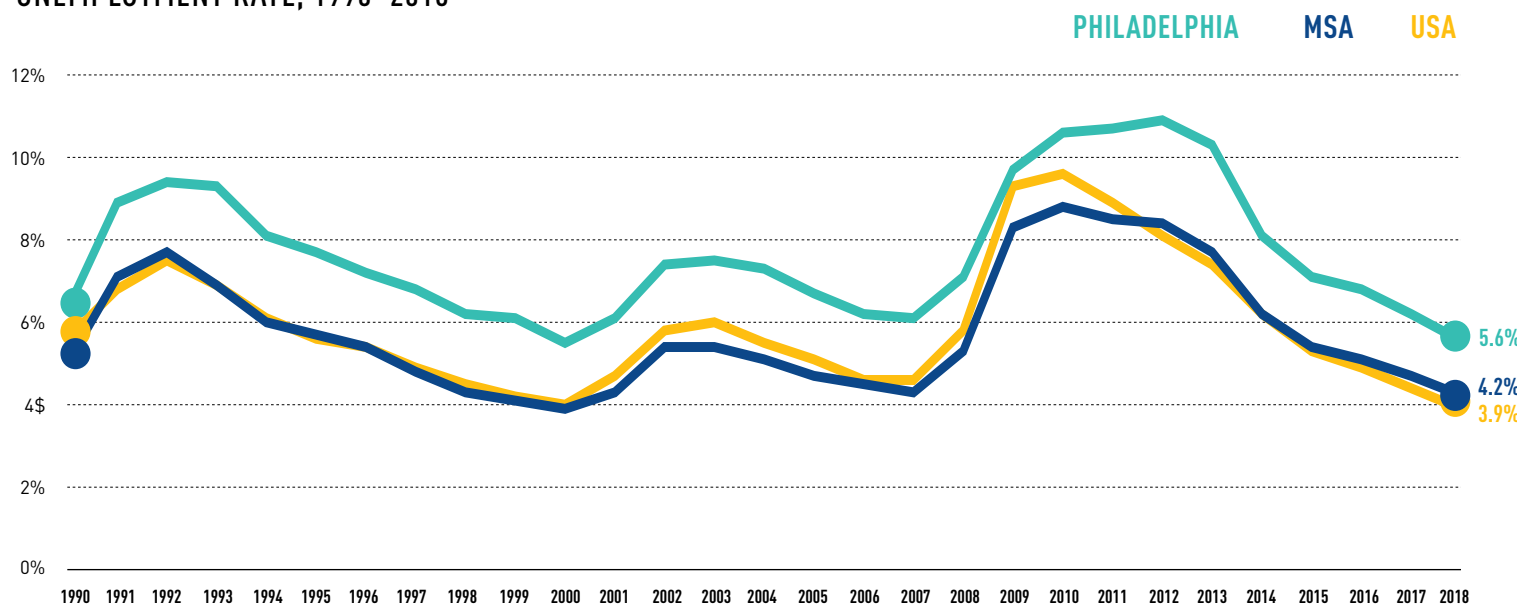
Source: US Census Bureau, American Community Survey 2017

POVERTY RATES AMONG THE TOP 25 LARGEST US CITIES



Source: US Census Bureau, American Community Survey, 2017

UNEMPLOYMENT RATE, 1990-2018



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics