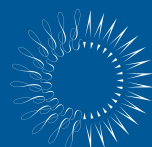
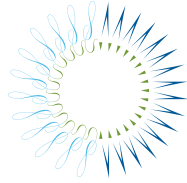


PHILADELPHIA:
THE STATE OF THE CITY
A 2010 UPDATE



THE
PEW
CHARITABLE TRUSTS

Philadelphia
Research
Initiative



FOREWORD

This report is an update of *Philadelphia 2009: The State of the City*, the comprehensive, statistical study published by the Philadelphia Research Initiative last March. This update provides new data on a dozen key indicators about the state of the city and places that data in context. We plan a full-fledged sequel to the original report next year.

Larry Eichel

Project Director

The Philadelphia Research Initiative

www.pewtrusts.org/philaresearch

INTRODUCTION

Three numbers tell the tale of the state of Philadelphia 2010—one promising, one troubling and one confusing.

Promising is the total number of serious crimes in the city, down 10 percent from last year. In 2009, Philadelphia had fewer major crimes than at any time in the last 31 years and the fewest violent crimes in 20 years.

Troubling is the number of jobs, an average of 651,000 within the city limits last year, the lowest in Philadelphia's modern history. The city held its own during the early stages of the recession. But it shed 1.7 percent of its jobs in 2009, while the region as a whole lost 3.4 percent.

And simply confusing are the latest population estimates from the U.S. Census Bureau. After years of reporting that Philadelphia was gradually and persistently losing residents, the bureau recently determined that the city has been growing for much of the past decade.

The overall statistical portrait of Philadelphia, 2010, is not as grim as one might expect for a place that has endured one city budget crisis after another and is still trying to escape the "tyrannical hold" of the recession, to use the words of Mayor Michael Nutter.

There is, to be sure, plenty of disturbing data to be found in Pew's latest analysis, an update of the comprehensive statistical look at the city's condition that our Philadelphia Research Initiative published a year ago.

Now as then, the city suffers from a poverty rate (24.3 percent) that is among the highest in the nation, an educational attainment level (only 21 percent of adults with college degrees) that is well below the national average, and a combined state and local tax burden that is one of the highest of any major city. All are drags on Philadelphia's prospects.

It is the jobs number that most concerns local officials these days. For residents, it may not matter whether jobs are located in the city or the suburbs, only that they are available somewhere in the region. But City Hall needs the taxes that city-based jobs generate to fund government services.

The jobs shortage is real and painful, as documented by the results of a poll done for the Philadelphia Research Initiative in January. In that survey, 21 percent of adult Philadelphians described themselves as unemployed and looking for work. Forty-nine percent said that they or a member of their household had fit that description at some point during the previous 12 months.

Looking at the local employment numbers over the past decade, two trends stand out. One is the gradual erosion in the total inventory of jobs, including the near-disappearance of manufacturing, once the guts of the city's economy. The other is the continuing expansion of one sector, education and health services, which now accounts for 32 percent of all city jobs. More than ever, it is the economic bulwark of the city and the region.

Thanks in part to the strength of "eds and meds," the Philadelphia region's economic performance during the recession has been no worse than average compared to the other top-100 metropolitan areas, according to the Brookings Institution's Metropolitan Policy Program.

The news on the crime front is promising no matter how one looks at the data. The incidence of major crimes has dropped to levels long unseen in Philadelphia, 73,581 of them in 2009 compared to 98,015 in 2000. Down, too, is the level of residents' worry about crime, although it remains by far their top concern about the city. Poll results showed a 10 percentage-point drop since last year in the number of Philadelphians citing crime as one of the things they like least about living in the city.

Numbers from other categories provide reasons for cheer. In the Philadelphia public schools, standardized test scores continue their decade-long rise, although only about half of the students tested get advanced or proficient scores in reading and math. Fire deaths last year were the lowest ever recorded. Housing prices have stabilized in many neighborhoods, rising by about 4 percent citywide last year, according to local real-estate economist Kevin Gillen.

In the face of all of these developments, positive and negative, the mood of residents seems determinedly upbeat.

Philadelphians have come through their recent travails in a remarkably positive frame of mind; our polling found that they believe the city remains headed in the right direction and have noticed no significant deterioration in city services. By a ratio of more than 3-to-1, residents expect the city to be a better place five years from now than it is today.

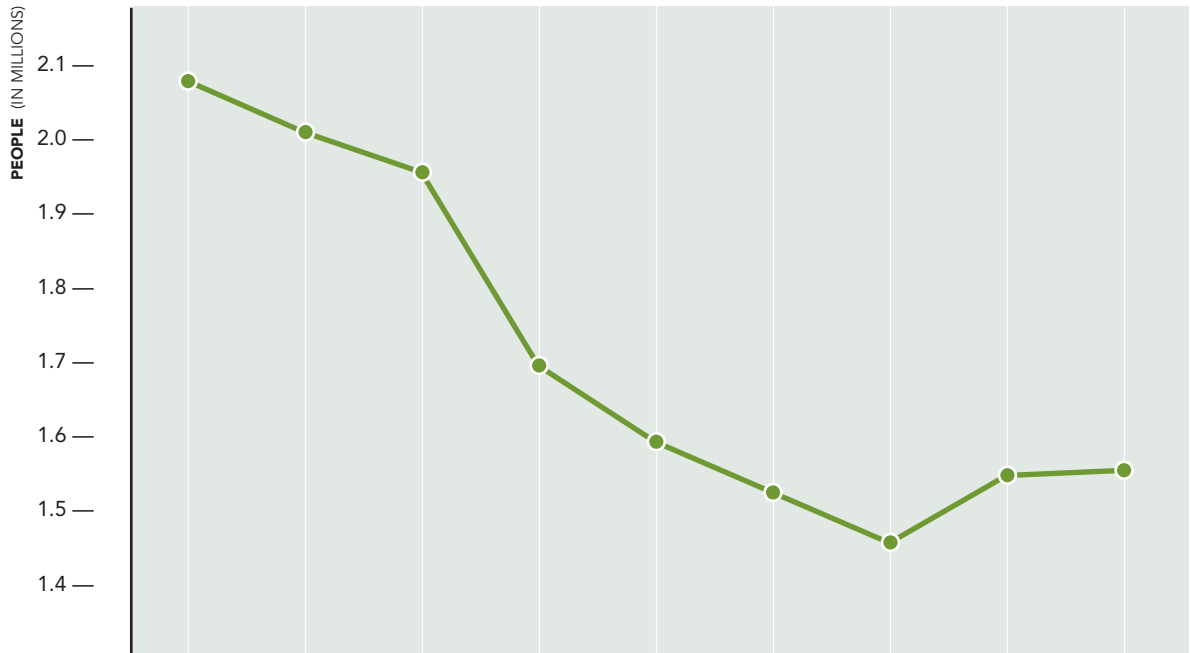
Then, there is the perplexing matter of the city's population. In response to an appeal from the Nutter administration, the Census Bureau recently raised its estimate of Philadelphia's population for 2008 and then placed the 2009 number even higher at 1,547,297. This compares to an estimate of 1,449,634 for 2007 and a count of 1,517,550 in 2000.

Should a similar population number emerge from the more authoritative, decennial Census this spring, Philadelphia officially will have ended six decades of near-constant population shrinkage. This would, at the very least, be a boon to the civic image and psyche, an indication that the city can aspire to more in its future than years of graceful decline.



DEMOGRAPHICS & OVERALL OUTLOOK

PHILADELPHIA POPULATION



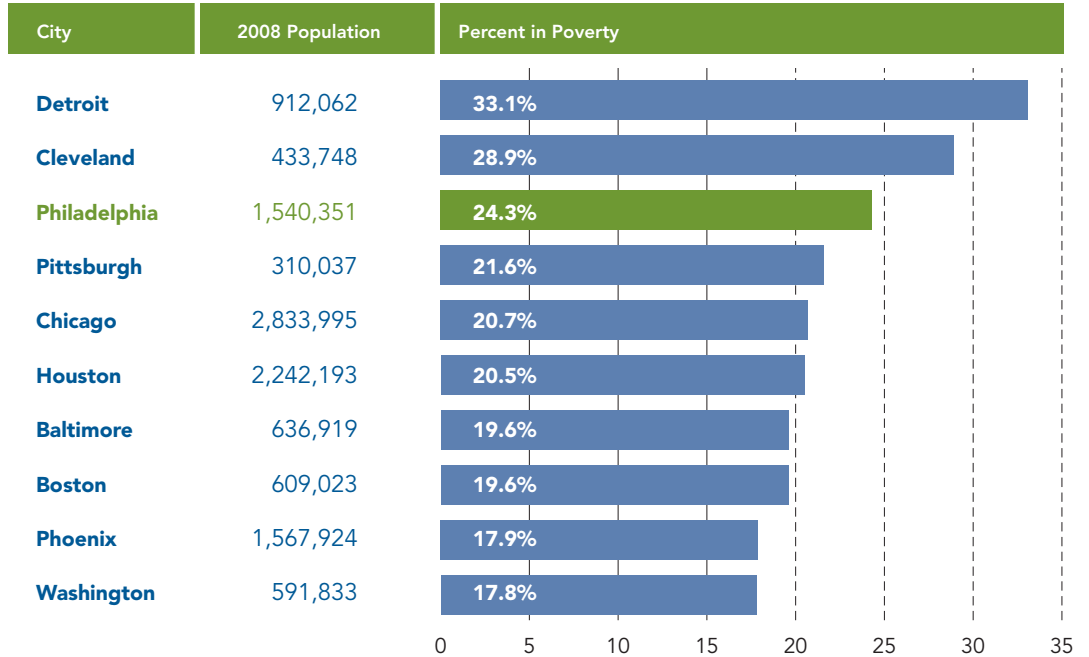
YEAR	1950	1960	1970	1980	1990	2000	2007	2008	2009
PEOPLE	2,071,605	2,002,512	1,948,609	1,688,210	1,585,577	1,517,550	1,449,634	1,540,351	1,547,297

On the face of it, this graph doesn't appear to make any sense. Philadelphia can't possibly have gained over 90,000 residents between 2007 and 2008. What happened? In response to a formal appeal by City Hall, the U.S. Census Bureau determined that it had been undercounting the city's population for years. It then revised its estimate for 2008 from 1,447,395 to 1,540,351 and put the 2009 number even higher. A similar finding in the 2010 Census would make it official: Philadelphia, after losing population every decade since the 1950s, is growing again.

SOURCE: U.S. BUREAU OF THE CENSUS

POVERTY RATE

PHILADELPHIA VS. COMPARABLE CITIES



On the poverty front in Philadelphia, the only good news was that the percentage of poor people in the city didn't go up. But beyond the human dimension of the problem, having more than 24 percent of the population living below the poverty line is a drag on the city's future and puts it at a competitive disadvantage in relation to many other cities.

SOURCE: U.S. BUREAU OF THE CENSUS, AMERICAN COMMUNITY SURVEY, 2006-2008

POLL RESULTS

How Philadelphians rate their city and their neighborhoods as places to live:

	THE CITY	THEIR NEIGHBORHOODS
EXCELLENT	16%	20%
GOOD	47%	41%
ONLY FAIR	28%	27%
POOR	8%	11%

Where Philadelphians think the city is headed:

IN THE RIGHT DIRECTION	41%
ON THE WRONG TRACK	34%
MIXED	18%
DON'T KNOW	6%

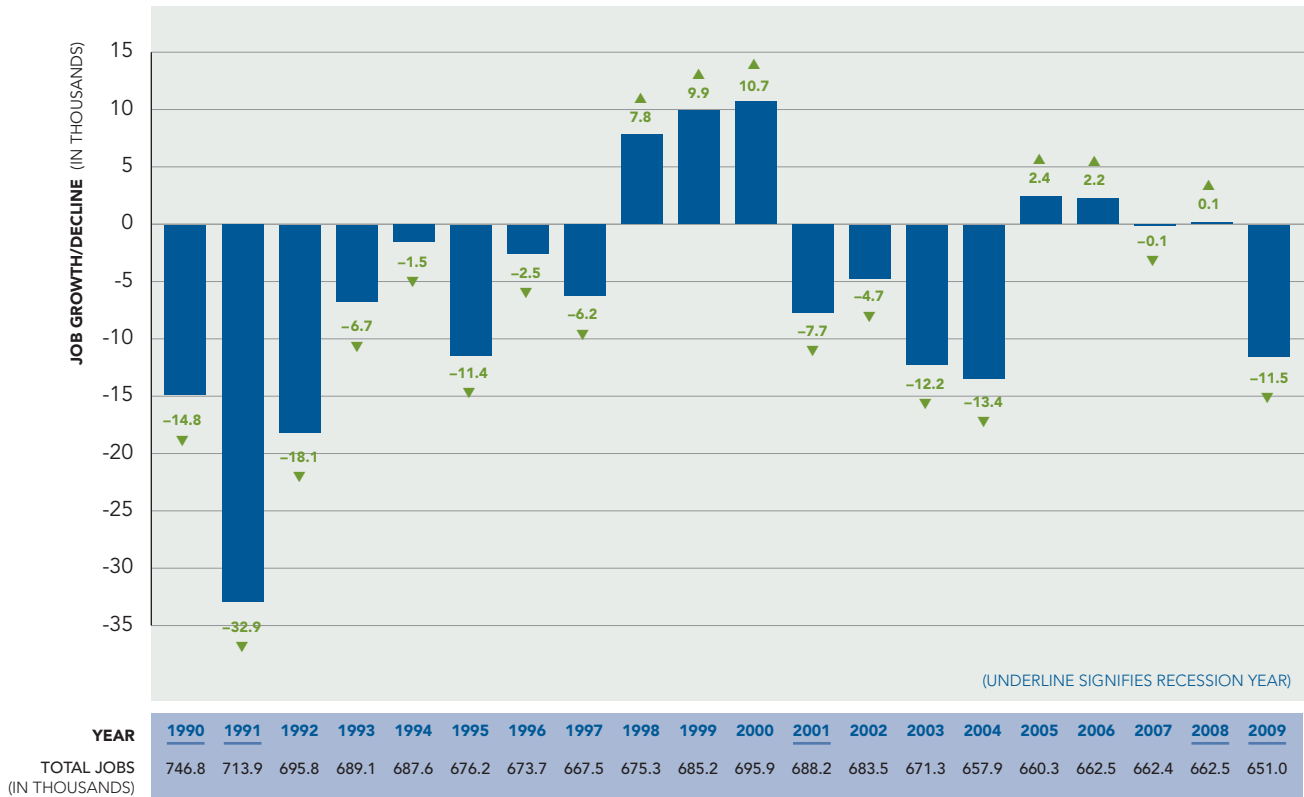
Despite ongoing budget cuts locally and gloomy economic news nationally, Philadelphians entered 2010 with their positive views of the city largely unshaken. According to a poll conducted for the Philadelphia Research Initiative in January, 63 percent of residents saw the city as a "good" or "excellent" place to live, and 61 percent gave the same ratings to their neighborhoods. In addition, a plurality of those polled said the city was "headed in the right direction" and not "off on the wrong track." All of those results were similar to those in 2009.

SOURCE: PHILADELPHIA RESEARCH INITIATIVE SURVEY, 2010



JOBS & THE ECONOMY

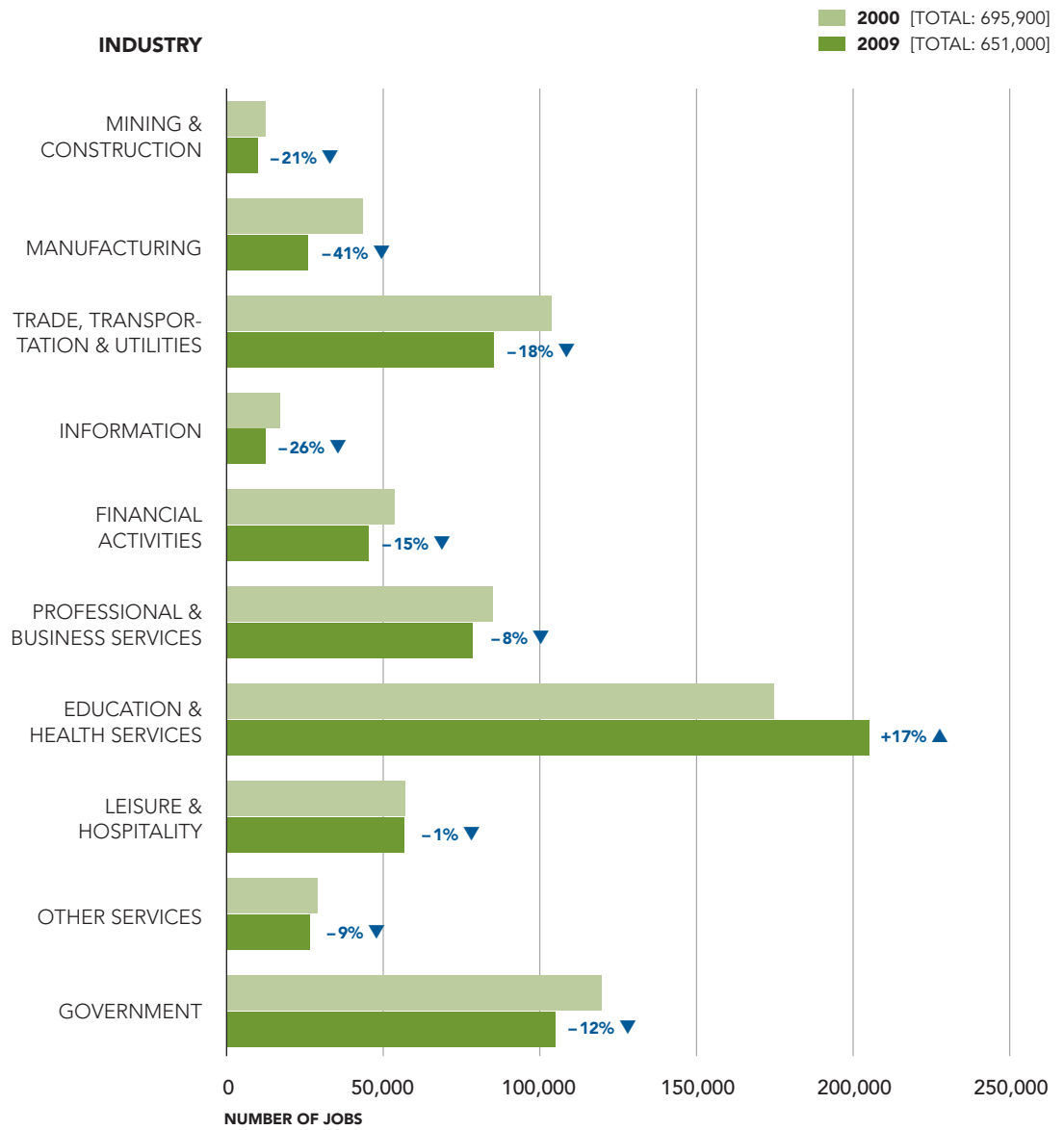
PHILADELPHIA JOB GROWTH AND DECLINE



In 2009, Philadelphia lost 11,500 jobs, a smaller drop on a percentage basis than occurred nationally. But with an average of 651,000 jobs for the year, the city had fewer jobs than at any time in its modern history. As a result of the jobs lost in both the city and the region, the unemployment rate for Philadelphians, which was 7.2 percent in 2008, averaged 10.3 percent in 2009 and stood at 10.6 percent at year's end.

SOURCE: U.S. BUREAU OF LABOR STATISTICS

JOB SECTORS IN PHILADELPHIA

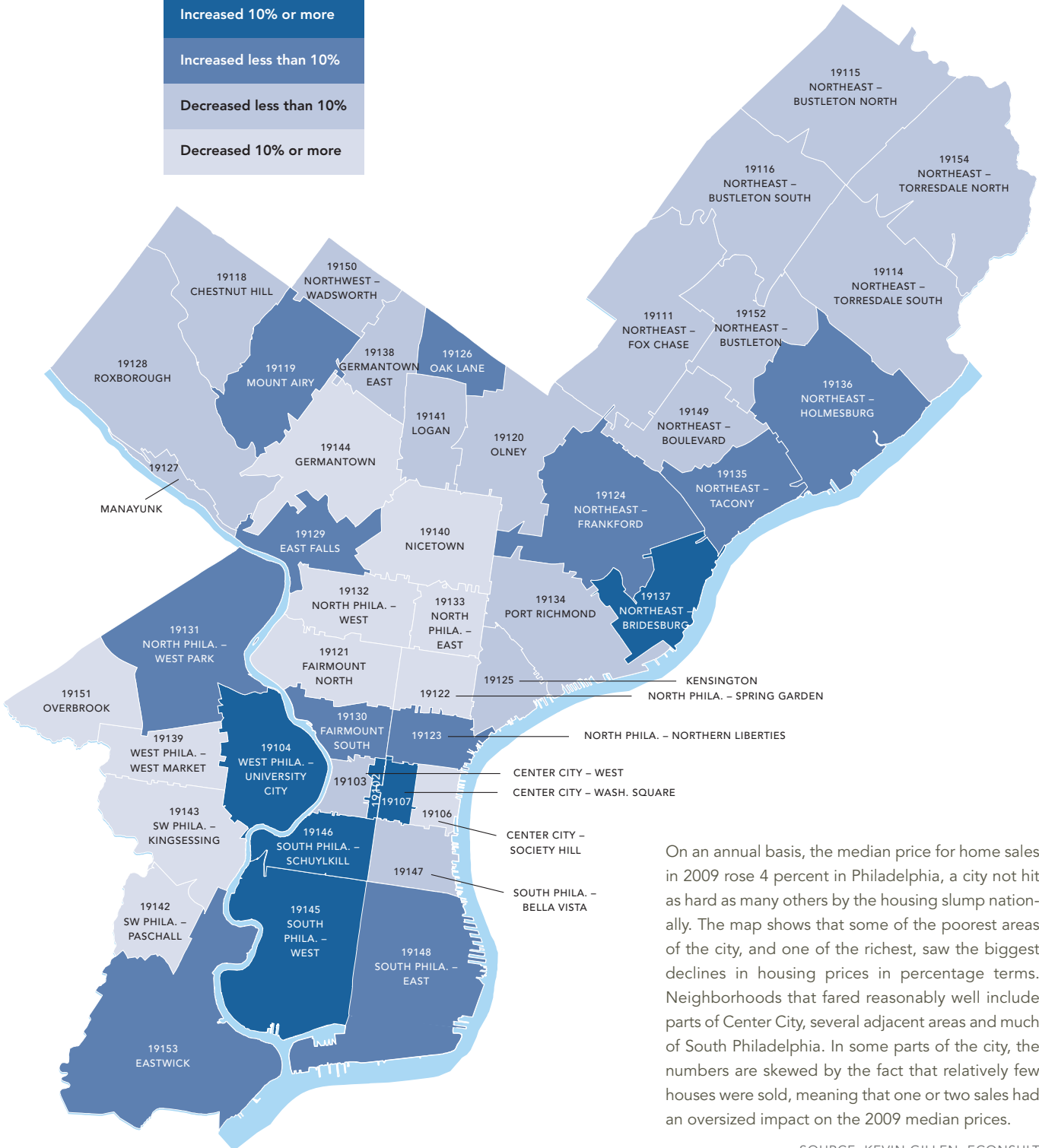
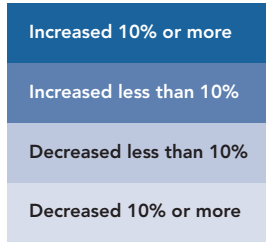


Since 2000, when the city enjoyed its highest employment levels in recent years, every major sector in the Philadelphia job market has declined—except education and health services, commonly known as “eds and meds.” That sector continued to grow last year despite the recession, adding 4,100 jobs. Professional and business services, previously a growing sector, took a significant hit in 2009.

SOURCE: U.S. BUREAU OF LABOR STATISTICS

MEDIAN HOME SALE PRICES BY ZIP CODE

CHANGE FROM 2008 TO 2009



On an annual basis, the median price for home sales in 2009 rose 4 percent in Philadelphia, a city not hit as hard as many others by the housing slump nationally. The map shows that some of the poorest areas of the city, and one of the richest, saw the biggest declines in housing prices in percentage terms. Neighborhoods that fared reasonably well include parts of Center City, several adjacent areas and much of South Philadelphia. In some parts of the city, the numbers are skewed by the fact that relatively few houses were sold, meaning that one or two sales had an oversized impact on the 2009 median prices.

SOURCE: KEVIN GILLEN, ECONSULT

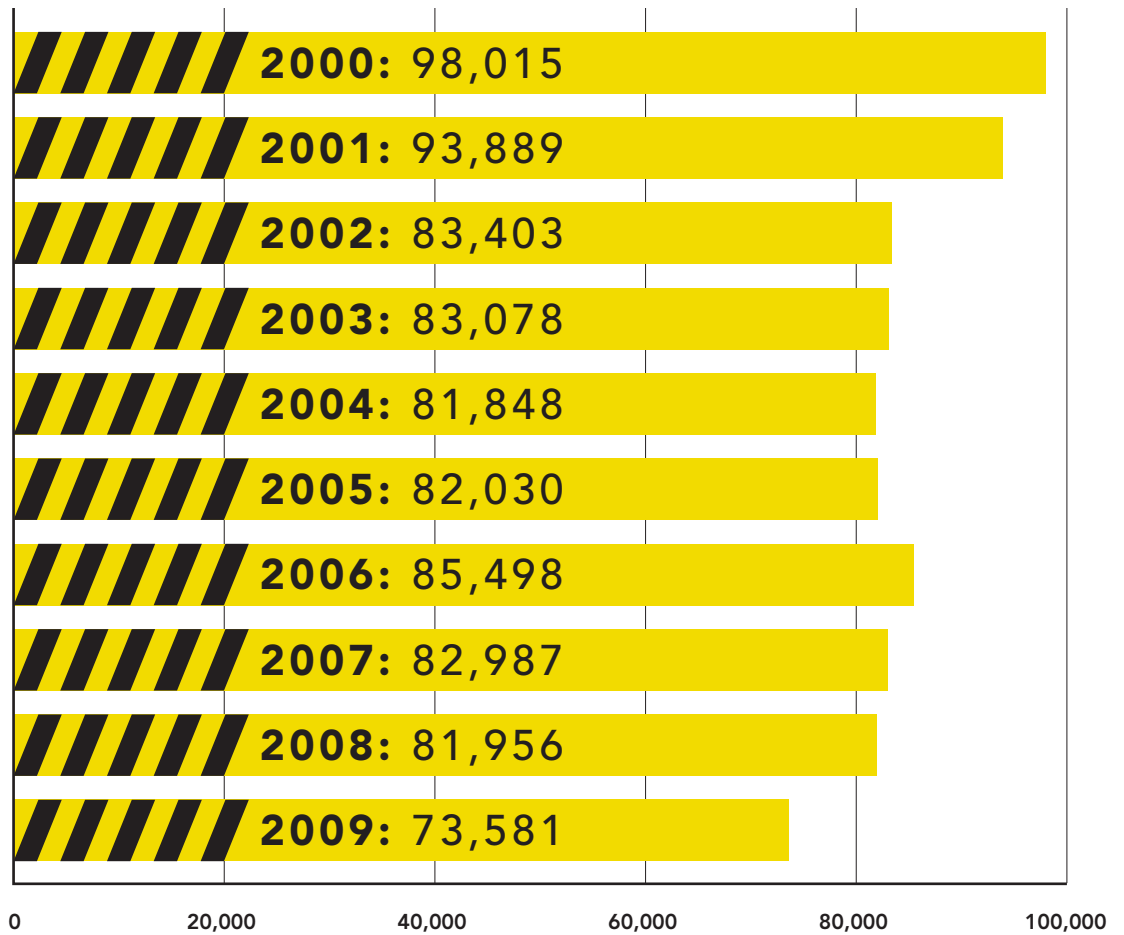
MEDIAN HOME SALE PRICES BY ZIP CODE

Zip	Neighborhood	Med. Price 2008	Med. Price 2009	Percent Change
19103	Center City – West	\$710,000	\$700,000	-1%
19106	Center City – Society Hill	\$1,037,500	\$678,000	-35%
19102	Center City – West	\$370,000	\$575,000	55%
19118	Chestnut Hill	\$447,500	\$405,000	-9%
19107	Center City – Wash. Square	\$324,450	\$367,500	13%
19130	Fairmount South	\$324,500	\$340,000	5%
19123	North Phila. – Northern Liberties	\$234,500	\$287,500	5%
19147	South Phila. – Bella Vista	\$270,250	\$269,950	<-1%
19116	Northeast – Bustleton South	\$235,000	\$230,000	-2%
19115	Northeast – Bustleton North	\$247,000	\$228,450	-8%
19128	Roxborough	\$234,000	\$227,000	-3%
19129	East Falls	\$221,000	\$225,000	2%
19127	Manayunk	\$227,000	\$223,300	-2%
19119	Mount Airy	\$216,000	\$223,000	3%
19114	Northeast – Torresdale South	\$195,000	\$192,000	-2%
19154	Northeast – Torresdale North	\$195,500	\$185,000	-5%
19152	Northeast – Bustleton	\$189,000	\$180,000	-5%
19111	Northeast – Fox Chase	\$165,000	\$159,900	-3%
19146	South Phila. – Schuylkill	\$103,250	\$157,950	53%
19148	South Phila. – East	\$134,000	\$139,900	4%
19150	Northeast – Wadsworth	\$142,000	\$139,500	-2%
19136	Northeast – Holmesburg	\$131,500	\$134,200	2%
19125	Kensington	\$135,000	\$133,500	-1%
19137	Northeast – Bridesburg	\$113,950	\$126,000	11%
19126	Oak Lane	\$117,500	\$124,950	6%
19153	Eastwick	\$114,950	\$120,500	5%
19149	Northeast – Boulevard	\$122,000	\$119,670	-2%
19145	South Phila. – West	\$102,500	\$112,750	10%
19135	Northeast – Tacony	\$105,000	\$110,000	5%
19104	West Phila. – University City	\$72,500	\$102,000	41%
19151	Overbrook	\$113,500	\$101,000	-11%
19124	Northeast – Frankford	\$82,500	\$85,000	3%
19122	North Phila. – Spring Garden	\$105,000	\$84,000	-20%
19120	Olney	\$85,000	\$82,000	-4%
19138	Germantown East	\$80,000	\$78,000	-3%
19141	Logan	\$77,600	\$77,000	-1%
19131	North Phila. – West Park	\$70,000	\$72,000	3%
19144	Germantown	\$86,750	\$70,000	-19%
19143	SW Phila. – Kingsessing	\$60,000	\$50,000	-17%
19134	Port Richmond	\$55,000	\$50,000	-9%
19142	SW Phila. – Paschall	\$52,000	\$44,500	-14%
19121	Fairmount North	\$68,000	\$41,000	-40%
19139	West Phila. – West Market	\$52,500	\$35,500	-32%
19140	Nicetown	\$42,000	\$25,000	-40%
19132	North Phila. – East	\$35,000	\$18,750	-46%
19133	North Phila. – West	\$33,000	\$8,000	-76%
	City Median	\$115,000	\$119,900	4%



CRIME & PUNISHMENT

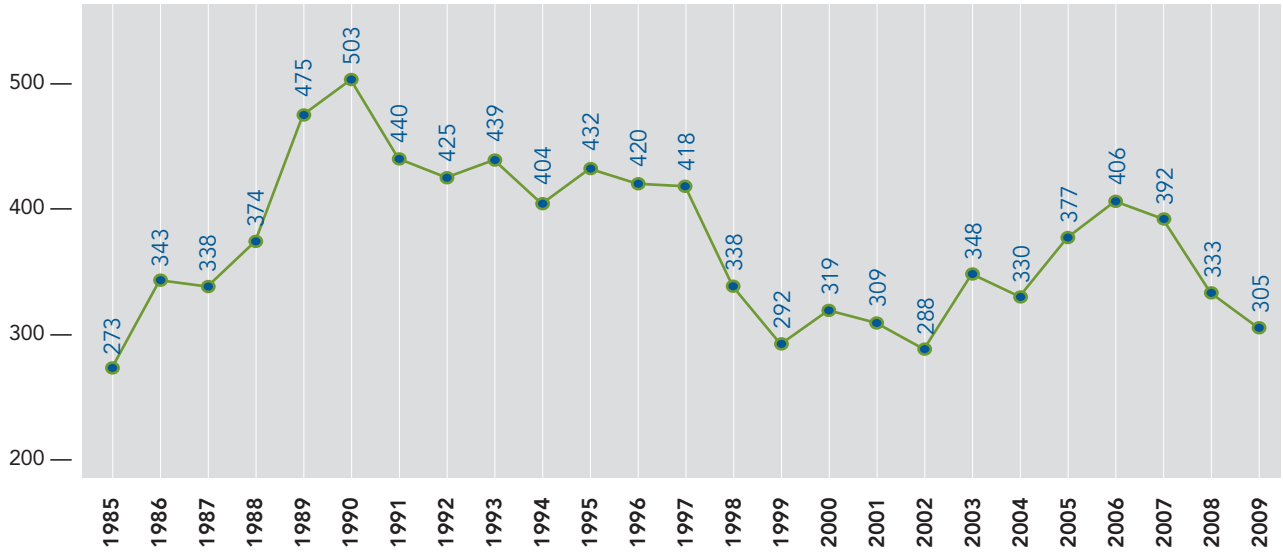
MAJOR CRIME NUMBERS



For much of the past decade, crime declined in most American big cities but not in Philadelphia, where the numbers held about constant. Last year, though, Philadelphia joined the national trend. Major crimes dropped by slightly more than 10 percent to 73,581, with violent crime down almost 9 percent. The number of reported major crimes—a category that includes murder, rape, robbery, aggravated assault, burglary, major theft and vehicle theft—was the lowest in the city since 1978, the number of violent crimes the lowest since 1989.

SOURCE: PHILADELPHIA POLICE DEPARTMENT

HOMICIDES SINCE 1985



Mayor Michael Nutter came into office at the beginning of 2008 saying that his goal was a 30 percent reduction in the city’s annual homicide total over four years. The city has taken major steps toward achieving that goal. With last year’s 8.4 percent decline, homicides are down 22.2 percent for the first two years of the Nutter administration. The 2009 homicide figure, 305, was the lowest since 2002.

SOURCE: PHILADELPHIA POLICE DEPARTMENT

POLL RESULTS

The one or two things residents like least about Philadelphia:

	2010	2009
CRIME	35%	45%
DIRTY STREETS/TRASH	7%	8%
POLITICS/LACK OF INTEGRITY	6%	6%
DRUGS/ALCOHOL	5%	5%
TAXES/HIGH TAXES	5%	6%
POOR EDUCATIONAL SYSTEM	5%	5%
UNEMPLOYMENT/LACK OF JOBS	3%	6%

Concern about crime remains high in Philadelphia, though not as high as it used to be. In polls conducted in 2009 and 2010, the Philadelphia Research Initiative asked respondents to name the one or two things they like least about the city. In 2009, 45 percent mentioned crime. In 2010, the percentage dropped to 35, still far and away the top answer. Among residents who said they would like to move out of the city, the percentage citing crime as the main reason dropped from 36 to 24.

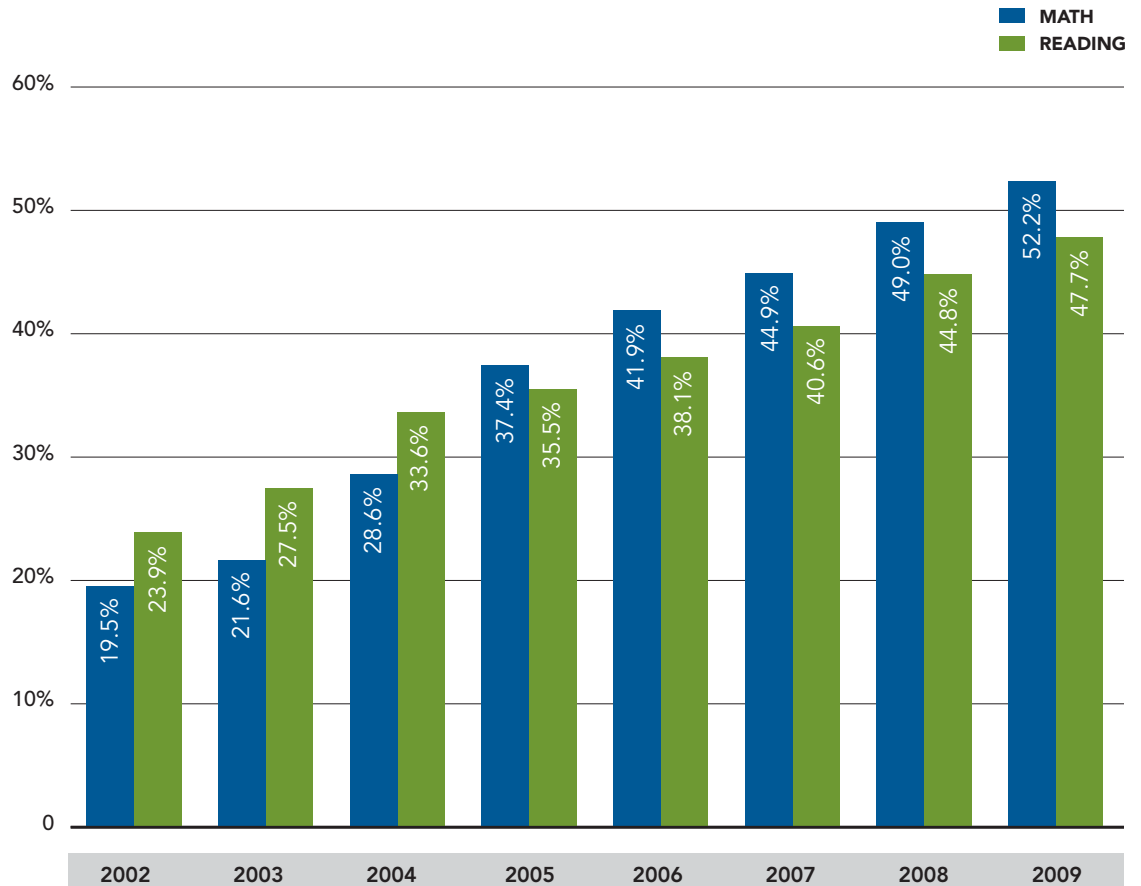
SOURCE: PHILADELPHIA RESEARCH INITIATIVE SURVEYS, JANUARY 2009 AND 2010



EDUCATION

PUBLIC SCHOOL STUDENT PERFORMANCE: MATH AND READING

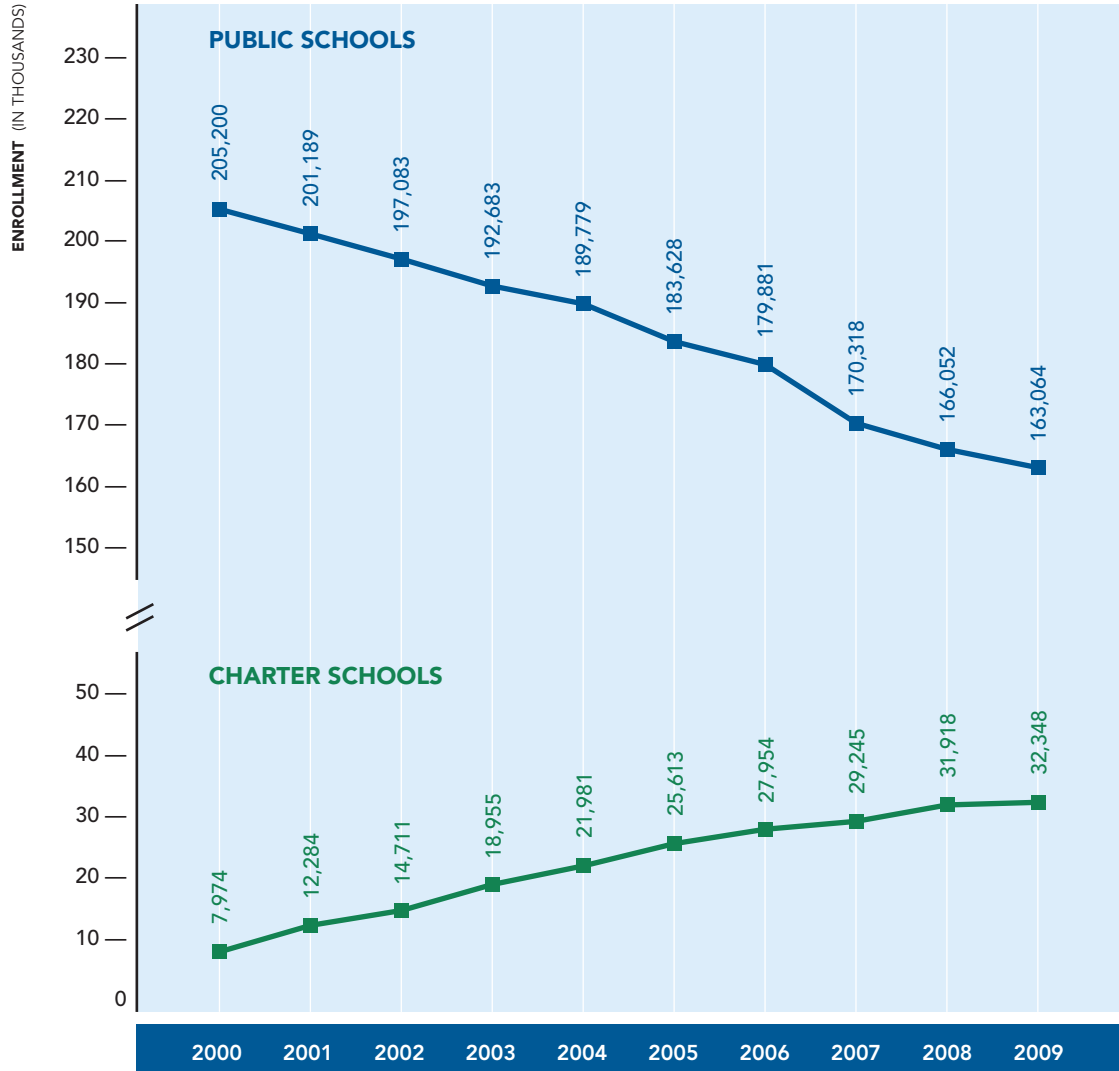
PERCENTAGE OF STUDENTS CONSIDERED PROFICIENT OR ADVANCED



Philadelphia's public school students continued to make progress in math and reading, as measured by the annual standardized state test known as the Pennsylvania System of School Assessment. In 2009, for the first time since the tests were instituted, more than half of the students tested (52.2 percent) were considered advanced or proficient in math with slightly less than half (47.7 percent) meeting that standard in reading. Even so, Philadelphia public school students as a group scored well below the statewide numbers; in Pennsylvania as a whole, 73.4 percent of students were advanced or proficient in math, 71.3 percent in reading.

SOURCE: PENNSYLVANIA DEPARTMENT OF EDUCATION

ENROLLMENT TRENDS



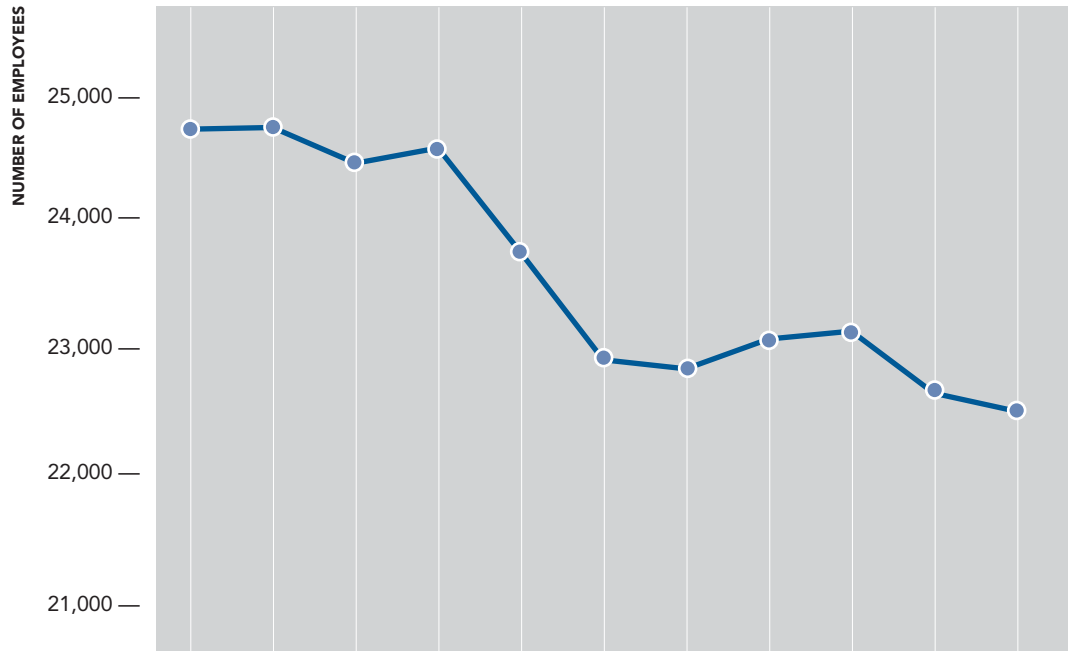
The year 2009 saw the continuation of two recent trends in school enrollment: the decline in the number of students attending traditional public schools and the rise in the number attending charter schools. Philadelphia now has 67 charter schools, which are funded by taxpayers but are not required to comply with most district rules on staffing and programs.

SOURCE: SCHOOL DISTRICT OF PHILADELPHIA



CITY GOVERNMENT

CITY GENERAL FUND EMPLOYEES SINCE 2000



YEAR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009 (12/31)
EMPLOYEES	24,676	24,689	24,412	24,530	23,721	22,889	22,819	23,050	23,111	22,630	22,488

The number of people employed by Philadelphia city government in its general fund budget was 22,488 at the beginning of 2010. This is the lowest number in many years—a reflection of the belt-tightening required as the recession has cut into city tax revenues. The number is down about 9 percent from 2001 and down 1.4 percent from 2006. All of the employee numbers, except the most recent one, are for June 30 of the year listed.

SOURCE: CITY OF PHILADELPHIA



www.pewtrusts.org/philaresearch

The Pew Charitable Trusts' Philadelphia Research Initiative provides timely, impartial research and analysis on key issues facing Philadelphia for the benefit of the city's citizens and leaders. Pew is a nonprofit organization that applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life.