

A report from



THE PEW CHARITABLE TRUSTS

| April 2018



Philadelphia 2018

The State of the City

Overview

In 2018, the key gauges of Philadelphia's overall well-being fall into a clear-cut pattern, more than at other times in the city's recent history: The economic indicators are mostly positive, the social measures considerably less so.

On the economic front, the city had a monthly average of 715,900 jobs in 2017, an increase of more than 16,000 from the year before and the highest total since 1991. For the second year in a row, Philadelphia added jobs at a faster rate than did the nation as a whole.

The average local unemployment rate for the year fell to 6.2 percent and was dropping further as the year ended, although it remained higher than the national and regional figures.

Home sales in Philadelphia increased for the sixth consecutive year, reaching a level in 2017 just short of the number recorded in the housing boom that preceded the Great Recession. The year-over-year increase of nearly 3,000 was the largest since 2005.

Construction flourished as well. The number of residential housing units for which the city issued building permits topped 3,000 for the fourth consecutive year. At 3,389, the 2017 figure was off 15 percent from the peak in 2014 but was still high by historical standards.

These bullish economic trends produced stronger-than-predicted revenue flows from virtually every source on which local government relies, including wage, sales, business, property, and real estate transfer taxes.

But on the social side of the ledger, the numbers were far more sobering.

In 2017, an estimated 1,200 people died of drug overdoses, mostly related to opioid misuse, giving Philadelphia one of the highest drug death rates of any place in the country. By way of comparison, the city's annual death toll from the AIDS epidemic peaked at 935 in the mid-1990s.

Another 317 people were victims of homicide. While the total was lower than in most of the past 50 years—and the city's homicide rate was far below those in Baltimore, Detroit, and Cleveland—the number was the highest since 2012 and marked an increase of 14 percent in a single year.

Even with more jobs and lower unemployment, the poverty rate stood at nearly 26 percent, and Philadelphia retained its title as the poorest of America's 10 most populous cities. Nearly half of the city's 400,000 poor residents were living in deep poverty. For one adult with two children, that meant an income of less than \$10,000, which is 50 percent of the federal poverty threshold.

In addition to the mostly positive economic numbers and the more downbeat social ones, other data simply document the ongoing changes that have been transforming Philadelphia—sometimes rapidly, sometimes gradually—for a decade or more.

The city's population rose for the 11th straight year, although the annual increase was smaller than in the early stages of the growth spurt. The cumulative rise—92,153, or about 6 percent over the 2006-17 period—has been modest compared with those in New York, Boston, and Washington but still significant after more than half a century of local population decline.

That population growth has largely been fueled by an influx of immigrants, whose presence has increased steadily over the past 25 years. They accounted for nearly 15 percent of the city head count in the most recent census, the greatest share since 1940.

While the percentage of Philadelphians with bachelor's degrees remains below the national average, it moved upward to nearly 29 percent. The rise was fueled by 25- to 34-year-olds, 44 percent of whom had degrees, an increase of 14 percentage points from a decade earlier and 9 points higher than the nationwide figure for that age group.

Enrollment in Philadelphia's district-run schools fell by 1 percent in 2017-18, continuing its gradual, long-term decline. The head count in the Catholic schools dropped slightly as well, while the number of students in charter schools, particularly cybercharters, continued to grow.

These economic, social, and demographic data tell us that in 2018, Philadelphia has many reasons to be proud of its recent performance—and not just on the football field. But the numbers also indicate that the city faces a set of fundamental challenges, some old and some new, that are reason for deep concern.

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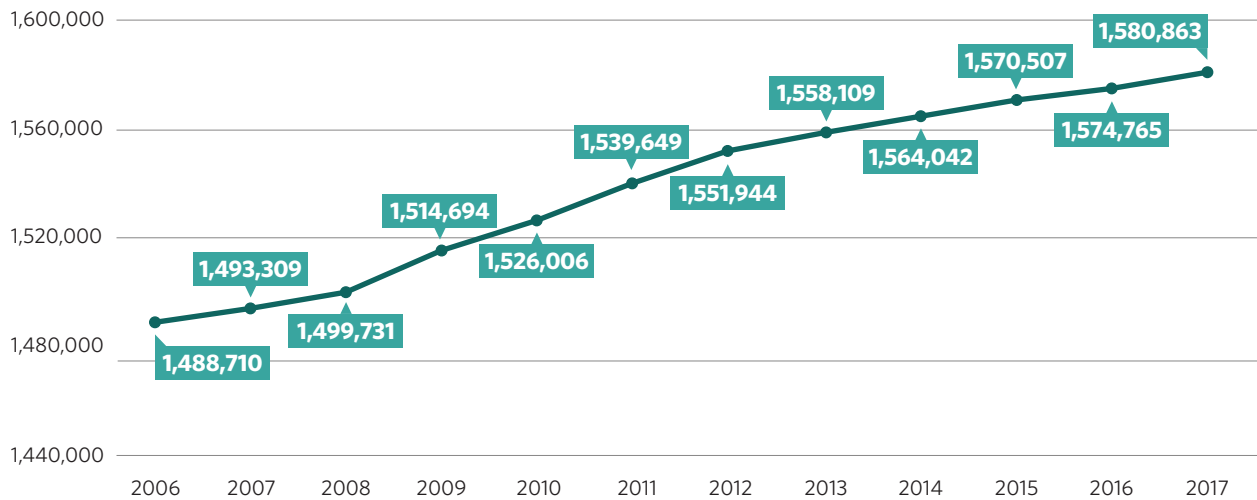
The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public, and invigorate civic life.

Figure 1
Portrait of the City

Population	1,580,863	Percentage of adults who are:	Total housing units	674,504	
Percentage of residents who are:		Married or live as a couple	30%	Percentage of units listed as:	
Male	47%	Not married	52%	Vacant	14%
Female	53%	Divorced or separated	12%	Occupied	86%
Younger than 20	25%	Widowed	6%	Percentage of units built before 1939	43%
Age 20 - 34	26%	Percentage of women who gave birth in the previous 12 months who were unmarried	54%	Median monthly rent	\$976
Age 35 - 54	24%	Median household income	\$41,449	Percentage of units	
Age 55 and older	24%	Percentage of households with annual income of:		Owned by occupant	52%
Black or African-American	41%	Less than \$35,000	44%	Rented	48%
Non-Hispanic white	35%	\$35,000 to \$74,999	29%	Where residents lived the previous year:	
Hispanic or Latino	14%	\$75,000 to \$99,999	10%	Same house	84%
Asian	7%	\$100,000 or more	17%	Different house in Philadelphia	10%
Other	3%	Percentage of population below poverty level	26%	Somewhere else in the U.S.	5%
Percentage of residents who:		Percentage of households with:		Abroad	1%
Were born in Pennsylvania	68%	No vehicles available	29%	Percentage of residents without health insurance	9%
Were born in other states	15%	One vehicle available	44%		
Were born in Puerto Rico or a U.S. territory	4%	Two or more vehicles available	27%		
Are foreign born	15%	A computer at home	84%		
Speak a foreign language at home	23%	Broadband internet service	74%		
Percentage of adult residents who:		Percentage of workers employed by:			
Have a bachelor's degree	29%	The private sector	85%		
Have an associate degree	5%	Government agencies	11%		
Attended college but got no degree	17%	Their own businesses	4%		
Graduated from high school	32%				
Did not graduate from high school	17%				

Sources: U.S. Census Bureau (2016 population estimates); U.S. Census Bureau, American Community Survey, one-year estimates, 2016
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Figure 2
Philadelphia's Population Growth, 2006-17

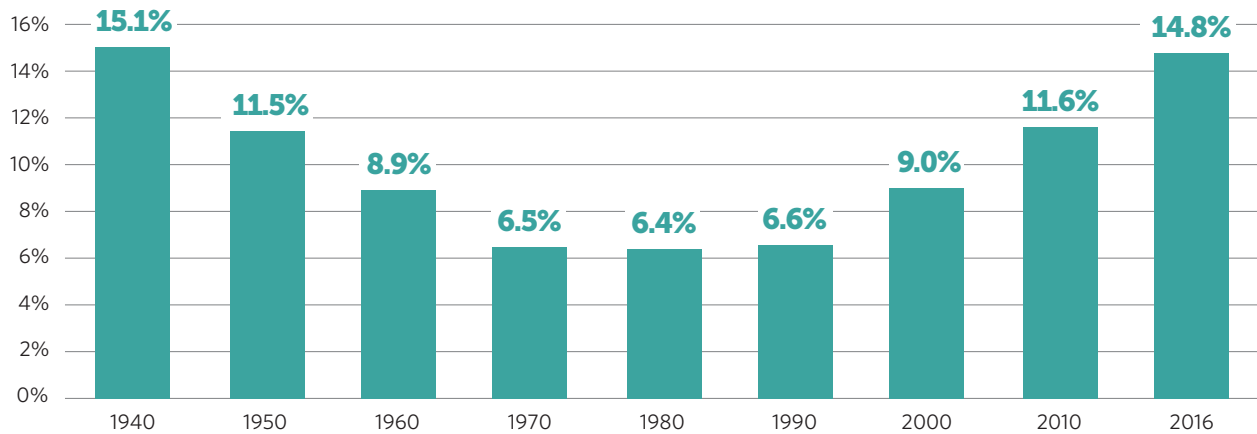


Since bottoming out in 2006 after more than half a century of decline, Philadelphia's population has grown for 11 straight years. The cumulative growth—92,153, or about 6 percent over the entire period—has been modest compared with the numbers recorded by New York, Boston, and Washington.

Sources: U.S. Census Bureau, "County Intercensal Tables, 2000-2010," <http://www.census.gov/data/tables/time-series/demo/popest/intercensal-2000-2010-counties.html>; U.S. Census Bureau, "Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2017," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2017_PEPANNRES&prodType=table

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Figure 3
Percentage of Philadelphia Residents Born Outside the U.S., 1940-2016

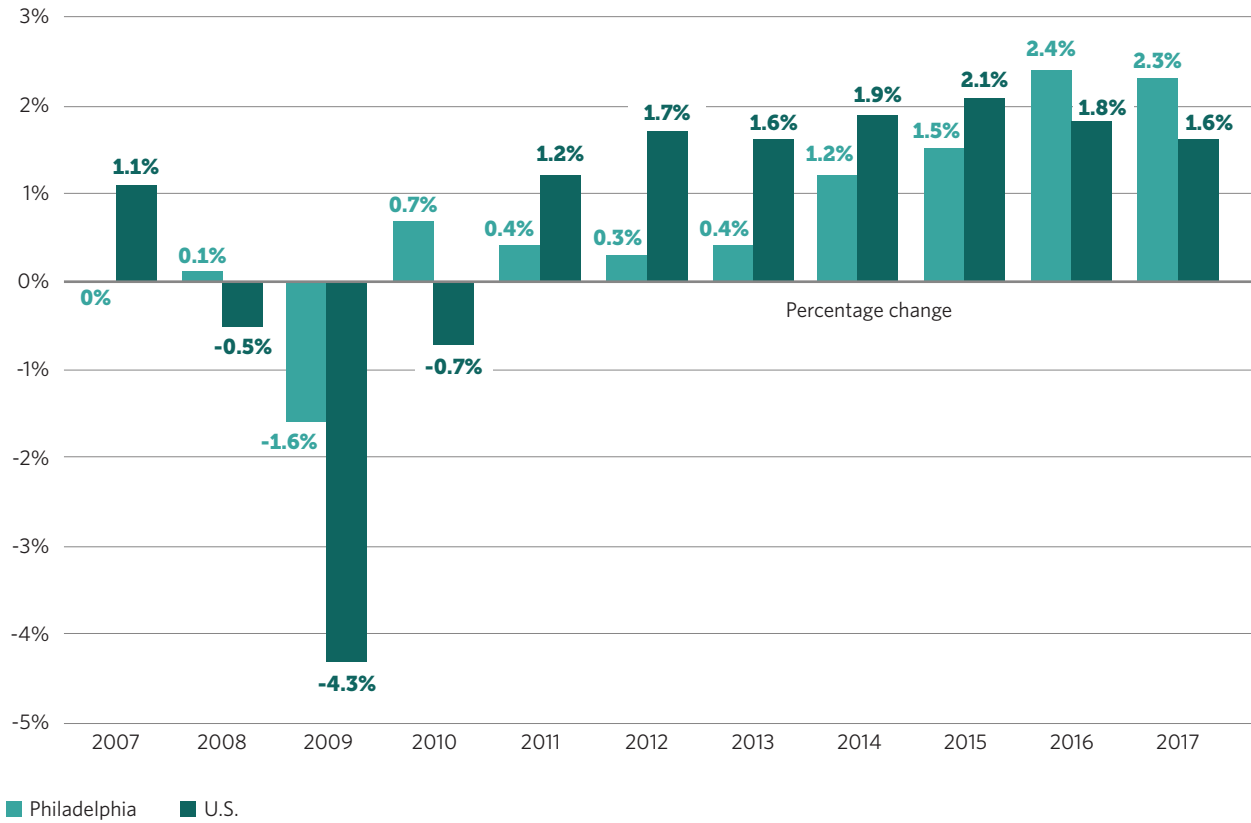


Philadelphia has experienced a dramatic increase in the size of its immigrant population in the past several decades, with the total more than doubling since 1990 and reaching approximately 232,000 in 2016. According to the most recent census data, roughly 15 percent of city residents were born outside the U.S., the highest percentage since 1940.

Source: U.S. Census Bureau, decennial censuses and American Community Survey, one-year estimates, 2016

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Figure 4
Philadelphia's Job Growth and Decline, 2007-17

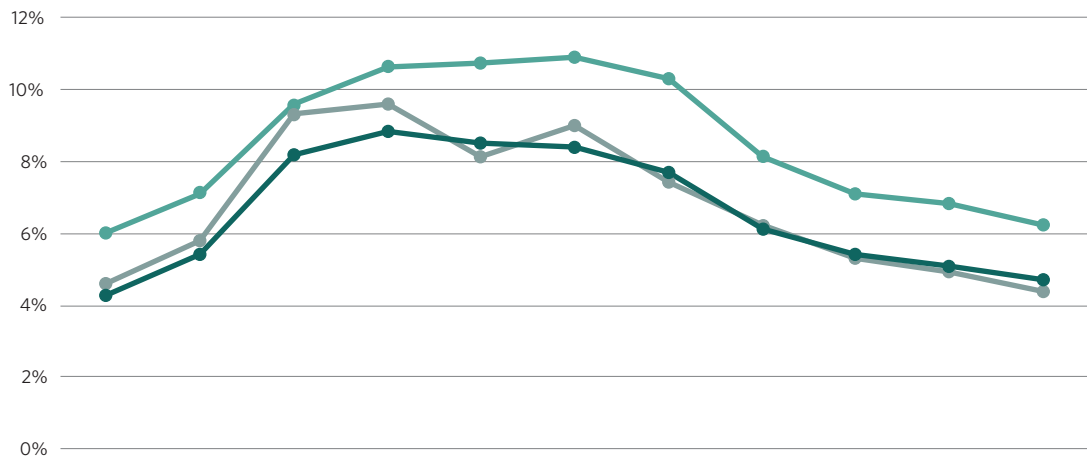


In 2017, for the second year in a row, the job market in the city outperformed the country as a whole, expanding by 2.3 percent compared with a national growth rate of 1.6 percent. For the year, Philadelphia had a monthly average of 715,900 jobs, up from 699,600 in 2016 and more than at any time since 1991.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, "State and Metro Area Employment, Hours, and Earnings," <http://www.bls.gov/sae>; annual totals, on which percentage calculations are based, are averages of the 12 monthly job totals for each year

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Figure 5
Unemployment Rate, 2007-17



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of Philadelphia	6.0%	7.1%	9.6%	10.6%	10.7%	10.9%	10.3%	8.1%	7.1%	6.8%	6.2%
U.S.	4.6%	5.8%	9.3%	9.6%	8.1%	9.0%	7.4%	6.2%	5.3%	4.9%	4.4%
Phila. metro area	4.3%	5.4%	8.2%	8.8%	8.5%	8.4%	7.7%	6.1%	5.4%	5.1%	4.7%

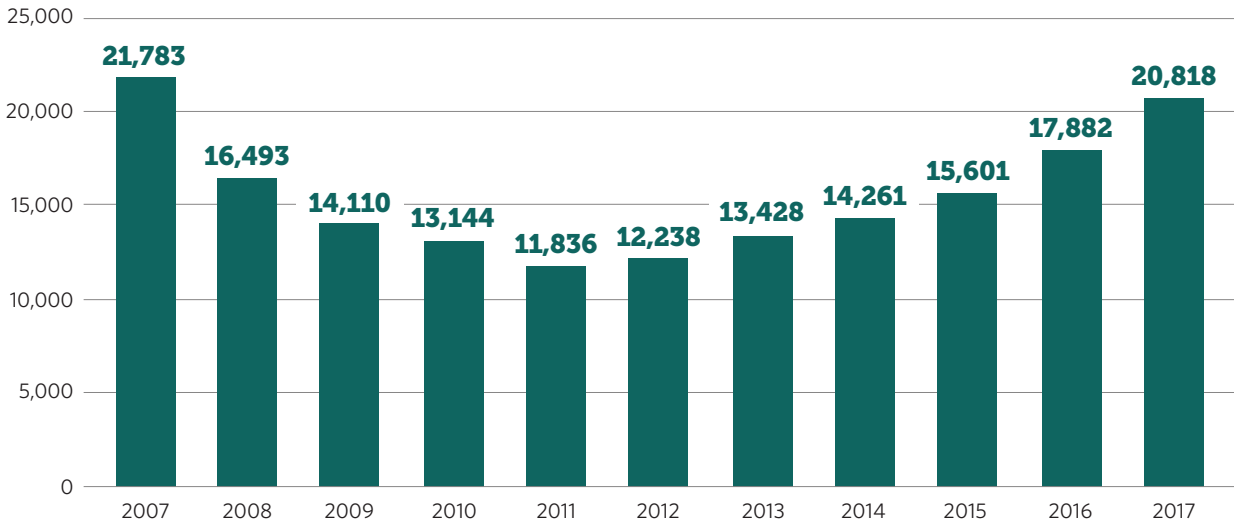
Philadelphia's unemployment rate dropped in 2017, from 6.8 to 6.2 percent on an annualized basis, although the rate remained nearly 2 percentage points above the national number. The figure was substantially larger than in the metropolitan area as a whole and in some of the comparison cities, including Boston and Pittsburgh.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, "Local Area Unemployment Statistics," <http://www.bls.gov/lau>; annual rates are calculated by averaging the 12 monthly rates for each year

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Figure 6
Sales of Residential Units in Philadelphia, 2007-17

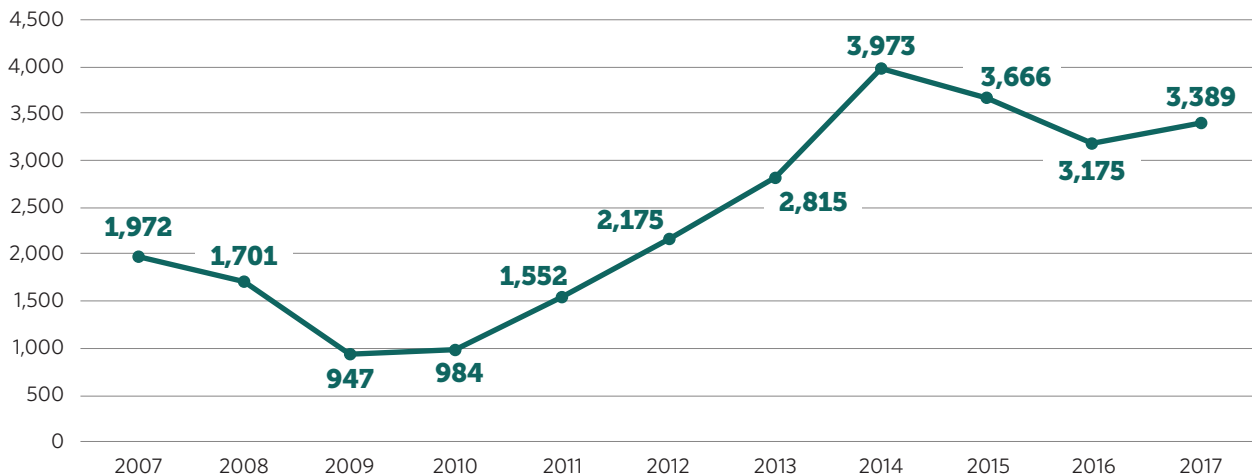


Home sales in Philadelphia rose for the sixth consecutive year, falling just short of the level recorded in 2007, when the housing boom of that pre-recessionary period was starting to fade. The year-to-year increase of nearly 3,000 sales was the largest since 2005.

Source: Kevin Gillen, senior research fellow at the Lindy Institute for Urban Innovation, Drexel University; housing reports available at <http://drexel.edu/lindyinstitute/initiatives/reports>

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Figure 7
Residential Building Permits Issued in Philadelphia, 2007-17

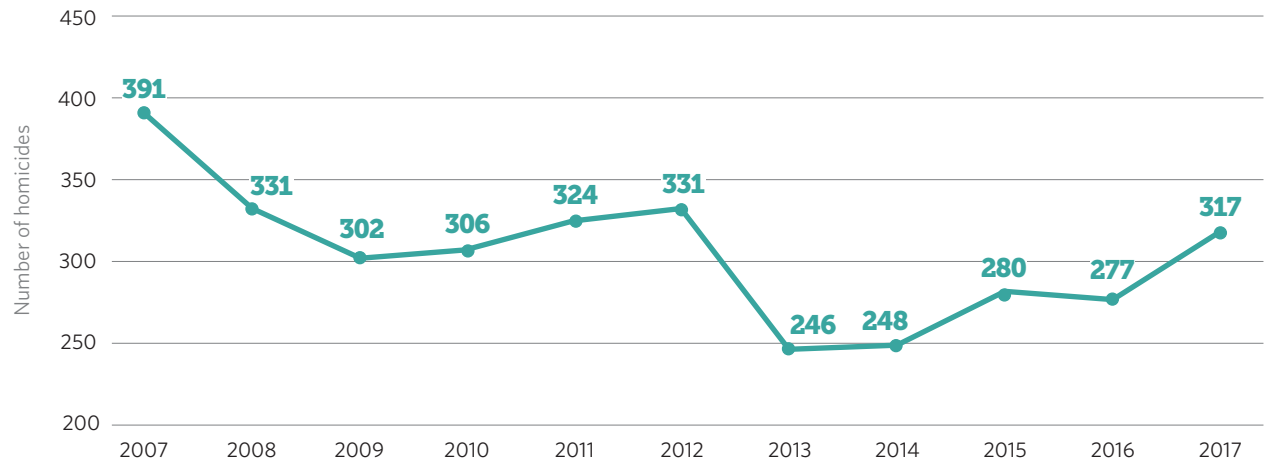


After declining for two years, the number of residential units for which the city of Philadelphia issued building permits rose in 2017 to 3,389, the fourth consecutive year in which more than 3,000 units were approved. The number was off 15 percent from the peak in 2014, although it was still high by historical standards.

Source: U.S. Census Bureau, "Building Permits Survey," <http://www.census.gov/construction/bps>; the bureau uses data supplied by the Philadelphia Department of Licenses and Inspections

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Figure 8
Homicides in Philadelphia, 2007-17

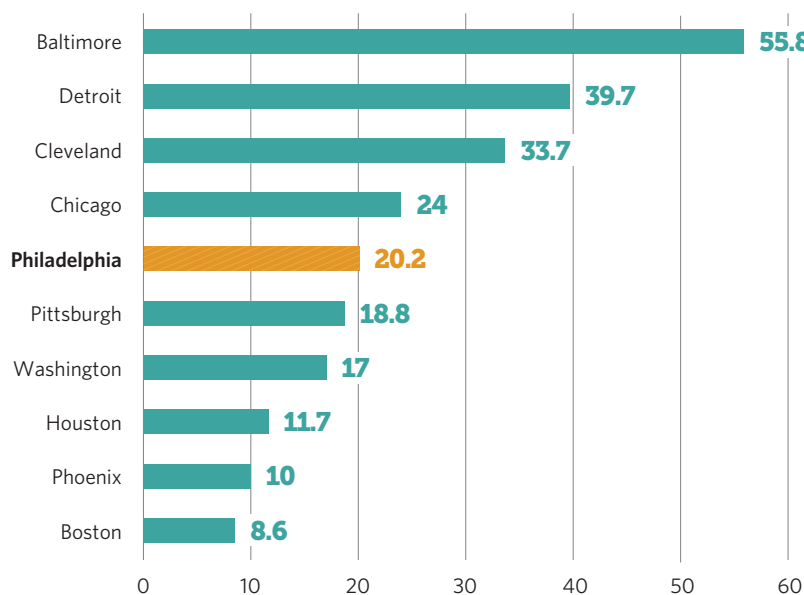


Philadelphia's homicide total grew by 14 percent in 2017. While still relatively low by historical standards, the annual figure surpassed 300 for the first time since 2012 and was the third highest in the past nine years. Overall, major crime continued its gradual long-term decline. Violent crimes were down 3 percent and property crimes down 2 percent compared with 2016; major crimes overall were 23 percent below 2007 totals.

Source: Philadelphia Police Department

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Figure 9
Homicide Rate, 2017
Homicides per 100,000 residents



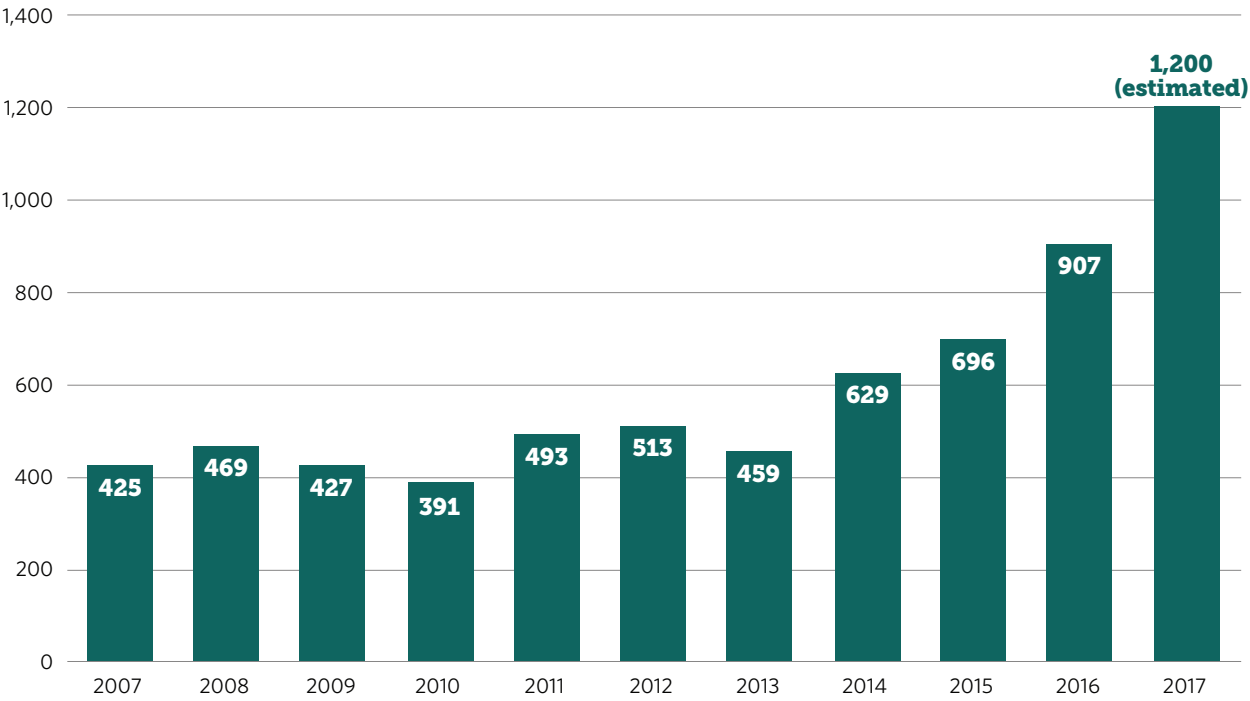
At 20.2 homicides per 100,000 residents, Philadelphia's murder rate ranked fifth among the comparable cities shown here. In 2017, homicide rates declined in many large U.S. cities, including Los Angeles, Chicago, Houston, and New York, which recorded fewer homicides than Philadelphia despite having a population nearly six times as large. But Philadelphia was not alone in experiencing a higher rate. The list of cities where rates rose included Baltimore; Boston; Charlotte, North Carolina; Indianapolis; Phoenix; and Seattle.

Source: Police departments in all 10 cities; population numbers used to make calculations drawn from the U.S. Census Bureau's 2016 estimates of city populations

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Figure 10
Unintentional Drug Overdose Deaths in Philadelphia, 2007-17



The number of drug overdose deaths in Philadelphia in 2017 was estimated by city officials at 1,200, nearly double the total just three years earlier and up by about a third from 2016. In response to the increase, most of which stems from opioid misuse, Mayor Jim Kenney appointed a task force that issued a report in May, making recommendations in the areas of prevention and education, treatment, overdose prevention, and criminal justice.

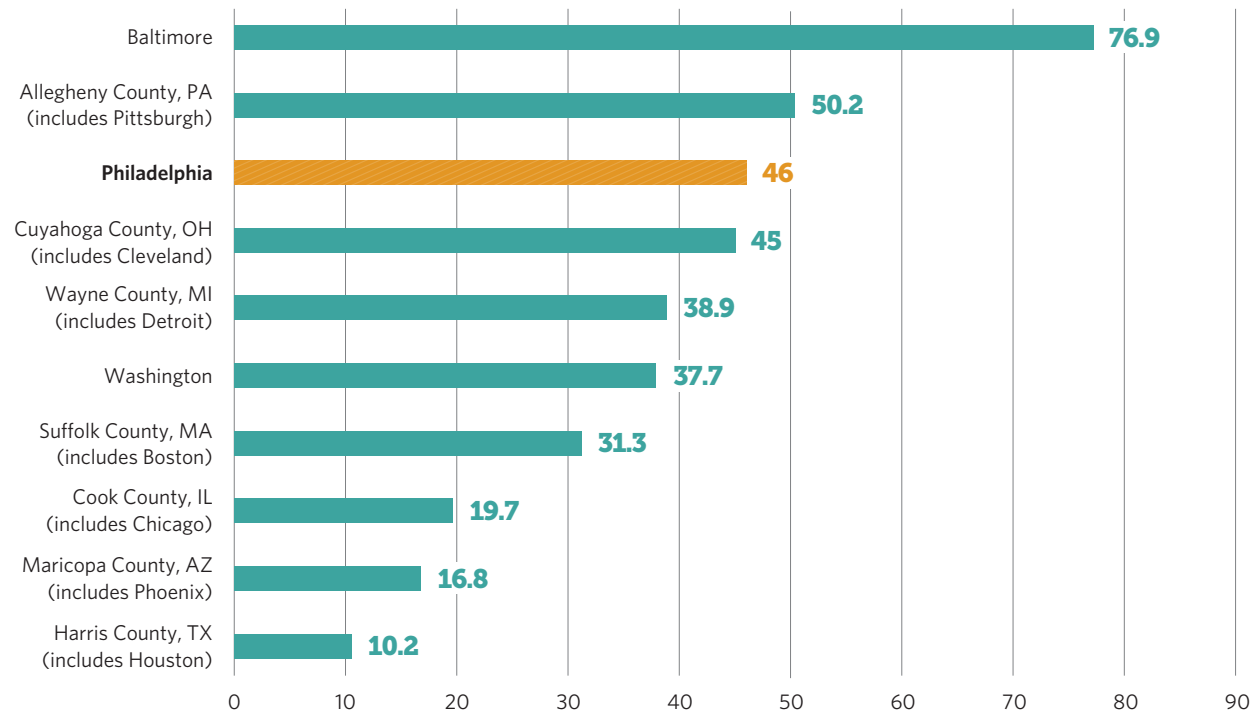
Source: Philadelphia Department of Public Health

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Figure 11

Drug Overdose Deaths Per 100,000 Residents, 2016

Age-adjusted rates for Philadelphia and other major counties

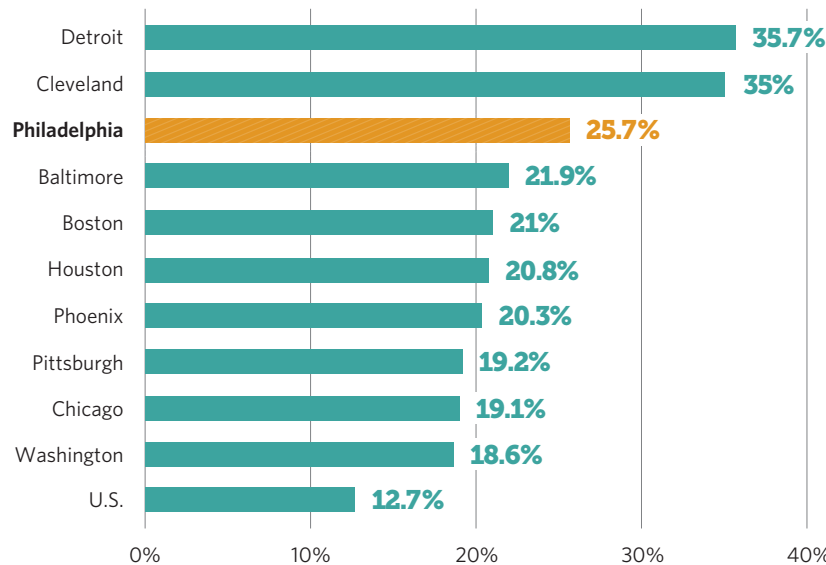


Philadelphia experienced 46 drug overdose deaths for every 100,000 residents in 2016, the last year for which comparative data were available. Because these data are collected at the county level, numbers for comparison cities are available only for Baltimore and Washington, which are not part of larger counties. The graphic shows how Philadelphia's rate compares with the rates in Baltimore, Washington, and the counties that include the other cities. Among the nation's 44 counties with at least 1 million residents, Philadelphia's rate of overdose deaths was the second highest, trailing only Allegheny County, which includes the city of Pittsburgh. The rates are age-adjusted, allowing for fairer comparisons among populations in different jurisdictions.

Source: Centers for Disease Control and Prevention, CDC WONDER Database, Multiple Cause of Death

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Figure 12
Poverty Rate, 2016

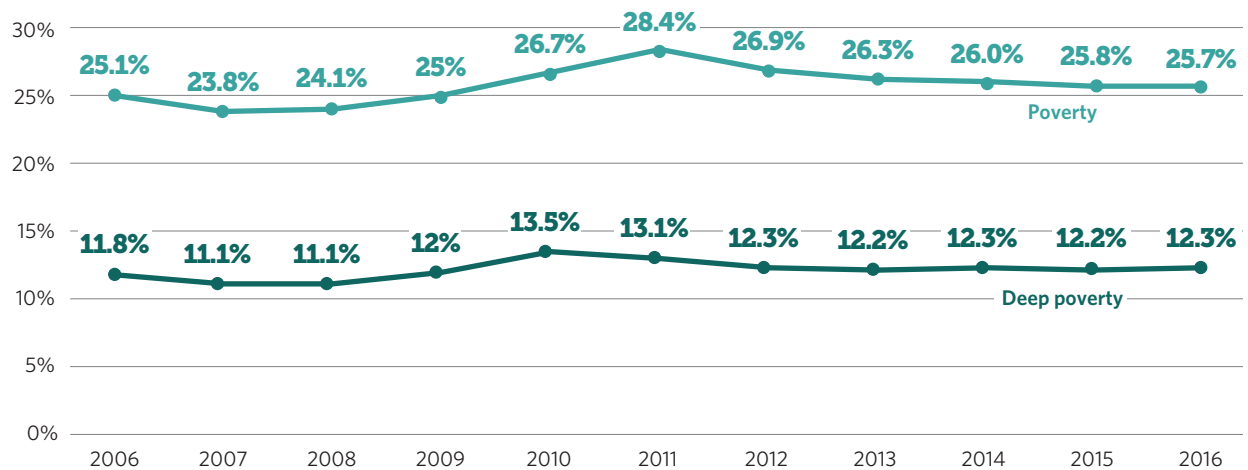


Philadelphia's poverty rate was nearly 26 percent in 2016, and the city retained its unwanted title as the poorest of America's 10 most populous cities. Among all cities with at least 350,000 residents, it had the sixth-highest poverty rate, behind Detroit and Cleveland—both shown here—as well as Fresno, California; Memphis, Tennessee; and Milwaukee. In Philadelphia, the poverty rate was 38 percent for Hispanics, 31 percent for blacks, 23 percent for Asians, and 15 percent for non-Hispanic whites.

Source: U.S. Census Bureau, American Community Survey, one-year estimates, 2016

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Figure 13
Poverty and Deep Poverty in Philadelphia, 2006-16

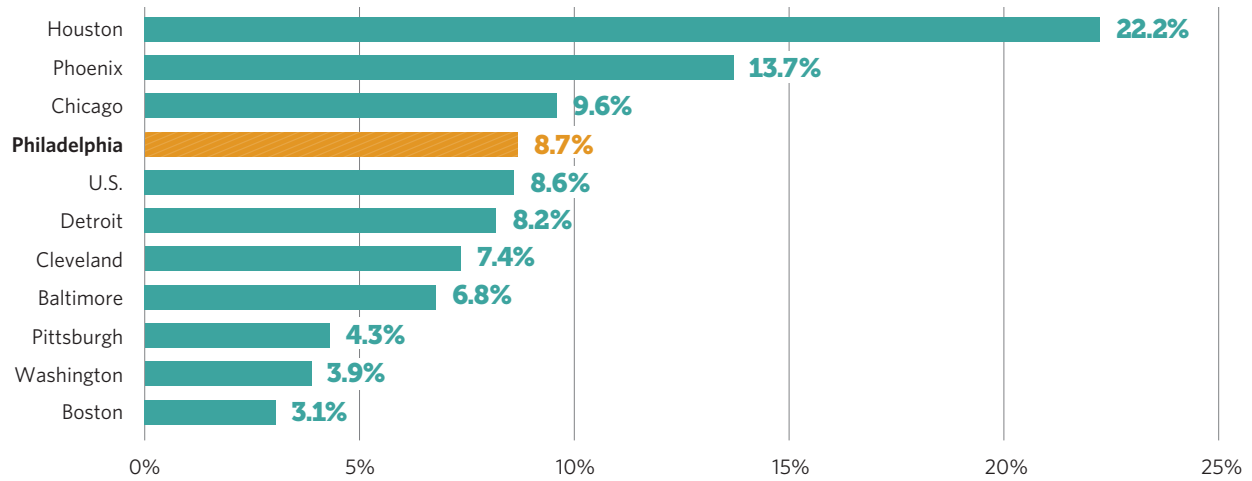


In addition to having the highest poverty rate of the nation's 10 largest cities, Philadelphia had the largest percentage of residents living in deep poverty in 2016: 12.3 percent, about the same as a decade earlier. People living in deep poverty have incomes no more than half of the federal poverty level. In 2016, a family consisting of one adult and two children was living in poverty if its income was \$19,337 or less, and in deep poverty at \$9,669 or less.

Source: U.S. Census Bureau, American Community Survey, one-year estimates

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Figure 14
Residents Without Health Insurance, 2016

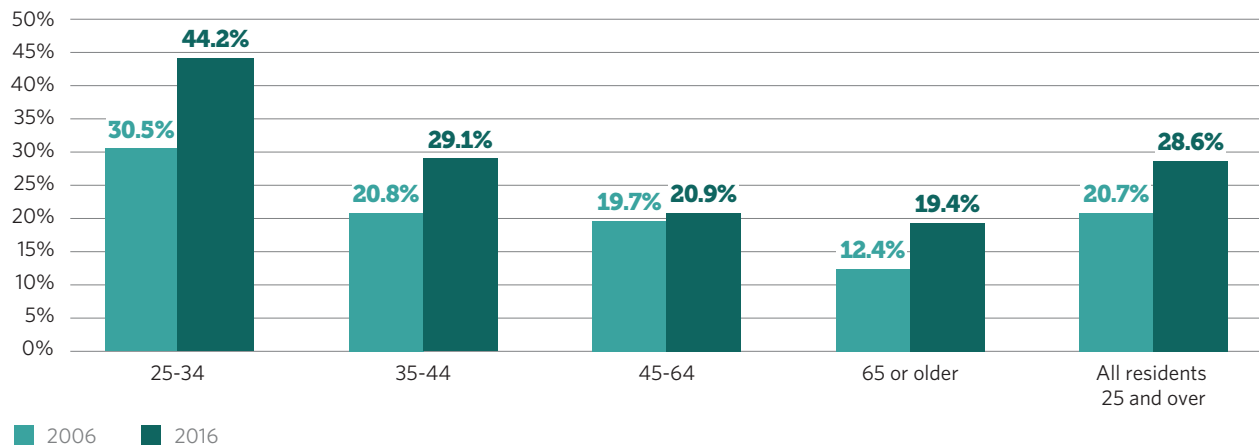


Thanks in part to the Affordable Care Act, the share of residents without health insurance continued to fall in all of the comparison cities, dropping to 8.7 percent in Philadelphia in 2016. From 2013 to 2016, the figure declined by more than 6 percentage points.

Source: U.S. Census Bureau, American Community Survey, one-year estimates, 2016

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Figure 15
Percentage of Philadelphia Residents With Bachelor's Degrees,
2006 and 2016
By age

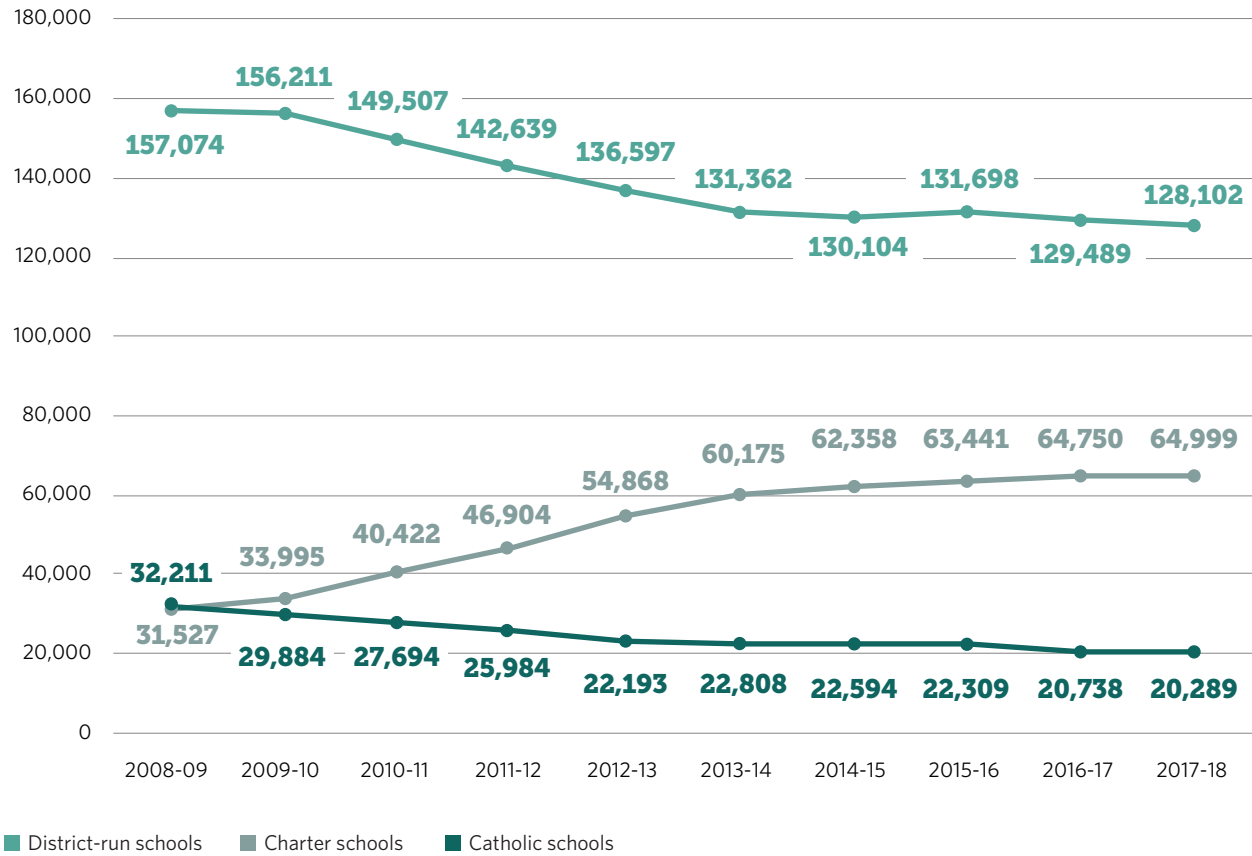


Although the percentage of adult Philadelphians with bachelor's degrees has risen in all age groups since 2006, the increase has been most pronounced among young adults. The city's percentage of 25- to 34-year-olds with bachelor's degrees in 2016 was 44 percent—14 points higher than a decade earlier and 9 points higher than the national average. Overall, about 29 percent of Philadelphians age 25 or older had four-year degrees, slightly below the national figure and far behind the percentages in Washington, Boston, and Pittsburgh.

Source: U.S. Census Bureau, American Community Survey, one-year estimates, 2006 and 2016

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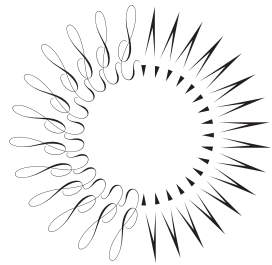
Figure 16
K-12 Enrollment, 2008-18



Enrollment in Philadelphia's district-run schools fell by 1 percent in 2017-18, continuing its gradual, long-term decline. At the same time, the number of students in taxpayer-funded, brick-and-mortar charter schools was little changed; the charter numbers do not include 5,424 Philadelphia students enrolled in cybercharters, an increase of 829 from the previous year. The head count in Catholic schools dropped 2 percent. Since the 2009-10 school year, district-run schools are down 18 percent, brick-and-mortar charters up 106 percent, and Catholic schools down 32 percent.

Sources: School District of Philadelphia; Archdiocese of Philadelphia

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