THE MISSING STRATEGY



Philadelphia's Case for Attracting Diverse, Middle-Income Residents

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LIVE WORK PHILADELPHIA



"Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody."
Jane Jacobs, The Death and Life of Great American Cities (1961)

The Missing Strategy: Philadelphia's Case for Attracting Diverse, Middle-Income Residents

Every great city is shaped by who chooses to live there and who chooses to stay. For half a century, Philadelphia has not been chosen often enough by the people who once formed its backbone: middle-income professionals and families from a broad range of backgrounds.

This summary of The Missing Strategy is not a formal proposal but an invitation to a conversation. It explains why this matters, how it connects to the challenges the city works hardest to solve, and what Live Work Philadelphia proposes to do about it. Throughout, we compare Philadelphia with the nation's ten largest cities, the group to which it belongs.

The root cause behind the city's challenges

Philadelphia's civic and philanthropic sectors work tirelessly on public safety, schools, jobs, neighborhoods, and economic mobility. That work is essential, but much of it responds to conditions already shaping people's lives. Live Work Philadelphia looks at what sits beneath many of those conditions: the fifty-year hollowing of the city's middle-income households and a population drawn from too narrow a slice of the country.

In 1970, Philadelphia had nearly 2 million residents, and 59% of its adults were middle-income. By 2010, it had lost over 400,000 residents, and that share had fallen to 42%, where it remains. The city's population has since stabilized at roughly 1.57 million, but total population is not the measure that matters most; the shrinking middle is. These are the teachers, nurses, tradespeople, government workers, small business owners, and early- to mid-career professionals, earning roughly $50,000 to $124,000 a year, who once stabilized neighborhoods, sustained the tax base, and anchored civic institutions.

A city that needs greater depth and breadth

Philadelphia is often described as diverse, and at the citywide level it is. But its diversity is narrower in ethnic and demographic range than that of the nation's other largest cities and more geographically siloed. Growing cities draw residents from many communities at once, and each community, once it reaches critical mass, attracts others like it. Philadelphia has not yet built that kind of depth and breadth.

The numbers make the point. About 16% of Philadelphians are Hispanic or Latino, the lowest share among the ten largest U.S. cities, where the others range from roughly 30% to 65%. Geography explains part of that gap, since many of the largest cities lie in Texas, California, and Arizona, but not all of it: New York and Chicago, older Northern cities like Philadelphia, each have Latino shares near 30%. Puerto Ricans have long anchored the city's Latino community and contributed greatly to its life; what Philadelphia has lacked is the steady arrival of newcomers from many other countries that has helped revitalize other large cities.

Asian residents make up about 8% of the city, and apart from a long-established Chinese community, no Asian community has reached critical mass. The city's foreign-born share fell to 9% by 2000, last among the ten largest cities, and though it has since risen to about 16%, the legacy gap persists.

Depth matters as much as breadth. Philadelphia ranks among the most segregated big cities in the country, so residents' daily lives are far less diverse than citywide statistics suggest. People stay where they can build a life: a partner, a professional network, and a community where they see people like themselves. When communities are too small or too separated for that to happen, people look to cities where the math works better.

A city too few people know

Many diverse, middle-income professionals and families have never seriously considered Philadelphia, largely because they know little about it. Meanwhile, family, colleagues, community networks, and social media have already made other cities familiar and appealing to them, often without any firsthand experience. Other cities have become magnets for Black, Latino, and Asian professionals in part because their reputations travel through those networks every day.

Philadelphia has not yet earned that kind of word of mouth. Search for the city online, and government and tourism content dominates; credible information about neighborhoods, cost of living, careers, and cultural fit is hard to find. That leaves the city's greatest asset largely unknown: a major Northeast Corridor city with big-city amenities at a fraction of the cost of New York, Boston, and Washington, D.C. To grow, Philadelphia must become known to, and resonate with, the segments of the country that have not yet discovered it.

Leaning on too narrow a base

Philadelphia's prosperity has never been broadly shared. The city's economic and social vitality still rests disproportionately on its white, college-educated residents, while Black, Latino, and Asian households remain underrepresented in its middle and upper income brackets. Median household income for white residents is about $84,500; for Black residents, it is about $45,100, nearly a two-to-one gap within the same city. Overall, Philadelphia has the lowest median household income among the ten largest U.S. cities, about $61,000, and the highest poverty rate.

That narrow base is also fragile. Philadelphia gains 1.6 young adults for every one who leaves in their 20s, largely thanks to its colleges and universities. But in their 30s, just as earnings peak and families form, 1.3 leave for every one who arrives, and the young adults who do arrive have not reflected the full diversity of the nation's rising middle class. A city that relies on one segment for its vitality and then loses much of that segment by age 30 struggles to sustain its tax base, its institutions, and its capacity to invest in the residents who need it most.

Keeping Black professionals in Philadelphia

Retention matters as much as attraction, and nowhere more than among Black professionals. Philadelphia's Black population fell by roughly 30,500 residents between 2010 and 2023. Pew research shows the loss is concentrated where it hurts most: only 46% of Black Philadelphians with a bachelor's degree or higher expect to stay in the city, compared with 78% of those with a high school diploma or less.

Black professionals are a vital part of the middle class Philadelphia needs to rebuild. They strengthen neighborhoods, lead institutions, mentor the next generation, and widen the pathways through which lower-income residents move into the middle class. When they leave, the city loses not only residents but also the leadership and networks that are hardest to replace. Keeping them here, by ensuring they find professional opportunity, community, and a genuine sense of belonging, is essential to any strategy for the city's future.

An approach worth building on

Philadelphia's own history offers an illustration of the approach. In the early 2000s, Visit Philadelphia's "Get Your History Straight and Your Nightlife Gay" campaign spoke to an audience many destinations had overlooked, and according to a case study by Marketing the Rainbow, it returned $153 in tourism impact for every $1 spent. In the years that followed, the city added roughly 100,000 residents ages 20 to 34. Many factors drove that growth, but we believe a stronger, more culturally relevant brand was one of them. What we take from the campaign is how it was built: by people who understood their audience from lived experience and spoke to it in its own terms.

As Jane Jacobs argued, cities grow when a diverse mix of people and skills combine in new ways. A city that draws from a narrow base has fewer combinations to work with. By attracting and keeping middle-income residents from a broader range of backgrounds, Philadelphia expands the raw material for greater stability and vibrancy across its communities and economy.

The missing strategy

Philadelphia has yet to develop a strategy focused specifically on attracting and keeping diverse, middle-income residents. Live Work Philadelphia is designed to fill that gap. Starting with a lean operating model, it will pilot a targeted domestic marketing and attraction program aimed at the communities the city most needs to reach, and at keeping the residents it already has. Its message will build on Philadelphia's honest, underdog pride rather than glossy promotion, shaped by people fluent in the aspirations and cultural nuances of the audiences it seeks to engage.

LWP has already identified the audiences it will reach first. The pilot will sharpen how we reach them and measure what works: which messages and messengers resonate, what moves people from interest to a move, what keeps newcomers here into their 30s, and how progress shows up, from engagement to relocation and long-term retention. We will share what we learn.

Middle-income residents are not more important than other Philadelphians. Their absence is a gap in the city's demographic and economic makeup, and restoring it will bring greater stability, mobility, and connection across communities. LWP's work complements existing civic and business-led efforts, and LWP supports continued investment in anti-displacement tools that protect current residents.

Join us as an early partner. You do not need to agree with every premise to engage with us. If you believe Philadelphia's future depends on who we invite to be part of it, read the full paper, sign up as an early partner, and introduce us to two or three leaders who should join the conversation.

www.liveworkphilly.com/positionpaper

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