

## PHILADELPHIA MUST GROW AND DIVERSIFY ITS MIDDLE INCOME POPULATION

At the start of the 1970s, middle-income residents comprised 59 percent of Philadelphia's population of almost two million people. By 2010, with around 400,000 fewer residents, only 42 percent of the city's people qualified as middle-income. This seismic population shift produced a demographic imbalance that continues to impact the city and its level of socioeconomic diversity. Today, among key socioeconomic indicators, Philadelphia has the highest poverty rate among major U.S. cities and is ranked 27th for annual household income among the top 30 US-populated cities.

Over the course of more than a half century, numerous mid-to-large sized US cities experienced population growth while also becoming significantly more diverse in large part because of immigrants, and the relocation of 1st and 2nd generation families spreading out to new cities across the US. Philly's story has been quite different. In the latter half of the 20th century, according to a 2023 Pew Report, Philadelphia was considered a "low-immigration city". Since the early 2000s, immigrants have become a larger source for population growth, but overall growth did not parallel peer cities in sheer numbers, demographic characteristics, and particularly, in the influx of 1st and 2nd generation families.

For example, Hispanics are America's largest minority group (62 million people), yet in Philadelphia, the Latino population is relatively small for a top 10 US city, and unlike every other top 10 city in America where its largest Latino subgroups are comprised of immigrants, Philly's largest Latino subgroup is that of Puerto Ricans who are natural-born American citizens. The chart below provides a snapshot of the Latino population across America's top 10 cities.

U.S. CITIES Overall Population	OVERALL POPULATION	HISPANIC POPULATION	HISPANIC % OVERALL POPULATION
1 - New York	8,804,190	2,417,676	27%
2 - Los Angeles	3,898,747	1,910,196	48%
3 - Chicago	2,746,388	776,290	28%
4 - Houston	2,316,120	1,044,120	45%
5 - Phoenix	1,680,992	725,394	43%
<b>6 - Philadelphia</b>	<b>1,584,064</b>	<b>241,425</b>	<b>16%</b>
7 - San Antonio	1,547,253	998,698	65%
8 - San Diego	1,423,851	431,477	30%
9 - Dallas	1,343,266	553,420	41%
10 - Austin	974,447	311,823	31%

Source:  
US Census

Philadelphia's historic significance as well as its vast big city amenities are just a few notable elements that are generally not well understood or familiar to diverse populations. Additionally, there is an attachment or brand affinity that individual diverse communities outside of the region currently have with other US cities with which they identify both culturally and socially. In the past, when Philly's brand was not well understood or lacked connection to certain domestic populations, attraction strategies have served the city well; consider Visit Philadelphia and Campus Philly. The latter not only helps to retain bright minds our colleges and universities educate, it also helps to attract and connect talent to local employers. Visit Philadelphia's efforts not only attract tourists to the city, our hospitality industry is now a major driver for Philly's economy.

With Philadelphia facing major challenges, some may ask, why focus on growing the middle-income population? Shouldn't our priorities be squarely focused on poor or low-income neighborhoods? The answer is we must prioritize both. According to the Pew Charitable Trusts, "A vibrant and substantial middle class is widely considered essential for economic health and social stability in any community". Bruce Katz at the Lindy Institute for Urban Innovation at Drexel adds, "Urban neighborhoods function best when they contain families with a broad mix of incomes. Economic integration sets in motion a virtuous cycle of functioning markets, attractive amenities, quality schools, and other essentials of community life."

A larger middle-income population also contributes to the restoration of crucial rungs on the social and economic ladder that have eroded over time and prevented many in low-income communities, particular in American big cities, from accessing greater social and economic mobility and thus, an enhanced quality of life.

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