

Why Phila. economic future looks so bright

Richard Florida

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> From where I sit, Philadelphia's future looks very bright. Trust me: I know all about the issues that confront the city. I grew up in New Jersey, went to Rutgers, and spent much of my teens and 20s hanging out in Center City. I've seen the dark days and watched the recovery.

> You have a new mayor. The core is looking more vibrant than ever. The universities, from Penn to Villanova, Drexel and the University of the Arts, are full of innovation and creativity, pumping out talent and connecting them to the city.

> But there's an even bigger reason to be optimistic.

> Greater Philadelphia's economic future is in large measure being shaped by its role as a key node in the second-largest "mega-region" in the world - a megalopolis that economic geographers in the early 1960s dubbed "Bos-Wash." Running from Boston through New York City, Philadelphia and Baltimore to Washington, Bos-Wash is home to about 54 million people and more than \$2 trillion in economic output, making it one of the five largest economies in the world - nations included.

> Philadelphia has become a place of choice in this mega-region and in the United States as a whole. After losing population for decades, Philadelphia is projected to grow. It's a hot place in a hot mega-region.

> That's important because people make three big moves during their lives: when we graduate college, when we have children, and when the children leave home. Forty million Americans move each year, and 15 million of us make a significant move - to another county, another state or another country.

> Our moves are crucial to our lives, affecting everything from our job opportunities and career options to our investments, the friends we make, the people we date, the mates we choose, and the way we raise our families. Our choice of place to live is the most important decision we ever make - largely because it influences and shapes all the others.

> According to my rankings, Greater Philadelphia does best for young singles, families with children, and retirees, being in the top 30 percent of regions nationwide in all three categories. (One tidbit: Greater Philly is an especially good place for single men. The region has the second-largest plurality of single women to men, more than 56,000 more, behind only Greater New York, but ahead of Greater Washington and Atlanta. Single men actually outnumber single women by large margins in Los Angeles, San Diego and Phoenix.) The area around Trenton and its South Jersey suburbs is an absolute powerhouse, ranking in the top five for smaller regions for singles, families with children, empty nesters and retirees.

> So what do people truly value in their communities? According to the results of a large-scale study of place and happiness I conducted with the Gallup Organization, where you live (along with family and work) is a key leg in the triangle of our happiness. That survey also found that there were five characteristics of a place that matter to happiness.

> First, you need to get the basics right: schools, health care, affordable housing, roads and public transportation. Second is physical and economic security: crime and safety, jobs, opportunity, and a healthy economy. Third is leadership: the quality of both the public and private (business and civic) leaders and citizens' ability to plug into their communities and contribute. But two other factors stand out.

> We asked people, "How would you rate your city as a place to live for the following kinds of people: Families with children, racial and ethnic minorities, gays and lesbians, immigrants, seniors, people living below poverty, young singles, and recent college graduates looking for work?"

> And with every amount of tolerance extended to these groups, the overall happiness of the community increased! Not because we value diversity as an abstract value, but because many people are drawn to open communities on the assumption that these are places where they can be themselves.

> But guess what group came in at the bottom of the list. Not immigrants or gays. At the bottom, alongside "people living below the poverty line" were "recent college graduates looking for work." Nearly 45 percent of people surveyed nationwide said their communities were either "bad" or "very bad" places for recent graduates, while just 7.3 percent said they were "very good."

> Philadelphia has a huge asset here: It has great universities and colleges that function as talent magnets. That's why Campus Philly (<http://www.campusphilly.org>), a pioneering effort to attract the region's 90,000 college students to stay in town after school and connect them to the region, is so important. Young people are much more likely to move after college than at any other point in our lives. To get them to stay after college, the city must stay ahead of the curve in the competition for talent. Once they're over 30, they tend to settle and have kids, and it's much easier to keep them after graduation than to try to lure them back once they're gone.

> The *quality of place* matters a lot more than you might think. People expect their communities to provide basic services and public safety, and most places do. So while very important, they're not a huge competitive advantage. But we found that the higher people rate the *beauty* of their community, the higher the level of community satisfaction. Philadelphia's green spaces, parks and trails, historic buildings, and access to the outdoors are attractive to people of all income groups, races and ethnicities, and education levels.

> Philadelphia has a secret weapon. Housing everywhere, from the urban core to its terrific suburbs, remains affordable. The biggest challenge in the leading mega-regions of the world is escalating housing prices. Wharton's Joseph Gyourko and colleagues dub this the "superstar-city" phenomenon. Prices in other key parts of Bos-Wash (not just Manhattan, but also Boston and Washington) have skyrocketed, and not even the subprime crisis or the current credit crunch has brought them down to earth. At a recent dinner party in Toronto, we were talking about trying to recruit a high-flying professor from a Philadelphia-area university, when a colleague jumped in: "We'll never get him. He has a mansion outside of Philadelphia for less than what it would take to buy a two-bedroom condo in Toronto." This housing-cost advantage is a huge edge for Philly's future.

> Philadelphia has plenty of challenges. As in all cities, there's work to do on crime and urban education. But both city and region are well-positioned for the future.


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