



METROPOLITAN POLICY PROGRAM  
THE BROOKINGS INSTITUTION

**Committing to Prosperity:  
Moving Forward on the Agenda to Renew Pennsylvania**

**Metro Profile: Philadelphia  
March 2007**

*This profile provides key economic and demographic trend information about the Philadelphia metropolitan area relating to “Committing to Prosperity,” an update of the 2003 Brookings Institution report, “Back to Prosperity.” To read the entire report, other regional summaries, and a rural policy brief, see [www.brookings.edu/metro/pubs/committingtoprosperity.htm](http://www.brookings.edu/metro/pubs/committingtoprosperity.htm). For any questions or comments, please contact Rebecca Sohmer at the Brookings Institution Metropolitan Policy Program ([rsohmer@brookings.edu](mailto:rsohmer@brookings.edu) / 202-797-6085).*

**The Trend: The Philadelphia metropolitan area continues to grow, albeit at a slowing pace**

***Metro Philadelphia’s population growth slowed between 2000 and 2005***

In 2005, the Philadelphia metropolitan area (consisting of Bucks, Chester, Delaware, Montgomery, and Philadelphia counties) had a population of 3,890,200—over 40,000 more people than in 2000. However, this increase represented a slowdown compared to the metro’s growth in the 1990s. Between 1990 and 2000, metropolitan Philadelphia grew at an annualized rate of 0.32 percent per year; that rate has fallen to 0.21 percent per year since 2000.

***The Philadelphia metro’s population is becoming more diverse due to minority gains***

Metropolitan Philadelphia, like the rest of the state, saw its population become more diverse. The metro area added over 92,000 minority residents to its population—a 7.7 percent increase. More than two-fifths of the increase in metropolitan Philadelphia’s minority population was due to gains in the Latino population.

Metro Area	Annualized population growth rate, 2000–2005
York	1.38%
Reading	1.33%
Allentown	1.29%
Lancaster	0.83%
State College	0.70%
Harrisburg	0.57%
<b>Philadelphia</b>	<b>0.21%</b>
Erie	-0.03%
Sharon	-0.12%
Williamsport	-0.28%
Scrán./W.B./Haz.	-0.30%
Altoona	-0.37%
Pittsburgh	-0.37%
Johnstown	-0.49%
Pennsylvania	0.24%
United States	1.05%

***Metropolitan Philadelphia’s migration patterns show continued net out-migration, albeit at a slightly slower rate than in the past***

According to IRS county-to-county migration data, more people moved out of metropolitan Philadelphia than moved in each year between 1994 and 2005. However, since 2001, the average rate has slowed: net out-migration is now around 10,000 people per year whereas between 1994 and 2000, metropolitan Philadelphia netted losses of between 10,800 and 22,200 people per year from migration.

## **The Trend: The Philadelphia metro area is still spreading out—and hollowing out**

### ***Metropolitan Philadelphia's older communities are still hollowing out***

Between 1990 and 2000, metro Philadelphia's cities, boroughs, and first-class townships declined or barely increased their populations. Since 2000, this trend has worsened, with all three municipality types losing population. The metro's cities went from an annualized decline of 0.46 percent per year to 0.69; the boroughs went from a 0.13 percent annualized gain to a 0.20 percent annualized loss; and the first-class townships moved into negative territory, dropping from 0.18 percent annualized gains in the 1990s to 0.06 percent losses between 2000 and 2005. Only the metro area's second-class townships are growing, with the 1.68 percent annualized rate of growth since 2000 only slightly higher than the 1.66 percent mark recorded in the 1990s.

### ***The vast majority of metropolitan Philadelphia's housing permits are still issued in second-class townships***

Housing data shows that the Philadelphia metro's residential building activity continues to occur mainly in second-class townships. Between 1995 and 1999, 11,039 permits were issued in the metro's cities, boroughs, and first-class townships while 43,309 were issued in second-class townships. Between 2000 and 2004, the number of permits issued in older places increased markedly by 36 percent to 15,033, and permits issued to second-class townships decreased by 5 percent, but still represented the majority of permits in the region with 41,239 issued.

### ***Despite slow population growth, the Philadelphia metro area has lost a large amount of rural land***

Slow population growth in the 1990s did not prevent metropolitan Philadelphia from losing over 40,000 acres of rural land during that time. And between 1980 and 2000, the loss was much greater: the Philadelphia metro area lost 124,000 rural acres in this time, a 52 percent loss. Whereas the metro area's total developable land was 19 percent rural in 1980, by 2000 that share had fallen to just 9 percent.

## **The Trend: Metropolitan Philadelphia's job growth lags behind the state**

### ***The Philadelphia metro area continues to trail the state on job growth***

Metropolitan Philadelphia's 0.76 percent annualized rate of job growth in the 1990s lagged the 0.96 percent state rate during that time. Between 2000 and 2006, employment growth in the Philadelphia metro slowed further to 0.09 percent per year, well behind Pennsylvania's 0.18 percent rate. However, between 2003 and 2006, job growth in metropolitan Philadelphia reached 0.93 percent annually, ten times the rate for the entire post-2000 period and nearly identical to the state's rate of growth over the same time period.

### ***Metropolitan Philadelphia is losing manufacturing jobs faster than the state and is underperforming in many other industries***

The Philadelphia metro area continues to lose manufacturing jobs: its 24 percent loss between 2000 and 2006 exceeded the state's 22 percent drop. Furthermore, metropolitan Philadelphia lags the state in almost all other industries. Only in the educational and health services sector did the metro area approach the state's gain (a 12 percent increase since 2000 for Philadelphia versus 15 percent for the state). However, the Philadelphia metropolitan area still accounts for one-third of the state's total employment.