

PROGRAMS: Orleans Technical College

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The Philadelphia Inquirer

Philly didn't become America's poorest big city by chance. Here's how we fix it.

by Inga Saffron



Edward Aviles (center) and classmates at Orleans Technical College, home of the city's biggest job-training program and a path to good-paying jobs. TYGER WILLIAMS / STAFF PHOTOGRAPHER

There are two stories that we can tell about Philadelphia in the first decades of the 21st century.

In one, Philadelphia is a city resurgent, rising from the ashes of deindustrialization to [gain population](#), rejuvenate neighborhoods, build gleaming towers for corporate titans like Comcast and FMC, and claim its place as one of the nation's health-care powerhouses. [So many new houses and apartments are going up](#) in this boomtown — even as the COVID crisis rages — that the city feels like a giant construction site. In 2019, the city celebrated a remarkable milestone: [10 straight years of job growth](#).

Yet, for many Philadelphians, this triumphant narrative will sound like science fiction. In parts of North Philadelphia, trees sprout from the windows of empty factories and trash laps at the steps of boarded-up Victorian mansions. Yes, the city has created 71,000 new jobs. But there are still 65,000 more city residents living in poverty today than there were in [2000](#), when the city's economy began to pull itself out of its long slump. Once [a city that dressed American men](#) in Stanley Blacker sport coats, [Joseph H. Cohen](#) slacks, and Botany 500 suits, Philadelphia no longer has a single factory producing their office wear. And now, South Philadelphia's sprawling refinery, where unionized workers often took home annual salaries of \$100,000, is being converted to a logistics center, with neat rows of warehouses that will house commodities produced elsewhere.



As these clashing narratives suggest, the last 20 years have brought the best of times and the worst of times to Philadelphia. With a poverty rate of 23.3% in 2019 — slightly [higher](#) than it was in 2000 — Philadelphia is saddled with the ignoble distinction of being the poorest big city in America. The economic disruptions of the pandemic, which have hurt people of color in disproportionate numbers, are sure to leave even more people struggling to make ends meet.

How did poverty become a defining characteristic of a city that once proudly called itself the Workshop of the World? And what can Philadelphia do to change the situation, especially now that the coronavirus has killed whole job categories and by August swollen [our unemployment rate](#) to over 15%?



Shaleice Dudley (left), a food service worker at John H. Webster Elementary School, packs grab-and-go meals for distribution to students and families in March after the Philadelphia School District switched to remote learning. MONICA HERNDON / FILE PHOTOGRAPH

To get at the answers to these difficult questions, The Inquirer is embarking on a yearlong series of stories that will examine the future of work. Planned before we were forced to convert our dining rooms and dens into satellite offices, the project will look at the ways that global forces are reconfiguring the relationship between work and income, and what Philadelphia must do to navigate the changing economy.

How Philadelphia became poor

The job-creation challenges that Philadelphia faces aren't all that different from the ones confronting the rest of America, but the city's history and deeply ingrained habits have made solutions more elusive.

Philadelphia's high poverty rate didn't happen by chance; it is the logical outcome of policies that turbocharged suburbanization, underfunded the school district, and allowed racist structures to go unchecked. For decades, people of color were shut out of the city's best-paying jobs and routinely denied business loans and home mortgages. The effects of that racial discrimination can be seen in today's poverty statistics: Two-thirds of Philadelphia's poor are either Black or Latino.

Just as the nature of work is changing, so is poverty. A significant portion of the adults classified as poor go off to a job every day, but their wages aren't sufficient to cover the cost of food and shelter. Philadelphia's biggest failure over the last two decades, says [Anne Nevins](#), president of the Philadelphia Industrial Development Corp., is that "we haven't grown the same proportion of middle-wage jobs as our peer cities." You can find high-paying tech jobs at Comcast and low-paying janitorial jobs, but not enough in between.



Roughly 2,000 janitors gathered in Center City in 2015 to support equal opportunity and save jobs. AARON WINDHORST / FILE PHOTOGRAPH

Some of the blame for this situation rests with Harrisburg. Although Philadelphia voters approved a referendum that would have raised the minimum wage within the city limits to \$15 an hour — just enough to cover the necessities of life — the state legislature

has [blocked](#) the measure's implementation. That means Philadelphia is stuck for the foreseeable future with the minimum wage set by the federal government, \$7.25 an hour. Raising the minimum to \$15 an hour would instantly transform thousands of low-wage jobs into middle-wage ones, says [William Edward Spriggs](#), a Howard University economics professor. "It's the single most powerful thing the city could do," he argues. "Relative to the cost of living, the federal minimum wage [was higher](#) in 1968 than it is today."

Because poverty, especially the persistent kind that exists in Philadelphia, is the result of many variables, it's essential to understand its nuances. As bad as the poverty rate is, the city isn't quite the outlier its harshest critics might suggest. While Detroit and Cleveland no longer rank among the top ten cities by population, they both have much higher poverty rates — [about 35%](#) in 2019. Even cities that we think of as being the modern dynamos, like Miami and Atlanta, have poverty rates [close](#) to Philadelphia's.

The Poorest Large City in the U.S.

Philadelphia has the highest poverty rate among the 10 largest U.S. cities, and is the only city in the group with a poverty rate that exceeds 20%.

| City | Pop. | Residents In poverty | Poverty rate |
|--------------|-----------|----------------------|--------------|
| Philadelphia | 1,584,064 | 359,011 | 23.3% |
| Houston | 2,320,268 | 449,733 | 19.7% |
| Dallas | 1,343,573 | 232,209 | 17.5% |
| San Antonio | 1,547,253 | 255,532 | 16.8% |
| Los Angeles | 3,979,576 | 651,205 | 16.7% |
| Chicago | 2,693,976 | 432,385 | 16.4% |
| New York | 8,336,817 | 1,312,028 | 16.0% |
| Phoenix | 1,680,992 | 258,625 | 15.6% |
| San Diego | 1,423,851 | 153,361 | 11.0% |
| San Jose | 1,021,795 | 71,931 | 7.1% |

Table: JOHN DUCHNESKIE / Staff Artist • Source: U.S. Census Bureau; 2019 American Community Survey

The truth is that [every American city struggles with high poverty](#). That too is a legacy of racist policies. The federal government built highways that funneled both middle-class residents and jobs out of cities and into suburbs. Yet, suburban towns have used zoning to limit the availability of low-cost housing, effectively containing the poor in urban areas, says [Jeffrey Lin](#), vice president at the Federal Reserve Bank of Philadelphia. Poverty remains concentrated in cities because they are places where the poor can find crucial services, access transit, and call on family support networks.

Last year we saw how these exclusionary practices are perpetuated when Lower Merion [updated its zoning code](#). While the township's impressive new rule book

incorporated the latest urban planning ideas, including provisions to encourage walkable neighborhoods, promote transit, and protect green space, the words *affordable housing* were never mentioned.

That omission is hardly unique to Lower Merion. [Across the wider Philadelphia metro area](#), the poverty rate was just 12.6% in 2018, on par with the national average, because so few towns offer affordable housing.

American cities are typically poorer than their suburbs. But Philadelphia's situation is more extreme, according to [Carolyn Adams](#), a Temple University professor-emerita who has written extensively about deindustrialization and poverty in Philadelphia. "We have a more fragmented region than most U.S. cities, with 350 municipalities, spread between two states, all with local zoning boards making their own calculations in their own interests," she says.

A rough transition to the new economy

At the same time, Philadelphia's economy has underperformed compared with its two historic peer cities, New York and Boston. Like Philadelphia, both are former industrial centers that struggled in the '60s and '70s after big manufacturers left town, first for the nonunionized Southern states, then for low-cost factories in Asia. But New York and Boston have succeeded in reinventing themselves as centers of finance and technology, sectors where Philadelphia's performance has been weak. Both cities have returned to the same job levels they had in 1970. Philadelphia is [still 200,000 jobs short](#).

Philadelphia's Job Deficit

From 1970 to 2019, the number of jobs in Philadelphia fell by about 20%. Over the same time, employment grew in New York City by 24%, and jobs more than doubled in the U.S.

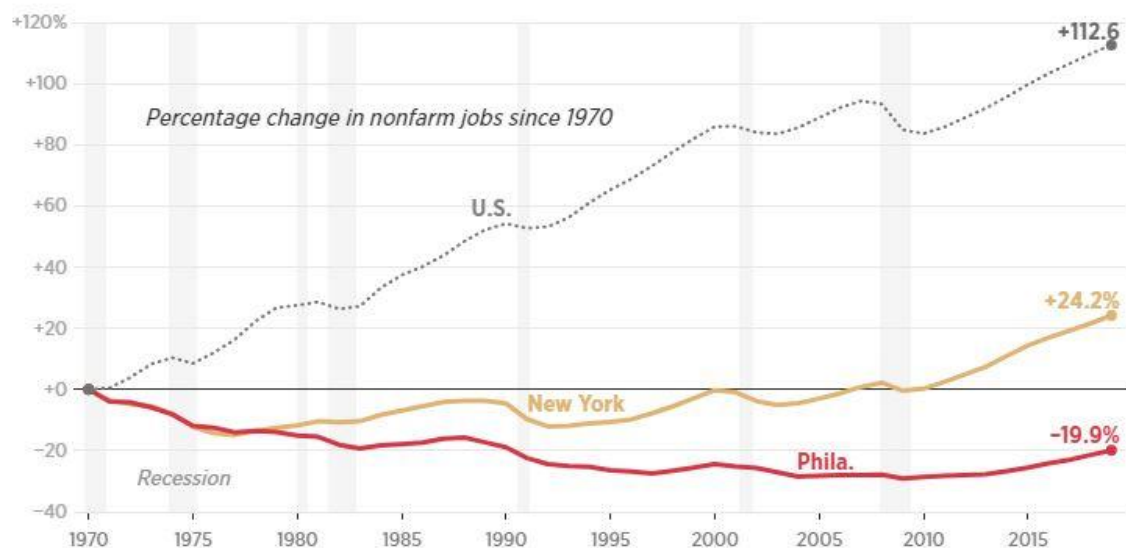


Chart: JOHN DUCHNESKIE / Staff Artist • Source: Bureau of Labor Statistics

There is no lack of theories for why Philadelphia has lagged. But many experts, including Adams, believe the school district bears much of the blame for failing to prepare students for the changing economy.

Because of inequities in the state's education funding, Philadelphia receives less school aid than it needs and spends less on each student than suburban districts do. The lack of state funding limits its ability to bring class sizes down to ideal levels, explains [Donna Cooper](#), who runs the education advocacy group Public Citizens for Children and Youth. The district has failed to update its career programs — what used to be called vocational education — for an economy where computer skills are essential. “We still have former shop teachers running career tech education,” she says. “We never really completed the transformation from manufacturing to a knowledge economy.”

Travis Coffey experienced this firsthand while growing up in North Philadelphia. Although he loved to help his friends install car stereos when he was attending William Penn High School, no one ever suggested he study to become an electrician. He dropped out after 11th grade and spent years working as a custodian. It wasn't until he was 46 that he found his passion, and a career, by enrolling in an electricians course at Orleans Technical College, the city's biggest job-training program. Now employed as an apprentice with a Bucks County firm that pays \$15 an hour, plus benefits, Coffey says: “I finally feel like I have a future.”



Lou Abruzzese, HVAC Instructor, teaches students at Orleans Technical College. Students who graduate from the course can easily obtain middle-wage jobs that lift them out of poverty. TYGER WILLIAMS / STAFF PHOTOGRAPHER

Even though the district's test scores have improved significantly in recent years, there are many others like Coffey who still fail to graduate — 30%. The city's experience during the pandemic reveals the true impact of that statistic: Two-thirds of the people who lost their jobs in the first months of the crisis [did not have a high school diploma](#).

Black workers have been shut out

Back when Philadelphia was a manufacturing center and people made things with their hands, a good education didn't matter as much. But as the economy has changed, it has become harder for people without a high school degree to earn family-sustaining wages. One of the few fields left is construction.

But to this day Philadelphia's construction unions make it [difficult for people of color](#) to join their ranks. In the late '60s, just 12.5% of the city's construction workers were Black, according to Guian A. McKee's history of deindustrialization in Philadelphia, [The Problem of Jobs](#). Discrimination was so rampant that the federal government stepped in to force the unions to open up their membership. The federal desegregation effort, known as the [Philadelphia Plan](#), became the model for affirmative action. But the effort failed miserably in the city where it began, and was eventually abandoned.

In 2008, the last time the city was able to gather demographic information about union membership, [just 10%](#) of the members were Black. "The story told today could have been told 50 years ago," says [Tony Wigglesworth](#), who negotiates labor contracts for large Philadelphia building projects. Coffey says he would love to join the electricians union, but "it's hard to get in."



At 46, Travis Coffey enrolled in Orleans Technical College to become an electrician. JOSE F. MORENO / STAFF PHOTOGRAPHER

A few unions, like the roofers, cement masons, and laborers, have become more welcoming, Wigglesworth says, but people of color still have not been able to benefit from the city's building boom to the same degree as whites. "Given the massive amounts of development, the union membership really needs to open up," says Councilmember [Maria Quiñones-Sánchez](#), who represents some of the poorest neighborhoods in the city. But the biggest problem over the years has been the disconnect between the skills that job-training programs teach and the skills that employers need.

By the 1990s, Philadelphia had acknowledged that manufacturing was not coming back. It was becoming clear that big universities and medical institutions — “eds and meds” — would become the dominant industries — the new knowledge economy. Like many other cities, Philadelphia also sought to replace those lost manufacturing jobs by following a second track: It invested heavily in building up [conventions, tourism, and hospitality](#) — the service economy.



The pandemic has shuttered stores and restaurants around Philadelphia, and the city's service sector workers have suffered. HEATHER KHALIFA / FILE PHOTOGRAPH

Today, those two sectors provide the majority of the jobs that exist in Philadelphia. They are codependents that are necessary for each to function successfully. Philadelphia still makes things the world craves, but the products are more intangible: health care and higher ed, media content and technology, restaurant meals and business meetings. The real problem is that too many Philadelphians lack the skills to participate in the knowledge economy. And the service economy doesn't pay enough.

A Pivot From Manufacturing to Hospitality

Philadelphia lost 72% of its manufacturing jobs from 1990 to 2019. Jobs in the leisure and hospitality industry increased by 69% through 2019, but nearly 30,000 jobs were lost as of August 2020 because of the pandemic.

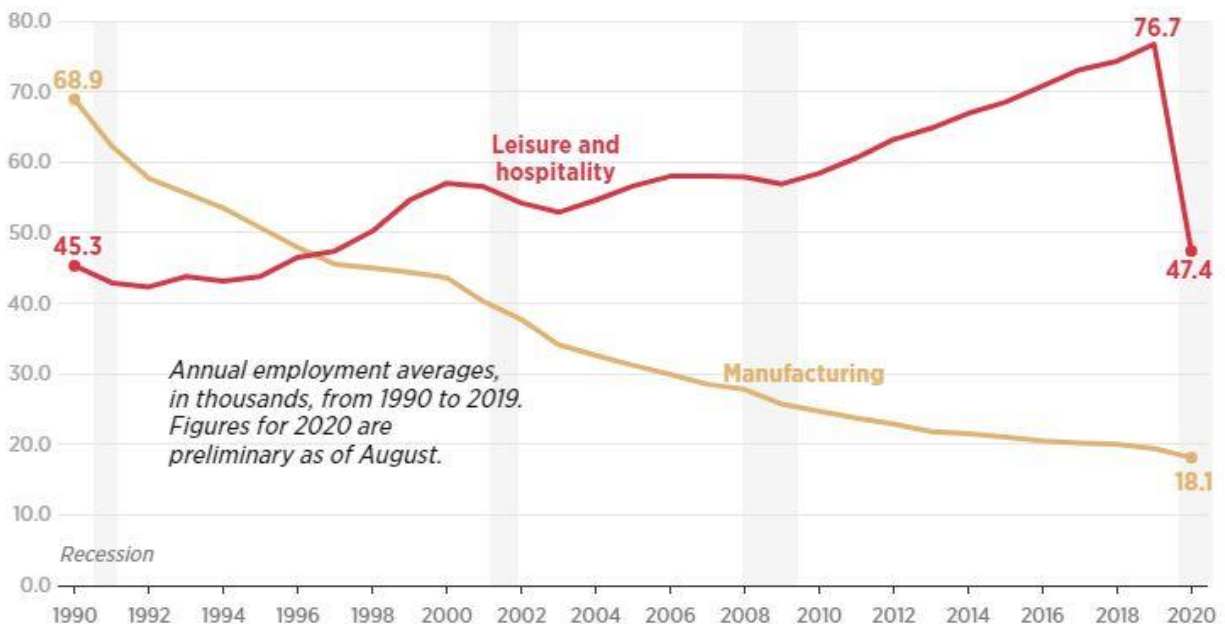


Chart: JOHN DUCHNESKIE / Staff Artist • Source: Bureau of Labor Statistics

Better skills for better jobs

The solution, Philadelphia policymakers agree, is to provide the education and targeted job training necessary to move the lowest-paid workers into middle-wage jobs. Upskilling, it's called. And the good news is that, after decades of false starts and magical thinking, Philadelphia is beginning to coalesce around an upskilling strategy.

Take home health aides, one of the fastest-growing jobs in Philadelphia. The aides provide a vital service in caring for the sick and elderly, yet make an average of \$23,000 a year, or about \$11 an hour. But with a little bit of training, a home health aide can become a certified medical assistant or a phlebotomist — and increase one's salary by \$10,000. Earning an associate's degree in a health-care specialty would boost earnings even more and open up [a variety of career opportunities](#). The city believes it could make a dent in its poverty rate by getting low-wage workers — like teacher's aides — to upskill.

Community College of Philadelphia is the perfect place to acquire that training. But until recently, the college showed little interest in career tech programs. The college was focused instead on getting students to complete associate degrees so they could apply to traditional four-year colleges. "There was a disdain for people who chose career tech over white-collar jobs," one college official confided in an off-the-record interview. That approach was all

wrong for Philadelphia students, who could barely afford CCP's [pricey](#) tuition, and it showed in the [graduation rate](#), a dismal 17.5%.

After [Donald Generals](#) took over as president in 2014, the two-year college began to reorganize its curriculum to offer more certificate programs in career tech fields, especially quick turnaround programs that offer immediate employment.

For instance, at the request of PGW and Peco, CCP started a curriculum to train gas pipeline mechanics. The program costs students \$5,000 but requires just 12 weeks of training. At the end, graduates are immediately hired at jobs that start at \$18 an hour. CCP has also established a feeder program to supply Nissan and Toyota with elite auto mechanics, another good-paying job. The college is about to begin construction on a building at 48th and Market devoted exclusively to career tech training. Generals emphasizes that today's auto mechanics are really a variant of IT workers: "Modern cars are computers on wheels."

In the past, many city job-training programs did little more than teach people interviewing skills. And they certainly weren't results-oriented. The Commerce Department and Philadelphia Works, the agency that oversees workforce development, are trying to ensure that the training programs are direct pipelines to existing jobs.

Flipping the job-training script

That approach has been perfected by the [West Philadelphia Skills Initiative](#), a job-training program started by the University City District. "Workforce development used to be 'train and pray,' pray people find jobs," said UCD's [Matt Bergheiser](#). "We flipped the script. We don't recruit a training class unless there's a real employer committed to hiring 15 people at once."

The city's biggest job trainer, JEVS Human Services, which runs Orleans Technical College, also offers customized training in a variety of in-demand fields, including many construction trades. Since many people are hampered without a high school diploma or driver's license, they often start with those basics. They've found there is a huge demand for IT specialists, health-career workers, and lab technicians.

What keeps more poor Philadelphians from taking advantage of these programs? Time and money. If you're working full-time to feed a family, you might not be able to immerse yourself in a training program. The certificate and career tech programs at CCP cost as much as \$8,000 a year, a big chunk of a poor family's income.

If those students were going through a regular degree program, they could qualify for a [federal Pell grant](#) to underwrite their tuition. The irony is, Pell grants can't be used for career tech or certificate programs, only academic degree programs.

There is actually bipartisan support in Congress to extend Pell grants to certificate programs, but like so much else, the measure has been stuck in the political logjam. This

year, the Kenney administration stepped in to remedy the problem by creating a \$4 million scholarship program. Now that initiative has been put on hold because of the COVID-induced revenue shortfall. At the exact moment when Philadelphians are desperate to find jobs, we are shortchanging training programs.

There's a more efficient way to solve the problem, argues Donna Cooper, of Public Citizens for Children and Youth. The school district should offer more opportunities to get associate degrees in high school in career tech fields like engineering, computer-assisted design, and IT. That would require developing new curricula, hiring faculty, and maybe even setting up a specialized high school. It would be expensive but would pay off in the long term. "We need this educational infrastructure as much as we need infrastructure for our rail system," she argues.

Some take solace in Hilco Redevelopment Partners' plan to create a logistics center at the South Philadelphia refinery. Now that the school district has approved a significant tax break for the project, the company is promising to create jobs for 10,000 people in its new warehouses.

The pay will be significantly less than the six-figure salaries earned by refinery workers. Those warehouse workers will most likely start around \$15 an hour. But for Philadelphians at the bottom, those jobs represent a first step.

The city's economic outlook remains deeply uncertain. But it's in Philadelphia's interest to make sure every resident has the credentials and skills to participate in the jobs of the future.