DELAWARE VALLEY REGIONAL PLANNING COMMISSION
REGIONAL COMMUNITY AND ECONOMIC DEVELOPMENT FORUM HIGHLIGHTS
June 15, 2016

A meeting of DVRPC's Regional Community and Economic Development Forum (RCEDF) was held on June 15, 2016, beginning at 8:30 a.m. Barry Seymour, Executive Director, welcomed the speakers and participants and briefly discussed the meeting's agenda.

Mary Bell, Manager of Demographic and Economic Analysis, presented the key findings of DVRPC's recent *Rating the Region* report, which compares Greater Philadelphia to the nation's 25 largest metropolitan areas and highlights regional strengths, weaknesses, opportunities, and threats. Comparisons were made in demographics (population, age, diversity, poverty, income, and housing tenure); the environment and natural resources (parks, air quality, and clean jobs); livable communities (housing value, costs, and affordability; cost of living; crime; arts, recreation, and culture; educational opportunity; health care; and governance); the economy (employment and labor, income and earnings, real estate, GDP, company headquarters, exports, innovation, and internet access); and transportation (commuting, congestion, transit, maritime trade, and aviation).

The report found that Greater Philadelphia benefits from numerous strengths, including its diverse economy; relatively affordable housing; large number of colleges, universities, and cultural opportunities; top-notch health care resources; and extensive highway and transit network; and quality aviation and port facilities. Regional challenges, however, threaten these strengths, and include urban concentrations of poverty and unemployment, low labor force participation, educational attainment disparities, an aging population, and fragmented local government. *Rating the Region* provides the factual data to recognize and promote the region's advantages while taking an objective and honest view of the region's limitations. The report will inform DVRPC's update to the *Connections* Long-Range Plan, which is currently in development.

The meeting's next speaker was Phil Hopkins, Senior Consultant with IHS Global's Economics and Country Risk Group. Mr. Hopkins discussed the Philadelphia region's recovery from the recession based on changes in employment, unemployment, housing prices, and income. During the recent recession (which began in 2007), both gross domestic product (GDP) and non-farm employment hit their lowest levels in mid-2009; GDP returned to its pre-recession peak by 2010, while employment has yet to return to pre-recession levels. Single-family home sales and construction hit their lows in 2010 and have since recovered slowly, but are not expected to return to 2005 peaks.

While it has historically taken the Philadelphia metro area longer to recover from economic recessions than the United States as a whole, Mr. Hopkins noted that the gap in the recovery time has narrowed. After the 1990 recession, for example, it took the United States 34 months to fully recover, compared to 75 months for the Philadelphia metro; following the 2001 recession, the United States recovered in 36 months, compared to 53 months in the Philadelphia metro; and following the most recent recession, the United States recovered to pre-recession economic activity in 77 months, compared to Philadelphia's 90 months. Since 2007, employment in the Philadelphia metro has followed a similar track as but lagged behind the national average. Employment in Delaware and Philadelphia counties, however, was not impacted as severely as the

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national economy and has grown at a rate similar to the national trend and faster than the Philadelphia metro as a whole.

Mr. Hopkins compared population and employment growth in the nation's 25 most populous metros, and noted that many metros (such as San Antonio, Dallas, and Houston) currently have fewer residents and employees than other major metros but are experiencing high rates of both population and employment growth. Population and employment in the Philadelphia metro (currently the 7th most populous metro in the nation) have increased since 2007, but at lower rates than seen in nearby economic competitors, including New York, Baltimore, Boston, and Washington, DC. Mr. Hopkins also noted that it took over seven years for employment in the Philadelphia metropolitan area to recover to its pre-recession high, more than a year longer than in the United States as a whole–among the nation's largest metros, it took longer in only Los Angeles, Phoenix, St. Louis, and Tampa (only Detroit has not yet recovered to its pre-recession high). When considering housing prices, in Delaware and Philadelphia counties, housing prices have not only fully recovered to pre-recession levels, but are now 1.5% higher than the pre-recession high (comparable to the national average). Average housing prices in the region's other counties have not yet returned to pre-recession peaks, particularly in Southern New Jersey, where prices remain more than 20 percent below the pre-recession high.

Mr. Hopkins also discussed why the Philadelphia metro lags behind the United States as a whole in its recovery from the recent recession. He believes that no single, major factor is responsible, but rather the combined impacts of a number of different variables. The region has no dominant strengths, but also few glaring weaknesses, being an average performer for many metrics. Given its location along the heavily-populated Northeast Corridor, Philadelphia is in a very competitive situation. While the region has cost advantages over Boston, New York, and Washington, DC, those metros in turn have unique competitive assets. The Northeast in general is more expensive than many other parts of the country, and most major metros in the Northeast and Midwest have lower growth rates than those in the Sunbelt and on the West Coast. Finally, the region's economic structure has made it difficult to effectively compete, with only 25 percent of the region's jobs in above-average performing sectors, and 75 percent in below-average performing sectors.

Mr. Hopkins was followed by Michael Boyer, Associate Planning Director at DVRPC. Mr. Boyer presented key takeaways from DVRPC's recent Future Forces report on the impact of external, global forces on the region, and discussed what they mean for the region's future economic prosperity. 'Future Forces' are broad social, technological, economic, environmental, and political trends that can create sudden and rapid change. Mr. Boyer discussed the potential impacts of the five forces identified by DVRPC's Futures Group, a multi-disciplinary group of experts convened to collaboratively identify key regional Future Forces. Although they are largely beyond the control of any individual government, business, or organization, these forces may have a profound impact on how we build livable communities, foster growth management, maintain economic competitiveness, and create a modern, multimodal transportation system if they arise in the future.

After a brief question and answer period, the meeting was adjourned at approximately 10:30 a.m. Copies of Ms. Bell's, Mr. Hopkins', and Mr. Boyer's Power Point presentations are available on DVRPC's web site at http://www.dvrpc.org/Committees/RCEDF/.