

The Legacy of the Industrial City

Like most American cities, Philadelphia combines many contradictory realities. Its public images range from the stodgy WASP fiefdom portrayed in *The Philadelphia Story*, to political graft and police payoffs, to bombed-out neighborhoods, to a gentrified, phoenix-like creature rising from the ashes of its past. None of these images is complete, yet each is a part of the total picture of the city. The contradictions arise partly from a clash between the city's past and its present; although the city was created in response to the political and economic environments of the seventeenth century, it has been recreated repeatedly as those environments have changed. Each re-creation has been incomplete, leaving in place many elements from the past, yet each laid the groundwork on which future changes would have to be based. This book shows how past patterns of work, residence, and public policy created the arena in which the current changing social and economic order makes its own imprint.

A basic premise of the book and of the series of which it is a part is that, to some extent, each city's history needs to be told in its own terms. There is no simple developmental scheme here, no attempt to understand all urban issues as the result of a few universal laws. Although we assume that the local economy operates largely within national and international marketplaces, we understand that the general economic principles at work can produce different patterns in different places. What has happened in Philadelphia is only one of a number of outcomes that could have occurred. For that reason, a substantial part of the task of this book is to understand how Philadelphia's past has interacted with national and international trends to produce particular local patterns.

Yet if our objectives were limited to explaining what has happened in Philadelphia, this book would be of only parochial interest. What makes a study of Philadelphia worthy of broader attention is the extent to which explanations of its development apply to other cities as well. We write of Philadelphia but we believe many of our interpretations can be generalized to other older cities that, like Philadelphia, have deep roots in manufac-

turing and diverse populations. The challenge of the book is to display the contours of the broader processes shaping Philadelphia's development in the particulars of its history.

In specific terms, this means that we begin our analysis of Philadelphia with an appreciation of the historical interplay between private enterprise and public policy that shaped its economic development, an interplay that shifted the types and locations of economic activity in the metropolitan region and continually redefined the opportunity structure for the region and its people. In theoretical terms, we see Philadelphia's development as defined by a capitalism constrained, aided, and redefined by public policies that create, limit, and reorganize markets for labor and goods and services.

The fact that capital investment is fixed geographically for substantial amounts of time is of critical importance. It means that some markets are local—perhaps limited to a neighborhood or community—and that all have localized implications even as they seek sales afar. And from the outset, public policies shape the patterns of private investment by defining the ways in which land is transformed into a commodity that can be bought and sold—by creating real estate.¹ While investors can and do shift their investments to obtain higher profits and increased liquidity, and may do so in response to public policies that discourage investments in some locations and encourage them in others, they leave behind them landscapes of their own construction. These settings of dwellings and stores, of manufacturing plants and service centers, channel the course of future investment as well as economic, social, and political efforts to preserve, protect, and promote the investments that remain. The results are neighborhoods and communities, a city and its suburbs, whose futures are molded by their pasts.

Philadelphia's origins were as a part of a quasi-religious utopian experiment of William Penn, who successfully established the central area of Philadelphia in 1683, laying out a grid system of streets and properties that persists to the present day. The grid pattern chosen by Penn reflected not only his aesthetic preference for ordered, rectangular blocks but also his acumen as a real estate developer. Hoping to profit from the sale of land in the new colonial city, Penn chose a ground plan that allowed for quick and easy trading in land as a commodity. The grid, which Philadelphians extended outward in the eighteenth century as the urban economy grew, was an "ideal method, since it treated all land similarly, for a real estate market composed of hundreds of speculators and home builders and thousands of petty landlords and small home buyers."²

Although William Penn had intended, as a health measure, that Philadelphia would be a city of single-family houses on large lots, subsequent

generations of builders and property owners thwarted his plans by drastically increasing the density of land coverage. As large landholders sold off their farms for residential development, speculative builders endeavored to multiply the number of streets available to them and the number of houses per street. One way they accomplished this was by maximizing their street frontage: eliminating diagonal streets that did not conform to the grid pattern and subdividing Penn's grid blocks by adding streets and alleys between the originally planned streets. Another way they increased density was by the introduction of the rowhouse.

The classic Philadelphia rowhouse, a variation on the London design, was built up against the sidewalk with a front footage of 12 to 22 feet and a service alley leading to a rear yard. By 1800, rowhouses had become the dominant form of residence in Philadelphia. They were attractive not only to speculators but also to homeowners, being cheap to buy and maintain, with their brick facades and attached party walls. Inexpensive and private, rowhouses provided ownership opportunities for many working-class families who would have lived in tenements in other cities. This architectural form in large part accounts for the relatively large proportion of owner-occupied housing in Philadelphia.³

Philadelphia's position in the larger world system of cities influenced its internal growth and development. As a port city in the British colony, Philadelphia rose to prominence as a national center of the agrarian United States. The largest city in the Colonies until the development of the Erie Canal, it was the gateway to Ohio, Illinois, and Indiana, the early American Northwest. The economy centered on trade and small-scale production. The port on the Delaware River was the center of the town's activities, even though Penn's planned street grid stretched many blocks off to the west. Outside the city's northern and southern boundaries of Vine and South streets, the suburban districts of Northern Liberties and Southwark housed those members of the poor and working class who could not afford to live in the more established city neighborhoods.

The city was small and densely populated. Although there was some clustering of types of industry and some residential differentiation by occupation and social class, the degree of segregation was limited by the fact that walking was the main mode of transportation. Independent artisans, a large category of the workforce, tended to work at home or in an adjacent structure, as did innkeepers. Even merchants and port workers lived only a few blocks from their work places.

Philadelphia's geographical growth in the nineteenth century was complicated by the fact that, in addition to a straightforward pattern of growth

outward from the center, the city also built up around the nuclei of several smaller nearby villages. Some of these adjacent districts, such as Southwark, Northern Liberties, and Spring Garden, were primarily suburbs, but others, such as Germantown, Manayunk, and Frankford, were independent communities. In 1854 the city and county were consolidated, increasing the area of the city from 2 to 100 square miles (see Figure 1.1). Many city neighborhoods have retained their names from their preconsolidation existence.⁴

When the industrial revolution occurred in Philadelphia, most of the available land close to the center of urban activity was already occupied by political, commercial, or residential activity. Only the waterfront boasted any industry to speak of, and that was largely limited to shipbuilding and its associated activities (wood treatments, rope making, and the like). Most available land for intensive industrial development lay to the north and south of the central city areas, in the Kensington, Northern Liberties, and Southwark areas of the city. These lands were essentially agricultural or swamp lands and were quickly transformed to industrial use, with its concomitant workers' housing. Early industrial development in Philadelphia was thus forced both upriver and downriver from the early settlement clustered around the port—a shift that represented the first, but certainly not the last, time that existing economic uses helped determine the location and pattern of new development.

Nineteenth-century industrialization created an immense diversity of manufacturing firms. The city's boosters boasted about this variety when they appealed to entrepreneurs to locate in Philadelphia. One of the city's leading iron manufacturers and Republican leaders played on this theme to make the case that the nation's centennial celebration in 1876 should be held in the Quaker city: "If it is conceded that an industrial exhibition is to be made in the city where the industries are found in greatest variety and perfection, no further enumeration of Philadelphia's advantages or claims need be made."⁵ In 1880 the leading industry was clothing and textiles, which employed more than 40 percent of the city's workforce. But the other 60 percent was scattered across a wide range of manufacturing: machine tools and hardware (7 percent), shoes and boots (5 percent), paper and printing (4 percent), iron and steel (2 percent), lumber and wood (3 percent), glass (2 percent), furniture (2 percent), chemicals (2 percent), shipbuilding (2 percent) and a host of other, smaller sectors.⁶

This remarkable industrial base was spread across the city, creating a variety of specialized districts: the leather and wool district expanding northeast from the center of town, the south-side garment sweatshops, the



Figure 1.1 Townships consolidated in 1854 to form the City of Philadelphia

Source: Philadelphia City Planning Commission. *Philadelphia: A City of Neighborhoods* (Philadelphia, 1976).

furniture and woodworking in West Philadelphia, and the metalworking on the northwest side of town. Unlike some industrial centers, Philadelphia retained many small manufacturers throughout the industrial era and into the twentieth century.

Even the city's largest industry, textiles and apparel, was composed mainly of establishments that were small by the standards of Lowell (Mas-

sachusetts), Newark (New Jersey), and other textile towns. Historian Philip Scranton explains the smaller size of Philadelphia textile mills as the result of financial conservatism on the part of mill owners, who preferred to operate on a cash basis instead of borrowing to finance their plants, equipment, and inventories.⁷ The claim that Philadelphia's capitalists have been more conservative in business affairs than other urban elites is one that appears repeatedly in accounts of this city's history. Sociologist Digby Baltzell and others have cited this stodginess as a factor limiting the city's economic and civic progress.⁸

Yet its consequences have not always been negative. For example, because nineteenth-century textile firms remained small, they had greater flexibility in responding to changing market demands than the mass-production mills of Lowell. At the opening of the Civil War, when the market for blankets, uniforms, and knitwear boomed, Philadelphia mill owners adapted their factories quickly to meet federal procurement demands and captured the lion's share of war production.⁹ Philadelphia's industrialization suggests that our common reading of industrialization as a process leading inevitably to larger and larger factories may need to be revised. In fact, some of the reason for Philadelphia's success in the industrial era may hinge on its mixture of small and large establishments.¹⁰

Today's neighborhoods of Philadelphia contain the relics of the industrialization process. Abandoned and still functioning factories are cheek by jowl with high-density blocks of two- and three-story rowhouses. Old monuments to upper- and middle-class conspicuous consumption, the mansions of captains of industry, sit in neighborhoods where their large lots have been replaced with row housing. Middle-class homes dating from the 1920s have been divided into apartments for the poor and working classes. In short, investment in the industrial development of the city, and concurrent requirements for housing the workforce, created an integration of old communities into a new and expanding city.

Population and Settlement Patterns

With the onset of the industrial era, which reached its apogee between 1880 and 1930, Philadelphia's population increased dramatically, largely as a result of European migration. This was followed in turn by a substantial migration of southern blacks during World War I and immediately after. The combination of ethnic communities and racial segregation that characterized many neighborhoods of the city can be seen as the immediate

Table 1.1 The growth of the Philadelphia metropolitan area population, 1850–1950

	Total population			% of population residing in central city		Black population as % of total	
	White	Black	% black	White	Black	City	Suburbs
1850	663,461	34,079	4.9	58.6	58.0	4.8	5.0
1860	869,644	37,768	4.2	62.5	58.7	3.9	4.6
1870	1,016,427	42,107	4.0	64.1	52.6	3.3	5.2
1880	1,239,893	56,095	4.3	65.8	56.5	3.7	5.4
1890	1,508,458	69,410	4.4	66.7	56.7	3.8	5.6
1900	1,787,991	102,226	5.4	68.8	61.2	4.8	6.6
1910	2,136,501	130,062	5.7	68.5	64.9	5.5	6.3
1920	2,521,310	191,222	7.0	67.0	70.2	7.4	6.4
1930	2,834,785	299,898	9.6	61.0	73.2	11.3	6.8
1940	2,862,794	334,543	10.5	58.6	75.0	13.0	6.6
1950	3,187,121	480,075	13.1	53.1	78.3	18.2	6.5

Sources: *The Seventh Census of the United States, 1850* (Washington, D.C.: Robert Armstrong, Public Printer, 1853); *Population of the United States in 1860, Compiled from the Original Returns of the Eighth Census* (1864); *Ninth Census—Volume I—The Statistics of the United States* (1872); *Statistics of the Population of the United States at the Tenth Census (June 1, 1880)* (1883); *Report on Population of the United States at the Eleventh Census: 1890—Part 1* (1895); *Census Reports Volume I—Twelfth Census of the United States Taken in the Year 1900—Population, Part I* (1901); *Thirteenth Census of the United States Taken in the Year 1910—Population, Part I* (1913); *Fourteenth Census of the United States Taken in the Year 1920—Volume II—Population General Report and Analytical Tables* (1921); *Fifteenth Census of the United States: 1930. Volume III—Population—Reports by States* (1931); *U.S. Census of Population, 1940: Population and Housing Statistics for Census Tracts, Philadelphia, Pennsylvania* (1942); *U.S. Census of Population, 1950: Census Tract Statistics Vol. III, Chap. 42, (P-042) Philadelphia, Pennsylvania and Adjacent Area* (1952). All published in Washington, D.C., by the Government Printing Office unless specified otherwise.

precursor to modern Philadelphia. Table 1.1 summarizes information about the size and location of the black and white populations in the Philadelphia metropolitan area from 1850 to 1950. It shows that from the Civil War to World War I, Philadelphia's black population hovered between 4 percent and 6 percent of the total population, keeping pace with the growth of the white population resulting from the arrival of European immigrants.

Interestingly, the figures in Table 1.1 demonstrate that the pattern of black concentration in the central city and white domination of the suburbs has not always been characteristic of Philadelphia. Indeed, during the nineteenth century blacks in Philadelphia were more suburbanized than whites. Since 1870, when about 50 percent of the region's black population lived in Philadelphia, blacks have become increasingly concentrated in the central city. By contrast, since 1900 whites have become increasingly suburbanized.

Table 1.2 Index of segregation for ethnic and racial groups in Philadelphia, 1850–1950

	1850	1880	1910	1920	1930	1940	1950
Great Britain			.21	.21	.24	.23	.22
Germany	.37	.32	.25	.27	.32	.35	.31
Ireland	.35	.28	.20	.20	.28	.32	.29
Italy			.61	.53	.59	.60	.54
Poland				.52	.54	.57	.54
Russia			.58	.50	.56	.57	.54
Black	.53	.61	.46	.45	.61	.68	.71

Source: Theodore Hershberg et al., "A Tale of Three Cities: Blacks and Immigrants in Philadelphia: 1850–1880, 1930 and 1970," *Annals of the American Academy of Political and Social Science* 441 (1979): 55–81.

Note: The table reports "Foreign Born" for 1910, 1920, 1940, 1950, and "Foreign stock" for 1850, 1880, 1930, on the basis of 248 identical geographic areas for 1850, 1880, 1930, and on 47 wards for 1910 and 1920.

Within the city itself, the experience of black Philadelphians differed dramatically from that of European immigrants. To a much higher extent, blacks have historically lived in segregated communities. Presented in Table 1.2 are indices of segregation that measure the extent of residential segregation for the city's racial and ethnic groups for each census year between 1850 and 1950. (See Appendix A for an explanation of the index of dissimilarity.) Note that the level of segregation experienced by the Germans and Irish, who entered the city in the middle of the nineteenth century, was substantially lower than the segregation of the Italians, Poles, and Russians, who arrived in Philadelphia around the turn of the century. At all times except 1910 and 1920, blacks were more segregated than any other group, and their separation increased significantly in the twentieth century.

We can explain these patterns of segregation largely in terms of the basic structure of the city, the opportunities that it provided, as well as the changing positions of particular groups in the urban opportunity structure. For most of the nineteenth century Philadelphia continued its colonial pattern as a "walking city" characterized by considerable population density, centralized economic activity, and few socioeconomic distinctions among neighborhoods. The low levels of ethnic segregation found in the nineteenth century reflected, as in the eighteenth, the density of settlement, centralized industrial employment, and the need for almost everyone to walk to work. The Irish, Germans, and blacks, though concentrated in a few neighborhoods, were, by today's standards, residentially integrated with the native white population.

By the beginning of the twentieth century industrialization had changed the picture substantially. The electric streetcar had made it possible for white-collar workers to commute to work in the central city from the new bedroom communities in West and North Philadelphia. Historians refer to these communities as "streetcar suburbs," even though they were located inside the city's boundaries. More important for the development of ethnic communities, industrial employment had expanded and concentrated in the northeastern and southern sectors of the city.

Immigrants from different nations came with different skills. The passenger manifests of the immigrant ships document the informal social organization that characterized the "huddled masses" immigrating from Europe. Individuals and families followed migration chains—informal networks of friends and relatives. The results of different skills and networks was a "cultural division of labor," with ethnic and national groups being concentrated in different industries and occupations. Thus, in 1900 Germans and British were overrepresented as manufacturing workers. Russians were especially concentrated in tailoring and in leather products. Italians and Poles had substantial minorities who were laborers. The Poles were concentrated in iron, steel, and leather produce manufacture; the Italians, in tailoring.

As Golab has shown, the occupational concentrations of immigrants influenced their choice of neighborhoods.¹¹ Manufacturing and wholesale centers provided employment for the newly arriving immigrants who established "ethnic villages" in Kensington, Schuylkill, Manayunk, and South Philadelphia close to their work places. These were "ghettoes of opportunity" that provided the social and institutional supports for the emergence of American ethnic groups.

The growth of the black ghetto, however, cannot be explained by the proximity to work. In 1930 more than 80 percent of the black population lived in areas that were within one mile of five thousand or more industrial jobs, yet less than 13 percent of black workers were employed in manufacturing. Blacks were more likely to be employed as laborers, servants, and waiters. Unlike the white ethnic communities whose neighborhoods were "ghettoes of opportunity," black communities tended to be "ghettoes of last resort"—residential areas that had been rejected or abandoned by other ethnic groups.

Machine Politics in the Industrial Era

As it did in many nineteenth-century American cities, the political machine operated in Philadelphia as a buffer between investors whose capital built the city's factories, houses, and trolley lines, and the working people of all nationalities who crowded into the neighborhoods. Ethnic and racial cohesion within the city's neighborhoods facilitated ward organizations and made possible almost a hundred years of machine-style politics. From 1850 to 1950 a Republican machine controlled Philadelphia, challenged only intermittently and unsuccessfully by temporary coalitions of reformers.¹²

The literature on the municipal reform movement identifies bankers, businessmen, lawyers, and other upper-class individuals as leading proponents of reform. Oddly enough, Philadelphia's business community proved extremely tolerant toward a machine whose operation was in many respects detrimental to Philadelphia commerce and industry. For example, the politicians' ruinous neglect of the city's harbor facilities in the latter part of the nineteenth century brought the port by 1907 to the point at which "there is but one covered pier at which a steamship of any considerable draft with miscellaneous cargo can unload."¹³ Other major community assets, like the gas works and the public transportation system, were similarly exploited by the machine, to the disadvantage of Philadelphia's businesses and citizens. Yet in the face of this mismanagement, Philadelphia remained "corrupt and contented."¹⁴ The reformist wave that swept other American cities in the early twentieth century left Philadelphia's machine relatively undisturbed until after World War II. Why?

One oft-repeated explanation for the machine's survival in Philadelphia is the Quaker influence among the city's commercial and industrial elites. Quaker merchants and bankers, it has been said, avoided active involvement in politics rather than using their economic base to influence municipal government. Thus, the core of the city's commercial leadership declined to exercise its authority to promote civic betterment.¹⁵

There is another, equally plausible, explanation for the business community's tolerance for a corrupt and inefficient municipal administration well into the twentieth century. Philadelphia manufacturers tolerated the city's Republican machine because it produced a congressional delegation that consistently supported protective tariffs, shielding American industry from foreign competitors. Boies Penrose, a Philadelphia Republican and U.S. senator for twenty-four years (1897 to 1921), became a champion for protectionism in Washington. Philadelphia industrialists were not moved to

throw the Republican rascals out because, in doing so, they might have lost powerful allies in Congress. According to one observer at the time, "the smug prosperity enjoyed by the manufacturers of Philadelphia, as the result of tariff favors, has lulled the conscience of the people and made them look upon corrupt and expensive government as a comparatively unimportant incident in a career of peaceful industry and the accumulation of wealth."¹⁶

What the machine supplied to Philadelphia industrialists was congressional support for protective tariffs. What it offered to the poor immigrants in the German, Irish, and Italian sections of the city was jobs. By the Republican party's own account in 1879, the total number of employees who owed their jobs to the party boss, "King" James McManes, was 5,630.¹⁷ Although black voters, it appears, never shared proportionately in the machine's patronage, a certain number of key organizers in the so-called Negro wards did secure city positions (much to the dismay of W. E. B. DuBois, who chastised his fellow blacks for succumbing to the temptation to sell their votes for personal gain).¹⁸

What the machine did *not* provide for the citizens of Philadelphia was any consistent representation of the public interest in guiding the city's dramatic economic expansion during the era of industrialization. As Warner has so eloquently argued, rather than being shaped by public planning, Philadelphia grew upward and outward on the strength of private schemes.¹⁹ Street railways, which played a crucial role in determining the patterns of residential and commercial growth, were operated by dozens of different private companies in the latter half of the nineteenth century. Even when the city moved in 1901 to create a single, integrated transit company for all public transportation, the company was held by private investors who were awarded a blanket fifty-year contract by the city government. Nor was the city's port—the key to its commercial vitality—under public supervision. In 1909 the municipality controlled barely 8 percent of the 7-mile-long Delaware River waterfront; all the rest was controlled by private owners, principally railroad companies.²⁰ Thus, major elements of the urban infrastructure that undergirded the city's development were beyond the reach of municipal government.

Politically, the legacy of the industrial era in Philadelphia, as in other American cities, was a politics based on the organization's ability to deliver jobs, services, and favors to constituents in the wards, and a politics that tolerated an antiquated municipal administration. In 1927 a Philadelphia novelist symbolized the city's municipal backwardness in its "City Hall, symbol of dishonesty and ugliness, squatting over the city's heart, its

immense meaningless bulk blocking traffic where it was thickest, wasting space, shutting out sun and air from the gloomy ruins within.”²¹

The Transition to Postindustrialism

The drastic economic shift that transformed Philadelphia from a port city providing access to a vast hinterland to an industrial and commercial center within a specialized and integrated national economy is not the last development point in this picture. Economists may view the Great Depression as a temporary aberration in the developmental curve of the nation's economy, but for Philadelphia it was a watershed. It signaled the beginning of the end of industrial production as the backbone of the city's economic base.

The forces of national and international expansion after the Depression deeply affected the traditional locations of industry. From a peak of 39 percent in 1920, the percentage of the nation's labor force employed in manufacturing dropped to only 21 percent by 1984. Explaining these national trends helps us to understand the changes that took place in Philadelphia. First, technological improvements permitted manufacturers to expand production with fewer workers. As automation increased the efficiency and volume of production, manufacturers devoted even greater efforts to marketing their products, thereby stimulating service employment. To reduce their costs, manufacturers reduced their workforces, increasingly purchasing engineering, advertising, accounting, legal, financial, and other support services from outside companies rather than trying to produce these service internally. Smaller firms were increasingly absorbed into giant conglomerates with the ability to shift production from one area to another. Finally, as other nations industrialized, competition by foreign firms also undercut American manufacturers on the grounds of cost, quality, or both.

It was partly a recognition of the increasing economic competition facing Philadelphia in the 1940s, and the need for an aggressive municipal response, that galvanized a group of civic and business leaders to challenge the Republican machine that had monopolized City Hall for so long. The challengers were emboldened by the general spirit of optimism that followed America's overseas triumph in World War II and convinced that the city could not prosper in the postwar economic climate with the obsolete structures that dotted its central area, the decaying transportation and education systems, and the city's moldering governmental machinery.

Beginning in the late 1940s a coalition of lawyers, bankers, business people, and representatives of various civic organizations joined forces to

support a platform that, in many respects, duplicated the standard Progressive litany. They aspired to purge municipal government corruption, install a new professionalism in city departments, improve the efficiency of services, and minimize the influence of patronage in filling city jobs.

To replace the machine, the city's business and civic elite proposed a more rational, businesslike approach to municipal government. They rewrote the city's Home Rule Charter to enhance the power of the mayor, to reorganize the City Council, to strengthen the civil service system, and to expand the role of the city planning commission. Only months after the new charter was adopted in 1951, they succeeded in getting a leading reformer, Joseph Clark, elected as mayor and fifteen reform Democrats elected as members of the reorganized City Council. Clark was followed in office by another reform Democrat, Mayor Richardson Dilworth.

As in so many other American cities, reform politics in Philadelphia was closely linked to an emerging planning apparatus and a program for physical renewal. One account of this period written by an insider suggests that the reformers' interest in city planning was actually a cover for their interest in governmental reform.²² Not long after his election, reform mayor Clark launched a series of projects to remove outdated structures from the downtown area and to replace them with office towers, luxury housing, university expansion, and specialized shops.

For reasons that we outline in Chapter 5, the reform spirit lasted only a decade in Philadelphia. Nevertheless, the reformers achieved far-reaching changes in the structures of municipal government and in the Philadelphia skyline. They fundamentally reorganized the city government's financial, planning, and record-keeping systems. And they initiated a plan for physical renewal that guided the city's redevelopment efforts in the downtown area all the way through the early 1980s.

If we can label the reformers' approach to transforming downtown Philadelphia a "success," we cannot be so generous in characterizing their efforts to revitalize the city's residential neighborhoods. In a "city of neighborhoods," the neighborhoods have been the main victims of gradual disinvestment that government policies have failed to stem. As in many American cities, the shift of production southward and westward in the United States, and later overseas, has reverberated throughout the city's residential neighborhoods. As we see in Chapter 3, problems of abandonment, gentrification, and homelessness resulted from the economic and population shifts accompanying the new postindustrial order. Further, the older problems persisted and interacted with the newer ones: segregation produced redlining, which produced further segregation and abandonment.



Figure 1.2 The eight-county area of the Philadelphia SMSA

Gentrification was demonstrably linked to the racial composition of neighborhoods. These unfortunate patterns reflected a city in flux—shedding its industrial framework and rebuilding on a service economy base, dealing with a substantially decentralized economic and social base that was largely beyond its political control.

The balance of population and economic activity began shifting toward the suburbs as early as the 1920s, but the city's dominance in the region was not seriously challenged until after World War II. (For a map of the region, see Figure 1.2.) In Table 1.3 we see that by 1960 the suburbs had gained more than half of the region's residents; by 1980 the suburban share had grown to almost two-thirds of the total population. Employment followed people to the suburbs, lagging a bit behind the shift in population. Yet by 1980 the office and industrial parks, shopping malls, and other suburban employers were providing close to two-thirds of the region's jobs. Of course, the positive suburban trends did not affect all townships evenly. In Montgomery County, for instance, two older centers, Norristown and Pottstown, suffered losses even while the nearby retail and industrial development at King of Prussia mushroomed.

The job opportunities and housing opportunities that the suburbs offered

Table 1.3 County population and employment shares, 1950–1980

County	Population				Employment			
	1950	1960	1970	1980	1951	1959	1970	1980
Philadelphia	56.4%	46.1%	40.4%	35.8%	67.5%	60.2%	51.2%	38.6%
Bucks	3.9	7.1	8.6	10.2	2.9	4.2	6.1	9.1
Chester	4.3	4.8	5.8	6.7	2.9	3.8	4.8	6.6
Delaware	11.3	12.7	12.5	11.8	7.7	8.5	9.0	9.8
Montgomery	9.6	11.9	12.9	13.6	9.0	11.2	15.6	19.4
Burlington	3.7	5.2	6.7	7.7	1.8	2.6	3.6	5.0
Camden	8.2	9.0	9.5	10.0	7.0	7.8	7.8	8.7
Gloucester	2.5	3.1	3.6	4.2	1.2	1.6	1.9	2.7

Sources: U.S. Census of Population, 1950: Characteristics of Population, Part 40 (1955); U.S. Census of Population, 1960: Characteristics of Population, Part 40 (1963); U.S. Census of Population, 1970: Characteristics of Population, Part 40, sec. 2 (1973); U.S. Census of Population and Housing, 1980: 5% Microdata File, prepared by the Bureau of the Census (machine-readable data file) (Washington, D.C., 1983); County Business Patterns, 1951: United States Summary (Part 1) (1955); County Business Patterns, 1951: Middle Atlantic States (Part 3) (1955); County Business Patterns, 1959: United States Summary (Part 1) (1963); County Business Patterns, 1959: Middle Atlantic States (Parts 3a and 3b) (1963); County Business Patterns, 1970: United States Summary (CBP-70-1) (1971); County Business Patterns, 1970: New Jersey (CBP-70-32) (1971); County Business Patterns, 1970: Pennsylvania (CBP-70-40) (1971); County Business Patterns, 1980: United States Summary (CBP-80-1) (1982); County Business Patterns, 1980: New Jersey (CBP-80-32) (1982); County Business Patterns, 1980: Pennsylvania (CBP-80-40) (1982). All published in Washington, D.C., by the Government Printing Office unless specified otherwise.

in the 1960s and 1970s drew a population that was younger, whiter, and better educated than city residents. Not all of the new suburbanites were refugees from Philadelphia itself. Many who moved into the new housing developments in Montgomery and Bucks counties, and into the small towns of southern New Jersey, were families from other metropolitan areas.

During these decades of suburban expansion, as Philadelphia's population was shrinking, those who remained in the city were disproportionately its minority residents (see Table 1.4).

Like the racial profile of city and suburban residents, the educational profiles have become more dissimilar since 1960 (see Table 1.5). In 1960, when only 5 percent of the city's population was college educated, the most highly educated suburban population, that of Montgomery County, had 13.5 percent college educated—a difference of only 8.5 percentage points. As of 1980, the city trailed the best-educated suburban county on this indicator by 15 percentage points. Nor can the city expect to narrow this gap, given its inability to spend as much on educating its youngsters as the suburban townships spend. In 1985 suburbs on the Pennsylvania side

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Chester	4.3	4.8	5.8	6.7	2.9	3.8	4.8	6.6
Delaware	11.3	12.7	12.5	11.8	7.7	8.5	9.0	9.8
Montgomery	9.6	11.9	12.9	13.6	9.0	11.2	15.6	19.4
Burlington	3.7	5.2	6.7	7.7	1.8	2.6	3.6	5.0
Camden	8.2	9.0	9.5	10.0	7.0	7.8	7.8	8.7
Gloucester	2.5	3.1	3.6	4.2	1.2	1.6	1.9	2.7

Sources: *U.S. Census of Population, 1950: Characteristics of Population, Part 40* (1955); *U.S. Census of Population, 1960: Characteristics of Population, Part 40* (1963); *U.S. Census of Population, 1970: Characteristics of Population, Part 40, sec. 2* (1973); *U.S. Census of Population and Housing, 1980: 5% Microdata File*, prepared by the Bureau of the Census (machine-readable data file) (Washington, D.C., 1983); *County Business Patterns, 1951: United States Summary* (Part 1) (1955); *County Business Patterns, 1951: Middle Atlantic States* (Part 3) (1955); *County Business Patterns, 1959: United States Summary* (Part 1) (1963); *County Business Patterns, 1959: Middle Atlantic States* (Parts 3a and 3b) (1963); *County Business Patterns, 1970: United States Summary* (CBP-70-1) (1971); *County Business Patterns, 1970: New Jersey* (CBP-70-32) (1971); *County Business Patterns, 1970: Pennsylvania* (CBP-70-40) (1971); *County Business Patterns, 1980: United States Summary* (CBP-80-1) (1982); *County Business Patterns, 1980: New Jersey* (CBP-80-32) (1982); *County Business Patterns, 1980: Pennsylvania* (CBP-80-40) (1982). All published in Washington, D.C., by the Government Printing Office unless specified otherwise.

in the 1960s and 1970s drew a population that was younger, whiter, and better educated than city residents. Not all of the new suburbanites were refugees from Philadelphia itself. Many who moved into the new housing developments in Montgomery and Bucks counties, and into the small towns of southern New Jersey, were families from other metropolitan areas.

During these decades of suburban expansion, as Philadelphia's population was shrinking, those who remained in the city were disproportionately its minority residents (see Table 1.4).

Like the racial profile of city and suburban residents, the educational profiles have become more dissimilar since 1960 (see Table 1.5). In 1960, when only 5 percent of the city's population was college educated, the most highly educated suburban population, that of Montgomery County, had 13.5 percent college educated—a difference of only 8.5 percentage points. As of 1980, the city trailed the best-educated suburban county on this indicator by 15 percentage points. Nor can the city expect to narrow this gap, given its inability to spend as much on educating its youngsters as the suburban townships spend. In 1985 suburbs on the Pennsylvania side

Table 1.6 Per capita income (in 1967 dollars) in the Philadelphia SMSA, 1960–1980

County	1960	1980	Change 1960–1980
Philadelphia	\$2,121	\$2,496	17.7%
Bucks	2,267	3,319	46.4
Chester	2,398	3,614	50.7
Delaware	2,617	3,317	26.8
Montgomery	3,181	3,943	26.2
Burlington	2,256	3,163	40.2
Camden	2,364	3,001	26.9
Gloucester	2,133	2,861	35.4

Source: Anita Summers and Thomas Luce, *Economic Development within the Philadelphia Metropolitan Area* (Philadelphia: University of Pennsylvania Press, 1987), p. 22.

The high-growth counties of Bucks and Chester (in Pennsylvania) and Burlington and Gloucester (in New Jersey) have seen dramatic increases in both employment and population in the past two decades. Not surprisingly, per capita incomes in these counties (measured in constant dollars) also rose substantially between 1960 and 1980, at rates of increase on the order of 35 to 50 percent. In the three moderate-growth counties—Montgomery and Delaware (in Pennsylvania) and Camden (in New Jersey)—incomes rose by about 25 percent. Philadelphians, however, saw only an 18 percent gain in their incomes from 1960 to 1980 (see Table 1.6).

The 1980s brought an extraordinary economic boom to the region. From the end of the 1981–82 recession, employment has grown dramatically in the Philadelphia metropolitan area. Table 1.7 shows that in all eight counties of the metropolitan area, including Philadelphia, employment grew substantially between 1982 and 1987. That growth was especially strong in service employment, up 24 percent over the five-year period. At the same time, a building boom drove up construction employment by an astonishing 49 percent. Almost as impressive was the growth in jobs in finance, insurance, and real estate (see Figure 1.3). Some of the growth was the result of expansion by the city's largest employers, especially hospitals, colleges, and universities, and commercial and savings banks. But many more jobs were created in smaller firms, employing fewer than a hundred employees. The greater Philadelphia region now ranks among the most diversified economies in the country, with a mix of services and industries very similar to that of the United States as a whole.

Table 1.7 Total employment and unemployment in the Philadelphia area, 1982 and 1987

County	October 1982		October 1987	
	Total employment	Unemployment rate	Total employment	Unemployment rate
Philadelphia	631,000	9.8%	712,300	6.5%
Bucks	237,100	8.7	281,700	3.9
Chester	156,200	7.6	184,000	3.3
Delaware	251,200	7.5	291,500	3.8
Montgomery	321,600	7.1	376,100	3.6
Burlington	157,400*	6.1	179,400	2.9
Camden	202,900*	8.1	226,500	3.8
Gloucester	86,700*	7.5	98,400	3.6

Sources: U.S. Bureau of Labor Statistics, *Local Area Unemployment Statistics* (Washington, D.C.: U.S. Department of Labor, 1982; 1987).

*Not precisely comparable to 1987 figures because of changes in methodology.

Perhaps the most visible outward sign of the employment gains is a boom in office construction that has dramatically altered Philadelphia's skyline in only a few years. In the 1980s city businesses absorbed new office space at an average rate of 1.4 million square feet per year. Investors had regained confidence in downtown Philadelphia as a real estate market and seemed eager to invest. Particularly striking was the flood of foreign investments in real estate. Asahi Mutual Life Insurance Company of Japan paid \$35 million for a half-interest in the thirty-two-story IVB Bank Building at 17th and Market streets. Japanese banks were prominent investors in a \$113 million hotel and retail complex, Two Liberty Place, at 17th and Chestnut streets. The government of Singapore bought Four Penn Center. And a French bank, Banque de Paribas, became the lead lender on a fifty-four-story tower, the Mellon Bank Center, as well as helping to finance the \$80 million renovation of the 30th Street Railroad Station at the western edge of the downtown.

Foreign investors also ventured into the suburbs during the 1980s. Japan's largest life insurance company, Nippon Life Insurance Company, refinanced the Court and Plaza at King of Prussia, a massive shopping center in Montgomery County. Swiss interests bought Suburban Square in Ardmore on the Main Line. And at the Great Valley Corporate Center, a Chester County industrial and office park, five foreign-owned companies began turning out products ranging from disposable diapers to brake linings for locomotives, industrial vacuum cleaners, bakery equipment, and airplane instruments.

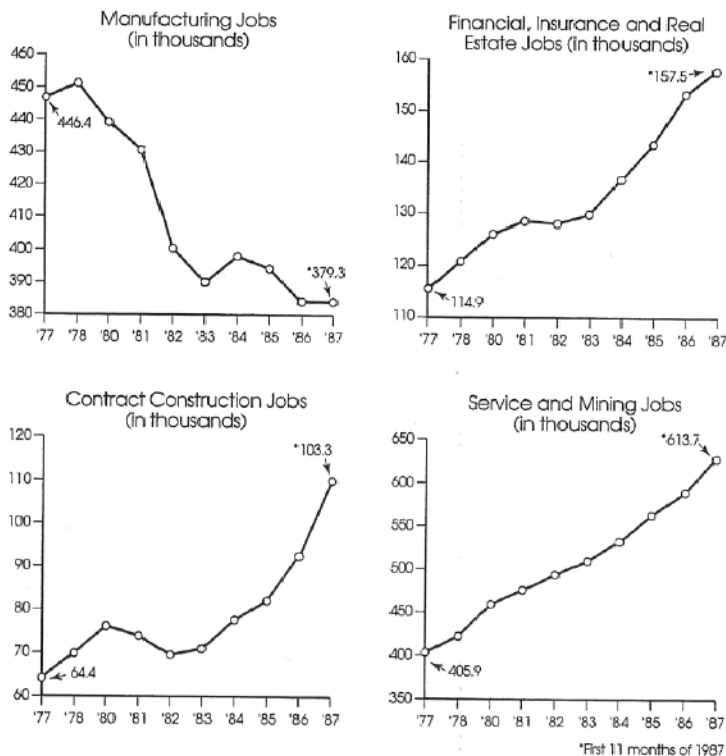


Figure 1.3 Philadelphia area employment: Number of jobs by sector in the eight-county area

Sources: U.S. Department of Labor, Bureau of Labor Statistics Monthly Civilian Labor Force Estimates. (Washington: D.C. Government Printing Office, 1977–1987 [annual]).

After several decades of steady decline Philadelphians are understandably buoyed by the good economic news of the 1980s. Yet to anyone who lives or works in the city, it is apparent that the good times have not reached into all of its neighborhoods. Indeed, some groups seem needier than ever before. Poverty, homelessness, illiteracy, and health problems continue to haunt some residents of Philadelphia, Camden, Chester, Norristown, Bristol, and many older communities in the region. Prosperity is skewed by the legacy of past patterns of employment, ownership, education, and residence, which continues to influence the distribution of opportunities today. Nowhere are the effects of this skewed opportunity structure more

evident than in the city's race relations. The economic restructuring has increased competition between lower- and working-class blacks and whites in the city, fueling racial tension that erupts periodically into open conflict.

Declining Economic Opportunity and Racial Conflict

On October 31, 1985, a young black couple returned to their newly purchased home in Southwest Philadelphia to find a soft-drink bottle had been thrown through the window. Three weeks later a crowd of some four hundred white neighbors gathered in a "peaceful demonstration" outside their house. On December 12 the house was burned. Just seven months earlier vandals had driven another black couple from their newly purchased home nearby. Racial conflict was not new to the area: in April of 1980 a gang of twenty-five to thirty young blacks had beaten and stabbed a white teenager, apparently in retaliation for a stabbing that had taken place on a trolley a week earlier. In 1979 two white men had crawled onto the roof of a factory and shot the first black who came by.

All of these incidents took place in a single neighborhood in Southwest Philadelphia. The area, Woodlawn, was originally built around the turn of the century as a streetcar suburb and became the home of second-generation white ethnics—Italians, Irish, Poles—who had "made it." Over the past forty years the neighborhood had undergone considerable change. Home ownership is high, but relatively few young people have chosen to move in, and thus the population has been declining and the number of vacant homes has increased. An all-white neighborhood, Woodlawn sits next to an area that underwent racial transition during the 1960s and 1970s. In a very real sense Woodlawn's residents may be viewed as "trapped." An increasingly elderly population of homeowners, they find themselves in a housing market where demand is so low that it is impossible to sell their houses for enough money to purchase other homes elsewhere. Unable to move, the residents of Woodlawn have chosen to resist the encroachment of blacks.

Woodlawn is not the only neighborhood in Philadelphia that is characterized by racial tension and conflict. In one recent year (1986) more than three hundred interracial "incidents" were called to the attention of the city's human relations commission. Interracial tension and conflict are products of the changing social structure that accompanies the postindustrial transformation. When groups come into direct competition for scarce resources,