

C E N T E R C I T Y R E P O R T S :

# Growing Smarter

The Role of Center City's Public Schools in Enhancing the Competitiveness of Philadelphia



Public schools in Center City can play a key role in enhancing the competitiveness and prosperity of Philadelphia by retaining the young *knowledge workers* who have been moving downtown in unprecedented numbers.

Center City has become *the* preferred residence for the region's young college-educated adults — future parents of the region's school children. More than 30% of Center City's 80,000 residents — 24,000 people — are between the ages of 25 and 34. Seventy-nine percent of this group have a college degree<sup>1</sup>, but only 14% have children. (Chart 1)

The attraction of young professionals to downtown is no recent aberration. The percent of the downtown population ages 25–34 has steadily grown, doubling between 1970 and 2000, while increasing only 2% in the region as a whole. (Chart 2)

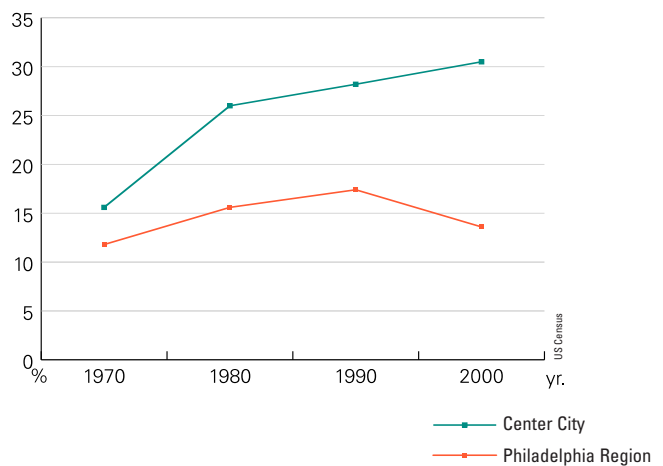
This long-term trend has been dramatically accelerated by the recent residential building boom downtown, creating a strategic opportunity for Center City to become a premier neighborhood of choice in the region for young families with children — *if we can improve the quality and customer focus of public schools.*

1: Age and Educational Attainment by Region

Region	% Population 25-34 years	% Population 25+ yrs. w/BA or higher degree
Center City	30.0%	62.4%
Manayunk (19127)	27.9	36.4
King of Prussia	20.2	49.4
Conshohocken	19.6	22.7
Media	18.7	40.0
Ardmore	17.1	54.1
University City	16.7	38.3
Marlton	16.5	31.3
Collingswood	16.1	30.3
Westchester	16.0	39.0
Chestnut Hill (19118)	15.0	62.6
Paoli	14.9	46.4
Philadelphia City	14.8	17.9
Doylestown	14.4	41.9
Philadelphia Region	13.6	27.7
Bryn Mawr	12.4	50.8
Haddonfield	8.9	64.8
Swarthmore	6.3	77.1

No place else in the region has Center City's high concentration of young, well-educated adults.

2: 25–34 Year-Olds (1970–2000)



<sup>1</sup> Survey of College Graduates in Center City, Center City District, 2003. The large number of 25–34 year olds with college degrees has raised the percent of all adults over 25 with college degrees to 62.4%.



J.B. Abbott

### Retaining Families with Children

Attracting recent college graduates is only half the battle. Retaining them — as they become 35–44, have children, prosper in their professions, or succeed in their own businesses — is key to Philadelphia’s prosperity.<sup>2</sup> But our record to date is mediocre at best. The number of 35–44 year olds recorded in Center City in the 2000 Census was just half (54%), the size of the cohort of 25–34 year olds reported in the 1990 Census.

Young, well-educated professionals are a highly mobile group with a wide range of choices in the global economy. No place can expect to retain 100% of its residents at a particular moment in time. But Center City has been a major net importer of recent college graduates. To lose half of this age cohort in 10 years, Center City must be a significant exporter of 35–44 year olds.

Many families choose to raise their children downtown with a significant number able to pay for Center City’s excellent independent schools. Sixty-eight percent (622 of 920) of K–8 students at St. Peter’s, Friends Select and The Philadelphia School live in Center City. Other downtown families send their children to Germantown Friends, Penn Charter and Friends Central. In comparison, there were 1,588 K–8 students enrolled in the Greenfield, McCall and Meredith schools in 2003, but only 40% (635) come from Center City neighborhoods.

2 In *The Changing Dynamics of Urban America* (CEOs for Cities, October 2003), Robert Weissbourd and Christopher Berry found that city prosperity is tied neither to climate nor population growth, but rather the number of resident college graduates. The hundred largest American cities average 24% with college degrees. Philadelphia as a whole has only 17.9%.

3 The Center City District surveyed the parents of nearly 1,200 children at 21 Center City pre-school and day-care facilities between June 3–8 and September 15–October 1, 2004, with a 15% response rate. The survey found that 66% of the parents were between the ages 35 and 44, 55% had household incomes in excess of \$100,000, and most significantly, for 81% their preschooler was the oldest child in the household.

4 The number of students from Center City attending Friends Select School on the Parkway, for example, grew from 182 in the fall of 1999 to 228 in the fall of 2003.

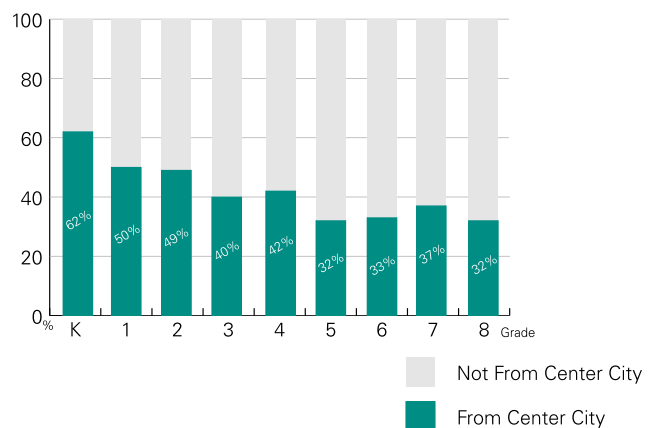
### Challenge

The 2000 Census reported that the number of 6–9 year olds in Center City was 26% lower than the number of children ages five and under. Further, the absolute number and percentage of school-age children living in Center City has decreased in every Census since 1970. There are several reasons for this decline. As manufacturing and waterfront jobs have disappeared and professional services and health-care and education institutions have dramatically expanded downtown, multi-generation working-class families with several children have been replaced by smaller, young-professional households. Average household size in the revitalizing neighborhoods south of South Street and north of Spring Garden Street has declined from 2.4 persons in 1970 to 1.6 in 2000, even as the number of occupied units and property values have increased dramatically.

Other factors are at work as well. With more women in the professional workforce, many families are deferring having children until their thirties, and then are having fewer of them.<sup>3</sup> Increasing rates of divorce, more individuals choosing to remain single, as well as an increase in gay and lesbian households also contribute to the shrinking size of Center City’s households. Overall, 60% of Center City’s households contain just one person.

But as Center City’s independent schools enjoy growing demand and have seen a significant increase in the percent of their students from Center City neighborhoods<sup>4</sup>, the public schools in the core area of the downtown — Meredith, McCall and Greenfield — experience a steady decline from kindergarten to eighth grade in the number of students who come from Center City neighborhoods. (Chart 3)

3: Percentage of Students from Center City



Some of this decline can be explained by students transferring to middle school at Masterman where 24% of the residents come from downtown neighborhoods. But, as the individual school charts in the Appendix suggest, the largest losses are occurring between kindergarten and third grade. Further, while downtown has seven charter schools, fewer than 10% of their students come from Center City.

Finally, there is little evidence that a significant number of families are trying public schools for a few years before transferring their children to private schools.<sup>5</sup> Rather, we can infer that Center City's more affluent and generally older parents have the means to enroll their children in private school starting from kindergarten and often support several tuitions simultaneously. But a significant portion of younger professionals, who are not as advanced in their careers or earning capacity, appear to be leaving Center City (and in many cases Philadelphia) when their children reach school age.

## The Opportunity

**Given current development and demographic trends, a more responsive public school system could lead to a significant increase in the retention of young professionals in the city without draining students out of private, parochial or charter schools.<sup>6</sup>**

- Since 1997, when Philadelphia enacted the ten-year tax abatement for residential conversions, 6,167 new apartments and condominiums have been created in Center City, 89% of which are in the core area between Vine and South Streets. Seventy-seven percent have been studio or one-bedroom units and a significant share are filled with young, single adults.
- The balance of the new units contain two or three bedrooms. Applying the ratio of children per household in Center City from the 2000 Census, these new units alone should account for 400 more school-age children, an increase of 11%.
- For decades, the prime source of Center City's homebuyers has been individuals who first rent downtown. As demand from higher income households and empty nesters has driven up the price of housing in the core of Center City, younger professionals in search of more affordable options have been pushing out the boundaries of downtown.

Outlying Center City neighborhoods (like Queen Village, Bella Vista, Southwest Center City, Northern Liberties and the Art

Museum area) that experienced an increase in occupied housing units but a decrease in household size during the past 30 years, are now poised — due to both new housing development and their current popularity with 25–34 year olds — to become more family-oriented neighborhoods. These areas are all experiencing an increase in residential density, due to the conversion of vacant factories, the construction of new infill housing, and the development of many more two- and three-bedroom units. Of 269 new single-family homes completed between 2000 and 2004, 234 or 87% are in these neighborhoods. Several hundred more multi-bedroom homes are currently proposed or under construction — including plans for 750 units at the old Naval Home site (350 of which have already been approved) as well as plans for new houses in Brewerytown. Conservatively, these new developments could house about 800 more children.

- Throughout the 1990s, 661 children per year were born to parents living in the extended Center City area. No data exists for the number of children adopted by Center City parents, but it is reasonable to assume that Center City's existing residents are providing at least 700 new candidates per year for Center City's schools.
- Looking further into the future, there will be even more young adults in the region who could be drawn to Center City. The number of 5–14 year olds in the metropolitan area is 8% larger than the current number of 25–34 year olds — an even greater difference than nationwide. Further, the 1.2 million people in Greater Philadelphia born between 1979 and 1994 (dubbed the *Millennium Generation* by demographers and marketers) comprise 23% of the region's population — compared to the 960,000 *Generation Xers*, born between 1965 and 1978, who constitute only 19% of the region's population.
- If between 2000 and 2010, Center City simply could retain the same ratio of 25–34 year olds as it did from 1990 to 2000 (54%), there would be 14% (507) more school-age children in 2010 because of the larger size of this age cohort in 2000. We would also insure a steady demand for, and the long-term value of, all the new housing units that are being constructed or planned for Center City.
- If we could exceed the last decade's retention rate of 54% for 25–34 year olds, there could be another significant increase in the number of children. Based on the ratio of school-age children to 35–44 year olds in 2000, a six-point increase (from 54% to 60%) would result in 471 more school-age children in 2010.

<sup>5</sup> Friends Select School admitted on average only 3.5 new students per grade this year from 1st to 6th grade, but admitted 11 students in 7th grade and 22 students beginning high school in the 9th grade. The only impact that Center City public schools had on this new enrollment was Greenfield's contribution of just three 7th graders.

<sup>6</sup> At the secondary level, downtown Archdiocese schools enroll a small percentage of Center City residents with less than 15% of students coming from downtown neighborhoods.

When combined with the current trend in housing production, even this modest improvement in retention for young adults could yield a 48% increase in the number of school-age children in Center City from 2000 to 2010. (Chart 4)

**4: Projected Center City School Age Children 2010**

<b>2000 School-Age Children</b>	<b>3,726</b>
From new housing units	799
From 54% retention 25–34 year olds	507
From 6-point retention-rate improvement	471
<b>2010 School-Age Children (projected)</b>	<b>5,503</b>

**A Gameplan for Growth**

Public schools in Center City can capitalize on this historic convergence of demographic and real estate trends and help Philadelphia retain a significantly larger percentage of young *knowledge workers*, a group key to efforts to enhance the competitiveness and prosperity of Philadelphia.

Philadelphia has a distinct advantage over many other cities that are creating downtown residential communities for the first time: we already have three K–8 schools in the core and a dozen more on the margins of Center City. Many of these have active parents’ groups lobbying for change and marketing to their peers in playgrounds, at the grocery store and in community meetings. In Masterman, Philadelphia already has a high school with test scores and achievement records equal or superior to many suburban schools.

**But to capture highly mobile young professionals accustomed to exercising a wide range of choice in all aspects of their lives, public schools must compete on a more equal footing with the quality and customer focus of local private schools and with suburban school districts. This means embracing an entrepreneurial model in which principals are encouraged to see their primary role as attracting and retaining Center City families by delivering a high-quality educational experience.<sup>7</sup>**

**What Parents Want**

Respondents to CCD’s survey of parents of preschoolers ranked the following four factors highest, out of a list of 20, in making their elementary school choices:

Please rank the importance to you of the following factors when making a decision about where to send your child to elementary school on a scale of 1 (most important) to 4 (least important):

	Average Score
<b>The school feels safe &amp; secure</b>	<b>1.1</b>
<b>Teacher and staff credentials/experience</b>	<b>1.3</b>
<b>Class size</b>	<b>1.4</b>
<b>Graduates’ success in getting into high school/college</b>	<b>1.5</b>

**Meeting Expectations**

• **Safety:** The School District, under the leadership of School Reform Commission Chair James Nevels and CEO Paul Vallas, has placed a premium on enhancing public safety in even the most difficult communities, establishing a firm code of conduct for all classrooms, engaging families more in the life of each school, stationing police officers where needed, and establishing a dean for safety in all K–8 schools. In neighborhoods like those in Center City where active parent groups partner with schools, standards of conduct are maintained at a very high level. The School District has also made significant progress in providing the appropriate services to ensure that undiagnosed learning difficulties don’t become behavioral problems.

• **Principal and Teacher Qualifications:** District-wide efforts to attract qualified teachers and engage recent college graduates through the *Teach for America* program and through the attraction of other professionals have reduced vacancies and enhanced the qualifications of all staff.<sup>8</sup> **But in order to deliver a quality experience, principals should be the primary educational leader of their schools, accountable for student performance.** The new labor agreement reached in October 2004 between the School Reform Commission and the Philadelphia Federation of Teachers has taken a huge step away from the old seniority system, where long-term teachers had automatic trans-

7 William G. Ouchi of the UCLA Management School conducted extensive research across the country that concludes that when principals are entrepreneurs, schools improve. Schools perform better on both fiscal and academic outcomes when there is local control of budgets by principals and open enrollment. In Seattle, Houston and Edmonton, Canada, principals attend management training programs to prepare them to be CEOs of their schools with responsibility for staffing, budgets, scheduling and marketing — “managers who take the initiative rather than taking orders.” (*Making Schools Work: A Revolutionary Plan to Get Your Children the Education They Need*)

8 A recent report, critical of Philadelphia’s past hiring and placement practices, clearly praises current recruitment efforts. “The district has undertaken an impressive range of recruitment efforts and incentives, developed an attractive and informative Web site with an online application, put new supports for novice teachers into place and succeeded in getting most retiring teachers to give early notification of their retirement. Philadelphia has made substantial progress in its teacher recruitment and retention efforts.” *Philadelphia’s Teacher Hiring and School Assignment Practices Comparisons with Other Districts*, Elizabeth Useem and Elizabeth Farley, Research for Action, April 2004. (From series titled “Learning from Philadelphia’s School Reform”).

fer rights from school to school. The new agreement gives school principals more authority to select teachers and begins to empower them to be true educational leaders in their schools, entrepreneurs who take initiative, rather than bureaucrats who take orders. This mirrors the experience from across the country where the most successful revitalized schools have strong principals, committed to excellence, who have the authority to select, nurture and develop “star” teachers who inspire confidence in students and families. This, of course, is precisely what independent schools already offer.

- **Class Size:** With assistance from the Commonwealth, the School District has most recently reduced average class size to a maximum of 23 students in grades K–3.

- **Enhanced Curb Appeal:** Through modest investments in landscaping and playgrounds — raised in part from private and neighborhood sources — Center City’s public schools can significantly improve their “curb appeal” and first impressions.

- **Communicating with the Customer:** When asked what additional resources would most help them decide where to send their children to school, respondents to CCD’s survey of pre-school parents ranked school Web sites, interviews with school officials and class visits as the three highest, on a scale of 1 (most important) to 4 (least important).

If additional information resources were to be created, please rank the importance/value of the following:

	Average Score
<b>An up-to-date, comprehensive Web site about all schools in Center City</b>	<b>1.5</b>
<b>Convenient opportunities at which to meet with school officials</b>	<b>1.7</b>
<b>Convenient opportunities for your child to visit a class for several hours</b>	<b>1.9</b>
<b>Regular opportunities to discuss schools with other Center City residents</b>	<b>2.0</b>
<b>An up-to-date, comprehensive publication about all schools in Center City</b>	<b>2.1</b>

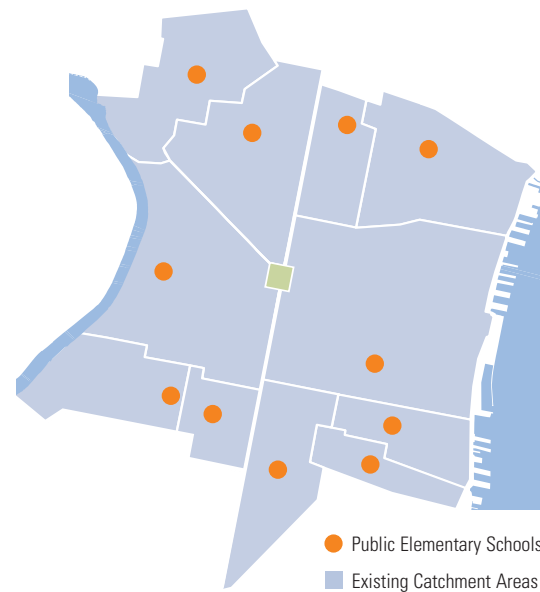
*Excerpt from CCD survey of preschool parents, September 2004*

- **Engaging and Informative Web sites:** Few, if any, of the public schools in Center City have their own up-to-date, graphically exciting Web site. For our target market of young *knowledge workers*, the Internet is a primary means of accessing information and thus, a school’s Web site must serve as an engaging and

informative “digital front-door.” Through the marketing of [www.CenterCitySchools.com](http://www.CenterCitySchools.com), the Center City District can enhance the visibility of individual school Web sites and is now assisting individual schools and parent associations with the development and maintenance of high-quality Web sites.

- **Admissions Coordinator:** Once parents become interested in a school, visiting, observing and talking with the principal and teachers is a crucial next step. To insure the most pleasant first-impressions, each Center City public school should have a paid admissions coordinator, who — in order to be the most credible salesperson — should preferably be a parent with a child in that school. If this cannot be financed by the School District, the Center City District is prepared to assist in securing funding.<sup>9</sup>

### 5: Public Elementary School Locations in the new Center City Network



- **Foster Choice and Product Differentiation Among Center City Schools:** With more than 40 schools in Center city, parents should have a wide choice as to where to send their children. But regulations and institutional boundaries drawn decades ago no longer correspond to the changed demographics and lifestyles of Center City residents. **Now, in a new initiative, the Philadelphia School District is highlighting the 11 downtown elementary schools through the formation of a Center City Network, comprised of the area from Poplar Street to Washington Avenue, river to river, and has appointed a new, senior network administrator. The new administrator is working closely with this economically and racially diverse**

<sup>9</sup> The School District has already committed citywide to improving curriculum and product by establishing strong, visible partnerships with businesses, foundations and institutions. The Central Philadelphia Development Corporation is prepared to work in partnership with the School District to create a vehicle for private-sector support targeted to Center City’s public schools. We are prepared to assist in areas as diverse as design and construction management services for exterior enhancements to schools, Web site design, curricular and staff enhancements.

area to establish a new neighborhood advisory board drawn from educators, neighborhood residents, elected officials, business and civic leaders to insure that Center City schools are responsive to the needs of Center City families.

Parents living in the Center City Network can choose either to send their children to their local neighborhood school, or they can apply to any public elementary school within the boundaries of this downtown zone. Beginning September 2005, once neighborhood enrollment is satisfied, transfer requests from within the Center City Network will be given priority over requests from other areas in Philadelphia.

To further differentiate the individual Center City schools, the School District could offer parents clear curricular alternatives (such as the specialization in Chinese language at the McCall School) that help preserve each school's unique identity as well as the diversity of families attracted to downtown schools. At the same time, the School District should create institutional rewards for principals that succeed in attracting and retaining a larger share of Center City children.

As Chart 6 illustrates, between 1990 and 2000 there was a growing number of school-age children in Greenfield's catchment area and in the Art Museum area, while McCall's numbers have decreased slightly. By contrast, the reduction in the numbers at Meredith is a clear indication that existing boundaries no longer correspond to demographic realities. If the combined Center City Cluster area could be extended both north and south to include revitalizing neighborhoods at the margins of Center City, these boundaries would include many of the professional households whose more modest incomes limit their ability to pay for private school.

**6: Number of School-Age Children in Catchment Areas + Art Museum**

	1970	1980	1990	2000
Greenfield	1,259	1,095	715	773
McCall	963	1,011	811	773
Meredith	1,677	819	597	514
Art Museum	549	219	131	244

Figures based on Census tracts that approximate catchment area boundaries.

There appears to be no guaranteed predisposition for parents to select public schools. Rather, the importance of curriculum quality and differentiation to this potentially broader customer base is underscored by one of the critical findings of the survey of preschool parents. (Chart 7)

**7: School Appeal**

If your child currently attends private or parochial school, or if you plan to send your child to a private or parochial school, please rank the importance of factors that might cause you to consider a nearby public school, on a scale of 1 (most important) to 4 (least important):

	Average Score
Focus of curriculum	1.3
Quality of school leadership	1.4
Class size	1.4
Quality of the physical plant	1.8
Diversity of families and children	2.2
Friends and neighbors' children attend	2.3
Convenience	2.4
Not having to pay tuition	2.5
Belief in public education	2.7

**Public Schools Can Change the Value Proposition of Downtown Living**

The residential decisions of young professionals are clearly influenced by career opportunities and by the local tax burden. But with enhanced quality and customer focus, public schools in Center City could change the value proposition for the thousands who leave to raise their families in the suburbs because they cannot afford both private-school education and higher priced housing. Sixty-one percent of the respondents to CCD's survey of parents of preschoolers indicated that they expected to live in Center City five years from now. That suggests an extraordinary level of commitment to urban living. But, among those who expected to leave, the most common answer was *school* related.

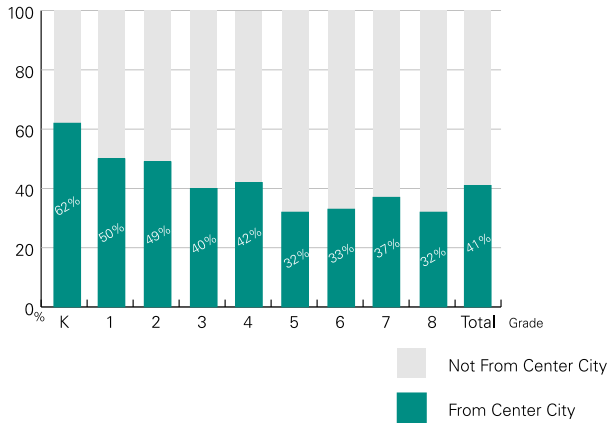
More than half the real estate taxes each homeowner pays are directed to the Philadelphia School District. Guaranteeing to young professionals that their taxes support a service that they prize and use will help Philadelphia achieve three critical objectives: (1) retain young *knowledge workers* who contribute to the vitality, competitiveness and rate of business formation in the city; (2) underwrite the future value of an expanding ring of revitalized residential real estate and (3) expand the base of involved, pro-education parents committed to further improvements in all Philadelphia's public schools.

A generation ago, young professionals fled with their families to the suburbs. Philadelphia's public schools now have a historic opportunity to capitalize on a decade of positive change, to ensure the sustainability of Center City's remarkable revival and to retain a larger percentage of Philadelphia residents with college degrees.

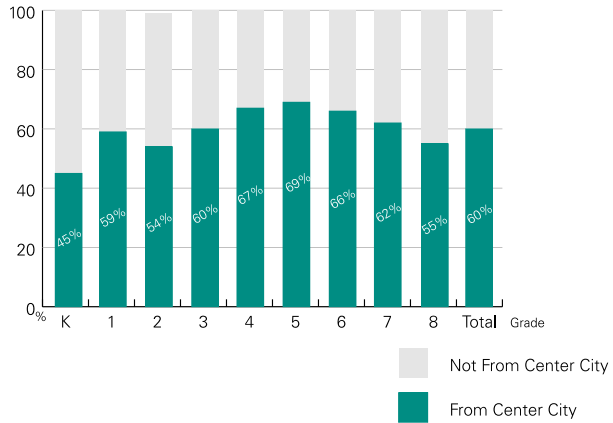
## Appendix

Enrollment numbers from the 2003–2004 school year show the steady decline of Center City residents as they progress from kindergarten to eighth grade at core downtown K–8 schools.

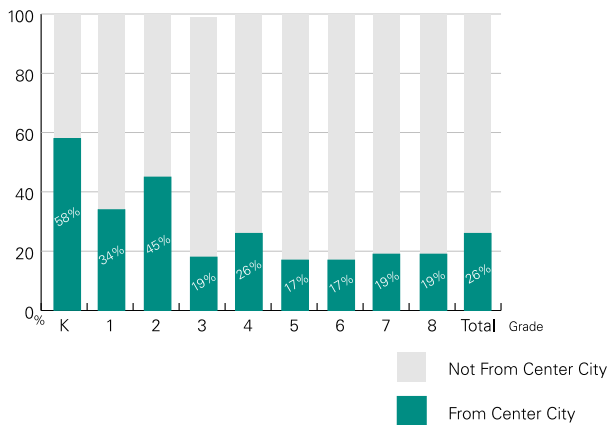
All Three Center City Elementary Schools



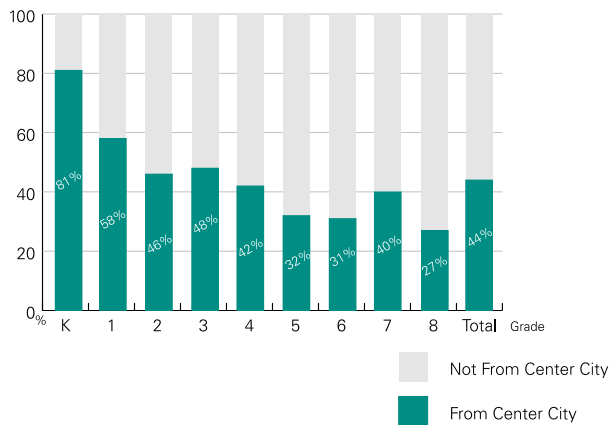
McCall



Greenfield



Meredith





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