



After the Fact | What Philadelphia Can Teach Us About Homeownership

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TRANSCRIPT

Katie Martin, project director, Philadelphia research and policy initiative: We're coming up on Rittenhouse Square, which is one of the five original squares that William Penn created when he founded the city. Rittenhouse Square is a epicenter for Philadelphians, has a ton of restaurants. It's just a place where a lot of people congregate in Philadelphia and come together.

Emily Chow, co-host, "After the Fact" podcast: I like it. I would sneak away here if I were at the Philly office. Welcome to "After the Fact" for The Pew Charitable Trusts. I'm Emily Chow.

Giuliana Pence, co-host, "After the Fact" podcast: And I'm Giuliana Pence. So, Emily, you were up in Philadelphia recently. How was that?

Emily Chow: Philly was a lot of fun—you know, it's such a short train ride that it makes it totally worth it to just see our colleagues in person and also kind of explore the parts of Pew history that most people may not know about.

Giuliana Pence: Hopping on the Amtrak and heading up there.

Emily Chow: You get to the office. It's a tall building, which we don't have here in D.C. I swear my ears popped. And then, you know, we were supposed to use our badges to get into the door and it didn't work. It's like when you come to the Pew D.C. office and you forget your ID.

Giuliana Pence: It happens to me literally all the time. Walking around with the yellow badge.

Emily Chow: Yeah, the yellow badge of shame. While there was nobody, like, at the front desk, it was because folks were just, like, in conference rooms preparing for the release of this "State of the City" report.

Giuliana Pence: I feel like when "State of the City" season comes around, it's like, even here, we all know.



Emily Chow: We can feel the stress coming from Philadelphia.

Giuliana Pence: Let's talk about the "State of the City" report.

Emily Chow: It's sort of like the city's report card.

Giuliana Pence: So, for our listeners who might not know, Philadelphia is where Pew started. The Pew Charitable Trusts. It's our hometown. Even if you don't live in Philly, stick with us because there's a lot of data that speaks to challenges happening across the country.

Emily Chow: We talk to Katie Martin, who leads Pew's Philadelphia research and policy initiative.

Katie Martin: So, I grew up here, and I've always wanted to work in city government in Philadelphia.

Emily Chow: And you were previously at the mayor's office, is that right?

Katie Martin: Yes, under Mayor Nutter. And honestly, I came to Pew for "State of the City."

Emily Chow: Oh, really?

Katie Martin: I loved that report. It was the reason why I wanted to work at Pew.

Emily Chow: Wow. Okay, that's a great anecdote. Katie Martin knows this data in and out. And this flagship report covers everything from public safety to jobs. And we're going to talk a little bit about the housing challenges. Philadelphia has a really unique ranking as a city of homeowners.

Giuliana Pence: Oh, I didn't know that.

Emily Chow: But that gap is closing pretty fast, and housing prices are rising, and more people are being priced out of buying, especially these first-time buyers.

Giuliana Pence: I mean, we're seeing that across the country.

Emily Chow: And a challenge that's making it particularly difficult is this issue called tangled titles, what's also referred to as heirs property.



Giuliana Pence: So, what is a tangled title?

Katie Martin: Tangled titles happen when a person passes down a home to people in their family. However, the title does not get transferred. We have about 10,407 tangled titles across the city, and it's about \$1.1 billion in wealth.

Emily Chow: There's a lot of other cities that are struggling with this, and they're reaching out to Katie to try and talk through solutions that could help.

Katie Martin: I'm going to Vancouver to talk on a panel about this. We're hearing from Detroit, Memphis, Atlanta, and other cities across the country about how we did our analysis.

Giuliana Pence: Okay, well, I'm eager to hear more about what she has to say, so should we get into it?

Emily Chow: Let's do it.

Katie Martin: What we do is study Philadelphia. And the "State of the City" is a report that we put out each year to better understand the trends that are impacting Philadelphia today. And it's providing a comparison of Philadelphia—both over time to itself and with other large U.S. cities—on how Philadelphia is changing over time.

Emily Chow: Why is this report important for Pew?

Katie Martin: It tracks what's happening in Pew's hometown: What are the populations that are living in Philadelphia? What are those global trends that are having impact on the residents and the communities in this city?

Emily Chow: Yeah, and we know that Pew loves data. It's at the heart of our mission, and it's really important to be able to have that reliable data, especially through a nonpartisan lens. It's definitely a big undertaking, and there's a lot of pressure, maybe, to be putting this out every single year.

Katie Martin: It's a big undertaking, but it's important. Particularly because we've been doing this for so long, there's a lot of organizations and people that rely on this data every year. And we take that responsibility really seriously.

Emily Chow: So, looking a little bit into the report itself. What are some of the overall trends that you're seeing coming out of the report for this year?



Katie Martin: Overall, I think what we found in the last year for Philadelphia—it's a city in a transition out of the pandemic period. So, Philadelphia's population declined by 1.9% since 2020. That's a large decline. Lots of cities saw large declines, but in the last year, from '23 to '24, more than 10,000 people moved back into the city. And so, it's a really positive change that we're seeing more people moving into Philadelphia.

Another important trend that's changing over time is a reduction in the poverty level. Philadelphia is a high-poverty city. 20.3% of Philadelphians live in poverty, but this is the lowest level that it has been at since 2000. For a family of four living in poverty, they have an income of \$32,150.

The median income has been rising in Philadelphia. So, with the most recent data, median income in Philadelphia is \$60,302. That's the first time Philadelphia has been higher than \$60,000. A lot of this is driven by the increase in income among low-wage Philadelphians, which is a really positive trend that we're seeing over time.

Emily Chow: So, would you say that could depend on where you live—in terms of the influence on that median income or your ability to reach that median income level?

Katie Martin: It's your access to jobs, your access to education. And the point that we try to highlight in the report is that when you just look at the citywide numbers, you're missing some of the story. You need to go a little bit deeper.

Another positive trend that we've seen in the city is just Philadelphia's labor force rate increased to 2.1% last year. It's higher than the national average. And so, we're really seeing in Philadelphia is an increase in jobs, seeing an increase in the especially low-wage Philadelphians and the incomes that they're receiving. But it's still not enough, and those disparities do exist within the city.

Emily Chow: Is there a connection between—we're seeing the poverty rate decline, good indicators of median income increasing, and then also increasing numbers in the workforce. So is there a connection there? Through all of that, are you able to pull any analysis from what those data points are saying?

Katie Martin: We are seeing some really great trends when it comes to jobs in the economy, but we're also seeing some troubling trends in the city, particularly when it comes to housing. And so, housing affordability has not historically been an issue throughout the city, mostly because Philadelphia has been, historically, a city of homeowners.

We had much higher percentage of homeowners as compared to renters in Philadelphia. It's been down over the last 20 years, partially due to the increasing



cost of homes in the city. Currently, Philadelphia still has more homeowners than renters today. 51.8% of Philadelphia households are homeowners households.

Emily Chow: How does that compare to the national average?

Katie Martin: The homeownership rate in Philadelphia is 51.8%. Boston, it's 35.9%. Washington, D.C., is 39.1%, and Baltimore, which is closest to Philadelphia, is 47.9%.

While the United States has a high homeownership rate, they're much lower, generally, in cities. One area where Philadelphia is facing a challenge is with vacancy. Citywide, 5% of homes across the city are vacant, but in some census tracts, it can be up to 30%, particularly in places in West and North Philadelphia. When it comes to vacancy, I know that the city is trying to address this by looking at tangled titles.

Tangled titles happen when a person passes down a home to people in their family. However, the title does not get transferred through probate, and therefore, the people who live in the house have all the obligations of a homeowner but very few of the privileges of homeownership.

Emily Chow: And when you say through probate, that means ...

Katie Martin: Going through the city and officially transferring that title through the records department. So, you have the new names. And it costs money, it does cost money, but it gets more and more expensive the longer it takes for probate to be undertaken. In Philadelphia, we have about 10,407 tangled titles across the city, and it's about \$1.1 billion in wealth.

Emily Chow: I'm sure Philadelphia's not the only city that's dealing with title challenges.

Katie Martin: We are actually hearing from a lot of cities right now—a lot of cities and counties—that are exploring this challenge of tangled title, otherwise known as heirs property, around much of the rest of the country. Because you can put policies in place, but if you don't actually understand the scope of the problem and quantify the number of businesses that are impacted, you don't necessarily know what you need to do.

And so, Pew had put out in 2021 a pioneering study quantifying the number of tangled titles in Philadelphia, and there's a lot of places that are now replicating that study.



I think people are really neighborhood-focused here. So, I live in Port Richmond and different uses of space is, like, something I can see daily in my neighborhood 'cause I have a—a park, a library, and a playground all within a quarter block of each other.

And so you see, like, kids going back and forth between all of them. You see older people hanging out with their dogs in the park. So many people using the library. It's like, super cool.

Emily Chow: Everyone we work with and talk to says that Philadelphia is a city of neighborhoods, and you can feel it when walking around. There's a lot of charm and uniqueness across different parts of the city. So it makes sense that at Pew we do our neighborly part and give back to our hometown through the “State of the City” report.

Giuliana Pence: Where can our listeners get more information?

Emily Chow: You can check out the full report on our website, pewtrusts.org. And as always, let us know what you think. We want to hear from you.

Giuliana Pence: Thanks for listening, and make sure you're subscribed to “After the Fact” wherever you get your podcasts to hear all of our latest episodes. I'm Giuliana Pence.

Emily Chow: And I'm Emily Chow. And this is “After the Fact.”