

Phila. vs D.C. — why the disparity in small business creation?

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Let's tell a tale of two cities.

One city is the cradle of American democracy, where it all started. Eventually, it became the “workshop of the world” — a major manufacturing center that evolved into a place with a diversified economy with particular strengths in medicine and education.

The other city is the capital of the United States, and the proximity to power gives it many advantages. But, truth be told, until about four decades ago, it was a “company town” of sorts for the federal government, a somewhat sleepy place not particularly known for its private-sector economy. That city and its suburbs changed dramatically in the 1970s and 1980s, though, becoming a massive innovation and business hub.

Fast forward to 2016, and Philadelphia and Washington, D.C., continue to improve in various quality-of-life measures. But Washington has pulled far ahead of Philadelphia as a business center. Just this week, the Business Journal published a U.S. Census-based study on small business growth between 2010 and 2014, the last year for which data are available. The Washington metro area had a net gain of 5,583 small businesses (defined as having one to 99 employees) over that period. It ranked seventh among large metro areas in the country.

Greater Philadelphia, which includes South Jersey and northern Delaware, had a net gain of only 412 small businesses during that period, the worst rate of growth among large metropolitan areas on the East Coast and a depressing 54th ranking nationally.

So what gives? With all of our assets and a resurgent urban core, why do we continually lag behind Washington and our other competitor cities in business and job growth?

I may have noticed a clue this week. Among all of the noise about the election of [Donald Trump](#), many people seem heartened by the president-elect's plan to spend on infrastructure. Whether or not that plan comes to fruition — some commentators have even labeled it a “hoax” — the excitement in the Washington area was palpable. In particular, the shovel-ready Purple Line of the troubled D.C. Metro system is ready to move forward. It's controversial, to be sure, but most see it as a sign of progress for traffic-clogged D.C.

Now let's compare that to the Philadelphia area, which lacks a rail connection between its two most important business locations — Center City and King of Prussia. An extension of the Norristown High Speed Line has a high price tag — upwards of \$1 billion — but it also makes a lot of sense. The lack of passion and urgency, however, is telling.

In my very unscientific research, I found that Google searches on “Purple Line D.C.” brings up over 4 million results. A search of “King of Prussia rail line” brought up 358,000.

It's something to think about. If we want to be as successful as the Big Players, we need to learn to dream big.

