

Immigrant Employment and Economic Mobility in Philadelphia

A GEO-ECONOMETRIC ANALYSIS

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Summary

Philadelphia's foreign-born population declined 0.9% in 2023, the first decrease in over a decade. This drop occurred even as national immigration reached record highs.

The city's 230,000 immigrants, 15% of the population, show wide variation in economic outcomes tied to English proficiency. Those who speak English "very well" earn an average of \$66,800 annually, while those who do not speak English earn about \$30,000.

Using 2019-2023 ACS PUMS data, this analysis examines where immigrants settle, which industries employ them, and how language proficiency relates to employment and earnings. Limited English proficiency, unemployment, and poverty concentrate in the same neighborhoods, particularly in Northeast and South Philadelphia, where unemployment and poverty are closely correlated ($r = 0.65$).

Recommendations include integrating ESL instruction into occupational training and establishing neighborhood-based career hubs in high-need areas.

Key takeaways

Overview: The city's immigrants are a diverse group, with 47% from Asia and 26% from Latin America. The top countries of origin are China (14%), India (7%), the Dominican Republic (7%), and Vietnam (6%).

The Education Ceiling: While 41% of foreign-born residents hold a high school diploma or bachelor's degree, only 10% have a master's and under 4% a doctorate, pointing to barriers in accessing advanced education and credential recognition.

Language Barrier: English proficiency is strongly associated with earnings. Fluent speakers earn an average of **\$66,800**, more than double the **\$30,000** earned by non-speakers, resulting in wide variation in earnings.

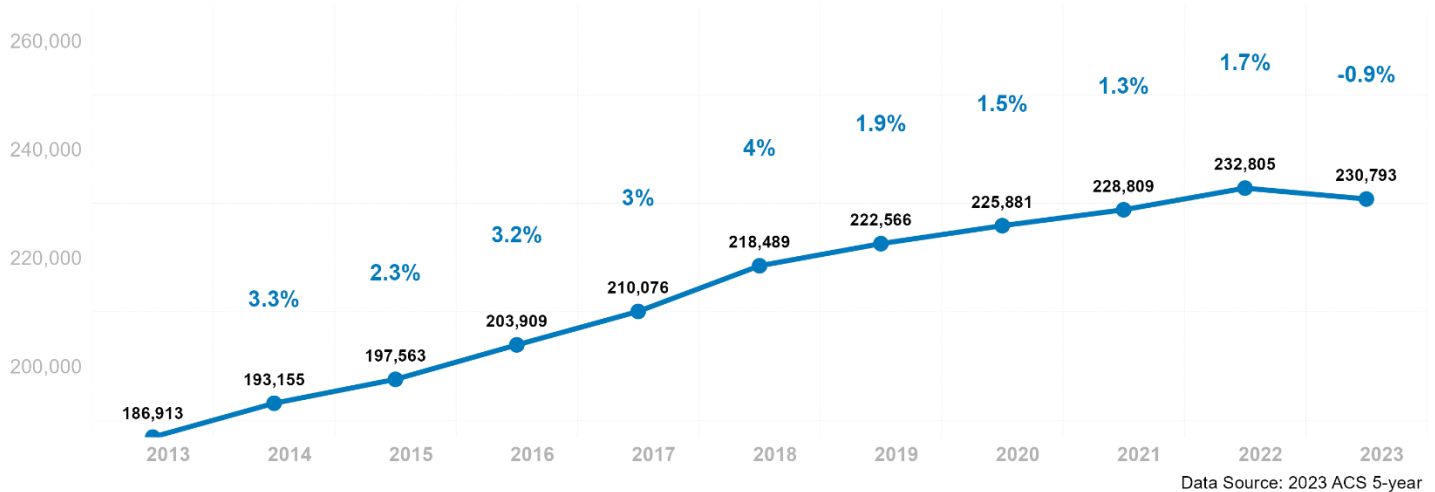
Geographic Concentration: Linguistic isolation, unemployment, and poverty are not evenly distributed but are concentrated in the same immigrant hubs in Northeast and South Philadelphia, creating compounding challenges at the neighborhood level.

Population Trends

Philadelphia's foreign-born population totaled over 230,000 in 2023, comprising 15% of the county's 1.58 million residents (2023 ACS 5-Year Estimates). From 2013 to 2022, this population grew steadily, with annual increases ranging from 1.3% to 3.3%. In 2023, however, the trend reversed: the foreign-born population declined by 0.9%, the first such decrease in over a decade. This drop was among the largest of any major U.S. city and occurred even as the nation saw record growth in its foreign-born population¹.

Growth in the Foreign-Born Population in Philadelphia County (2013-2023)

Year-over-year percent change indicated above each point



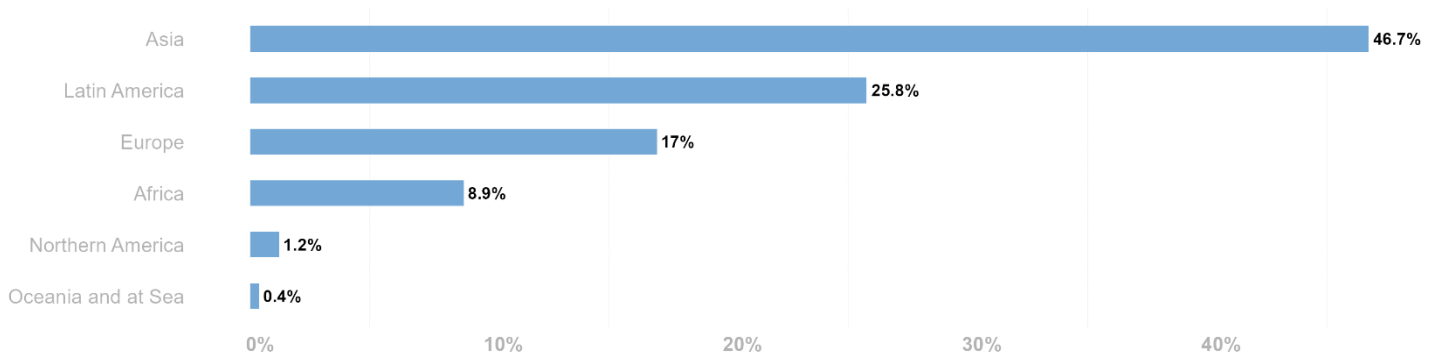
The COVID-19 pandemic was a major factor. Travel restrictions, closed consulates, and public health measures sharply reduced international arrivals between 2020 and 2022. Before the pandemic, the city's population growth was steady, bolstered by immigration, and unemployment was low. The pandemic temporarily reversed those gains. Philadelphia lost residents and jobs, and immigration slowed sharply. With fewer new arrivals to replace those who moved, naturalized, or aged out of the workforce, the city experienced a modest net decline.

Where Immigrants Came From

Immigrants in Philadelphia come from every major world region: about 47% from Asia, 26% from Latin America, and 17% from Europe. This diversity is economic as well as cultural. Immigrants run businesses, work in hospitals and universities, and contribute to industries across the city. This section examines where they come from, where they settle, and how regional origin shapes their workforce participation.

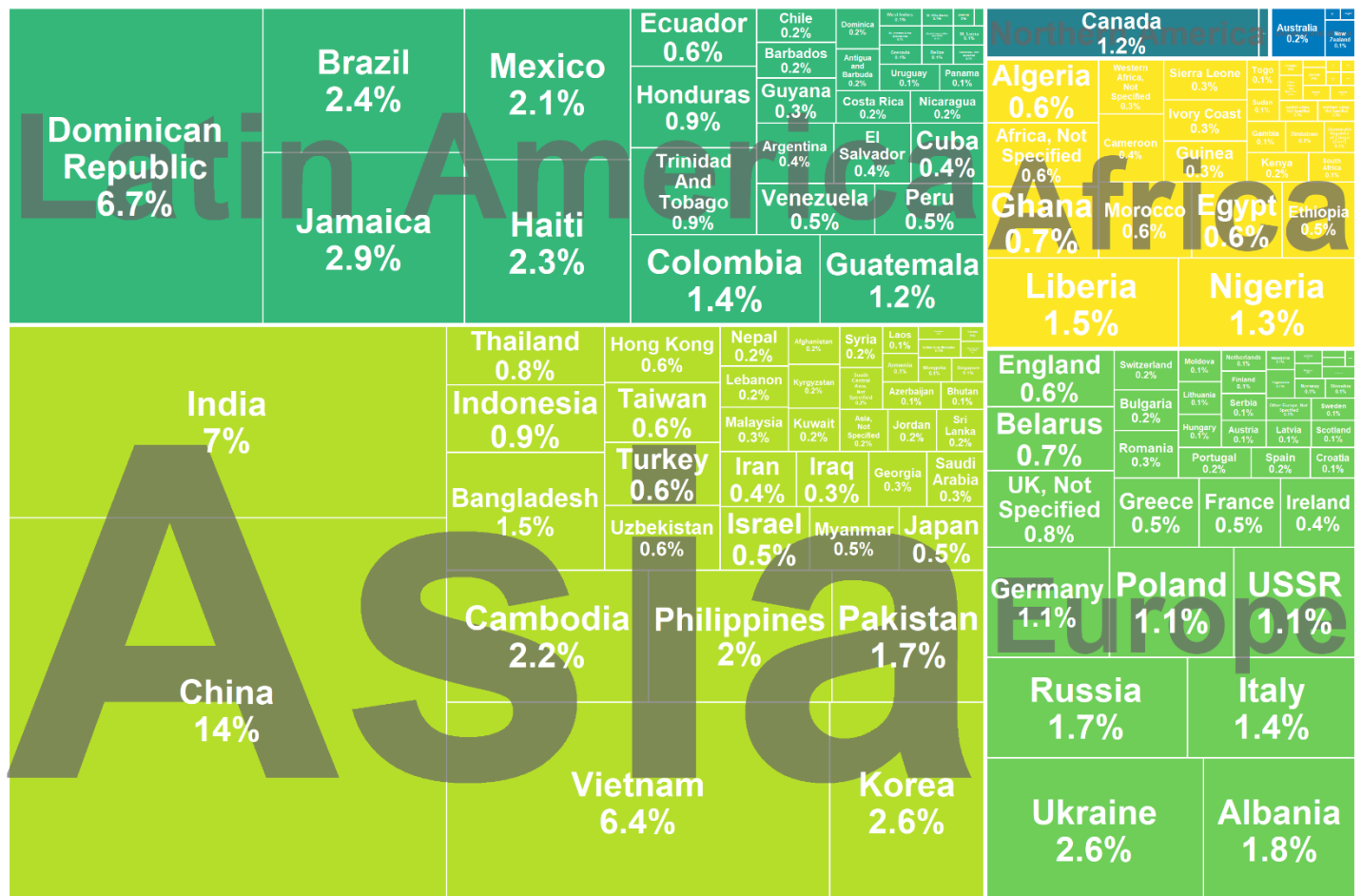
¹ [American Community Survey Shows Record Size and Growth in Foreign-Born Population in 2023](#)

Proportion of Immigrants by World Area of Birth



Data Source: 2023 ACS 5-year PUMS

Foreign-Born Population by World Area and Birthplace in Philadelphia



Data Source: 2023 ACS 5-year PUMS

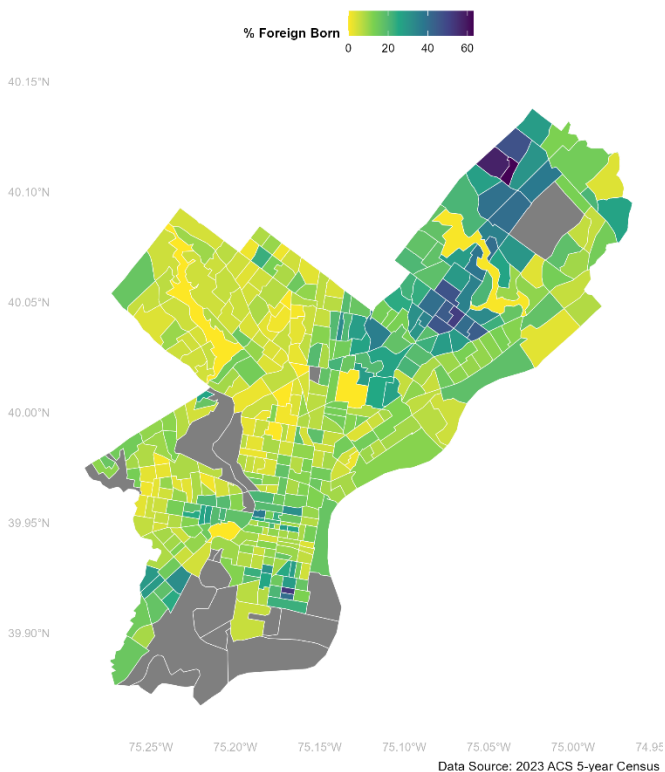
According to 2023 ACS 5-Year PUMS dataset, nearly half of the city’s immigrants were born in **Asia** (about 46.7%). The next largest share comes from **Latin America and the Caribbean**, which accounts for roughly one-quarter

of immigrants (~25.8%). **Europe** is the third major region of origin, contributing around 17% of Philadelphia’s foreign-born residents. Specifically, China is the largest country of origin, accounting for roughly 14% of all foreign-born Philadelphians (about one in seven). Next is India (around 7%), followed by the leading Latin American/Caribbean areas, the Dominican Republic (~6.7%), and the largest Southeast Asian group, Vietnam (~6.4%). Significant communities from Jamaica (~2.9%), Korea (~2.6%), and Ukraine (~2.6%) are also present in Philadelphia’s immigrant mix. The city’s immigrants come from over a hundred countries, from Nigeria and Liberia to Poland and Albania.

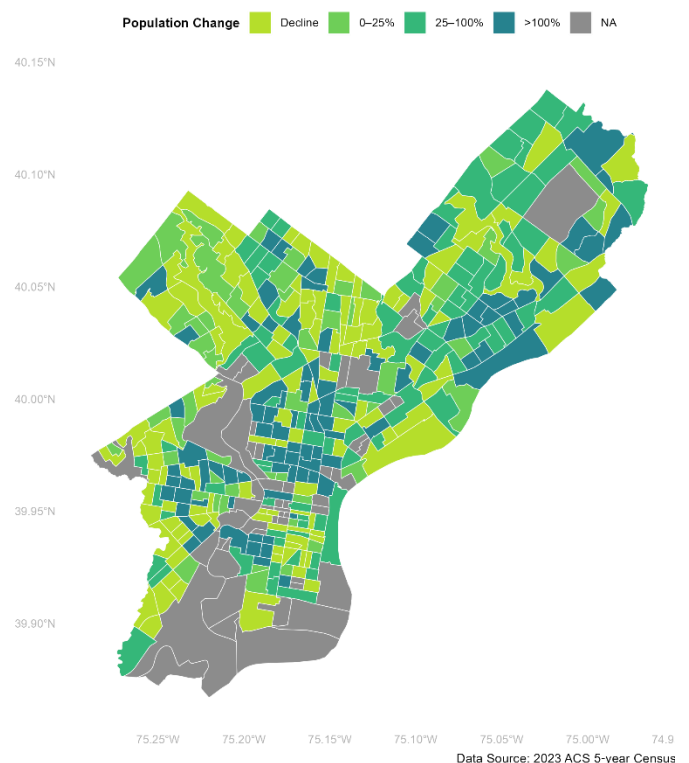
Philadelphia had relied on a net inflow of several thousand immigrants per year to offset residents relocating to the suburbs or other states. Portions of Northeast and Southwest Philly stand out with nearly half of residents being immigrants, among the highest in the city. Meanwhile, in West Philadelphia and some Center City tracts, immigrants make up a significant but not majority share of residents. Often these are areas adjacent to the high-immigrant enclaves or near universities and job centers. For example, University City and parts of Center City have sizable international student and professional populations (contributing to the moderate foreign-born percentages).

Furthermore, parts of West Philadelphia and Northwest Philadelphia that have long been home to predominantly native-born Black or white working-class communities have lower foreign-born percentages. Some upscale central and gentrified neighborhoods also have lower immigrant shares if they attract primarily U.S.-born young professionals.

Map1: Foreign Born Individuals Distribution in Philadelphia
Percentage of Immigrant Population by Census Tract



Map2: Decadal Change in Foreign-Born Population by Tract
Philadelphia County (2013 to 2023)



The geographic distribution of Philadelphia's immigrant community reveals distinct patterns of settlement and change. Map 1, which displays the concentration of foreign-born residents in 2023, identifies Northeast and

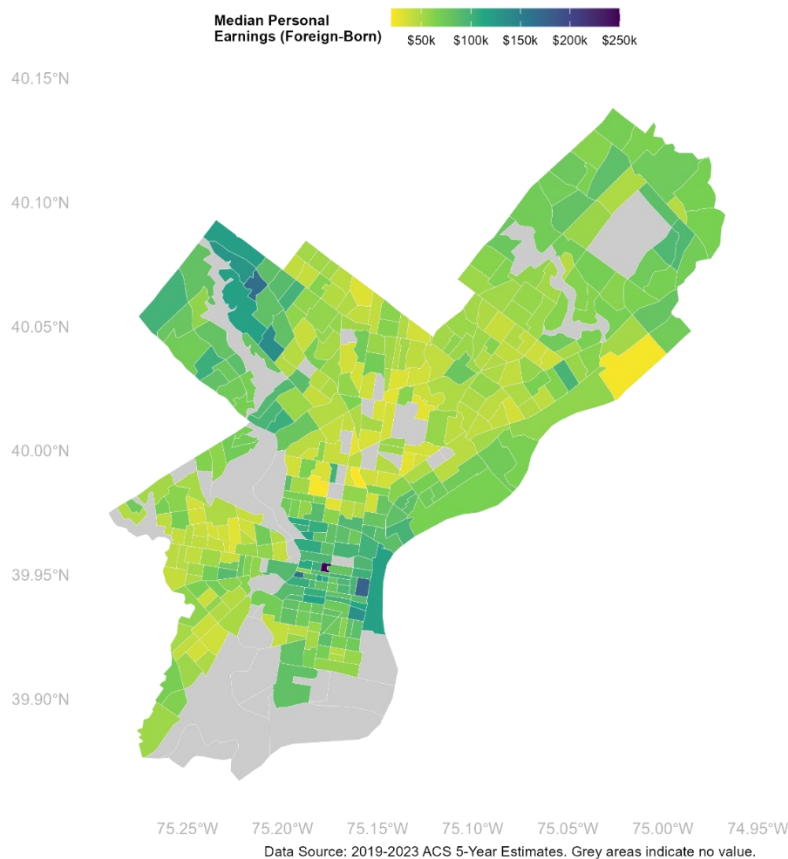
parts of South Philadelphia as primary immigrant hubs, where the population is over 40% foreign-born (indicated by dark purple). Map 2 illustrates the population change over the past decade, confirming that these hubs are also epicenters of growth. The same tracts in the Northeast that show high concentrations in Map 1 also display substantial growth (dark green and teal in Map 2). Conversely, the maps also highlight areas facing challenges. Several tracts in North, Northwest, and South Philadelphia show minimal growth (light green) or even a decline in the foreign-born population (grey). This pattern suggests that as housing costs rise in established enclaves, immigrant communities may be experiencing displacement or relocating to more affordable areas, while some older immigrant cohorts may be aging without being replenished by new arrivals.²

Economic Conditions

Although Philadelphia remains more affordable than many major cities, escalating housing costs pose substantial challenges. Map 3 illustrates the median earnings for Philadelphia's foreign-born population, where dark purple/blue represents the highest earnings and bright yellow signifies the lowest. This reveals variation in earnings across neighborhoods. The concentration of the highest earnings (dark purple/blue) occurs in very specific pockets within West and South Philadelphia. These clusters likely correspond to neighborhoods with highly successful foreign-born professionals, academics, or entrepreneurs, rather than new arrivals. The vast green areas represent a moderate-income level, reflecting the range of economic conditions immigrants experience across the city.

Map3: The Geography of Immigrant Earnings in Philadelphia

Median personal earnings for the foreign-born population by census tract



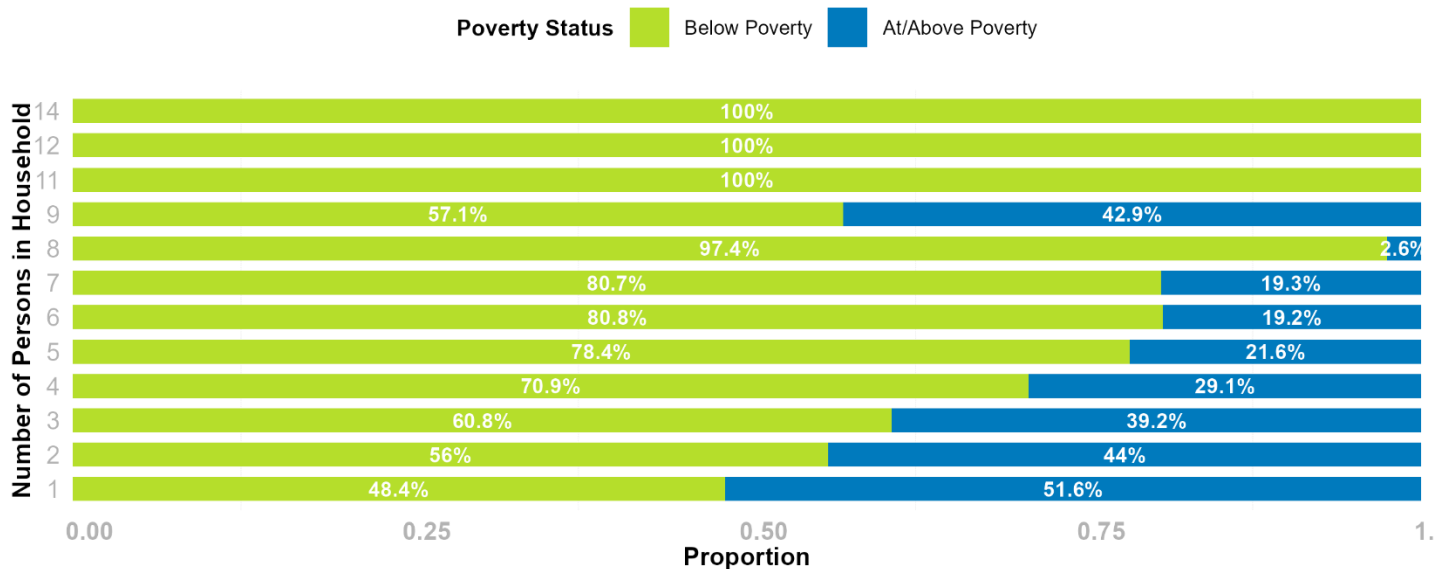
² [The Pew Charitable Trusts: Philadelphia's Immigrants: Race and Ethnicity](#)

For low-income immigrant families or new arrivals, these higher housing costs can be prohibitive. To get a clearer picture of their living conditions, we extracted 42,131 records from the 2023 ACS 5-Year PUMS data for Philadelphia County. U.S. Federal Poverty Guidelines³ set the poverty line at \$15,650 for a single-person household and increase up to \$32,150 for a family of four (adding \$5,500 for each additional person beyond eight), to determine whether immigrants’ wages place them below or above the federal poverty threshold.

The findings, illustrated in the chart below, reveal a complex and unexpected relationship between household size and poverty. Contrary to the simple assumption that larger families are always poorer, the data shows that after a high poverty rate for single-person households (51.6%), the rate of those living below the poverty line generally declines for households of two to eight members, reaching a low of just 2.6% for eight-person households. This suggests that in this range, larger families may benefit from multiple income earners or more established support networks.

Poverty Status of Foreign-Born Residents by Household Size

Based on U.S. Federal Poverty Guidelines to Determine Financial Eligibility



Data Source: 2023 ACS 5-year PUMS

The trend reverses, however, for nine-person households, where the poverty rate spikes to 42.9%. The most direct cause for the poverty spike at nine members is likely a mechanical "threshold effect" created by the Federal Poverty Guidelines themselves, which provides standard income thresholds up to a household of eight. The guidelines increase the income threshold by a fixed amount for each additional person. For households growing from two to eight members, it appears that the addition of new members (often children) is balanced or overcome by the household's earning potential, which may include multiple established earners or access to social benefits. Furthermore, the 0% poverty rate shown for households of 11, 12, and 14 should be interpreted with caution; it is almost certainly a statistical anomaly resulting from a very small sample size for these largest household groups within the PUMS dataset.

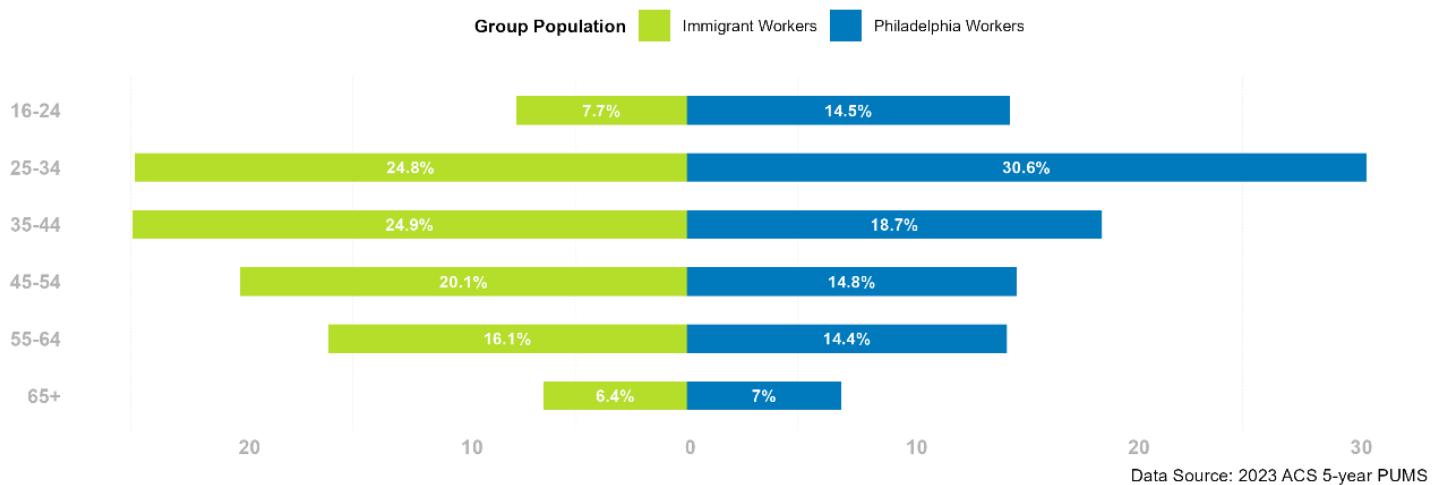
³ [HHS Poverty Guidelines for 2025](#)

Immigrant Labor Force in Philadelphia

Philadelphia's economy increasingly relies on its foreign-born population, who comprise nearly 60% of their community's labor force. As the chart below reveals, immigrants include a significant share of prime-age workers. While the native-born labor force is heavily concentrated in the 25-34 age demographic (**30.6%**), the immigrant workforce is more evenly distributed across the crucial 25-54 age range. This suggests that foreign-born residents are not just filling entry-level jobs but are also contributing as experienced professionals, parents, and community anchors during their peak earning years. This demographic balance makes them an important component of the city's labor force.

Age Distribution of the Labor Force

Immigrant Workers vs. Philadelphia Workers

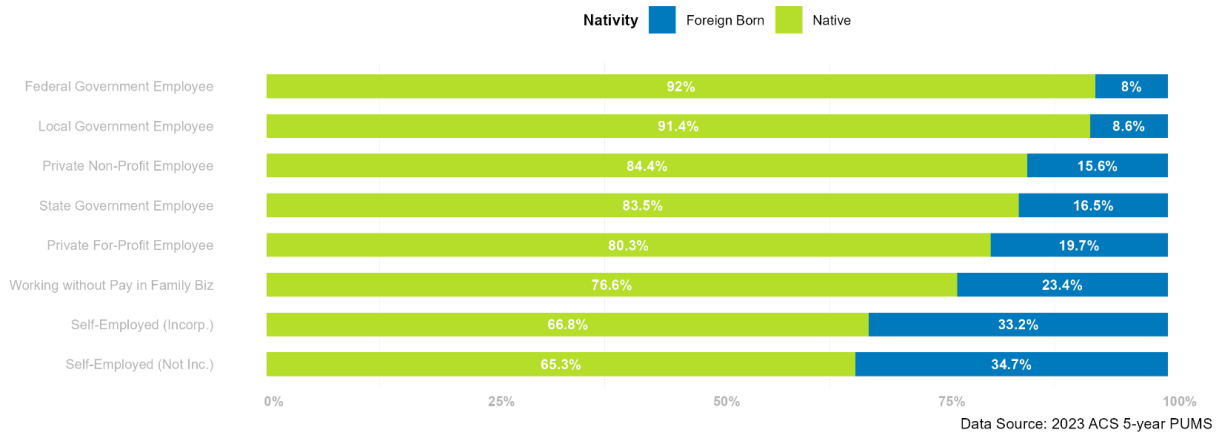


What They Are Doing: From Hospitals to Restaurants

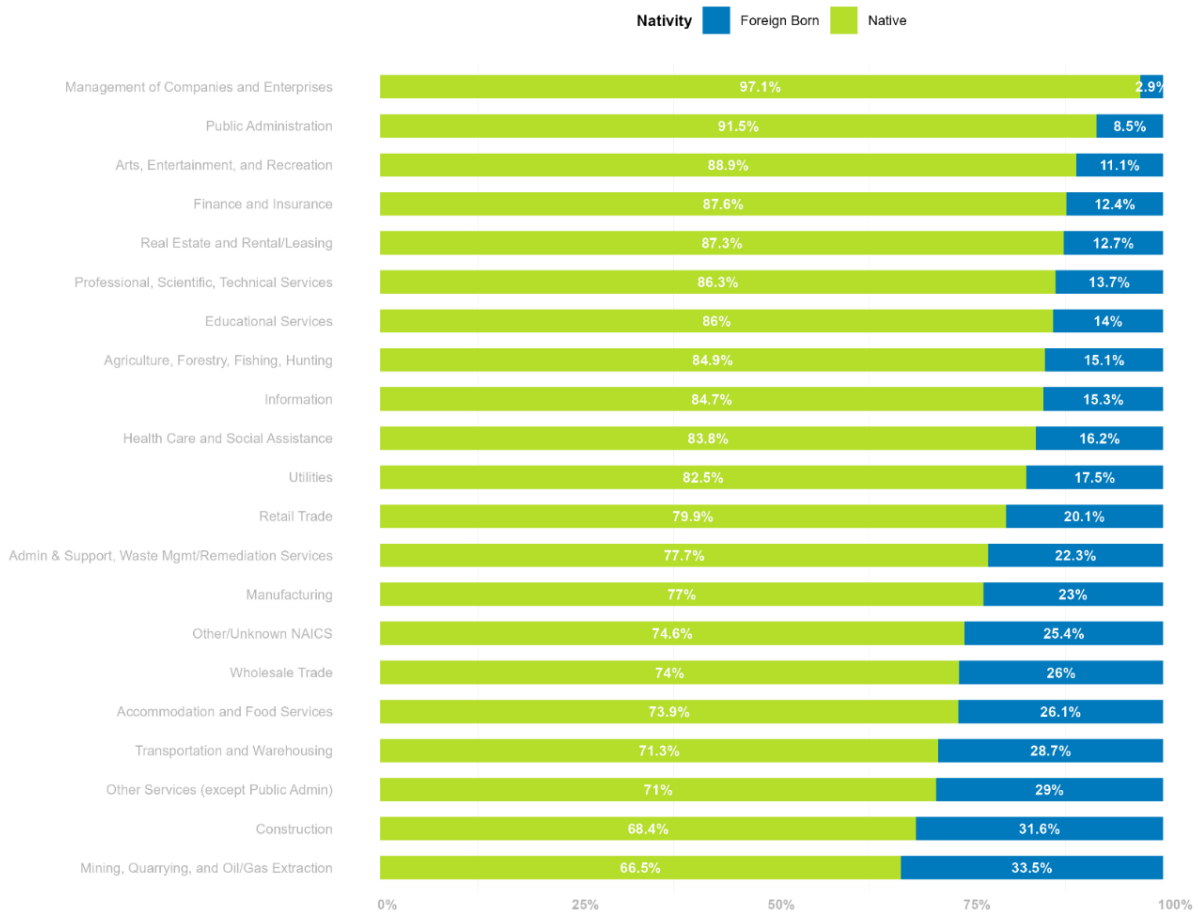
Philadelphia's immigrants bring strong educational credentials, but their workforce outcomes point to real barriers. The data shows that foreign-born workers are significantly underrepresented in government roles, making up only **8% of federal and 8.6% of local government employees**. In contrast, they are well-represented in entrepreneurship. They are, however, well represented in entrepreneurship and across major private-sector industries.

A closer look at class-of-worker data reveals that among immigrants, a substantial share is self-employed. Within the self-employed categories, immigrants account for roughly one-third of those in incorporated businesses (**33.2%**) and nonincorporated enterprises (**34.7%**). Nearly one-quarter (**23.4%**) of immigrant workers are engaged in family businesses without pay. In contrast, immigrants hold smaller shares of government and private for-profit wage positions.

Labor Force Composition Across Worker Categories



Proportion of Immigrant Workers and Employment by Industry



This high rate of entrepreneurship reflects both opportunity and necessity. While many immigrants possess a strong entrepreneurial drive, others may turn to self-employment as a response to barriers in the traditional labor market, such as difficulties with foreign credential recognition or language fluency⁴. For some, particularly

⁴ [Self-employed Immigrants: An Analysis of Recent Data](#)

the undocumented, creating their own business is a vital pathway to earning an income when formal employment is not an option⁵. High self-employment rates therefore signal both economic contribution and unmet need for better workforce integration pathways.

Whether they're delivering health care, stocking shelves, preparing meals, or building the city's future, foreign-born workers form an indispensable part of the workforce. According to 2023 ACS 5-Year PUMS data, this is particularly evident in Health Care and Social Assistance, which employs over 25,900 foreign-born individuals, about 16.2% of the sector's total workforce. Retail Trade employs around 12,900 immigrants (about 20% of the sector), Accommodation and Food Services has nearly 12,800 foreign-born employees (roughly 26%), and Transportation and Warehousing counts over 12,400 immigrants (close to 29% of its workforce). Construction and Manufacturing also see significant immigrant participation, at 31.6% and 23.0% of their respective labor forces.

English Proficiency and Employment

The U.S. Census Bureau defines a household as "linguistically isolated" if no member aged 14 or over speaks English "very well." This metric is an indicator of language barriers within a community. To create this map, we aggregated data from the 2019-2023 ACS (Table C16002), calculating the percentage of such households in every census tract.

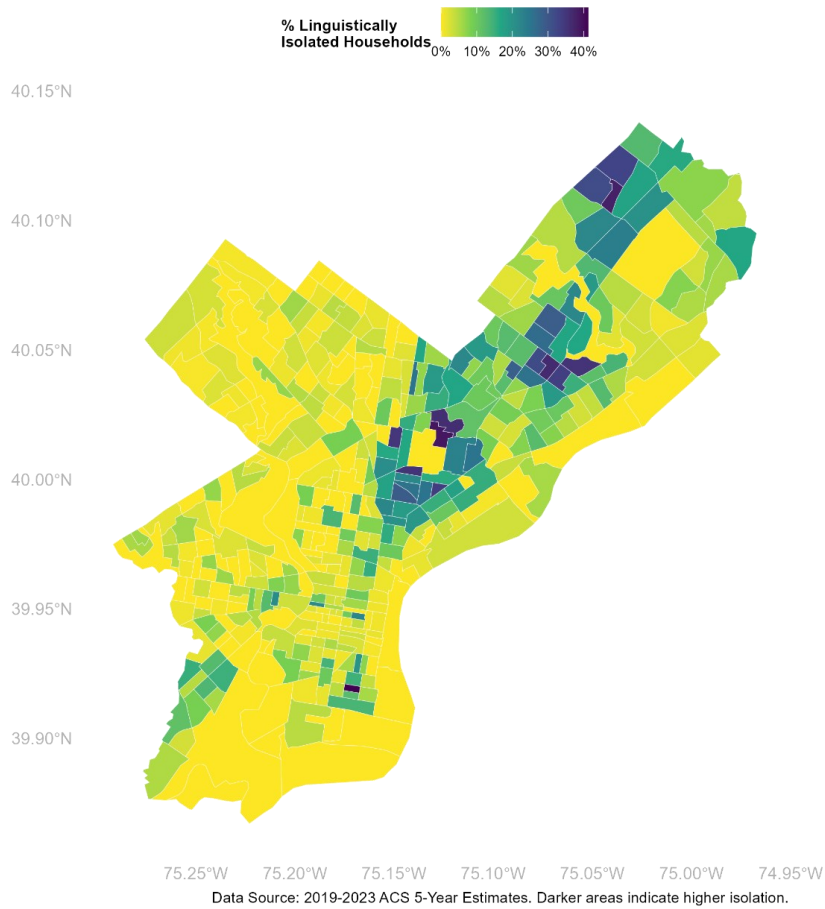
The map⁴ reveals a straightforward pattern. The dark purple and deep blue areas, concentrated heavily in parts of **Northeast Philadelphia, South Philadelphia, and pockets of the Lower North**, represent "linguistic islands" where a significant portion of households face severe communication barriers. These are the very same neighborhoods identified earlier as primary immigrant hubs. This geographic concentration is critical because it shows that the language barrier is not just an individual challenge but a community-level condition that can limit access to information, services, and economic opportunities for everyone living there.

However, when we compare Map3 with Map1, the "foreign-born concentration" alone does not define a neighborhood's needs. The key variable is language. The struggle for economic mobility is most intense where these two factors—a high immigrant population and high linguistic isolation—converge. The subtle differences between the maps provide useful insight:

- **High Immigrant Share, Low Language and Earnings:** Notice certain tracts, particularly around University City or parts of Center City. These areas may have a significant foreign-born population (visible on the Map1) but show very low linguistic isolation (yellow on the Map3). This suggests a concentration of immigrants from countries where English is widely spoken or who are here for academic and professional roles that require high English proficiency from the start.
- **High Immigrant Share, High Language and Earnings:** In contrast, the dark zones in the Northeast and South show both high immigrant density and high linguistic isolation. This indicates that these enclaves are primarily home to communities arriving from non-English speaking backgrounds, often as refugees or family-sponsored migrants, who face the dual challenge of adapting to a new country and a new language simultaneously.

⁵ [Understanding the Self-Employed in the United States](#)

Map4: The Geography of Language Isolation in Philadelphia
 Percentage of households where no one over 14 speaks English 'very well'



Having established *where* these challenges are most acute, we can now examine *who* is most affected. A clustered bar chart of the top 30 origin groups reveals the specific national cohorts that predominantly reside in these linguistically isolated areas. Immigrants from countries with historical ties to English, such as Nigeria, Ghana, and Germany, register very high fluency, with over half reporting they speak English “very well.” In contrast, large cohorts from Brazil, Cambodia, and several Latin American countries face significant language barriers, with more than 60% in some groups reporting they speak English “not well” or “not at all.” The chart also highlights bimodal populations, such as those from India and the Philippines, where roughly 45% speak English “very well,” yet 15% or more still struggle with basic proficiency. This wide variance underscores that there is no single immigrant experience with language; the challenge is acute and highly specific to each community.

English Proficiency Across Top 30 Immigrant Birthplaces in Philadelphia



Despite language challenges, Philadelphia's immigrants bring a significant educational foundation to the city. A treemap of their credentials shows that a combined **41.2%** hold either a regular high school diploma (**22.1%**) or a bachelor's degree (**19.1%**), forming a broad base of educated residents. However, the data also reveals a distinct "education ceiling" where access to advanced degrees appears limited. The proportion of immigrants with a master's degree falls to **10.1%**, and fewer than **4%** possess a doctorate or professional degree.

This 'education ceiling' is likely the result of several intersecting barriers. Many immigrants face a complex, lengthy, and expensive process to have their foreign credentials recognized in the U.S.⁶⁷ Furthermore, the high cost of American graduate programs, coupled with ineligibility for most federal financial aid programs, places advanced degrees out of reach for many⁸. Finally, visa limitations and the precarious nature of temporary legal statuses can prioritize immediate employment over long-term educational pursuits.

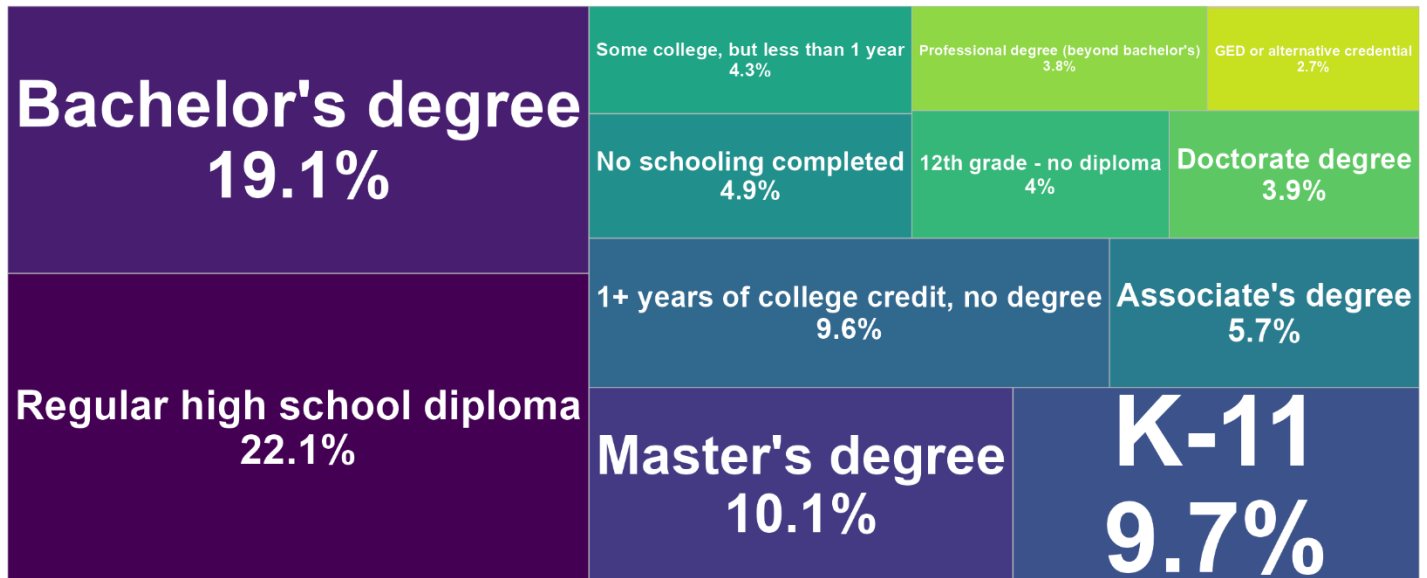
⁶ [Credential Recognition in the United States for Foreign Professionals](#)

⁷ [Understanding Obstacles to Foreign Qualification Recognition for Key U.S. Early Childhood Education and Care Positions](#)

⁸ [Immigration Status and Postsecondary Opportunity: Barriers to Affordability, Access, and Success for Undocumented Students, and Policy Solutions](#)

Educational Attainment Proportion

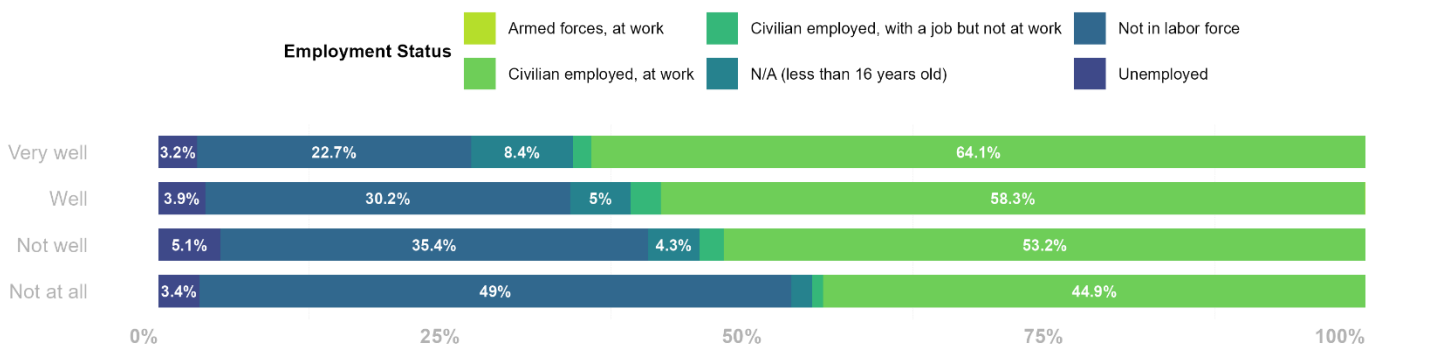
Among Foreign-Born Labor Force



Data Source: 2023 ACS 5-year PUMS

These patterns underscore that formal credentials alone do not guarantee economic integration. Language ability remains a gatekeeper. In this case, this divides the workforce: fluent speakers—even those with only bachelor’s credentials—tend to work in health care, finance, and professional services, while limited English speakers, despite similar formal training, are more likely to work in lower-wage sectors such as retail, hospitality, and manufacturing.

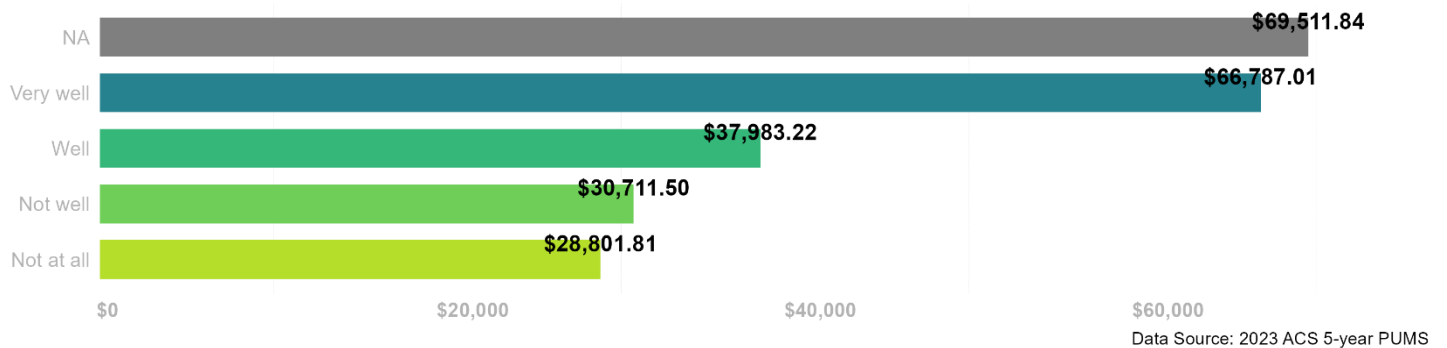
Employment Status by English Proficiency



Data Source: 2023 ACS 5-year PUMS

Average Wage by English Proficiency for Foreign-Born Workers

Those speaking 'Not well' earn about \$36,076 less per year on average than those speaking 'Very well'.



While education provides potential, the data conclusively shows that English proficiency is the key that unlocks it, directly determining employment status and economic outcomes. The impact is substantial when analyzing employment by fluency level. For immigrants who speak English “very well,” a **64.1%** work in high-skill management and professional occupations. For those who speak English “not at all,” nearly half (**49%**) are not in the labor force, and those who are employed are concentrated in service and manual labor roles. This linguistic divide translates directly into a significant wage gap. Immigrants who speak English “very well” earn an average of **\$66,800** annually. This is nearly double the earnings of those with mid-level proficiency and dramatically higher than the average earnings of under **\$30,000** for those who do not speak English.

Factors in Economic Outcomes

To understand what factors most directly shape economic outcomes for Philadelphia's immigrants, we move from a geographic view to an individual one. By correlating personal attributes with economic outcomes, we can pinpoint the precise characteristics that enable financial stability and labor force participation.

The following heatmap visualizes these relationships. **Blue squares indicate a positive correlation**, where two factors tend to increase together (e.g., higher education and higher wages). **Green squares represent a negative correlation**, where one factor increases as the other decreases (e.g., lower English proficiency and lower wages). Darker shades indicate stronger correlations. The results show that education and English proficiency are strongly associated with better outcomes, but employment status itself has the largest effect on earnings and poverty.

Educational attainment is positively associated with higher earnings. There is a strong, positive correlation between holding a **Bachelor's degree or higher** and receiving higher **Annual Wages & Salaries** ($r = 0.30$). This relationship also holds true for overall financial health, with higher education being strongly linked to a better **Income-to-Poverty Ratio** ($r = 0.27$). Conversely, having **less than a high school diploma** is negatively correlated with both wages ($r = -0.16$) and the income-to-poverty ratio ($r = -0.19$), quantifying the significant economic barrier faced by those without this credential.

Individual-Level Drivers of Immigrant Economic Outcomes

Correlations between personal attributes and economic indicators in Philadelphia



Source: 2023 ACS 5-year PUMS, individual-level data for population 16+

Alongside education, English proficiency acts as an important factor. Speaking English **"Very Well"** shows a clear positive correlation with both **Annual Wages** ($r = 0.16$) and the **Income-to-Poverty Ratio** ($r = 0.16$). As proficiency declines, so do economic outcomes, with those speaking English **"Not Well"** or **"Not at All"** facing distinct disadvantages in the labor market.

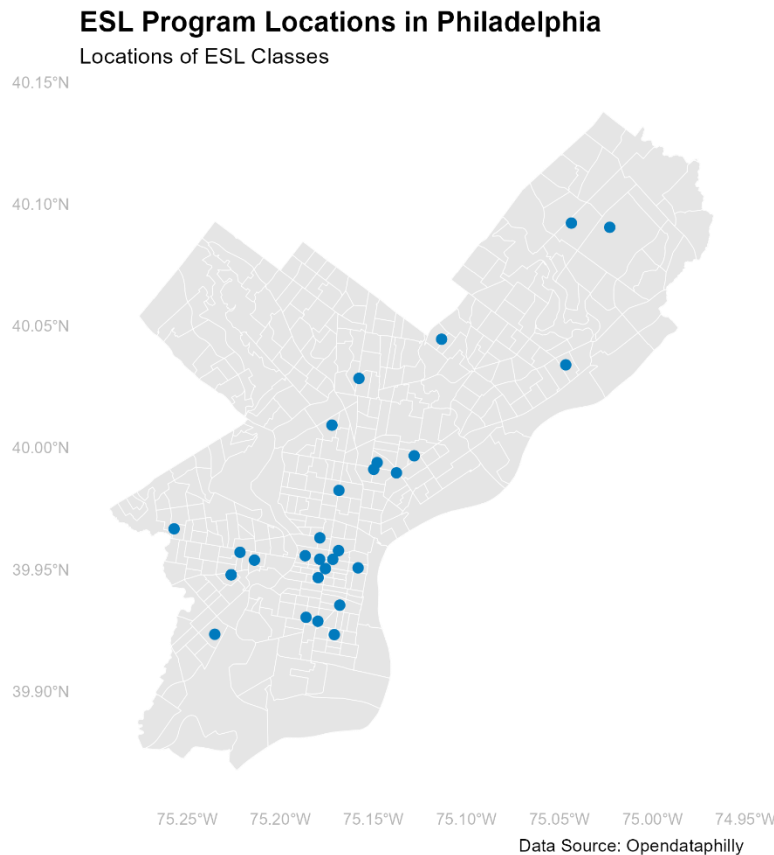
While education and language build potential, the analysis shows that an individual's **Employment Status** is the determinant of their economic well-being. Being **Employed** has the strongest positive correlation with **Annual Wages & Salaries** ($r = 0.41$) and a very strong link to the **Income-to-Poverty Ratio** ($r = 0.33$). Conversely, being **Not in the Labor Force** has the most significant negative impact on an immigrant's financial situation, with a strong negative correlation with both **Wages** ($r = -0.38$) and the **Income-to-Poverty Ratio** ($r = -0.29$). This demonstrates that simply being connected to the workforce is an important factor for economic stability.

Finally, the data reveals important life-cycle patterns. **Age** is positively correlated with being **Not in the Labor Force** ($r = 0.31$) and negatively correlated with being **Employed** ($r = -0.27$). This reflects a natural trend of older, long-term immigrants reaching retirement age. Interestingly, **Age** is also positively correlated with having **less**

than a high school diploma ($r = 0.20$) and speaking English "Not at All" ($r = 0.18$), suggesting that earlier waves of immigrants may have arrived with different educational profiles and have had fewer opportunities to gain English fluency over their lifetimes compared to younger, more recent arrivals.

Current Policy

Federally Funded Programs



Local Workforce Services (WIOA Programs) which is the major Philadelphia's workforce system led by Philadelphia Works and PA CareerLink centers, provides job search assistance, skills training, and career counseling to all residents including immigrants. Immigrants can access one-stop career centers across the city to get help with finding jobs and improving skills. The city also promotes apprenticeships through initiatives like ApprenticeshipPHL⁹ which connects job seekers to apprenticeship opportunities in trades, healthcare, and IT. These programs are primarily funded by the federal *Workforce Innovation and Opportunity Act (WIOA)* and state/local workforce dollars, and they serve anyone eligible to work in the U.S. (regardless of country of origin).

Recognizing the link between English proficiency and earnings, government agencies also fund free or low-cost English as a Second Language (ESL) classes. For example, the City of Philadelphia boosted funding for community

⁹ [Employment Resources, The Office of Immigrant Affairs, City of Philadelphia](#)

ESL programs. Many ESL classes are supported by WIOA Title II grants (administered by the state) or city budgets and are open to all immigrants regardless of status. For example, the District 1199C Training & Upgrading Fund (a labor-management partnership) receives public funding to offer *integrated ESL and job training* for healthcare roles, so immigrant adults can learn English while training for careers like nurse aide or pharmacy tech.

State-Funded Programs

Pennsylvania’s Refugee Resettlement Program (PA RRP)¹⁰ supports specialized workforce services for refugees and other humanitarian immigrants. For instance, Nationalities Service Center (NSC) runs a state-funded Employment Readiness and Placement (ERP)¹¹ program to assist *refugees, asylees, and other ORR-eligible immigrants* within their first 5 years in the U.S. NSC’s holistic approach includes career coaching, case management, and placement services to help newcomers secure jobs and move up the ladder. ERP offers intensive case management, help with job applications and interviews, and even on-site ESL classes at six levels to build English proficiency. Similarly, JEVS Human Services’ Center for New Americans¹² (funded by ORR via state grants) provides *vocational English classes, job training, and placement* for refugees, asylees, and survivors of human trafficking across the Philadelphia region. These government-sponsored initiatives focus on quick employment in industries like hospitality, manufacturing, or health care, where many refugees find their first jobs.

Local Specialized Programs

Philadelphia has embraced immigrant inclusion as a “Certified Welcoming City,”¹³ and officials view these local programs as critical to economic growth and workforce diversity. City agencies also create programs targeting immigrant integration in specific fields. For example, Philadelphia’s Department of Behavioral Health launched the Immigrant and Refugee Wellness Academy (IRWA)¹⁴ in 2022, a free 10-week training to *prepare multilingual immigrants for careers in behavioral health*. This city-funded academy teaches participants about trauma, mental health, and intellectual disability services, creating a pipeline for employment in health and social assistance sectors.

However, the federal funding landscape for refugee and immigrant services has shifted significantly since 2025. The Nationalities Service Center saw its budget cut roughly in half and laid off a third of its staff, while HIAS Pennsylvania terminated its resettlement program entirely. Core WIOA-funded workforce services remain intact through FY2026, but the refugee-specific programs described above are operating under severe fiscal pressure. Any policy response should account for this changed environment.

Recommendations

To strengthen Philadelphia’s workforce and address the recent decline in its foreign-born population, the city should invest in programs that connect immigrant skills to economic opportunity. First, we recommend

¹⁰ [PA Refugee Resettlement Program](#)

¹¹ [Nationalities Service Center](#)

¹² [JEVS Employment and Workforce Services](#)

¹³ [City of Philadelphia Earns Certified Welcoming Designation](#)

¹⁴ [DBHIDS Immigrant Refugee Affairs and Language Access Services](#)

establishing **ESL-integrated career pathways** that pair language learning with occupational training. By embedding English instruction directly into high-demand training programs such as health care, manufacturing, hospitality and retail trade, immigrants gain both the language and the professional credential in one integrated track.

Second, **targeted support should flow to high-density communities where limited English and concentrated poverty converge**. Neighborhood-level “Language & Career Hubs” in Northeast and Southwest Philadelphia could co-locate mobile ESL classes, job counseling, and childcare, reducing barriers for families balancing work and learning. To ensure these hubs are effective and trusted, the city should partner with established community organizations that have deep roots in these neighborhoods. Agencies like the Nationalities Service Center (NSC) and JEVS Human Services’ Center for New Americans, which already provide targeted employment and language programs, would be ideal implementation partners.

These hubs would ensure the training centers and other services are accessible on foot, and available in residents' first languages. At the same time, family-friendly support, including sliding-scale childcare subsidies, small wage top-up credits for low wage new hires and expedited foreign-credentialing services, will raise the income-to-poverty ratio directly and address the link between unemployment and poverty.

By combining occupation-focused training, neighborhood career centers, and targeted financial support, Philadelphia can help immigrant communities move beyond the cycle of unemployment and poverty, translating wage gains into measurable reductions in neighborhood poverty rates. The success of these hubs could be measured by key performance indicators such as job placement rates for participants, average wage growth post-program, and a measurable decrease in the unemployment and poverty rates within the targeted neighborhoods.