

MAKE IT PHILADELPHIA: IT MAKES FINANCIAL SENSE

2009 Publication of the:
Center City District
City of Philadelphia Department of Commerce
Pennsylvania Governor's Action Team
Philadelphia Industrial Development Corporation
Select Greater Philadelphia

Philadelphia is at the center of a thriving region with state-of-the-art office towers, internationally acclaimed research and education institutions, and a highly educated workforce. Midway on the northeast corridor, between Boston and Washington, D.C., Philadelphia is the second busiest stop on Amtrak's Acela high-speed train line. It is at the center of a multi-modal regional transportation system. An expanding international airport is within two hours flying time of 50% of the American population, with non-stop flights to more than 80 domestic and 40 international destinations, including all major European business centers.

Philadelphia has significantly lower costs than other Northeast cities for:

- labor
- real estate
- high-quality housing.

Philadelphia Labor Costs Among Lowest in Northeast

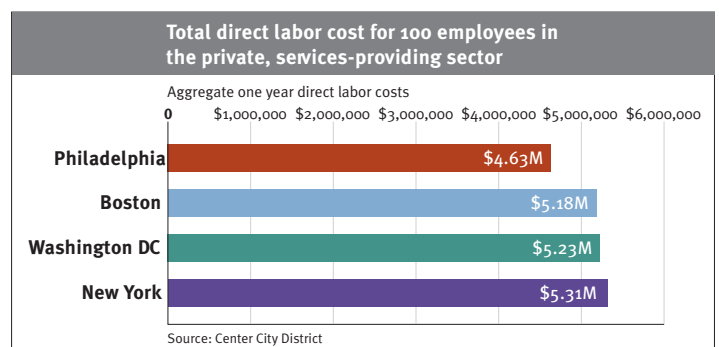
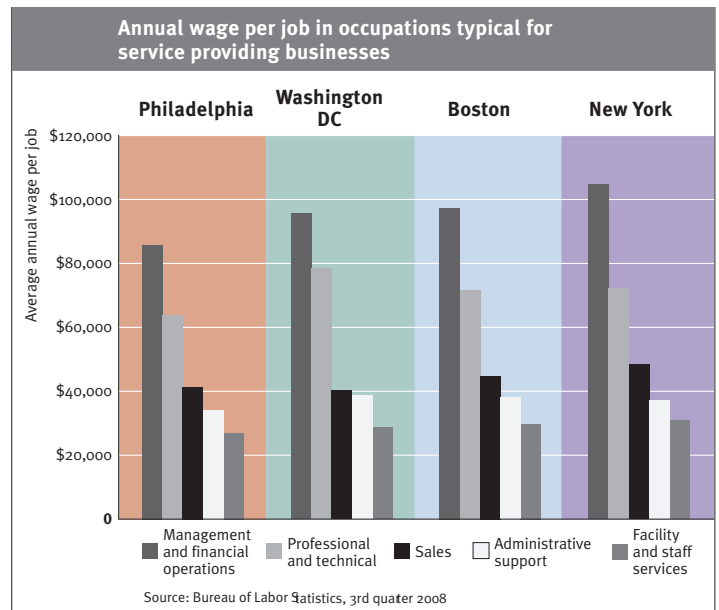
Philadelphia's highly educated labor force is exceptionally skilled across a wide variety of industries, including health-care, higher education, chemicals, life sciences and biotechnology, financial and professional services, information technology and telecommunications. Philadelphia delivers for businesses:

- more than 2.8 million workers in the 11 county region
- 300,000 downtown workers
- access to a diverse and talented workforce
- labor costs for professional services firms that are among the lowest in the Northeast.¹

For a typical 100-person service-based company, Philadelphia has the lowest total direct labor costs among major Northeast cities, 12% less expensive than New York City.

Combined wages in a prototypical 100-person firm would be \$4.6 million in Philadelphia compared to Boston at \$5.2 million, New York at \$5.3 million, and Washington, D.C. at \$5.2 million.²

Combining labor and real estate costs, a 100-person service company occupying 25,000 SF, will realize over \$1 million in savings in a single year compared to New York, Boston and Washington, D.C.



High-Quality Affordable Class A Office Space

Downtown Philadelphia offers more than 40 million square feet of prime office space, well served by both regional transit and highways.

With an average Class A rental rate of \$27.44 per square foot, Philadelphia's Class A office rental rates are substantially lower than all major Northeast cities.³

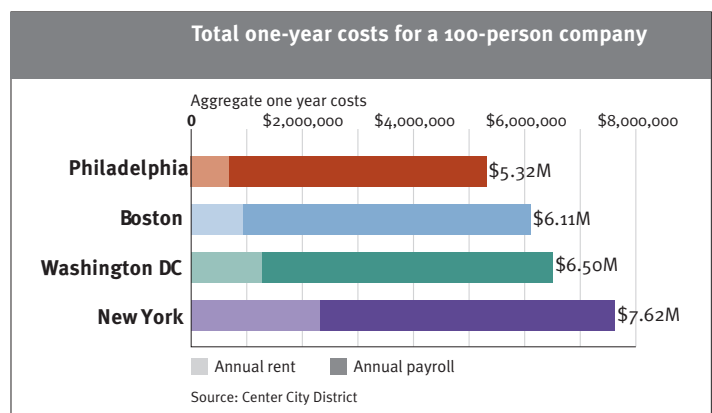
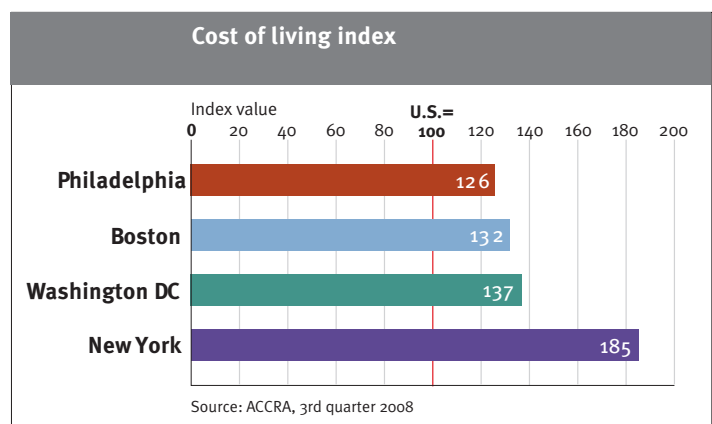
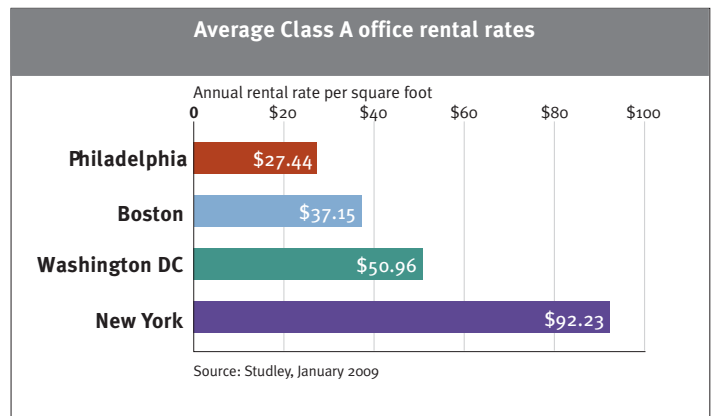
Affordable and Exceptional Quality of Life

Philadelphia offers an exceptional and very affordable quality of life. The city's vibrant and walkable downtown is easily accessible from anywhere in the region by an extensive public transit network and three interstate highways. It provides more than 200 fine dining restaurants, 215 sidewalk cafes, and dozens of world-renowned cultural and entertainment destinations. Within a few minutes walk of the business district, 92,000 residents call the historic and contemporary residential neighborhoods home. More than 90,000 students are enrolled in colleges, universities, and research institutes in and adjacent to downtown. Four professional teams play in a sport complex just minutes from the CBD. **A Center City homeowner earning \$83,687 per year (the average wage of a professional services employee in Philadelphia) would have to earn 9% more in Boston to enjoy the same standard of living, 11% more in Washington, D.C., and 73% more in New York City.**⁴

A World Class City at a Great Price

Superior access to international and regional markets, a well-educated and affordable labor force, very reasonably priced real estate, an exceptional quality of life and affordable cost of living, all combine to make Philadelphia far more competitive than other Northeast cities. **Combining labor and real estate costs, a service company employing 100 people, occupying 25,000 square feet downtown, will realize over \$1 million in savings in a single year compared to Boston and Washington, D.C., and over \$2 million in savings compared to New York City.**

For additional information on Philadelphia and Center City, see *Make it Center City Philadelphia for Your Business Location* available directly from the Center City District (www.centercityphila.org/about/Publications.php), through your local site selection representative or contact Karen.Randal@phila.gov.



1 Salaries are based on 3Q2008 average wage per job and considering Philadelphia, Boston, New York, Washington D.C. Labor costs throughout this report are from the Bureau of Labor Statistics for the following geographies: Philadelphia (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD), Boston (Boston-Cambridge-Quincy, MA-NH), New York (New York-White Plains-Wayne, NY-NJ), Washington, D.C. (Washington-Arlington-Alexandria, DC-VA-MD-WV). Data compiled by Select Greater Philadelphia.

2 Aggregate labor costs represent the total current, direct wage cost for a sample 100 employee company. U.S. Bureau of Labor Statistics (BLS) 2008 data was used to identify the distribution of employment by major occupational group for the private, services-providing sectors, yielding the following distribution: Management and Financial Operations: 10 workers; Professional and Technical: 26 workers; Facility and Staff Services: 26 workers; Sales: 16 workers; Administrative support: 22 workers. The number of workers in each occupational group was then multiplied by the average wage per job and summed.

3 Rental rate data from Studley, January 2009.

4 Cost of living data from ACCRA 3Q2008. U.S. average value is indexed at 100