



Department of  
**Commerce**

CITY OF PHILADELPHIA

**SUBSIDY AND JOB CREATION REPORT  
TAX YEAR 2018**

## EXECUTIVE SUMMARY

In accordance with [Bill #160015](#), the Department of Commerce uses an online self-reporting form to collect economic development and job creation data from Philadelphia businesses that: a) received \$50,000 or more in non-tax-based subsidies or financial assistance through City approval; or b) are located in a Keystone Opportunity Zone and had \$2 million or more in gross revenues.<sup>1</sup>

We found that in 2018 these businesses created a net total of 1,534 jobs in the following categories:

- 440 full time jobs.
- 300 temporary jobs.
- 794 employment opportunities for independent contractors and sub-contractors.

While self-reporting always carries a margin of error, we took several measures to increase compliance and improve the quality of the data collected. For example, the online survey was sent out electronically to all businesses subject to self-reporting as described above on four occasions between February 2019 and May 2019. The information submitted was then carefully reviewed and checked against our records, and businesses were contacted for clarification when necessary.

Over the past year, the Department of Commerce engaged a third-party consultant to evaluate seven of the City's most utilized economic incentive programs. It was found that a key challenge with our incentives portfolio is the complexity of our current system, whereby many different programs are administered by different agencies, and tracking is limited due to state and federal tax payer confidentiality laws. The City intends to work with City Council to consolidate and streamline our incentives portfolio, improving our ability to track and report on outcomes in the future.

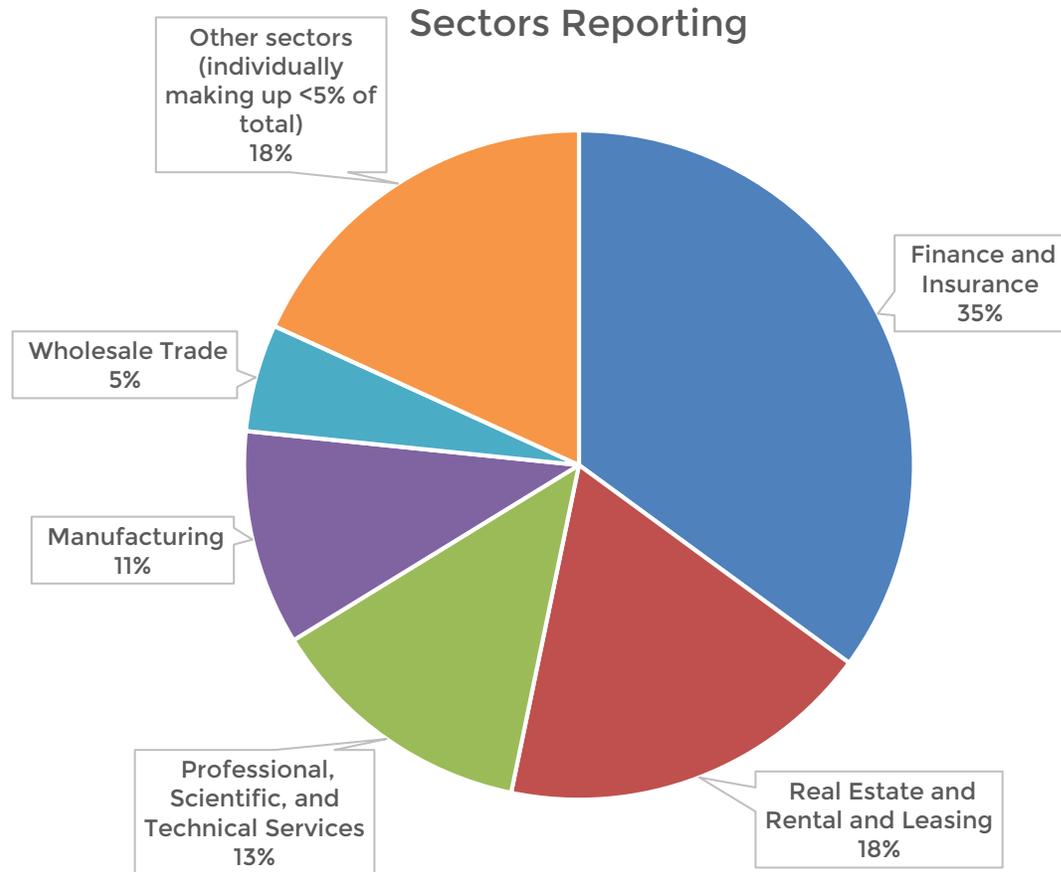
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<sup>1</sup> Previous versions of this report included the Job Creation Tax Credit (JCTC) and other tax-based subsidies. To ensure taxpayer confidentiality, we no longer collect this information. However, the Department of Revenue produces reports on several tax credit programs, including JCTC, which can be found at [www.phila.gov/document/2018-tax-credit-reports/](http://www.phila.gov/document/2018-tax-credit-reports/)

## BUSINESSES REPORTING

While we received 117 responses to the online survey, we determined that 77 of the responses were submitted by entities that actually triggered the self-reporting requirement. All 77 of the respondents were located in a KOZ, and one *also* had a Forgivable Loan converted to a grant in 2018.

Below is a breakdown by sector of reporting businesses:



*Top Sectors Reporting (over 5% of total responses)*

	<i>Total</i>	<i>Percent</i>
Finance and Insurance	27	35.1%
Real Estate and Rental and Leasing	14	18.2%
Professional, Scientific, and Technical Services	10	13.0%
Manufacturing	8	10.4%
Wholesale Trade	4	5.2%
Other sectors (individually making up <5% of total)	14	18.2%

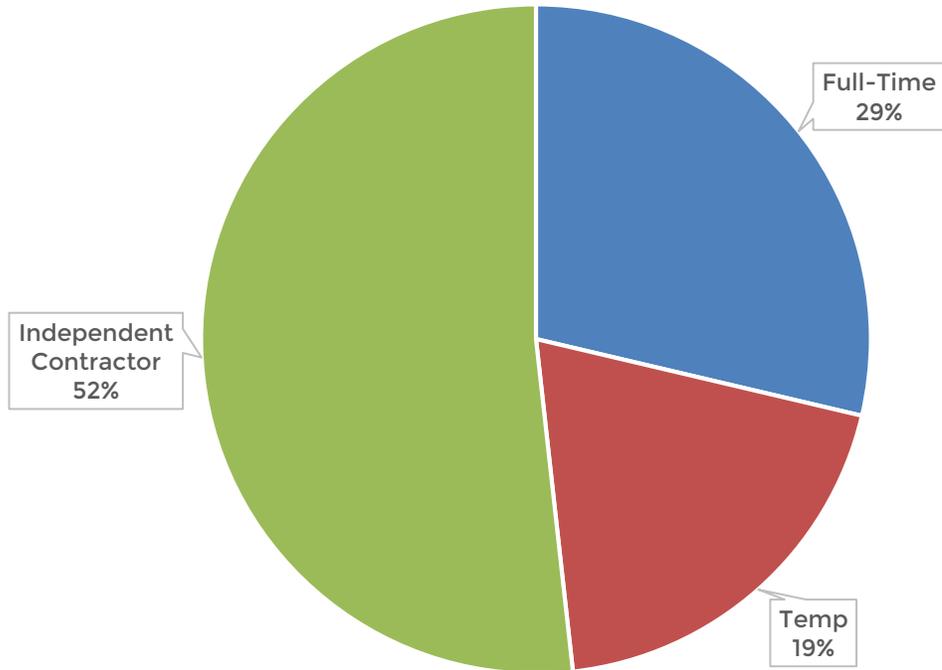
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**TOTAL** **77** **100.0%**

## NEW JOB CREATION BY JOB TYPE

Below is the aggregate new job creation that occurred among businesses that self-reported, net of aggregate job losses. **The total number of new jobs created in 2018 by businesses that self-reported was 1,534.**

New Job Creation by Job Type



<i>Type of job</i>	<i>Total</i>	<i>Percent</i>
Full-Time	440	28.7%
Part-Time	0	0.0%
Temp	300	19.6%
Independent Contractor	794	51.8%
<b>TOTAL</b>	<b>1534</b>	<b>100.0%</b>

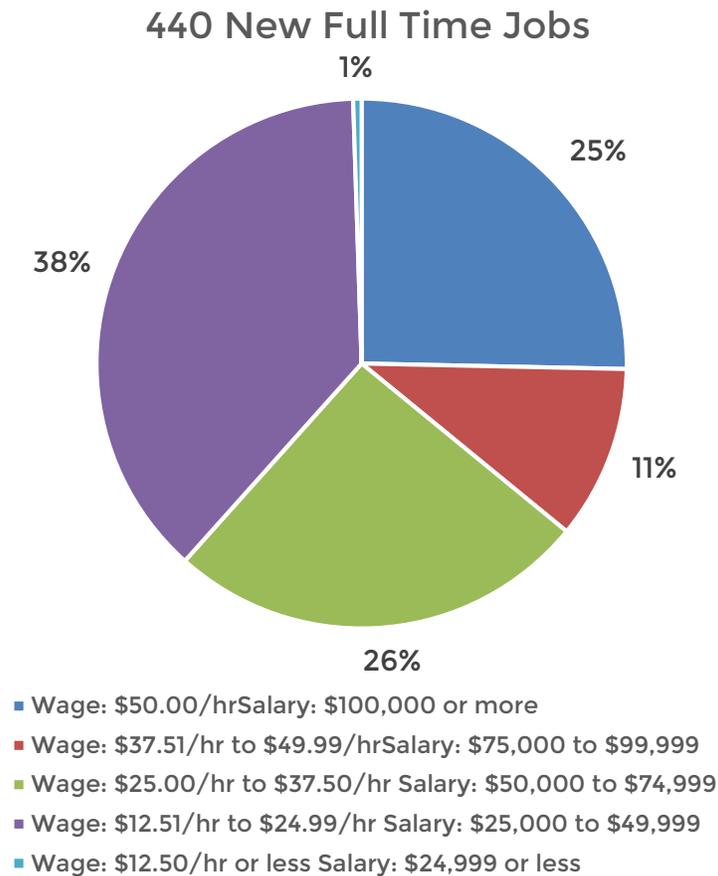
## FULL-TIME JOB CREATION

Below is aggregate information about the number of full-time jobs that were created by businesses that self-reported in 2018, including salary ranges. **The total number of net new jobs created by businesses that self-reported in 2018 was 440.**

<i>Number of Jobs</i>	<i>Total</i>
As of January 1, 2018	6137
As of December 31, 2018	6577
<b>Net New Jobs</b>	<b>440</b>

<i>Salary Ranges: New Jobs</i>	<i>Percent</i>
Wage: \$50.00/hr; Salary: \$100,000 or more	25%
Wage: \$37.51/hr to \$49.99/hr; Salary: \$75,000 to \$99,999	11%
Wage: \$25.00/hr to \$37.50/hr; Salary: \$50,000 to \$74,999	26%
Wage: \$12.51/hr to \$24.99/hr; Salary: \$25,000 to \$49,999	38%
Wage: \$12.50/hr or less; Salary: \$24,999 or less	1%
	<b>100%</b>



## PART-TIME JOB CREATION

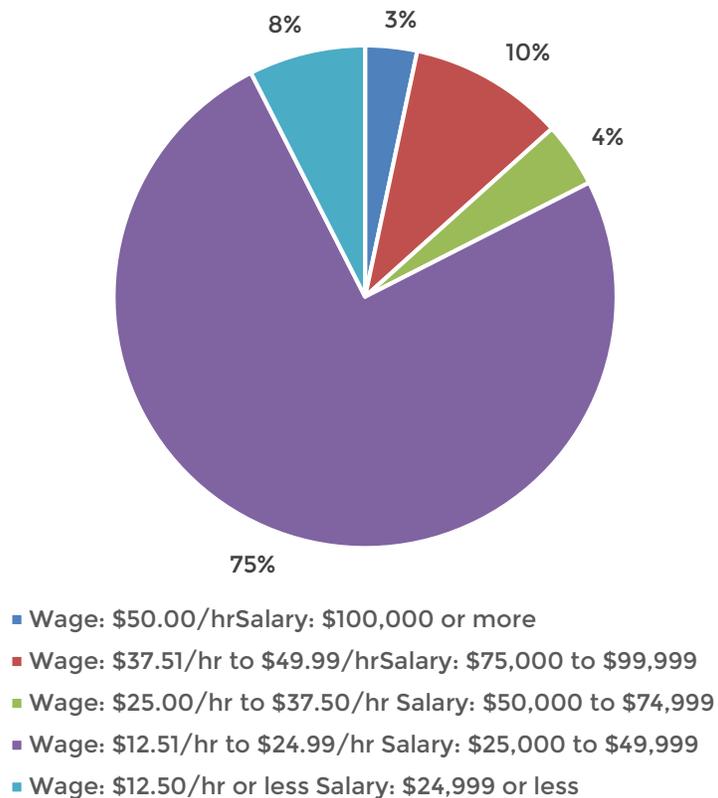
Due to job losses sustained by some companies, the aggregate number of new part-time jobs created in 2018 by businesses that self-reported was 0. However, since new part-time job creation occurred among some companies, information about wage bands and benefits offered is available.

<i>Number of Jobs</i>	<i>Total Jobs</i>
As of January 1, 2018	274
As of December 31, 2018	274
<b>Net New Jobs</b>	<b>0</b>

<i>Salary Ranges: New Jobs</i>	<i>Percent</i>
Wage: \$50.00/hr; Salary: \$100,000 or more	3%
Wage: \$37.51/hr to \$49.99/hr; Salary: \$75,000 to \$99,999	10%
Wage: \$25.00/hr to \$37.50/hr; Salary: \$50,000 to \$74,999	4%
Wage: \$12.51/hr to \$24.99/hr; Salary: \$25,000 to \$49,999	75%
Wage: \$12.50/hr or less; Salary: \$24,999 or less	8%
	<b>100%</b>

Part Time Jobs

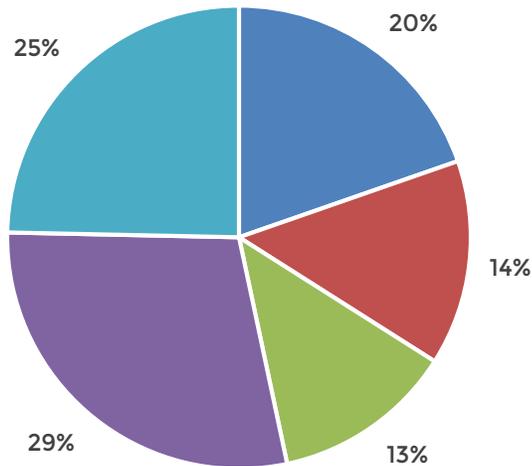


## TEMPORARY JOB CREATION

Below is aggregate information about the number of temporary jobs that were created by businesses that self-reported in 2018, including salary ranges. **The total number of temporary jobs created by businesses that self-reported in 2018 was 300.**

	<i>Total Jobs</i>
Total number of employees hired in temporary jobs in 2018	<b>300</b>
	<i>Percent</i>
<i>Salary Ranges: New Jobs</i>	
Wage: \$50.00/hr; Salary: \$100,000 or more	20%
Wage: \$37.51/hr to \$49.99/hr; Salary: \$75,000 to \$99,999	14%
Wage: \$25.00/hr to \$37.50/hr; Salary: \$50,000 to \$74,999	13%
Wage: \$12.51/hr to \$24.99/hr; Salary: \$25,000 to \$49,999	29%
Wage: \$12.50/hr or less; Salary: \$24,999 or less	25%
	<b>100%</b>

### 300 Temporary Jobs



- Wage: \$50.00/hr Salary: \$100,000 or more
- Wage: \$37.51/hr to \$49.99/hr Salary: \$75,000 to \$99,999
- Wage: \$25.00/hr to \$37.50/hr Salary: \$50,000 to \$74,999
- Wage: \$12.51/hr to \$24.99/hr Salary: \$25,000 to \$49,999
- Wage: \$12.50/hr or less Salary: \$24,999 or less

## BENEFITS

Employers reported offering a range of benefits to employees, with the level of benefits corresponding with the level of employment.

<i>Benefits Offered</i>	<i>Full-Time</i>	<i>Part-Time</i>	<i>Temp</i>
Health Benefits	94.0%	20.8%	0.0%
Paid Parental Leave	47.8%	12.5%	0.0%
Employer Contributions to a Retirement Fund	92.5%	45.8%	33.3%



In addition to the benefits captured above, some employers listed other benefits offered to employees, such as: paid time off, paid sick time, life insurance, short-term and long-term disability insurance, commuter benefits, health and dependent care savings accounts, and employee assistance programs.

## INDEPENDENT CONTRACTORS

More than half of the businesses reporting utilized at least one independent contractor in 2018, ranging from 1 to 199.

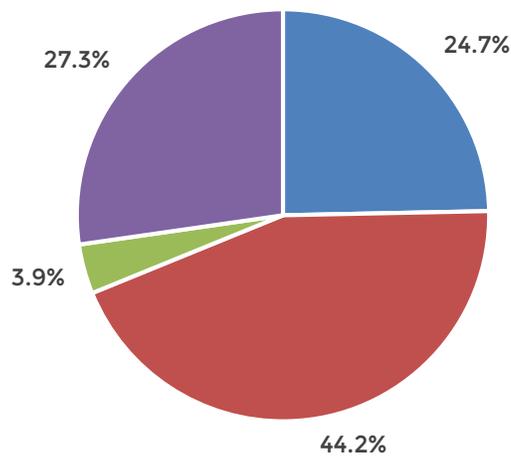
Total number of independent contractors utilized in 2018	794
Total amount spent on independent contractors in 2018	\$124,786,231

## PROJECTED EMPLOYMENT TREND FOR 2019

When asked about projected hiring for 2019, a majority of businesses reported either maintaining or increasing the number of employees based in Philadelphia.

<i>In 2019, firm expects to:</i>	<i>Percent</i>
Increase the number of employees in Philadelphia	24.7%
Maintain the same number of employees in Philadelphia	44.2%
Decrease the number of employees in Philadelphia	3.9%
Unsure	27.3%
	<b>100.0%</b>

Projected Employment Trend



- Increase the number of employees in Philadelphia
- Maintain the same number of employees in Philadelphia
- Decrease the number of employees in Philadelphia

## SOCIAL IMPACT

A majority of businesses reported activities, policies, or hiring practices that have a positive social impact on their communities.

### Activities

*Describe any activities your firm is currently involved in to connect local youth to meaningful work experiences.*

"Our company hosted a High School Shielded Metal Arc Welding Contest in the Navy Yard."

"We have a program that supplies an internship and mentoring to young minority females in the hopes of increasing their financial literacy."

"Host students from local colleges, design and culinary programs to experience the business of high-end kitchen appliances."

"Philadelphia Reads Program, youth outreach programs, internships and co-ops."

"Engage Drexel Co-Ops"

"Job fairs, internships, and part-time work."

### Policies

<i>Do you have a policy that encourages volunteer and pro-bono work by employees?</i>	<i>Percent</i>
Yes	55.3%
No	44.7%
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	100.0%

### Hiring Practices

*Number of returning citizens hired by your firm in 2018*

**64**