



SUBSIDY AND JOB CREATION REPORT

TAX YEAR 2020

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Executive Summary

Survey Objective

In 2020, 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. Currently, many different programs are administered by different agencies, and tracking is limited due to state and federal taxpayer confidentiality laws. The City continues to work with City Council to evaluate all of our business supports and economic development incentives, including improved processes for collecting, reporting, and using data.

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 <https://www.phila.gov/documents/subsidy-and-job-creation-reports/>.

Report Background

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 annual revenues.

Main Results

In 2020, businesses that participated in the survey employed 3,580 full-time workers, 185 part-time workers, and 398 independently contracted workers, for a total of 4,190 job opportunities in Philadelphia. Survey respondents also provided several, non-quantifiable benefits to their community, ranging from apprenticeship opportunities for youth to co-op programs with local colleges and universities.

Methodology

Voluntary surveys were received from April 2020 through September 2020 using Formstack. Surveys were sent to potential qualifying businesses through various program and contact lists. After the survey responses were received, they were checked for completeness and accuracy. Surveys with fewer than two complete sections, duplicate submissions, and responses with numerical inconsistencies were omitted from the analysis. In total, 20 survey responses were included in this report.

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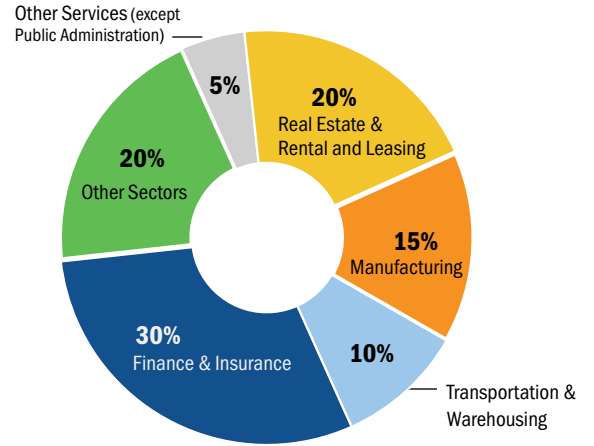


The number of respondents in each given analysis is included in the graph for transparency. Additionally, some respondents did not give responses to certain sections because the sections weren't applicable to their business (i.e. the business had no part-time jobs so they did not fill out the section on part-time employment).

This year, the number of survey respondents was lower in comparison to previous years, creating certain limitations in data analysis. We presume this was due to the economic disturbance created by the COVID-19 pandemic, as well as fewer businesses receiving subsidies. The small sample size of this year's survey may affect the representativeness of the analysis. The Department of Commerce continues to work on improving survey outreach and design to increase the survey response rate for the upcoming year.

Business Industry

The largest industries represented in the survey data were finance and insurance and other sectors, comprising 50 percent of all survey responses. Real estate and manufacturing followed in third and fourth. The industries of remaining respondents are shown in the graph below. All 20 respondents were eligible for the analysis provided industry data.



Sectors Reporting

20
Total

30%	6 Finance & Insurance
20%	4 Other Sectors
5%	1 Other Services (except Public Administration)
20%	4 Real Estate & Rental and Leasing
15%	3 Manufacturing
10%	2 Transportation & Warehousing





Financial Assistance Type

To be included in the report, businesses had to meet one of two qualifications:

- Be located in a Keystone Opportunity Zone (KOZ) with gross revenues greater than \$2 million
- Or receive subsidies of \$50,000 or more through City approval in 2020.

100 percent of survey respondents were located in KOZs with gross revenues exceeding \$2 million. All respondents eligible for the analysis provided financial assistance type data.

Type of Financial Assistance

100% **20**
Keystone Opportunity Zone

0% **0**
Subsidy

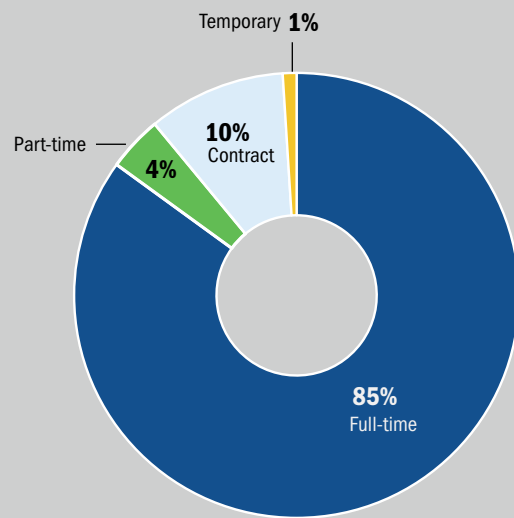
100%

of 2020 respondents were located in a KOZ and had over \$2 million in revenue

Employment by Job Type

In total, there were 4,190 jobs reported by survey respondents in 2020. The majority of jobs were full-time positions. One-tenth of jobs were independent contractors. Survey respondents also reported very few part-time and temporary positions.

In total, **4,190 jobs reported** by survey respondents in 2020.



Type of Job

4,190
Total

85% **3,580**
Full-time

4% **185**
Part-time

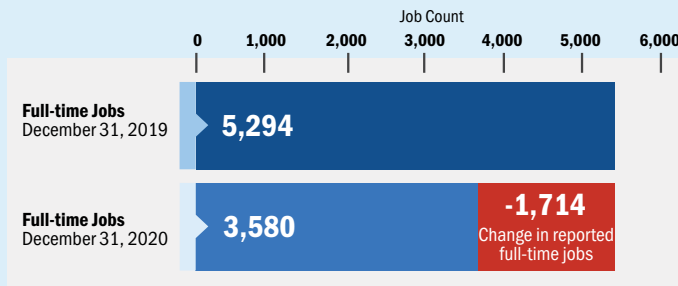
10% **398**
Contract

1% **27**
Temporary

FULL-TIME JOBS

Full-time Employment

Overall, the respondents reported 3,580 full-time jobs. This represents the total number of full-time employees on December 31, 2020 in each income bracket. Note that there were fewer responses to the 2020 survey, which resulted in 1,714 fewer full-time jobs in Philadelphia reported amongst subsidy recipients compared to 2019. This reduction may also be partially explained by the severe impact of the COVID-19 pandemic on employment and hiring. Seventeen of 20 respondents eligible for the analysis provided full-time employment data. Full-time employees are defined as those that work, on average, at least 30 hours or more a week.



Number of Full-time Jobs

5,294

As of December 31, 2019 (40 respondents)

3,580

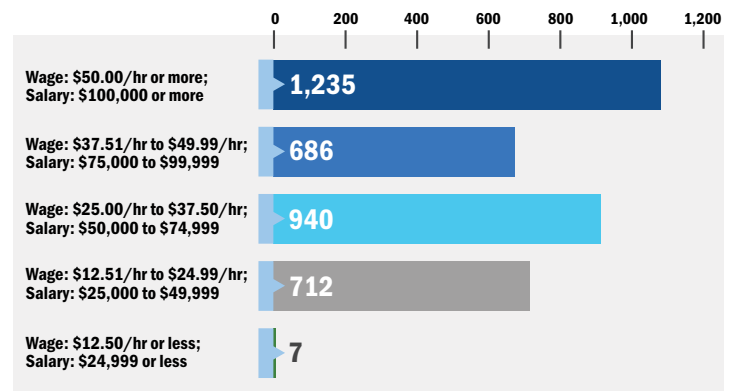
As of December 31, 2020 (20 respondents)

-1,714

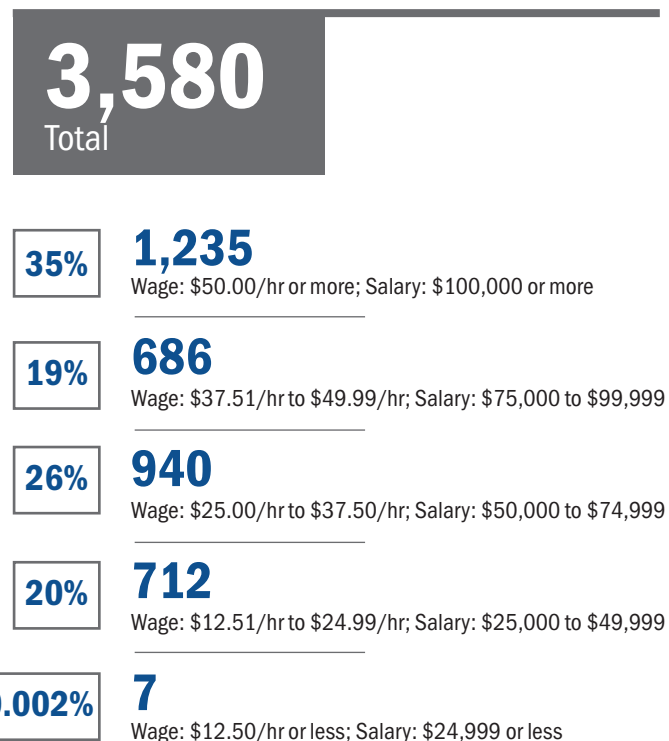
Change in Reported Full-Time Jobs

Wages

Respondents reported 3,580 total full-time jobs on December 31, 2020. Approximately 46 percent of these jobs provided an income of \$12.51/hr to \$37.50/hr or \$25,000 to \$74,999 annually. The remaining 54 percent of jobs provided an income of \$37.51/hr or higher per hour or \$75,000 or more annually. In addition, only .002 percent (or 7 jobs) provided wages less than \$12.50, or up to \$24,999 annually.



Salary Ranges: Full-time Jobs

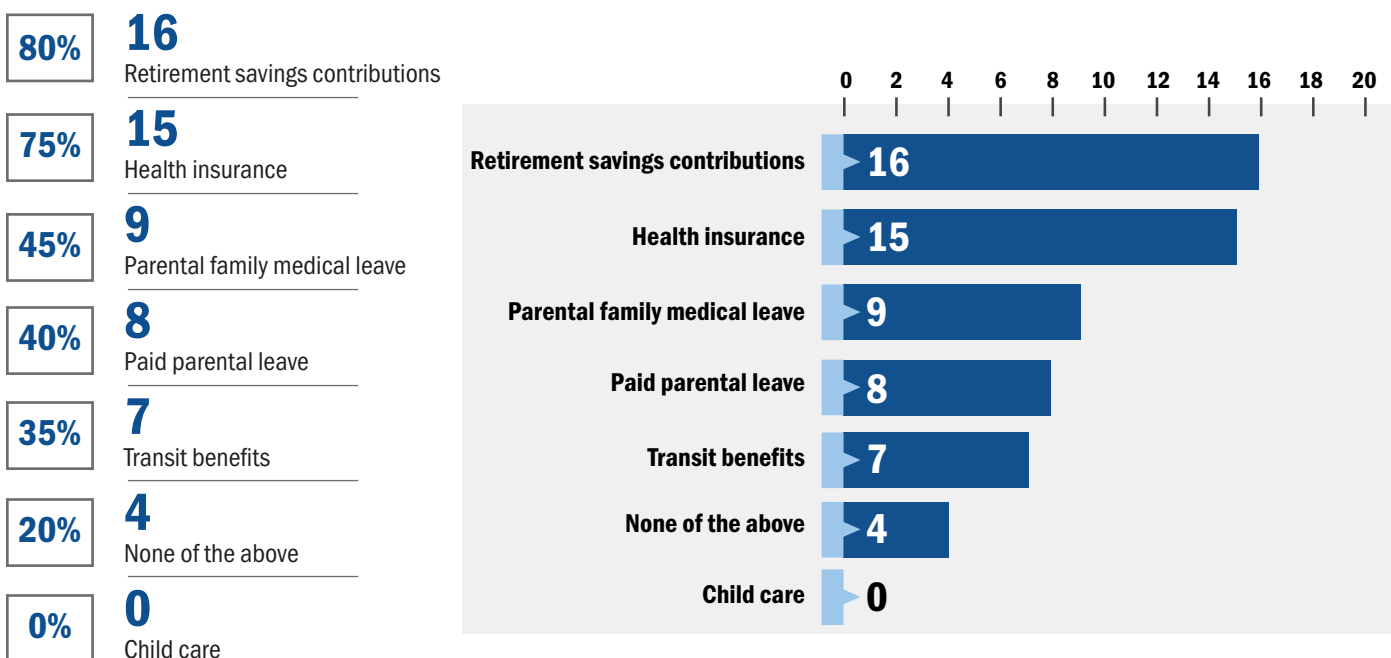




Benefits

Most respondents (75 percent) offered health insurance to their full-time employees. A slightly larger number (80 percent) provided contributions to a retirement savings account. Twelve out of 20 (or 60 percent) of respondents provided at least three or more benefits to their full-time employees. These employers account for the majority of respondents that provided benefits other than health insurance and retirement savings contributions. This means that most businesses provided at least health coverage and retirement savings contributions for their full-time employees, while some businesses provided almost all or all benefits, and a handful provided health insurance and retirement savings contributions plus one additional benefit. No respondents provided child care benefits.

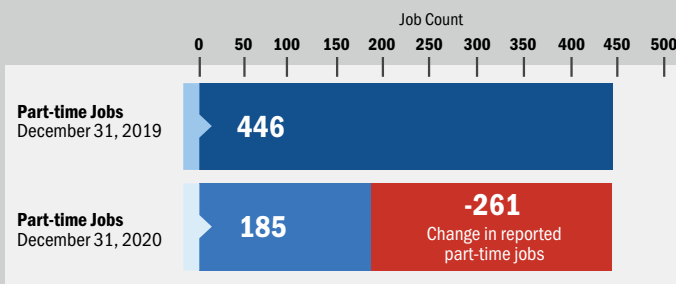
Benefits: Full-time Jobs



PART-TIME JOBS

Part-time Employment

Respondents reported 185 part-time jobs. This represents the total number of part-time employees on December 31, 2020 in each income bracket. Due to fewer 2020 survey responses, there were 261 fewer part-time jobs in Philadelphia reported amongst subsidy recipients compared to 2019. One respondent accounted for the majority of part-time employment (134 jobs). Five of the 20 respondents (or 25 percent) eligible for the analysis provided part-time employment data. Part-time employees are defined as those that work, on average, less than 30 hours or more a week.



Number of Part-time Jobs

446

As of December 31, 2019

185

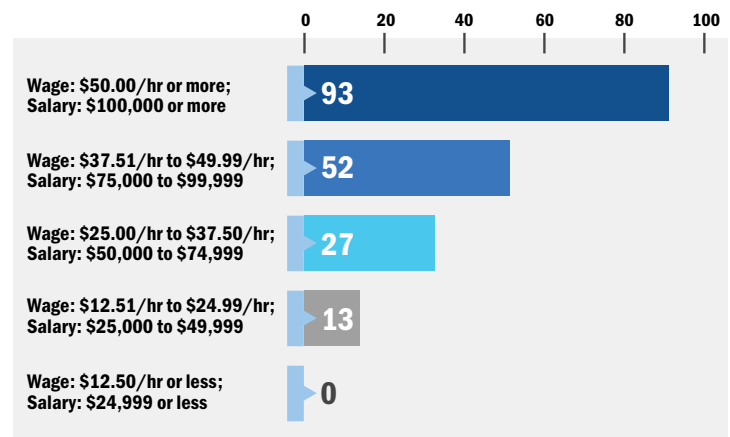
As of December 31, 2020

-261

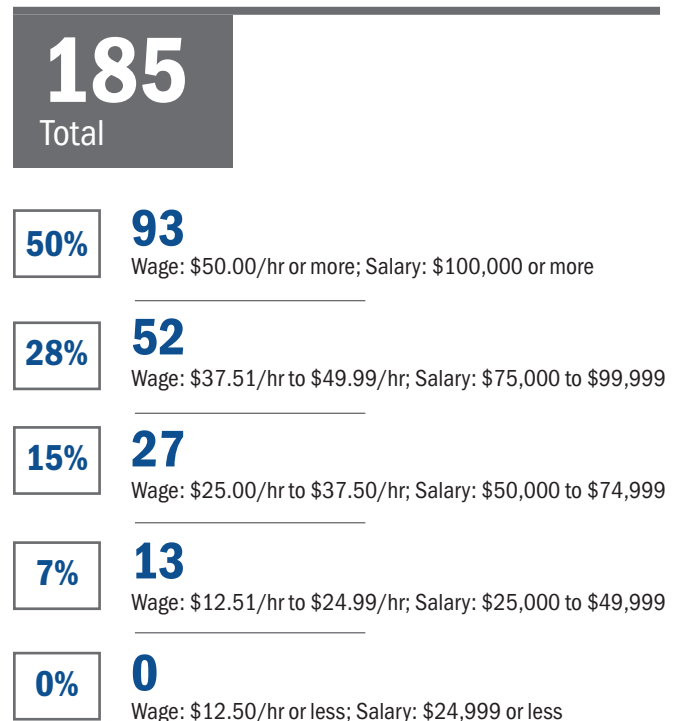
Change in Reported Part-Time Jobs

Wages

Half of the 185 part-time jobs reported provided an income of \$50.00/hr or higher, or salary of \$100,000 or more. More than a fourth of part-time jobs provided a wage between \$37.51/hr to \$49.99/hr or salary between \$75,000 to \$99,999.



Salary Ranges: Full-time Jobs

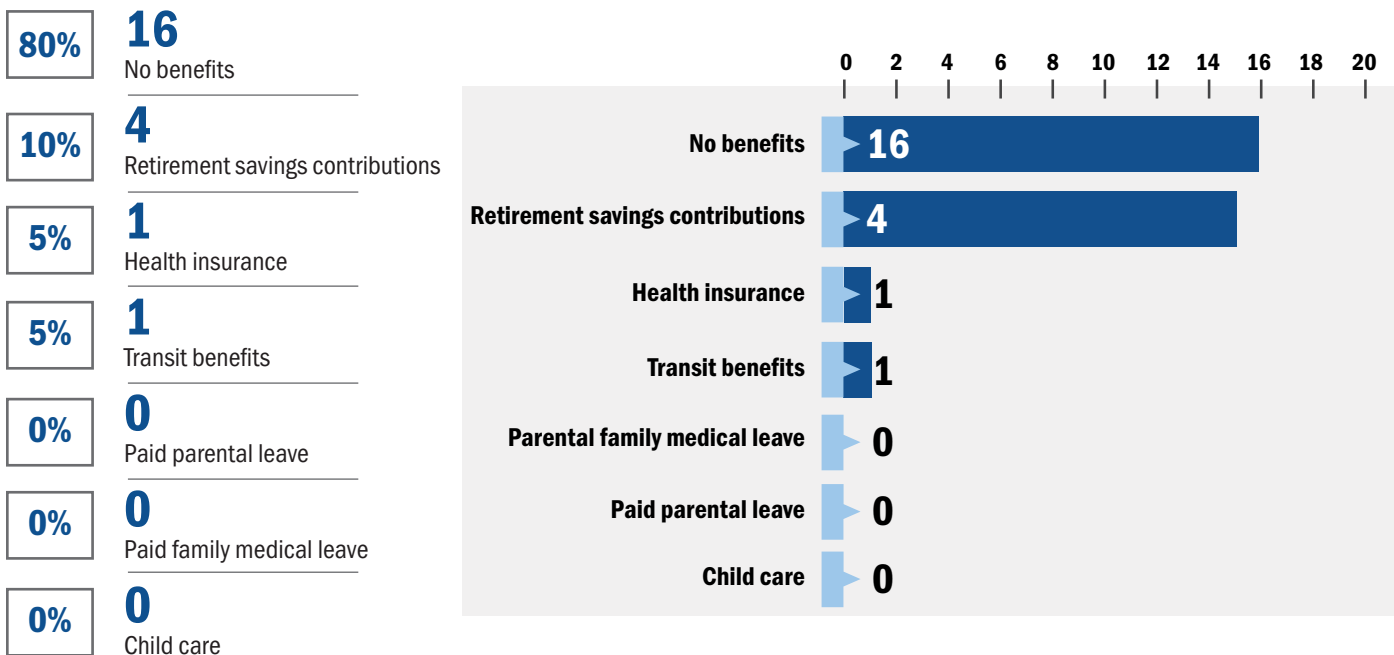




Benefits

Six of the responding businesses (or 30 percent) provided at least one to two benefits for their part-time employees. The benefit most frequently provided to part-time employees was employer contributions to a retirement savings account. A majority of employers (80 percent) provided no benefits to their part-time employees.

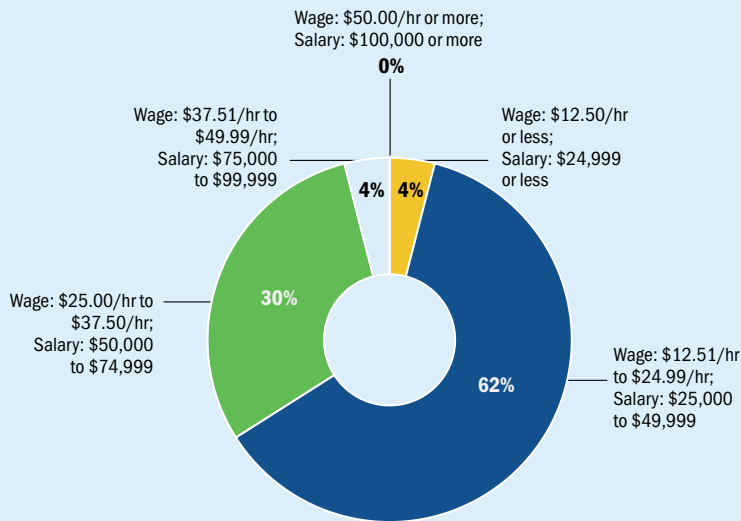
Benefits: Part-time Jobs



Temporary And Contract Jobs

Temporary or Seasonal Jobs

Respondents reported creating 27 seasonal or temporary jobs in 2020. A majority of these jobs had an income between \$12.51/hr to \$24.99/hr, or \$25,000 to \$49,999 annually. Less than one-third provided an income between \$25.00/hr to \$37.50/hr, or a salary between \$50,000 to \$74,999. Five out of 20 respondents (or 75 percent) eligible for this analysis provided data for temporary or seasonal employment.



Contract Jobs

Additionally, respondents reported hiring 398 independent contractors in 2020, compared to 512 in 2019. The total value of these contracts was \$89,648,477. On average, each contractor received \$225,247 for their services in 2020. Sixteen of the 20 respondents (or 80 percent) provided job data for independent contractors.

398
Total number of independent contractors utilized in 2020

\$89,648,477
Total amount spent on independent contractors in 2020



Social Impact

Youth Employment

Respondents reported participating in various activities that connected Philadelphia's youth to meaningful work experiences. Eight of 20 eligible businesses (or 40 percent) for the analysis provided youth work experiences data. All provided paid or unpaid internships and/or apprenticeships.

