

SUBSIDY AND JOB CREATION REPORT

TAX YEAR 2022

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Executive Summary

Survey Objective

In 2019, 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 2022, 36 businesses participated in the survey and employed 4,386 full-time workers, 534 part-time workers, 294 seasonal or temporary workers, and 237 independently contracted workers, for a total of 5,451 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 May 2023 through August 2023 using Formstack. Surveys were sent to potential qualifying businesses through various programs 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, 36 survey responses were included in this report.

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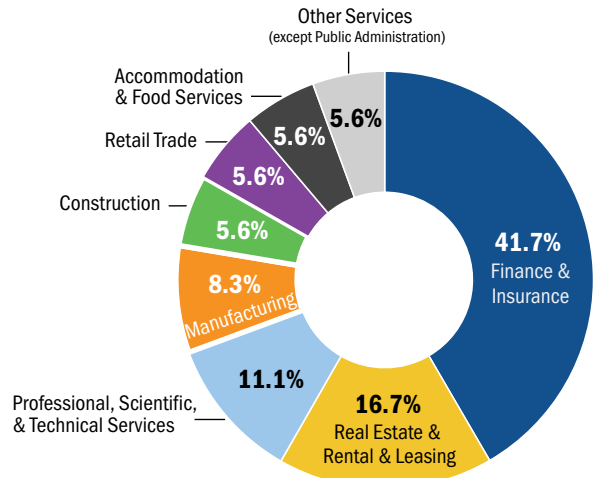


The number of respondents in each given analysis is included in the graph for transparency. Additionally, some respondents did not give responses to certain sections because the sections weren't applicable to their business (i.e. the business had no part-time jobs so they did not fill out the section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

This year, the number of survey respondents was slightly higher in comparison to the last two years. The Department of Commerce continues to work on improving survey outreach and design to increase the survey response rate.

Business Industry

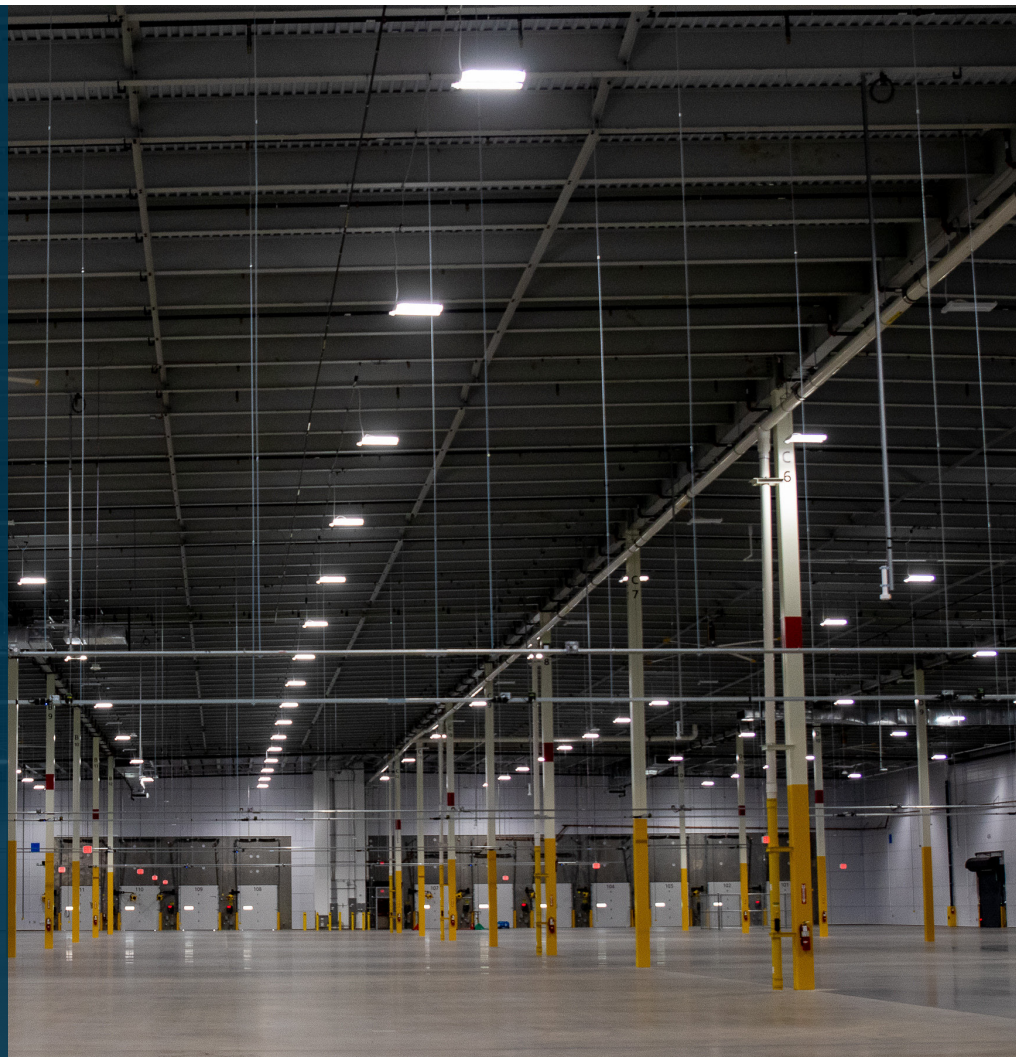
Finance and Insurance was the largest industry represented in the survey data, comprising over a third of respondents. Real Estate and Rental and Leasing and Professional, Scientific, and Technical Services followed in second and third. The remaining industries are shown in the graph below. All 36 respondents eligible for this analysis provided industry data.

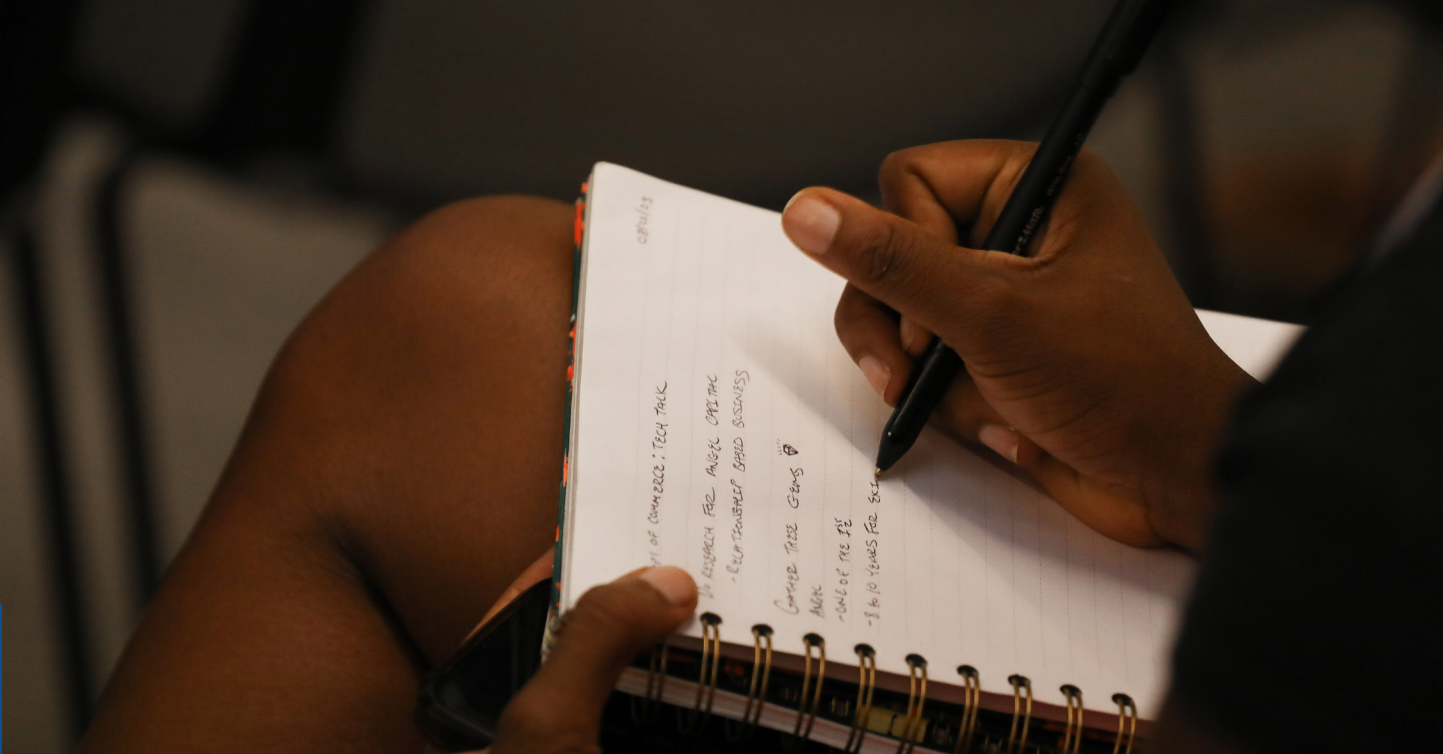


Sectors Reporting

36
Total

- 41.7%** **15**
Finance & Insurance
- 16.7%** **6**
Real Estate & Rental and Leasing
- 11.1%** **4**
Professional, Scientific, and Technical Services
- 8.2%** **3**
Manufacturing
- 5.6%** **2**
Construction
- 5.6%** **2**
Retail Trade
- 5.6%** **2**
Accommodation and Food Services
- 5.6%** **2**
Other Sectors





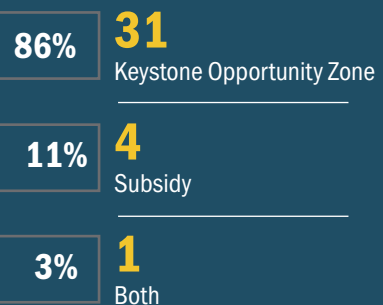
Financial Assistance Type

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 2022.

Almost all 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



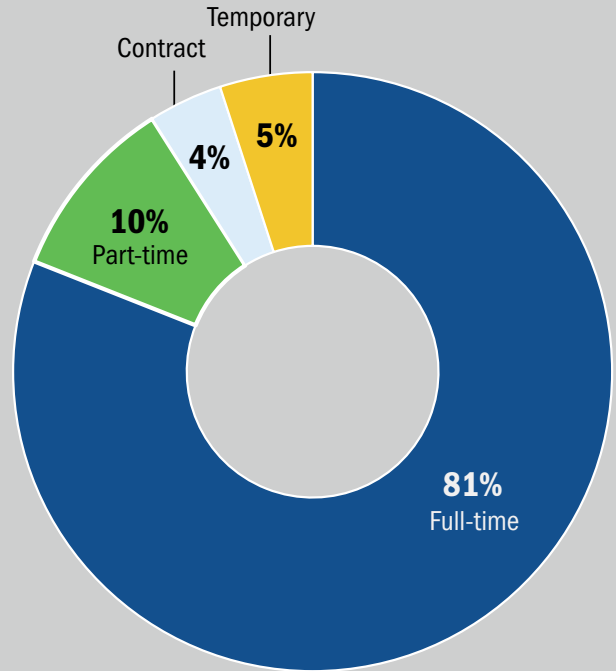
89%

of 2022 respondents were located in a KOZ and had over \$2 million in revenue.

Employment by Job Type

In total, there were 5,451 jobs reported by survey respondents in 2022. The majority of jobs were full-time positions. Survey respondents also reported few part-time, contract, and temporary positions.

In total, **5,451 jobs reported** by survey respondents in 2022.



Type of Job

5,451
Total

81% **4,386**
Full-time

10% **534**
Part-time

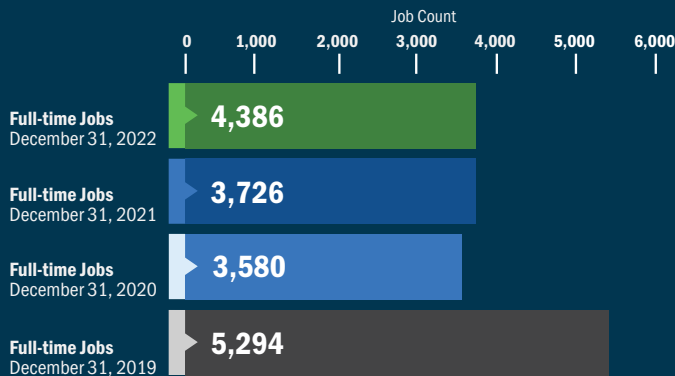
5% **294**
Temporary

4% **237**
Contract

Full-Time Jobs

Full-time Employment

Overall, the respondents reported 4,386 full-time jobs. This represents the total number of full-time employees on December 31, 2022, in each income bracket. Note that there were more responses in 2022 than 2021, resulting in 660 more full-time jobs in Philadelphia reported amongst subsidy recipients compared to 2021. Twenty-seven of 36 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 per week.



Number of Reported Full-Time Jobs

4,386

As of December 31, 2022 (36 respondents)

3,726

As of December 31, 2021 (31 respondents)

3,580

As of December 31, 2020 (20 respondents)

5,294

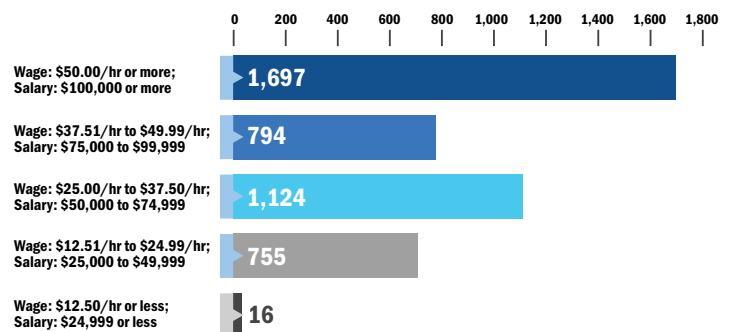
As of December 31, 2019 (40 respondents)

+660

1-Year Change in Reported Full-Time Jobs

Wages

Respondents reported 4,386 total full-time jobs on December 31, 2022. Almost 40% of jobs provided \$50.00/hr or more, equal to a minimum annual salary of \$100,000. About one-fourth of jobs provided an income of \$25.00/hr to \$37.50/hr or \$50,000 to \$74,999 annually. Only 0.4 percent of respondents reported full-time wages less than \$12.50, or up to \$24,999 annually.



Salary Ranges: Reported Full-Time Jobs

4,386
Total

38.7%

1,697

Wage: \$50.00/hr or more; Salary: \$100,000 or more

18.1%

794

Wage: \$37.51/hr to \$49.99/hr; Salary: \$75,000 to \$99,999

25.6%

1,124

Wage: \$25.00/hr to \$37.50/hr; Salary: \$50,000 to \$74,999

17.2%

755

Wage: \$12.51/hr to \$24.99/hr; Salary: \$25,000 to \$49,999

0.4%

16

Wage: \$12.50/hr or less; Salary: \$24,999 or less



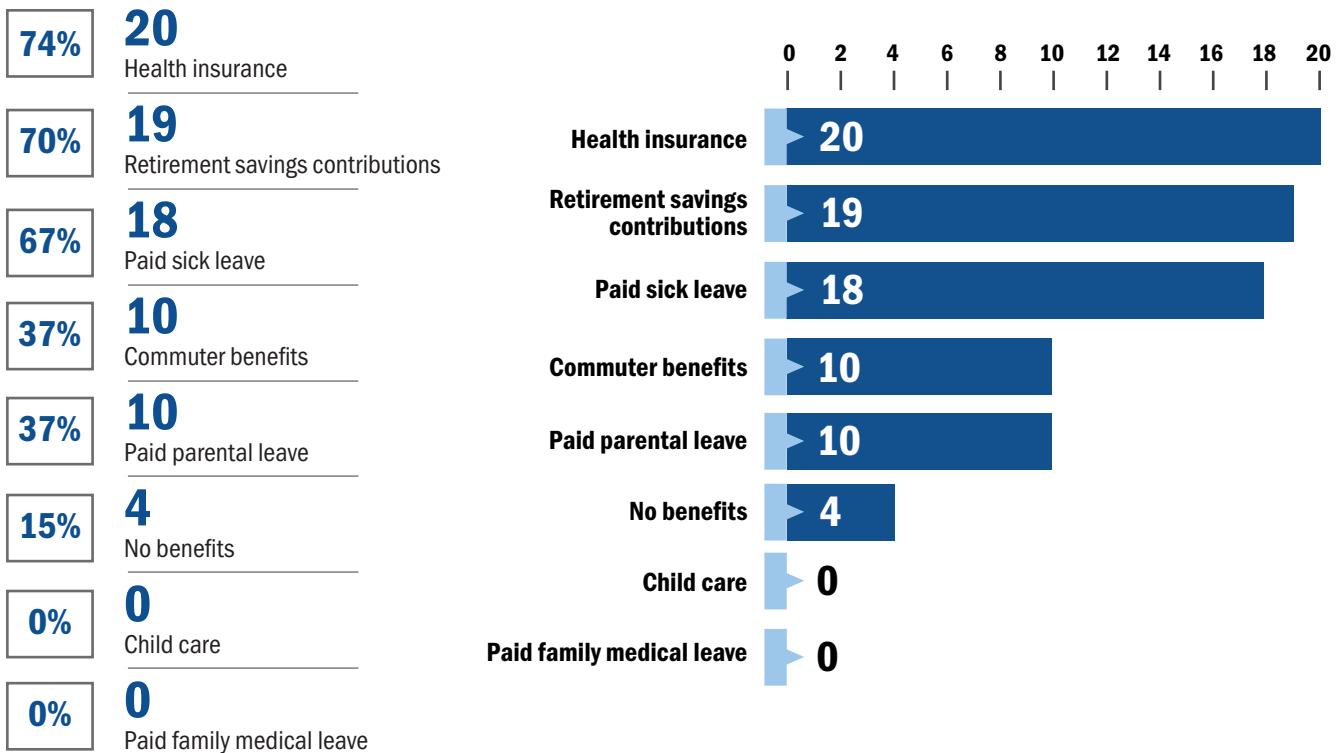
Benefits

Most respondents reporting full-time employees provided contributions to a retirement savings account (70 percent) and health insurance (74 percent). A slightly smaller portion (67 percent) offered paid sick leave, while just over one-third offered paid parental leave.

Out of the 27 respondents, 18 (or 67 percent) provided three or more benefits to their full-time employees. These employers constituted the majority of those offering benefits beyond health insurance and retirement savings contributions. This indicates that most businesses extended health coverage and retirement savings contributions to their full-time employees. Some companies went further, offering nearly all available benefits, while a few provided health insurance and retirement savings contributions along with one additional benefit.

None of the respondents reported providing childcare or paid family medical leave benefits. Meanwhile, four out of 27 respondents (15 percent) did not offer any benefits at all.

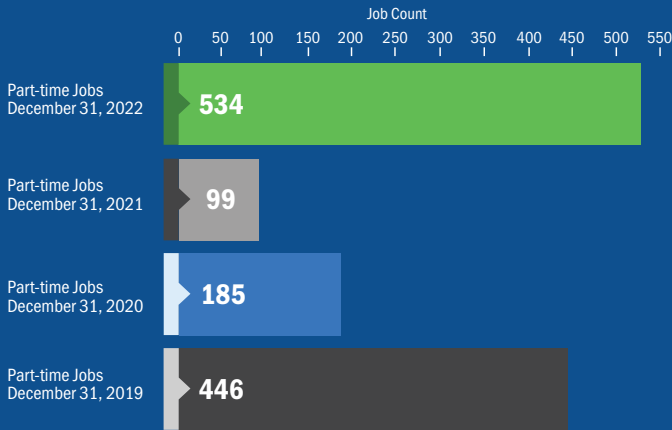
Benefits: Reported Full-time Jobs



Part-Time Jobs

Part-time Employment

Respondents reported 534 part-time jobs. This represents the total number of part-time employees on December 31, 2022, in each income bracket. Despite slightly more survey responses in 2022, there were 435 more part-time jobs in Philadelphia reported amongst subsidy recipients compared to 2021. One respondent accounted for a third of part-time employment (186 jobs). Fourteen out of the 36 respondents (or 39 percent) eligible for the analysis provided part-time employment data. Part-time employees are defined as those who work, on average, less than 30 hours or more a week.



Number of Reported Part-time Jobs

534

As of December 31, 2022

99

As of December 31, 2021

185

As of December 31, 2020

446

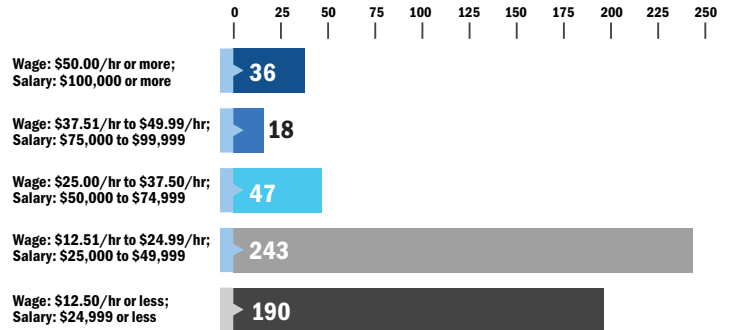
As of December 31, 2019

+435

1-Year Change in Reported Part-Time Jobs

Wages

About a half of part-time jobs reported provided an income of \$12.51/hr to \$24.99/hr or \$25,000 to \$49,999 annually. More than one-third reported part-time wages less than \$12.50, or up to \$24,999 annually.



Salary Ranges: Reported Part-Time Jobs

534

Total

6.7%

36

Wage: \$50.00/hr or more; Salary: \$100,000 or more

3.4%

18

Wage: \$37.51/hr to \$49.99/hr; Salary: \$75,000 to \$99,999

8.8%

47

Wage: \$25.00/hr to \$37.50/hr; Salary: \$50,000 to \$74,999

45.5%

243

Wage: \$12.51/hr to \$24.99/hr; Salary: \$25,000 to \$49,999

35.6%

190

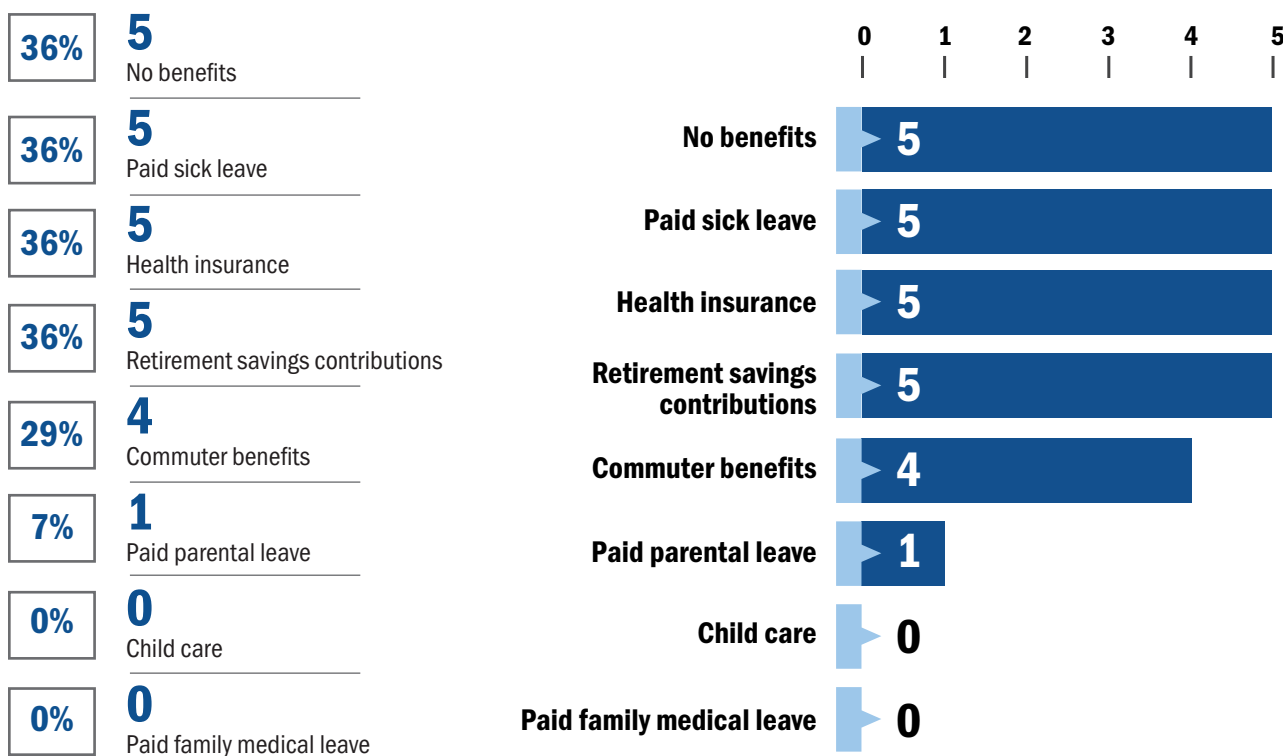
Wage: \$12.50/hr or less; Salary: \$24,999 or less



Benefits

Nine out of the fourteen responding businesses (64 percent) provided at least one benefit for their part-time employees. The benefits most frequently provided to part-time employees were employer contributions to a retirement savings account, health insurance, and paid sick leave. No respondents offered childcare or paid family medical leave to their part-time workforce. Five respondents (36 percent) provided no benefits.

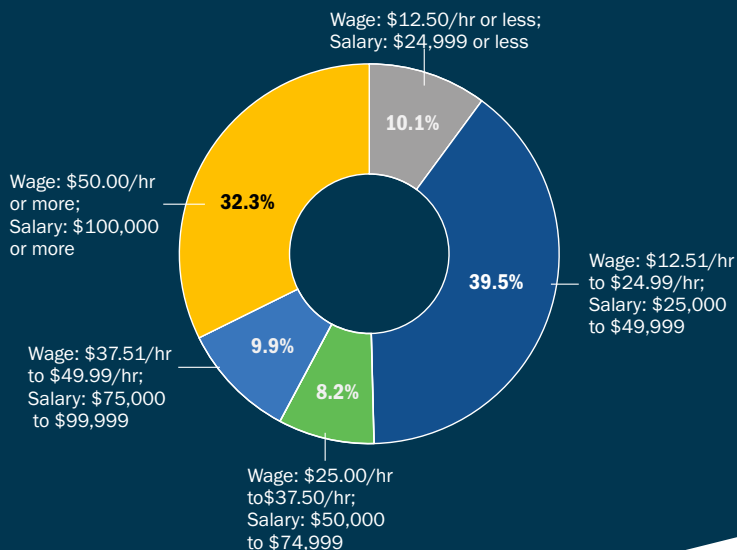
Benefits: Reported Part-time Jobs



Temporary And Contract Jobs

Temporary or Seasonal Jobs

Respondents reported creating 294 temporary or seasonal jobs in 2022. Two respondents accounted for the majority of temporary employment (239 jobs). Approximately one-third of the temporary jobs provided an income of \$50.00/hr or more, or minimum \$100,000 salary. Almost half provided an income between \$12.51/hr to \$37.50/hr or \$25,000 to \$74,999 annually. Ten percent of respondents reported seasonal wages less than \$12.50, or up to \$24,999 annually. Seven out of 36 respondents (or 19 percent) eligible for this analysis provided data for temporary or seasonal employment.



Contract Jobs

Additionally, respondents reported hiring 237 independent contractors in 2022, compared to 595 in 2021 and 398 in 2020. The total value of these contracts was \$42,901,051 in 2022. On average, each contractor received \$181,017 for their services in 2022. Nineteen of the 36 respondents (or 53 percent) provided data for independent contractors.

237

Total number of independent contractors utilized in 2022

\$42,901,051

Total amount spent on independent contractors in 2022



Social Impact

Youth Employment

Respondents reported participating in various activities that connected Philadelphia's youth to meaningful work experiences. Twenty-four of 36 responding businesses (or 67 percent) provided some sort of youth work experience. All provided paid or unpaid internships and/or apprenticeships.

- 67%**

24
Paid or unpaid internships and/or apprenticeships
- 33%**

12
None of the above
- 33%**

8
Summer or year-round job opportunities
- 21%**

5
Job shadowing
- 4%**

1
Career days in school

