

SUBSIDY AND JOB CREATION REPORT



Department of Commerce
CITY OF PHILADELPHIA

GROW PHILLY

THE DEPARTMENT OF COMMERCE'S ROADMAP FOR INCLUSIVE ECONOMIC GROWTH IN PHILADELPHIA

MISSION
The Department of Commerce is a catalyst of inclusive economic growth in Philadelphia. We are committed to Mayor Cherele L. Parker's vision of making Philadelphia the safest, cleanest, and greenest big city in the nation with access to economic opportunity for all.

SERVICE EXCELLENCE

VALUES

- ✓ Impact-Focused
- ✓ Business-Centered
- ✓ Inclusive Growth-Oriented
- ✓ Collaborative

MAYOR'S BUSINESS ACTION TEAM

The Mayor's Business Action Team (MBAT) in the Department of Commerce provides personalized assistance in multiple languages to entrepreneurs for all aspects of doing business in Philadelphia. MBAT Business Navigators help businesses resolve complex challenges in navigating City regulations.

PHILADELPHIA PERMIT NAVIGATOR

The City is expanding the online Permit Navigator to help users determine what permits and licenses are necessary and how to apply for them.

STRATEGIES

- Deliver Service Excellence to Businesses
- Offer Business Education and Capacity Building
- Provide Direct Capital to Businesses
- Proactively Attract and Retain Businesses
- Activate Neighborhood Economic Growth
- Advance Innovative Workforce Solutions
- Enable Efficient & Effective Operations

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TAX YEAR 2023

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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.

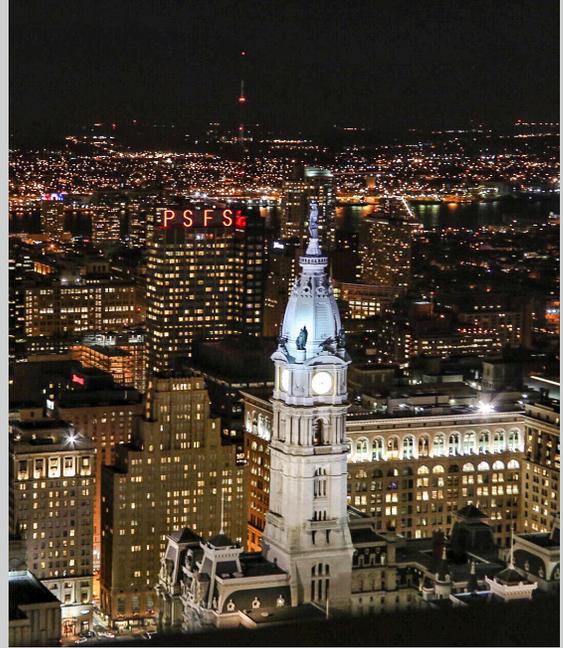
Main Results

In 2023, 36 businesses participated in the survey and employed 5,795 full-time workers, 413 part-time workers, 182 seasonal or temporary workers, and 646 independently contracted workers, for a total of 7036 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 2024 through August 2024 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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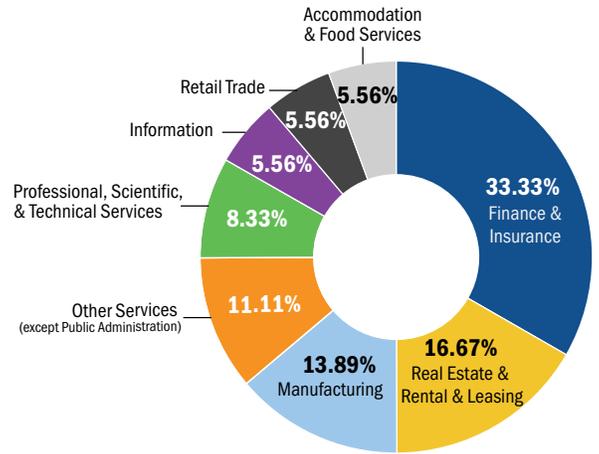


The number of respondents in each given analysis is included in the graph for transparency. Additionally, some respondents did not give responses to certain sections because the sections weren't applicable to their business (i.e. the business had no part-time jobs so they did not fill out the section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

This year, the number of survey respondents was the same as last year. 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 a third of respondents. Real Estate and Rental and Leasing and Manufacturing 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

- 33.3%** **12** Finance & Insurance
- 16.7%** **6** Real Estate & Rental and Leasing
- 13.9%** **5** Manufacturing
- 11.1%** **4** Other Services
- 8.3%** **3** Professional, Scientific, and Technical Services
- 5.6%** **2** Information
- 5.6%** **2** Retail Trade
- 5.6%** **2** Accommodation and Food Services





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 2023.

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

Type of Financial Assistance

92% **33**
Keystone Opportunity Zone

8% **3**
Subsidy

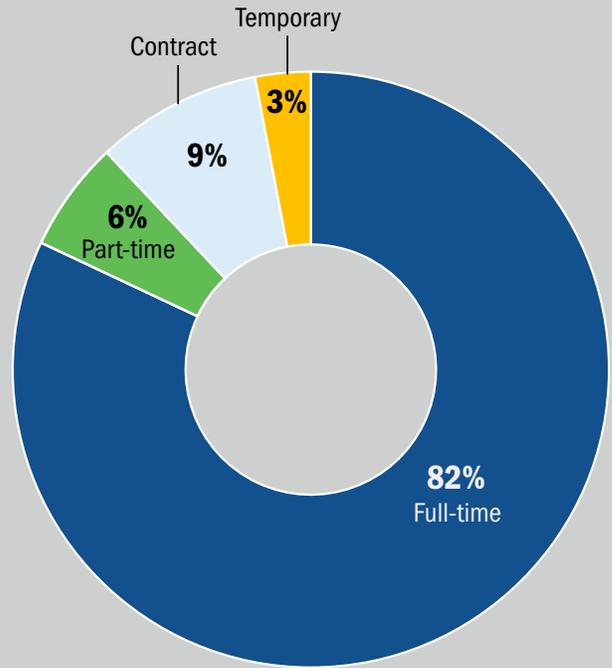
92%

of 2023 respondents were located in a KOZ and had over \$2 million in revenue.

Employment by Job Type

In total, there were 7,036 jobs reported by survey respondents in 2023. The majority of jobs were full-time positions. Survey respondents also reported few part-time, contract, and temporary positions.

In total, **7,036 jobs reported** by survey respondents in 2023.



Type of Job

7,036
Total

82% **5,795**
Full-time

6% **413**
Part-time

3% **182**
Temporary

9% **646**
Contract

Full-Time Jobs

Full-time Employment

Overall, the respondents reported 5,795 full-time jobs. This represents the total number of full-time employees on December 31, 2023 in each income bracket. Note that 2023 had 1409 more full-time jobs reported amongst subsidy recipients compared to 2022 while the number of responses stayed the same as 2022.

Twenty-five 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

5,795

As of December 31, 2023 (36 respondents)

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

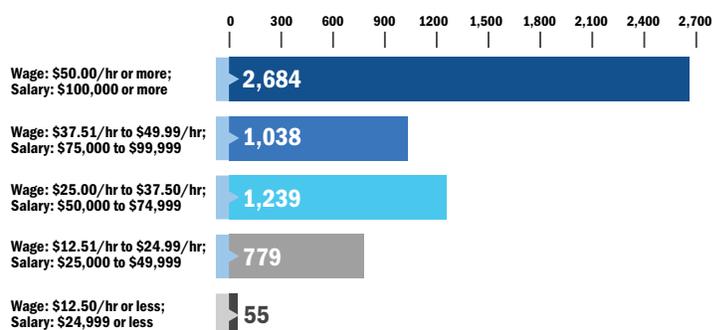
As of December 31, 2019 (40 respondents)

+1,409

1-Year Change in Reported Full-Time Jobs

Wages

Respondents reported 5,795 total full-time jobs on December 31, 2023. Almost half of jobs provided \$50.00/hr or more, equal to a minimum annual salary of \$100,000. About one-fifth of jobs provided an income of \$25.00/hr to \$37.50/hr or \$50,000 to \$74,999 annually. Only 0.9 percent of respondents reported full-time wages less than \$12.50, or up to \$24,999 annually.



Salary Ranges: Reported Full-Time Jobs

5,795
Total

46.3%

2,684

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

17.9%

1,038

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

21.4%

1,239

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

13.4%

779

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

0.9%

55

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



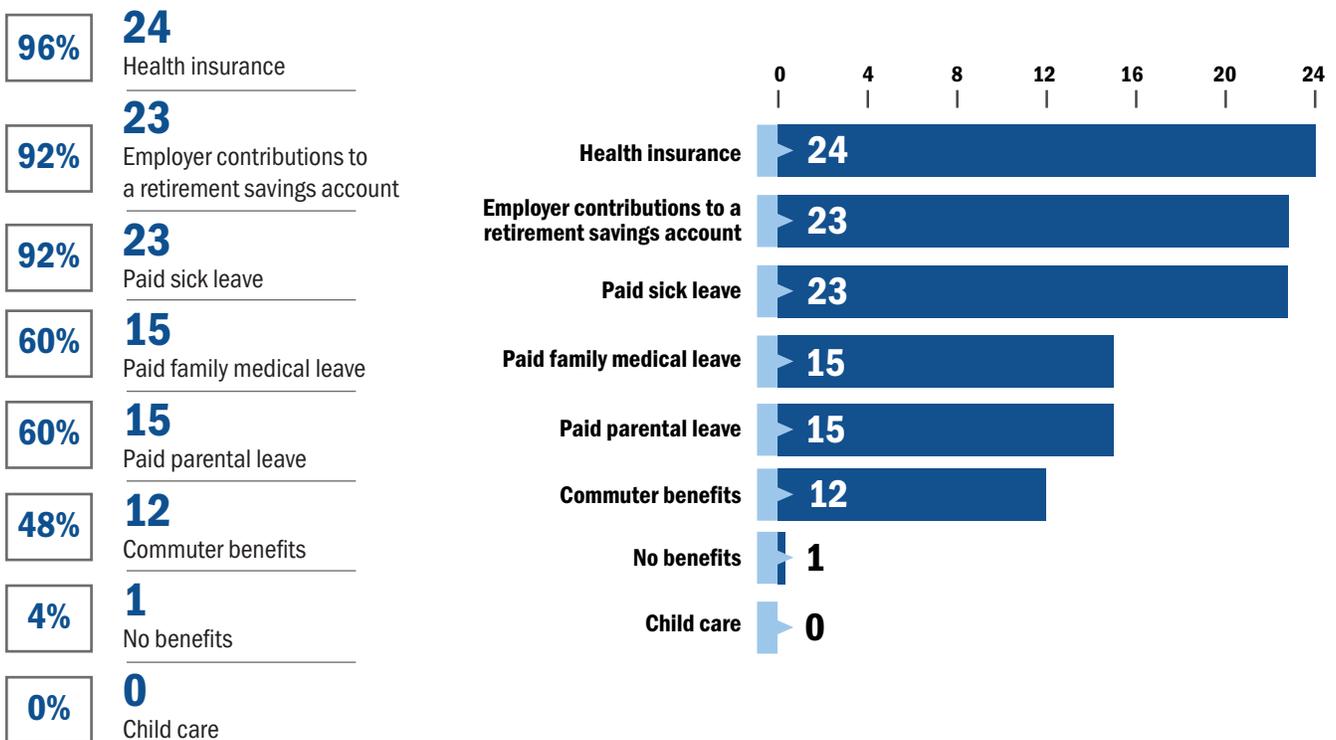
Benefits

Most respondents reporting full-time employees provided contributions to a retirement savings account (92 percent), health insurance (96 percent), and offered paid sick leave (92 percent), while just about two-third offered paid parental leave.

Out of the 25 respondents, 23 (or 92 percent) provided three or more benefits to their full-time employees. These employers constituted the majority of those offering benefits beyond health insurance, paid sick leave, and retirement savings contributions. This indicates that most businesses extended health insurance, paid sick leave, 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. Meanwhile, only one out of 25 respondents did not offer any benefits at all.

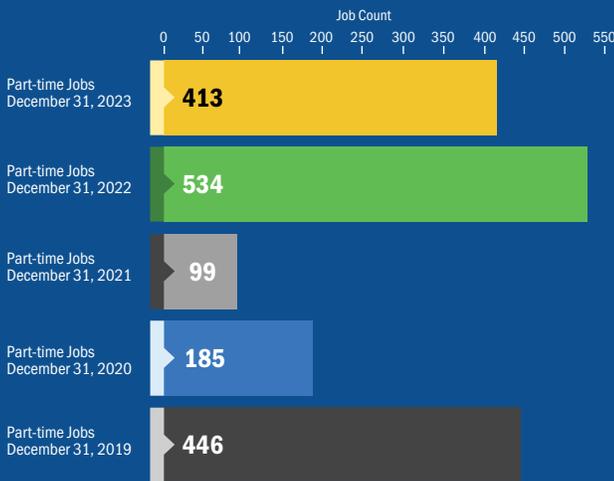
Benefits: Reported Full-time Jobs



Part-Time Jobs

Part-time Employment

Respondents reported 413 part-time jobs. This represents the total number of part-time employees on December 31, 2023 in each income bracket. Compared to 2022, the same number of responses were received in 2023. However, there were 121 fewer part-time jobs in Philadelphia reported amongst subsidy recipients. Two respondents accounted for over two thirds of part-time employment (286 jobs). Twelve out of the 36 respondents (or 33 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 a week.



Number of Reported Part-time Jobs

413

As of December 31, 2023

534

As of December 31, 2022

99

As of December 31, 2021

185

As of December 31, 2020

446

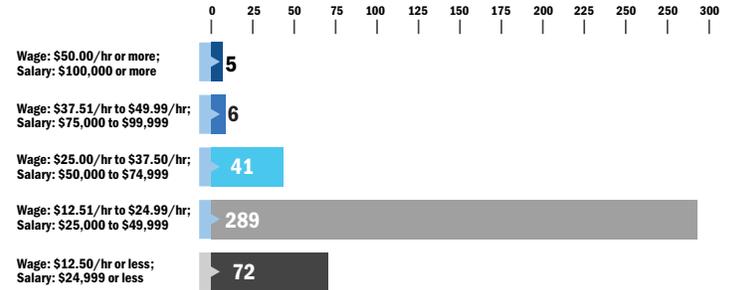
As of December 31, 2019

-121

1-Year Change in Reported Part-Time Jobs

Wages

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



Salary Ranges: Reported Part-Time Jobs

413

Total

1.2%

5

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

1.5%

6

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

9.9%

41

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

70.0%

289

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

17.4%

72

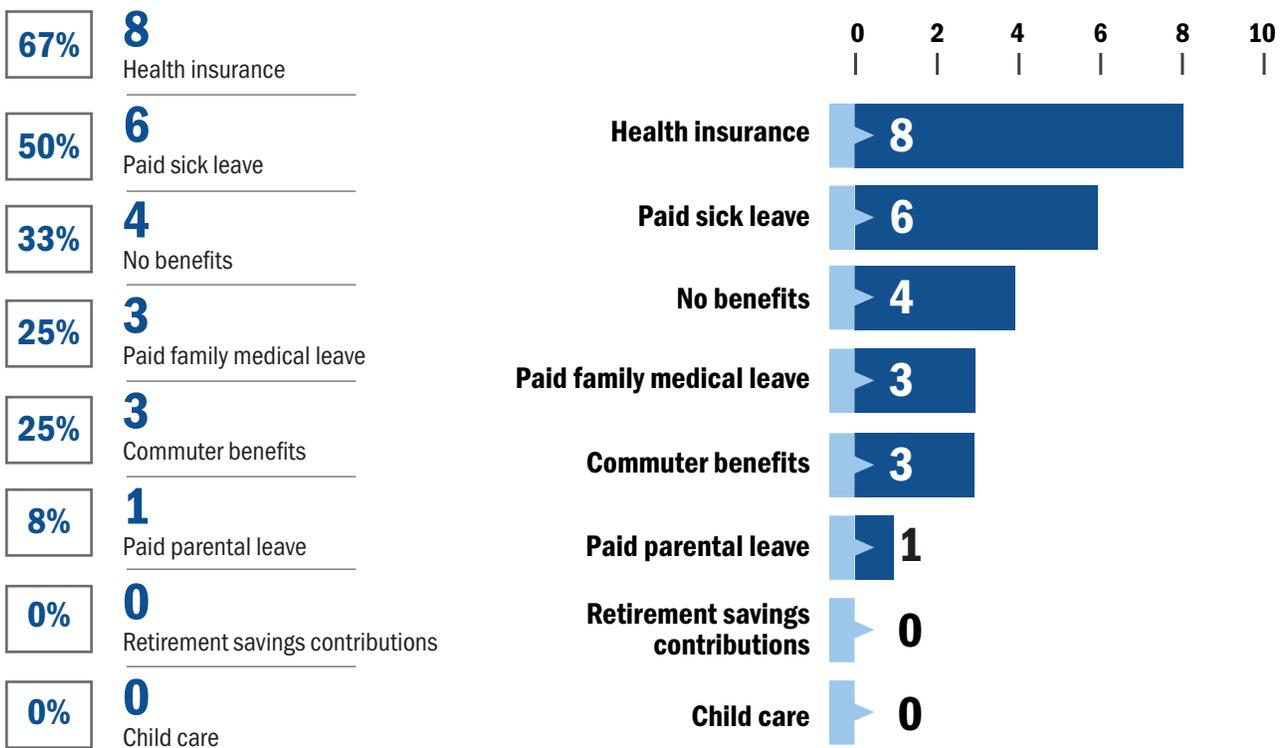
Wage: \$12.50/hr or less; Salary: \$24,999 or less



Benefits

Ten out of the twelve responding businesses (83 percent) provided at least one benefit for their part-time employees. The benefits most frequently provided to part-time employees were health insurance and paid sick leave. No respondents offered childcare or employer contributions to a retirement savings account to their part-time workforce. Four respondents (33 percent) provided no benefits.

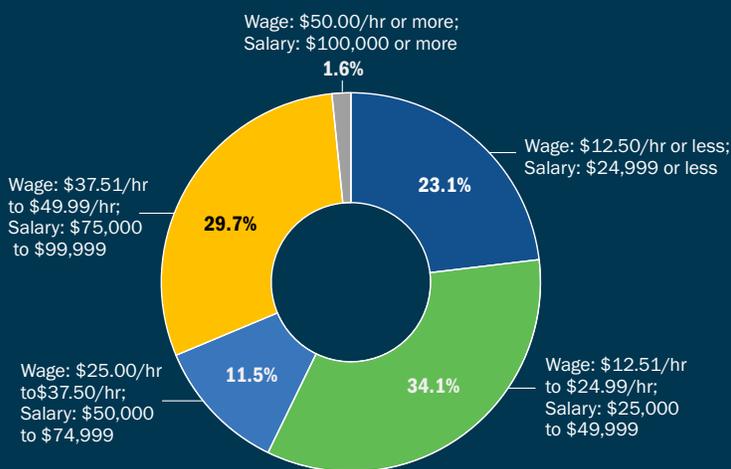
Benefits: Reported Part-time Jobs



Temporary And Contract Jobs

Temporary or Seasonal Jobs

Respondents reported creating 182 temporary or seasonal jobs in 2023. Four respondents accounted for the majority of temporary employment (173 jobs). Only 3 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. Almost one-fourth of respondents reported seasonal wages less than \$12.50, or up to \$24,999 annually. Six out of 36 respondents (or 17 percent) eligible for this analysis provided data for temporary or seasonal employment.



Contract Jobs

Additionally, respondents reported hiring 646 independent contractors in 2023, compared to 237 in 2022 and 595 in 2021. The total value of these contracts was \$37,340,743 in 2023. On average, each contractor received \$57,803 for their services in 2023. Eighteen of the 36 respondents (or 50 percent) provided data for independent contractors.

646

Total number of independent contractors utilized in 2023

\$37,340,743

Total amount spent on independent contractors in 2023



Social Impact

Youth Employment

Respondents reported participating in various activities that connected Philadelphia's youth to meaningful work experiences. Twenty of 36 responding businesses (or 56 percent) provided some sort of youth work experience. All provided paid or unpaid internships and/or apprenticeships.

