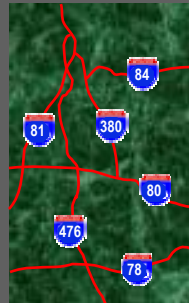


Northeast Pennsylvania

• Resource Profile •



Overview on the Available Resources for
Locating Financial Services & Insurance Industry
Support Operations in Northeast Pennsylvania

Moran, Stahl & Boyer, LLC

Atlanta • Chicago • New York

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The purpose of this resource profile is to provide objective information concerning the financial services and insurance industry within Northeast Pennsylvania to support companies in making decisions concerning the establishment of operations in the region. Information is provided on a best-effort basis by **Moran, Stahl & Boyer**, a recognized national site selection and economic development consultant. It is recommended that a prospective company thoroughly review the community and determine their ability to be successful prior to making a final location decision.

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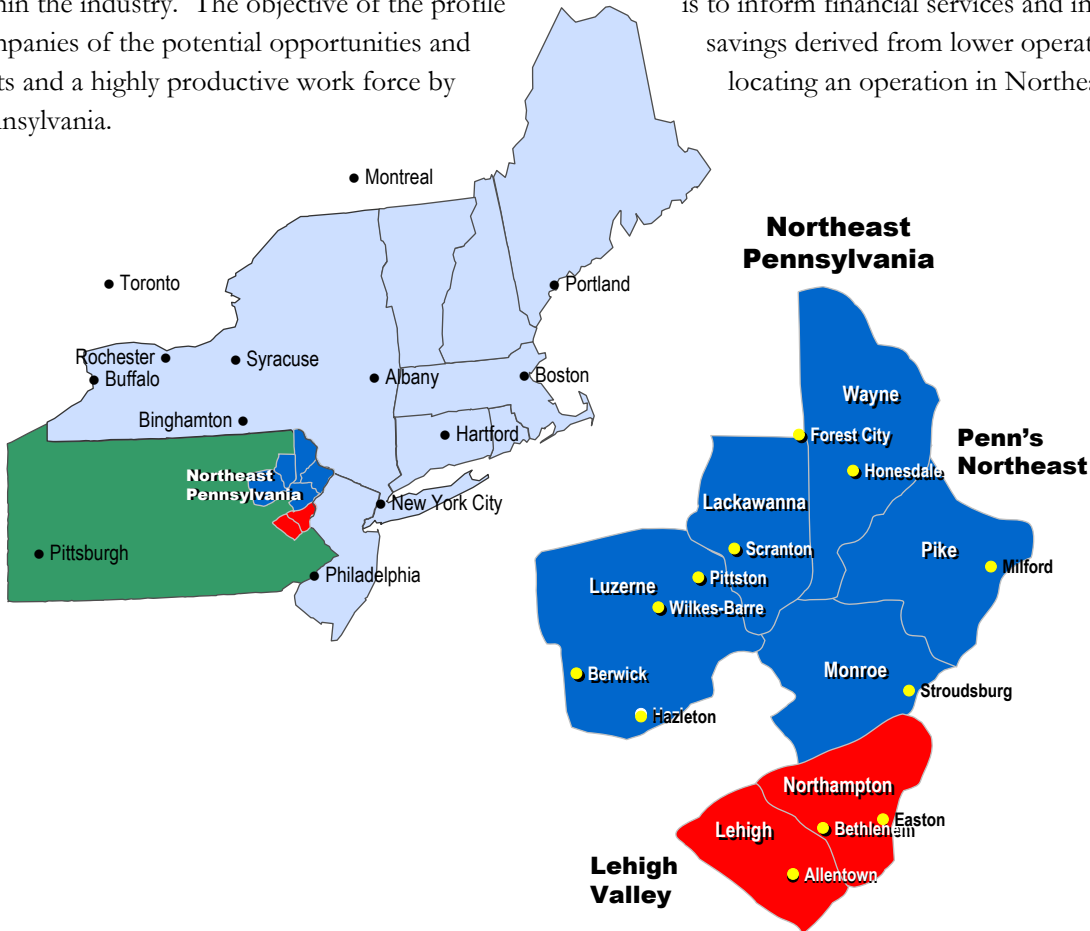
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I. Overview on Financial Services & Insurance Industry in Northeast Pennsylvania

Within northeast Pennsylvania, there are currently over 20,000 residents employed within the financial services and insurance industry. There are also over 20 major employers with operations that include: corporate headquarters, back offices, data processing, software development, customer service, sales and other related functions. Over the past twenty years, companies from major metropolitan areas, such as New York City, Hartford and Chicago, have located operations in this area to take advantage of lower operating costs, a well educated and motivated work force, and the accessibility to major metro areas via interstate and air service. The drive time from portions of the area to New York City is about one hour and forty five minutes.

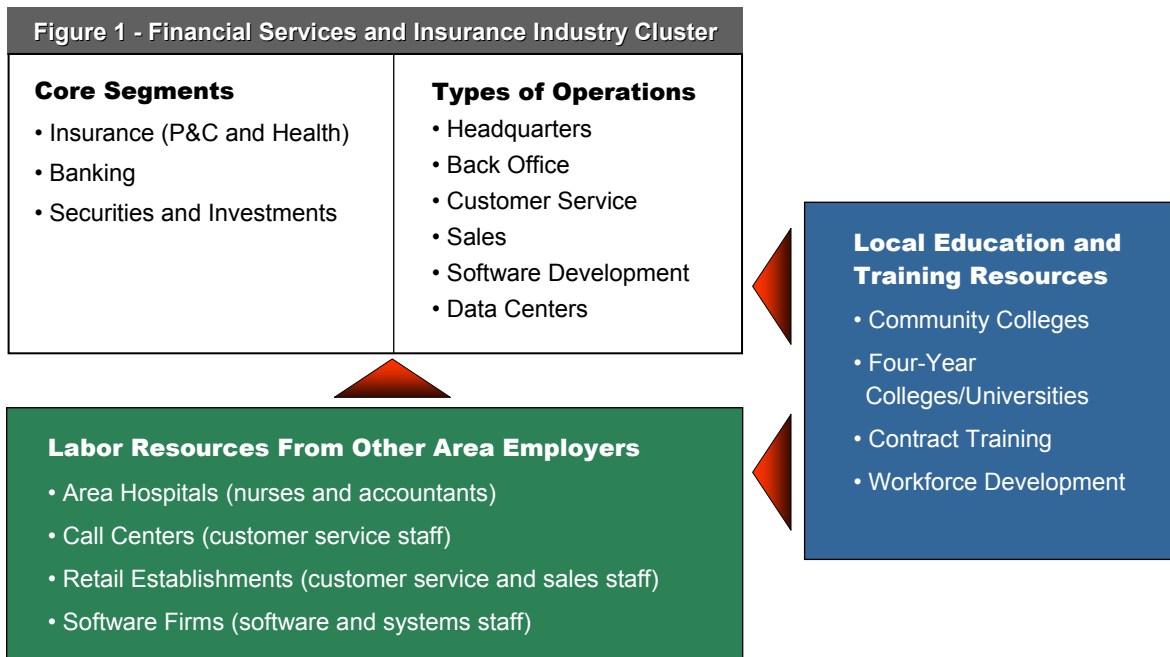
Northeast Pennsylvania is comprised of a seven-county area divided into two economic development regions: Penn’s Northeast which includes five counties and the communities of Scranton, Wilkes-Barre, Hazleton, Stroudsburg, Milford, Pittston, Honesdale, Berwick and Forest City, and the Lehigh Valley which includes two counties and the cities of Allentown, Bethlehem and Easton.

Information for this resource profile was compiled from published federal government sources, local economic development staff, the Internet, and interviews with about fifteen (15) local employers from within the industry. The objective of the profile is to inform financial services and insurance companies of the potential opportunities and savings derived from lower operating costs and a highly productive work force by locating an operation in Northeast Pennsylvania.



I. Overview on Financial Services & Insurance Industry in Northeast Pennsylvania

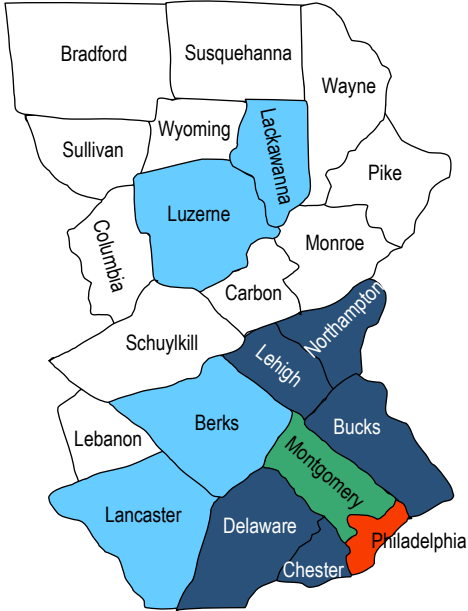
The local financial services and insurance industry cluster includes the core segments of insurance, banking and securities. As noted in Figure 1 below, there are also other industries that support the core industries in addition to the education institutions that underpin the entire local economy. Based on interviews with local employers within the financial services and insurance industries, a critical mass of employment within the industry has been reached and having additional employers within the industry would be beneficial in expanding the employment base. Most of the local employers recruit experienced labor (rather than newly graduated students) from regional and national labor sources and utilize local colleges and universities for certain skill and career enhancement.



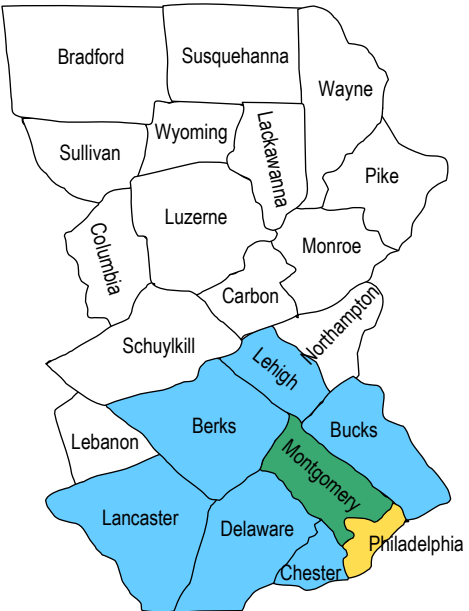
I. Overview on Financial Services & Insurance Industry in Northeast Pennsylvania

Employment by county in eastern Pennsylvania for financial services, insurance and related industries:

Insurance Carriers

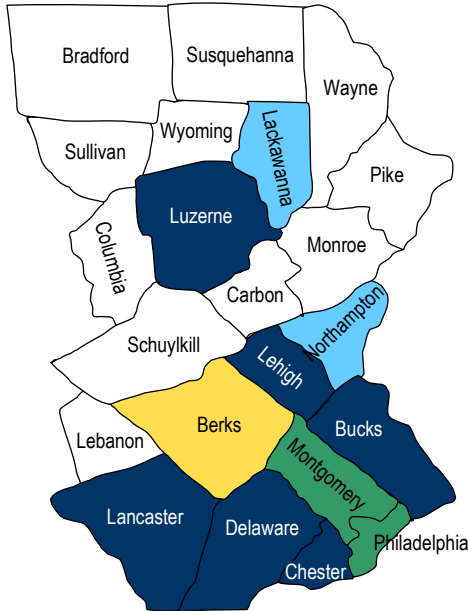


Securities Firms

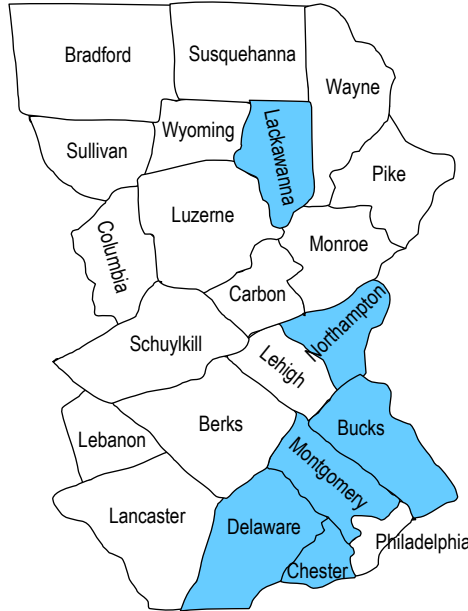


Key:
 Level of Employment
 >25,000
 10,000 - 25,000
 5,000 - 10,000
 2,500 - 5,000
 500 - 2,500
 <500

Banking/Credit Institutions



Data Processing Centers



Key:
 Level of Employment
 >25,000
 10,000 - 25,000
 5,000 - 10,000
 2,500 - 5,000
 500 - 2,500
 <500

Source: U.S. Census Bureau

II. Financial Services & Insurance and Related Companies in the Region

Table 1 - Major Financial Services and Insurance Employers Within the Region			
Company	Location	Description of Operation	Employees
Guardian Life Ins. Co. of America	Bethlehem	Back office and customer service	1,600
Bank of America (formerly Fleet)	Moosic (Scranton)	Bank processing	1,100
Blue Cross of NE PA	Wilkes-Barre	Insurance processing	1,000
Aetna US Healthcare Services	Allentown	Back office and customer service	1,000
Prudential Financial	Moosic (Scranton)	Customer service and processing	900
CIGNA Healthcare	Moosic (Scranton)	Health insurance processing	900
Sallie Mae	Wilkes-Barre	Student loan processing	900
PNC Bank	Scranton	Financial services	875
Metropolitan Life Insurance	Moosic (Scranton) and Clark Summit	Computer center	780
The Hartford	Allentown	Back office and customer service	650
Wachovia Bank, NA	Allentown	Processing center	400
Menlo Worldwide	Dunmore	Accounting office	325
CIGNA Group Insurance	Bethlehem	Back office insurance and customer service	310
Guard Insurance Group	Wilkes-Barre	Insurance processing center	280
HealthNow New York, Inc.	Wilkes-Barre	Healthcare claims processing	270
Penn Treaty Insurance	Allentown	Back office and customer service	260
Capital Blue Cross	Allentown	Back office and customer service	255
Fireman’s Fund Company	Bethlehem	Back office and customer service	250
General Accident Insurance	Bethlehem	Back office and customer service	150
Creditek	Wilkes-Barre	Financial information	140
Penn Millers Insurance Co.	Wilkes-Barre	Headquarters and customer service	140
Unitrin	Scranton	Customer service	100

Note:

There are a number of other back office and call center operations within the region that are not related to the financial services and insurance industry. DBSi, a major disaster recovery provider, also has operations in both Bethlehem and in Clarks Summit (near Scranton).

II. Financial Services & Insurance and Related Companies in the Region

Figure 2 - Location of Major Financial Services and Insurance Employers Within the Region

Scranton Area

- Bank of America (1,100)
- Prudential Financial (900)
- CIGNA Healthcare (900)
- PNC Bank (875)
- Metropolitan Life Insurance (780)
- Menlo Worldwide (325)
- Unitrin (100)

Wilkes-Barre Area

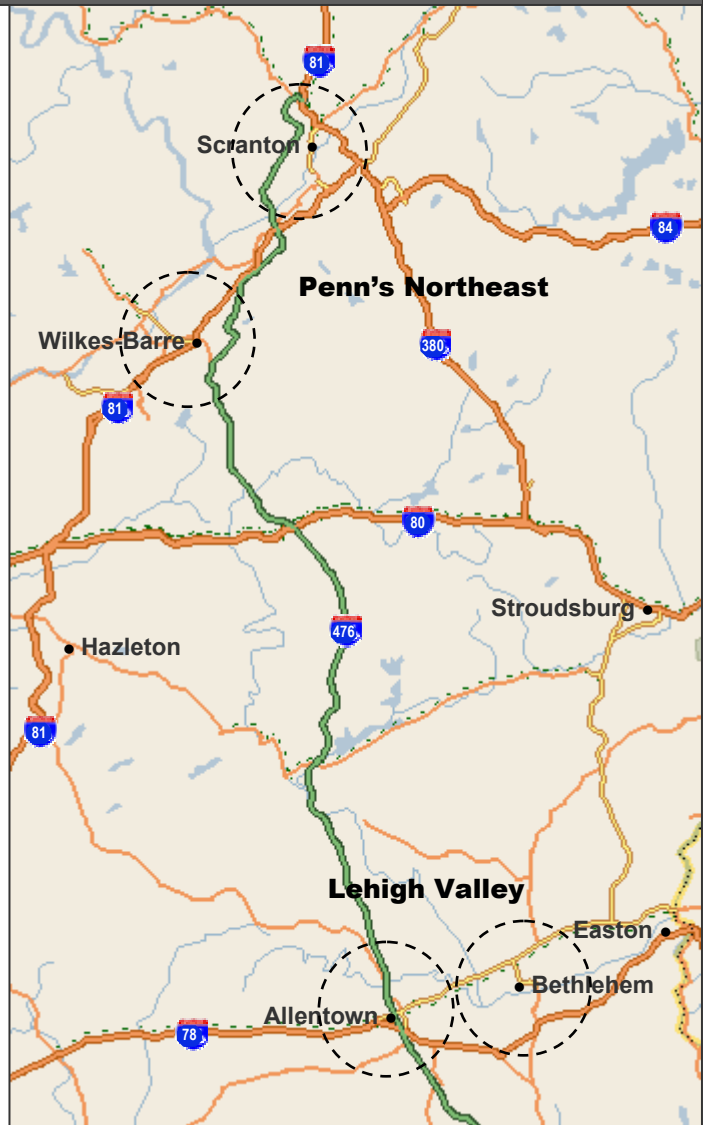
- Blue Cross of NE PA (1,000)
- Sallie Mae (900)
- Guard Insurance Group (280)
- HealthNow New York, Inc. (270)
- Penn Millers Insurance Co. (140)
- Creditek (140)

Allentown Area

- Aetna US Healthcare Services (1,000)
- The Hartford (650)
- Wachovia Bank, NA (400)
- Penn Treaty Insurance (260)
- Capital Blue Cross (255)

Bethlehem Area

- Guardian Life Insurance Co. of America (1,600)
- CIGNA Group Insurance (280)
- Fireman's Fund Insurance (250)
- General Accident Insurance (150)



Note:

Estimated current employment is noted in parentheses



III. Labor-Related Information: Employer Interviews

Interviews were conducted with senior operations or human resources representatives from about fifteen employers in the Allentown/Bethlehem/Easton and Scranton/Wilkes-Barre/Hazleton areas. The objective of the interviews was to gather information regarding the basis for locating an operation in the region, and more specifically, the ability to recruit and retain qualified talent. A summary of the interviews is as follows:

- **What was the basis for choosing Northeast Pennsylvania as the location for your operation?**

There were three very consistent responses:

- > A good supply of qualified/educated labor with strong work ethic
- > Moderate/competitive operating costs, particularly for labor and real estate
- > Access to New York City and other Northeast metropolitan areas

- **What types of labor does your operation require?**

Specific job categories vary by operation but there are general categories that are commonly required by most of the local companies:

- > Clerical staff
- > Customer service/sales representatives
- > Support staff for processing inquiries
- > IT professionals (software, networking, systems, telecom, etc.)
- > General professionals (accounting, finance, marketing, sales, human resources, etc.)
- > Industry-specific “technical” staff (nurses, actuaries, etc.)
- > Account/project/program management
- > Leadership staff (supervision, management and executives)

- **Which positions are hardest to find in this region?**

In general, only the very specialized or unique combination of resources are a challenge to recruit locally. For example, health insurance providers have a need for accountants with healthcare background. This type of resource is available at local and regional hospitals but in limited quantities. Actuaries are also a challenge because of the limited supply nationally. Local firms are both recruiting actuaries from larger metropolitan areas and recruiting local math majors – of which there is a good supply – and training them in-house. There is an emerging Hispanic population that provides English/Spanish translation skills when servicing Spanish-speaking customers.

III. Labor-Related Information: Employer Interviews (cont'd)

- **What types of staffing strategies does your firm utilize?**

Local employers use a number of strategies to attract and retain staff. There is a significant use of interns to expose new talent to their company. Some companies hire temporary staff, retain for a 90-day review period, then hire the most successful candidates. Many companies look internally for supervision and management positions to provide a career path for high potential individuals. The health insurance companies hire experienced nurses as case workers to gain access to knowledgeable staff that wants an alternative to working night shifts and rotations in local hospitals.

- **From where do you recruit staff?**

Most of the positions hired locally require some level of core skill competency that include computer interface, reading, problem solving and customer service. Customer service reps are hired from either other area call centers or from the retail sector. Professional talent is normally hired after they have gained several years of experience due to the need to “hit the ground running” in this fast-paced industry. The area has a reasonably good depth of talent within a “food chain” hierarchy that allows employers to hire at the level of experience they need and offering a commensurate level of compensation.

- **Which techniques do you most frequently use for recruiting candidates to your operation?**

HR functions use a wide variety of techniques for recruiting local, regional and national talent. For the clerical and customer service positions, newspaper ads, press releases to the local media, open houses and job fairs are very effective. For the higher skilled and more specialized positions, employers utilize web-based job postings (i.e., **monster.com**), other posting services like Pennsylvania’s statewide **CareerLink** system and **www.worknplaynepa.com**, or through private recruiting services. Companies also use their internal posting systems and employee referral programs to identify high potential candidates.

- **What is your experience in relocating executives from New York City and other major cities?**

It is usually difficult at first to convince a family living near a major metropolitan area to relocate to a smaller city although there are some that want get out of the traffic and congestion. When they review and experience the opportunity they find:

- > A much lower cost of housing and overall living in Northeastern Pennsylvania
- > Direct access to mountains for outdoor sports, particularly skiing, as well as the Jersey shore
- > Convenient access to Philadelphia and New York City for cultural and sports events
- > Excellent school systems
- > An open and friendly culture

There were frequent anecdotes of executives that have come with their families several years back and now have no interest in leaving the area.

III. Labor-Related Information: Employer Interviews (cont'd)

- **How would you rate the quality of employees available in the local labor market?**

Local workers were consistently rated from “above average” to “excellent”. Criteria that were described to rate employee quality included: education and training (preparedness), good work ethic (attitude) and productivity (accuracy and efficiency) of their output. The work force was rated higher than comparable resources in the South, Midwest and West Coast .

- **Define “work ethic” and why does this area have such a strong reputation for work ethic?**

The answer to this question was derived from both the interviews and research into area history.

A definition of strong work ethic was defined by the employers as follows:

- > Employees come to work with self-motivation to do the tasks at hand
- > There is a willingness to work long hours as needed for the good of the organization
- > There is very little “what’s in it for me” entitlement attitude
- > Employees have a strong cooperative spirit focused on getting the job done
- > A positive customer-oriented attitude

Comment on Local History:

Local work ethic appears to have roots in both culture and economic circumstances. The area was originally founded by Western and Eastern Europeans who emigrated to the U.S. beginning in the middle 19th century for jobs in the anthracite coal mines and iron/steel mills. Generations later, the mines and mills began to shut down and workers transitioned into other manufacturing jobs. More recently, manufacturing jobs have begun to be eliminated and the next generation is going into the service industry as knowledge workers. The people have a characteristic commitment to their work and pride in their efforts, team skills, a focus on family (balance of work and family), and a strong desire to stay in the area – all of which drive their motive to hold onto a good job through exceptional performance.

- **What is your turnover rate at this location and is it satisfactory?**

Turnover rates varied by employer and type of job, but in general, were considered lower than average for comparable situations. Employees are generally very loyal to their employers – more so than in other regions of the country. Most people leave due to personal needs, career opportunities not available with current employer or job burnout in certain phone/high stress situations. Employers that provide good working environments, reasonable amenities, career growth opportunities, perceived stability, as well as a compensation/benefits package that is average or above will have low turnover.

- **How do you provide training for your organization?**

Most of the technical and specialized training is done in-house (both classroom and on-the-job) or by training contractors that deliver on-site. They also utilize web-based training for standardized certification and non-classroom training modules. Local colleges are used for “soft” (non-technical) skill enhancement such as leadership and project management.

III. Labor-Related Information: Employer Interviews (cont'd)

- **Do you formally utilize any of the local colleges/universities for employee training?**

Local employers tend to utilize local colleges and universities for courses in basic computer skills, accounting and business as well as more advanced courses in subjects such as project and program management and different aspects of leadership.

- **How far do your employees commute to work?**

As is typical in many locations, the lower the job, the shorter the commute distance. Average commute for lower level position is up to 20 minutes with exceptions from the more distant outlying areas. Professionals will travel farther, up to 30 minutes or more, if they want to live in a particular location. (Refer to Figures 5 through 7 for plotting of concentration of labor by education attainment vs. the 30-minute commute zones.)

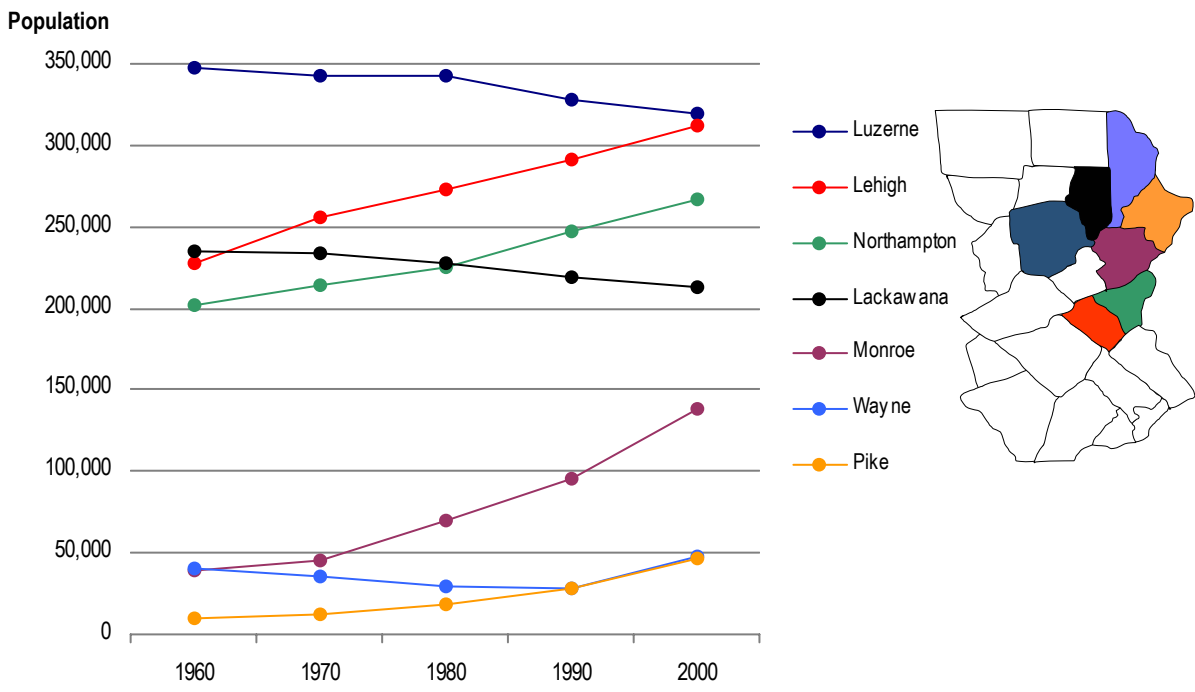
- **Where are the headquarters for the local financial services and insurance operations?**

Several of the companies are headquartered locally while others are from the New York City/New Jersey area, Hartford and Chicago.

III. Labor-Related Information: Population Growth (1960 – 2000)

The population of Lehigh County (Allentown) and Northampton County (Bethlehem and Easton) continues to grow as the local economy has shifted from having Bethlehem Steel (heavy industry) as the major employer to more diverse manufacturing, distribution and service industries as the employment source. Luzerne County (Wilkes-Barre and Hazleton) and Lackawanna County (Scranton) continue to drop in population as a reflection of job loss in the manufacturing sector. Transition to services sector continues to occur which should help to retain the younger members of the work force. The sharp growth in Pike, Wayne and Monroe Counties (The Poconos) is in part due to the influx of commuters from New Jersey seeking a lower cost, smaller town environment. Because they are not employed locally, their presence makes for a “hidden” work force that is potentially available for operations located in that area.

Figure 3 - Population for Selected Counties: 1960 - 2000

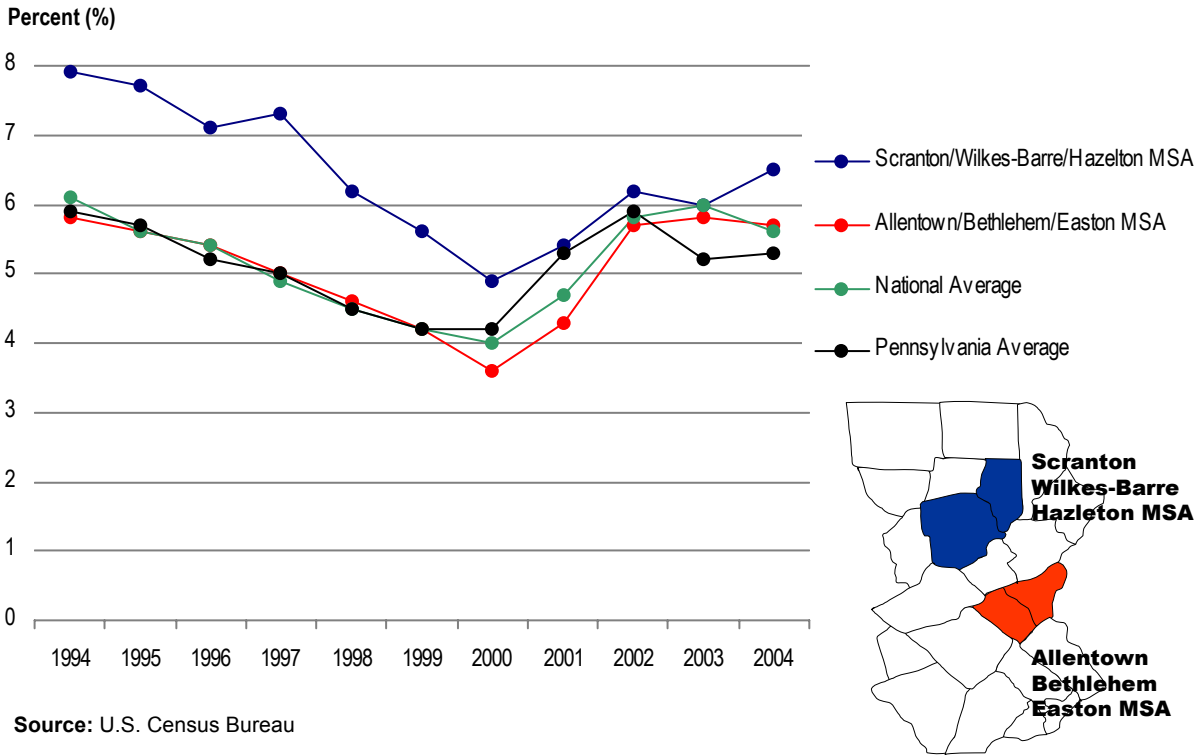


Source: U.S. Census Bureau

III. Labor-Related Information: Unemployment Rates (1994 – 2004)

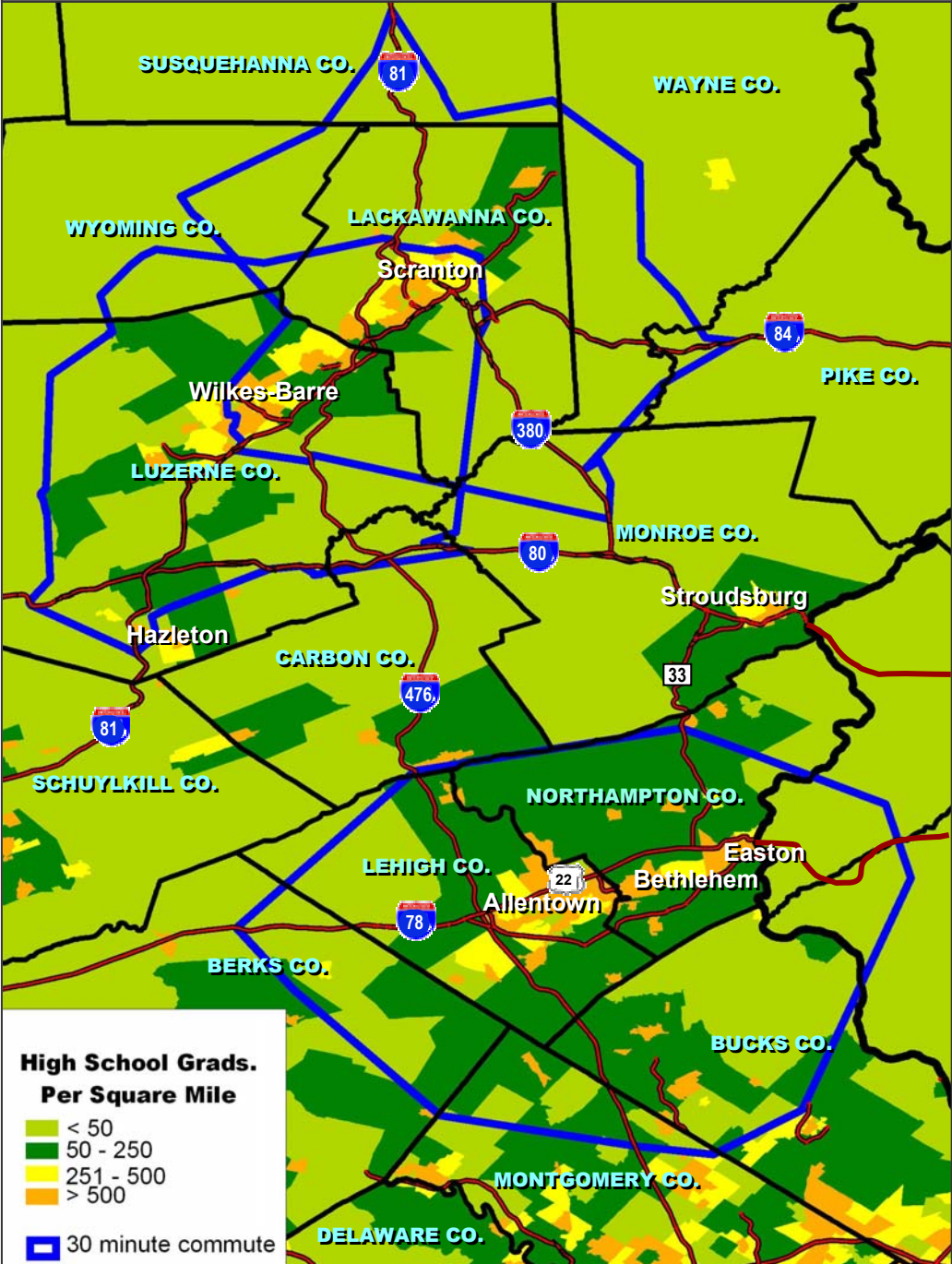
Unemployment in the Allentown/Bethlehem/Easton MSA tracks close to the national average and reflected the economic growth and corresponding labor tightening in the late 1990’s as well as the rise in unemployment during the recent recession. The rate is starting to drop from the high point of 5.8 in 2003. Scranton/Wilkes-Barre/Hazleton MSA area has had substantially more loss of jobs throughout the last decade and has tracked several points higher than the national average except for the convergence of high rates in 2002 and 2003.

Figure 4 - Comparison of Unemployment Rates: 1994 - 2004 (August)



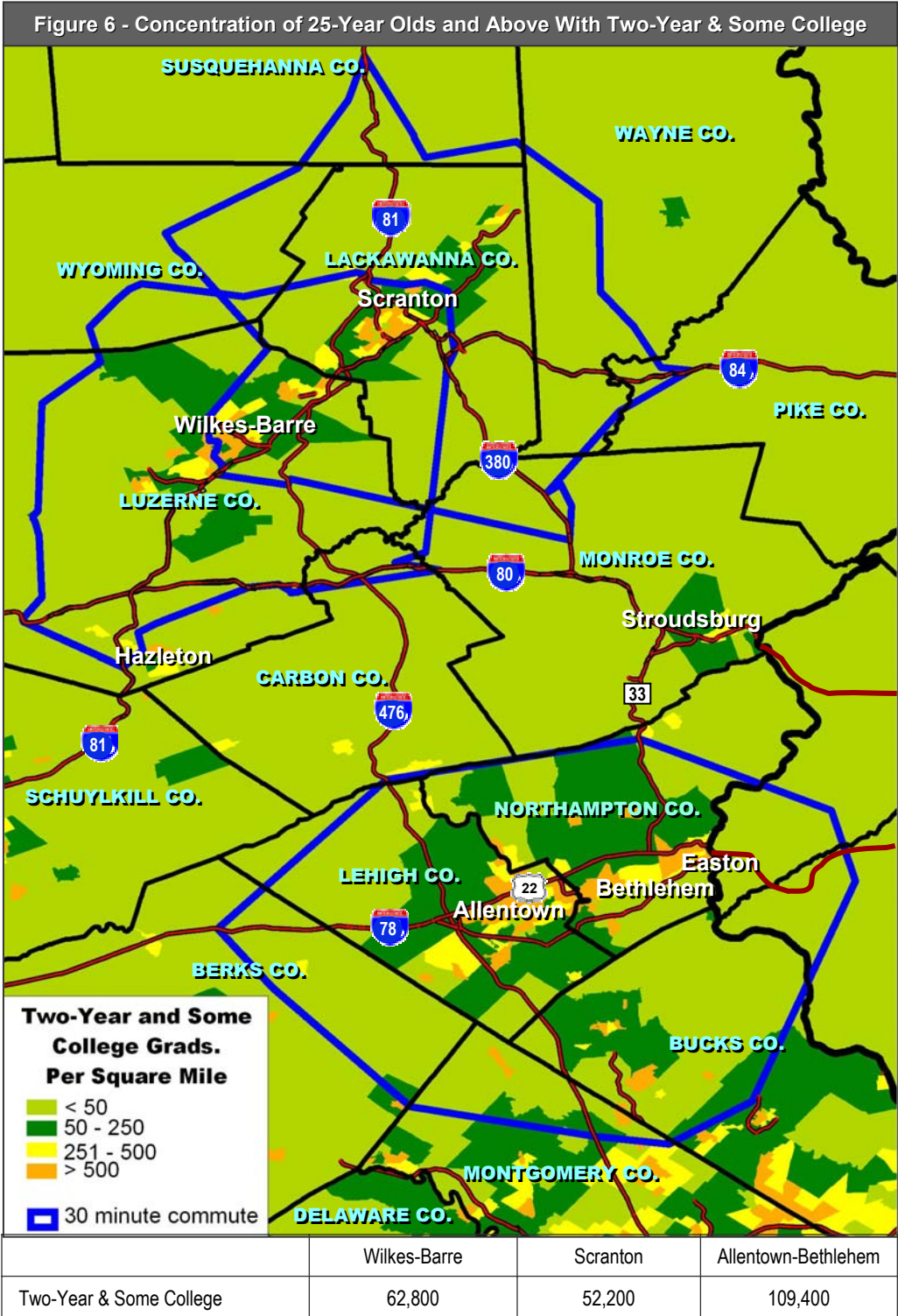
III. Labor-Related Information: Education of Population

Figure 5 - Concentration of 25-Year Olds and Above With High School Diploma Only

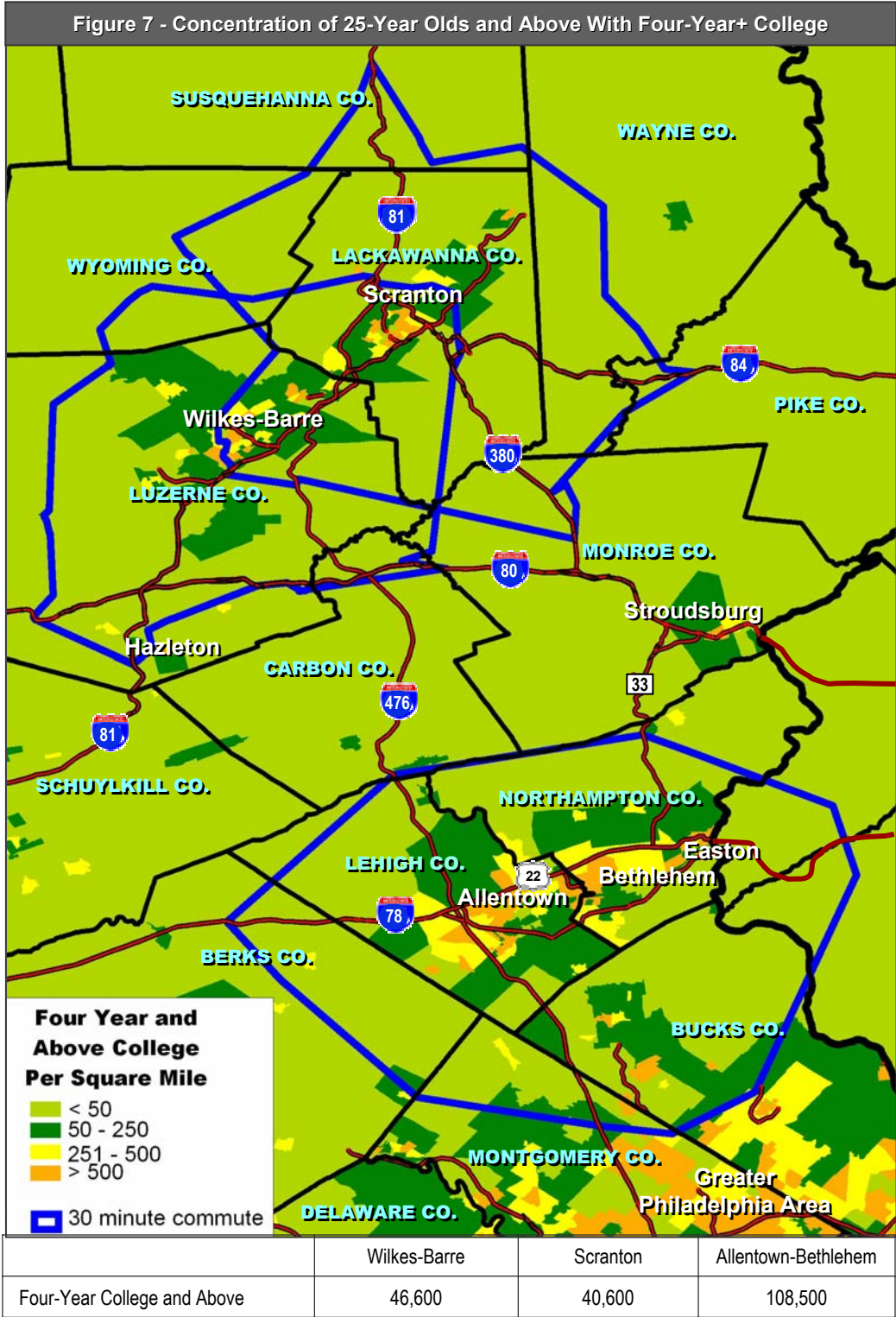


	Wilkes-Barre	Scranton	Allentown-Bethlehem
High School Diploma Only	111,100	95,900	168,500

III. Labor-Related Information: Education of Population



III. Labor-Related Information: Education of Population



IV. Education Resources

Table 2 - Profile of Area Education Institutions						
	College/University	Total Students	Business Admin.	Accounting	Computer Science & IT	Special Programs
	Two-Year Colleges*					
1	Allentown Business School	1,200	X	X	X	
2	Luzerne County Community College	2,500	X	X	X	Banking
3	Lehigh Carbon Community College	1,700	X	X	X	
4	Northampton Community College	2,700	X	X	X	Insurance/Banking
5	Penn State Univ. – Hazleton	1,300	X		X	
6	Penn State Univ. – Scranton/Worthington	1,200	X		X	
7	Penn State Univ. – Wilkes-Barre	1,000	X		X	
8	Penn State Univ. – Lehigh Valley	800	X		X	
9	Lackawanna College	1,000	X	X	X	Banking
10	Keystone College	1,459	X	X	X	
	Four-Year Colleges (>2,000 Students)					
1	Lehigh University	4,600	X	X	X	Banking
2	Muhlenberg College	2,700	X	X	X	
3	Lafayette College	2,300	X	X	X	
4	Moravian College	2,100	X	X	X	
5	DeSales University	2,600	X	X	X	Banking
6	Cedar Crest College	2,300	X	X	X	
7	University of Scranton	4,500	X	X	X	E-Commerce
8	Wilkes University	2,800	X	X	X	
9	King’s College	2,600	X	X	X	Banking
10	Marywood College	2,000	X	X	X	Banking
12	East Stroudsburg University of PA	4,300	X		X	Computer Security
13	Bloomsburg University	8,000	X	X	X	

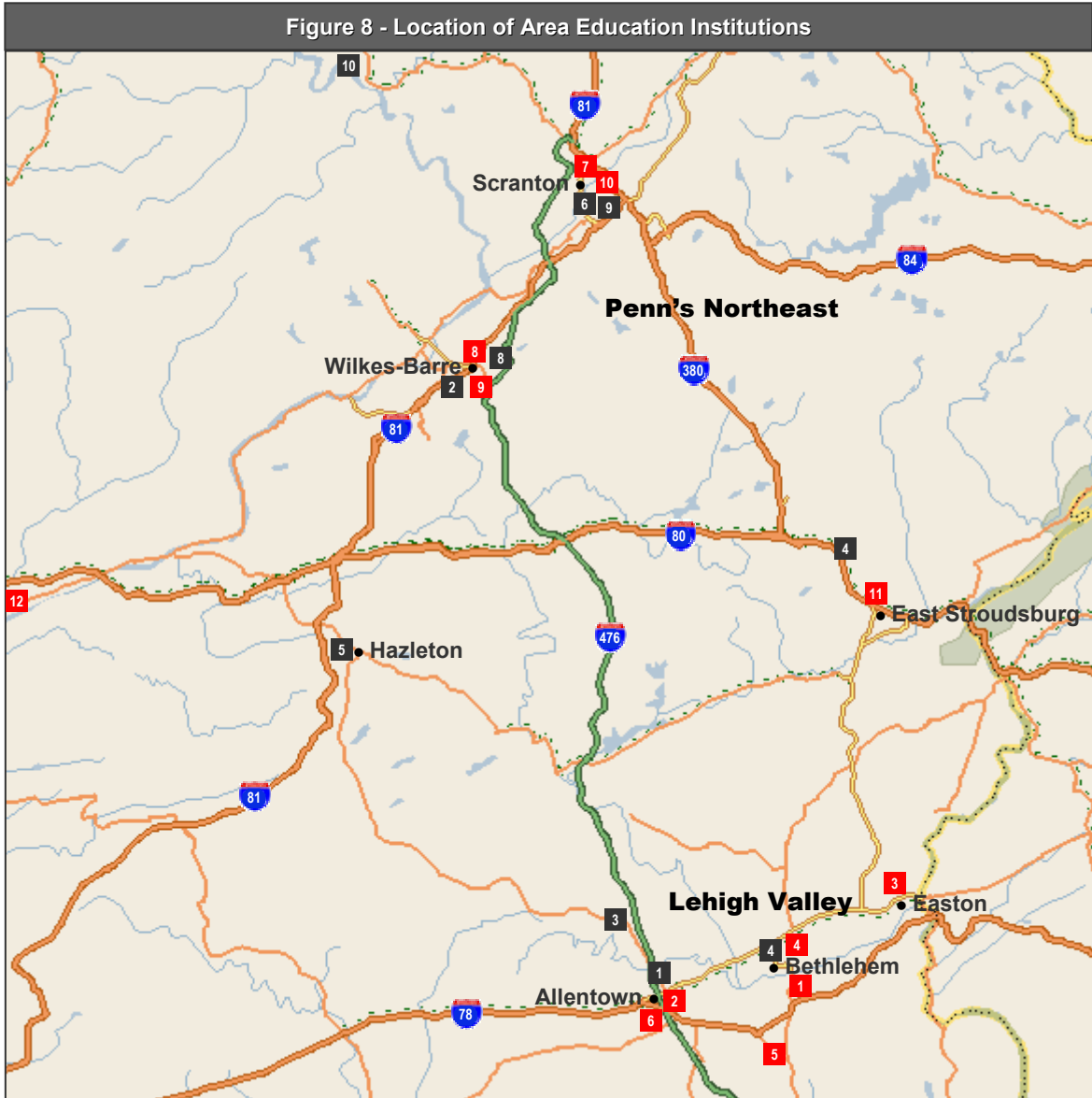
*Some of the two-year schools also offer selected four-year programs

Colleges/Universities Adjacent to the Region With Actuarial Science Program

- University of Pennsylvania (Philadelphia)
- Penn State University Main Campus (State College)
- Temple University (Philadelphia)
- Theil College (Greenville)
- Lebanon Valley College (Annville)
- Harrisburg Area Community College (Harrisburg)

IV. Education Resources

Figure 8 - Location of Area Education Institutions



1 Two-Year Colleges

- 1 Allentown Business School
- 2 Luzerne County Community College
- 3 Lehigh Carbon Community College
- 4 Northampton Community College
- 5 Penn State University – Hazleton
- 6 Penn State University – Scranton/Worthington
- 7 Penn State University – Lehigh Valley
- 8 Penn State University – Wilkes-Barre
- 9 Lackawanna College
- 10 Keystone College

1 Four-Year Colleges

- 1 Lehigh University
- 2 Muhlenberg College
- 3 Lafayette College
- 4 Moravian College
- 5 DeSales University
- 6 Cedar Crest College
- 7 University of Scranton
- 8 Wilkes University
- 9 King's College
- 10 Marywood College
- 11 East Stroudsburg University of PA
- 12 Bloomsburg University

IV. Education Resources: Lehigh University Takes a Unique Approach to Business/Financial Services Education



College of Business and Economics

- Undergraduate students: 1,250
- Graduate students (MBA & doctoral): 325
- Full-time faculty: 55
- Major academic programs
 - > Traditional programs
 - Accounting
 - Business Information Systems
 - Economics and Business Economics
 - Business Economics
 - Finance
 - Management
 - Marketing
 - Supply Chain Management
 - > New Integrated Multi-Discipline Programs
 - Computer Science and Business
 - Integrated Business and Engineering
 - > New Masters Program
 - Masters of Science in Analytical Finance


Newly Developed Concept: *Financial Services Studies Center*



The university has taken a bold step in partnership with IBM and other strategic organizations to develop a new concept in business education through a Financial Services Studies Center with its centerpiece being the Financial Services Lab. The lab is assembling the capability to model a wide variety of investment alternatives, risk management, computer systems security, regulatory policy impact analysis, tax strategies, and many other tools to support the financial services industry.


V. Transportation Resources

Table 3 - Direct Flight Access From Allentown/Bethlehem (Lehigh Valley) and Scranton/Wilkes-Barre



Destination	Lehigh Valley Int'l Airport (ABE)	Scranton Wilkes-Barre Int'l Airport (AVP)
Albany, NY	■	■
Atlanta, GA	■	■
Charlotte, NC	■	
Chicago, IL	■	■
Cincinnati, OH	■	■
Cleveland, OH	■	■
Columbus, OH	■	
Detroit, MI	■	
Ft. Lauderdale, FL	■	
Newark, NJ	■	
Orlando, FL	■	
Philadelphia, PA	■	■
Pittsburgh, PA	■	■
Tampa, FL	■	
Washington, DC	■	■

Table 4 – Estimated Distance and Drive Times From Allentown/Bethlehem and Scranton/Wilkes-Barre



Destination	Allentown/Bethlehem		Scranton/Wilkes-Barre	
	Distance	Drive Time	Distance	Drive Time
Albany, NY	230 mi.	4 hrs.	200 mi.	4 hrs.
New York, NY	90 mi.	1 ¾ hrs.	125 mi.	1 ¾ hrs.
Newark, NJ	75 mi.	1 ½ hrs.	100 mi.	1 ½ hrs.
Hartford, CT	210 mi.	3 ¾ hrs.	200 mi.	3 ¾ hrs.
Boston, MA	310 mi.	5 ¼ hrs.	300 mi.	5 ¼ hrs.
Philadelphia, PA	60 mi.	1 ¼ hrs.	115 mi.	1 ¼ hrs.
Washington, DC	150 mi.	2 ½ hrs.	190 mi.	2 ½ hrs.

VI. Telecommunications Infrastructure

Eastern Pennsylvania has a well-developed telecommunications network served by multiple providers, including Verizon, PPL Telecom, Commonwealth Telephone Company and others that includes:

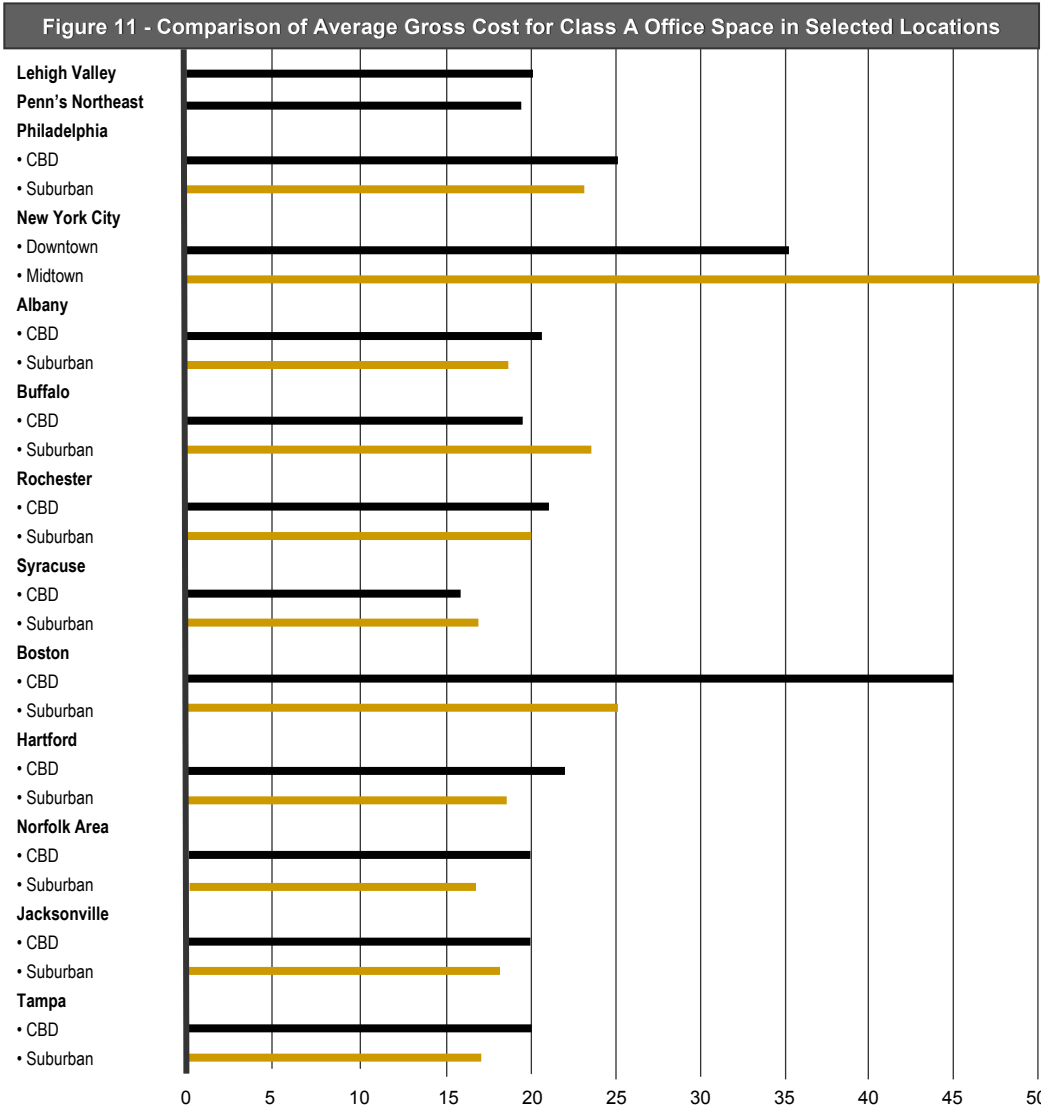
- SONET (DS1 to OC-192)
- Ethernet (Fast E – 10 to 100 Mbps and Gig E – 100 to 1,000 Mbps)
- Optical Wavelength (2.5 to 10 Gbps)
- Colocation (9 facilities and carrier neutral)
- IP Services (dedicated Internet access)
- Wireless Infrastructure
- Access to NYC within the 125 fiber mile requirement has been engineered for certain sections of the region and could be made available to meet a specific company need.

Figure 10 - PPL Telecom’s Dedicated Network



VII. Comparison of Labor and Real Estate Costs for Selected Cities

Real estate costs in Allentown/Bethlehem/Easton MSA (Lehigh Valley) and Scranton/Wilkes-Barre/Hazleton MSA (Penn’s Northeast) were compared with the same cities as the labor rates on the previous page. As expected, average gross lease rates are comparable to the upstate New York cities as well as Norfolk, Jacksonville and Tampa but significantly less that New York City and Boston.



Data Sources: published rates from CB Richard Ellis, CRESA Partners, Pyramid Realty and local economic development agencies

VII. Comparison of Labor and Real Estate Costs for Selected Cities

In order to compare relative costs for labor (includes salary and benefits @ 28%) and real estate, assume a financial services operation has 500 employees as outlined below and the total space requirements is 100,000 SF based on a gross space allocation per employee of 200 SF.

- Management (50 employees or 10% of total)
- Admin Support (25 employees)
- Customer Service (250 employees)
- Processing Group (150 employees)
- Specialists, includes HR, IT, and any special-skilled professionals (25 employees)

Table 6 - Comparison of Labor and Real Estate Costs for Allentown/Bethlehem/Easton (Lehigh Valley)					
	Lehigh Valley	Boston	Hartford	New York City	Philadelphia
Labor (Salary)					
> Management (50)	\$5,248,000	\$6,016,000	\$5,952,000	\$6,541,000	\$5,696,000
> Admin Support (25)	\$1,144,000	\$1,317,000	\$1,290,000	\$1,385,000	\$1,250,000
> Customer Service (250)	\$6,816,000	\$8,064,000	\$7,936,000	\$8,256,000	\$7,584,000
> Processing Group (150)	\$5,337,000	\$6,240,000	\$6,125,000	\$6,470,000	\$5,837,000
> Specialists (25)	\$2,039,000	\$2,285,000	\$2,208,000	\$2,397,000	\$2,167,000
Total Labor	\$20,584,000	\$23,922,000	\$23,511,000	\$25,049,000	\$22,534,000
Relative Annual Labor Savings if Located in Lehigh Valley		\$3,338,000	\$2,927,000	\$4,465,000	\$1,950,000
Real Estate (100,000 SF)					
> Downtown	\$2,000,000	\$4,500,000	\$2,200,000	\$3,500,000	\$2,500,000
Relative Annual Savings if Located in Lehigh Valley		\$2,500,000	\$200,000	\$1,500,000	\$500,000
> Suburban (Midtown in New York City)	\$2,000,000	\$2,500,000	\$1,800,000	\$5,000,000	\$2,300,000
Relative Annual Savings if Located in Lehigh Valley		\$500,000	(\$200,000)	\$3,000,000	\$300,000
Range in Relative Savings for Labor and Real Estate		\$3,838,000 to \$5,838,000	\$2,727,000 to \$3,127,000	\$5,965,000 to \$7,465,000	\$2,250,000 to \$2,450,000

Sources of Data:
 Labor: Economic Research Institute (10/04)
 Real Estate: See real estate comparison in Figure 8 on page 22

This information is provided on an estimated basis for comparison purposes only and does not include any potential incentives that may be available. Actual savings will be based on a company’s current situation and requirements for labor and real estate.

VII. Comparison of Labor and Real Estate Costs for Selected Cities

Table 7 - Comparison of Labor and Real Estate Costs for Scranton/Wilkes-Barre/Hazleton (Penn's Northeast)					
	Penn's Northeast	Boston	Hartford	New York City	Philadelphia
Labor (Salary)					
> Management (50)	\$5,056,000	\$6,016,000	\$5,952,000	\$6,541,000	\$5,696,000
> Admin Support (25)	\$1,104,000	\$1,317,000	\$1,290,000	\$1,385,000	\$1,250,000
> Customer Service (250)	\$6,560,000	\$8,064,000	\$7,936,000	\$8,256,000	\$7,584,000
> Processing Group (150)	\$5,126,000	\$6,240,000	\$6,125,000	\$6,470,000	\$5,837,000
> Specialists (25)	\$1,984,000	\$2,285,000	\$2,208,000	\$2,397,000	\$2,167,000
Total Labor	\$19,830,000	\$23,922,000	\$23,511,000	\$25,049,000	\$22,534,000
Relative Annual Labor Savings if Located in Penn's Northeast		\$4,092,000	\$3,681,000	\$5,219,000	\$2,704,000
Real Estate (100,000 SF)					
> Downtown	\$1,800,000	\$4,500,000	\$2,200,000	\$3,500,000	\$2,500,000
Relative Annual Savings if Located in Penn's Northeast		\$2,700,000	\$400,000	\$1,700,000	\$700,000
> Suburban (Midtown in New York City)	\$1,800,000	\$2,500,000	\$1,800,000	\$5,000,000	\$2,300,000
Relative Annual Savings if Located in Penn's Northeast		\$700,000	No savings	\$3,200,000	\$500,000
Range in Relative Savings for Labor and Real Estate		\$4,792,000 to \$6,792,000	\$3,681,000 to \$4,081,000	\$6,919,000 to \$8,419,000	\$3,204,000 to \$3,404,000


Sources of Data:

Labor: Economic Research Institute (10/04)

Real Estate: See real estate comparison in Figure 8 on page 22

This information is provided on an estimated basis for comparison purposes only and does not include any potential incentives that may be available. Actual savings will be based on a company's current situation and requirements for labor and real estate.

VIII. Selected List of Currently Available Office Properties

Table 7 - Selected List of Currently Available Office Properties			
			
Class	Location/Office Park	Building Address	Available Space (SF)
Scranton/Wilkes-Barre/Hazleton (Penns's Northeast Area)			
A	Downtown Wilkes-Barre	South Main Street	80,000
A	Glenmaura Corporate Center	5 Lakeview Drive	60,000
A	CAN DO Corporate Center	40 Azalea Drive	49,500
B	Downtown Hazleton	Broad Street	100,000
B	Town of Taylor	1300 South Main Avenue	61,500
Allentown/Bethlehem/Easton (Lehigh Valley Area)			
A	Crown Point Corporate Center	Route 33 and William Penn Highway	97,000
A	Phase IV Lehigh Valley Industrial Park	77 South Commerce Way	70,000
A	Penn Corporate Center	3001 Emrick Blvd.	61,500
A	Iron Run Corporate Center	7535 Windsor Drive	60,000
B	Hamilton Business Center	1101 Hamilton Street	120,000
B	Upper Mill	2025 Edgewood Avenue	85,000
B	Martin Tower	1170 Eighth Avenue	69,000
B	PPL Building	10 th and Hamilton Streets	56,000

IX. Overview on Incentives

The Commonwealth of Pennsylvania’s Department of Community and Economic Develop offers a variety of incentives depending certain qualifications of the company and the location selected for their operations. Examples of available incentives include:

Customized Job Training

Grants available for up to 75% of the cost for training newly hired employees that includes the cost of instruction, supplies and materials, contracted services and related travel.

Workforce and Economic Development Network of Pennsylvania (WednetPA)

Provide funds for a wide range of basis and high-tech training for qualified companies.

Opportunity Grant Program (OGP)

Funds available to support new jobs that offer significant economic impact and include:

- Machinery and equipment
- Working capital
- Job Training
- Infrastructure
- Land and building improvements
- Acquisition of land and buildings
- Site preparation

Keystone Opportunity Zones (KOZ)

For operations located in designated KOZ locations, the following taxes are reduced nearly to zero:

State Level

- Corporate Net Income tax
- Capital Stock and Foreign Franchise tax
- Personal Income tax
- Sales and Use tax (for purchases consumed by the business located in the Zone)
- Mutual Thrift Institution tax
- Bank and Trust Company Shares tax
- Insurance Premiums tax

Local Level

- Earned Income/Net Profits tax
- Business Gross Receipts, Business Occupancy, Business Privilege and Mercantile tax
- Sales and Use tax (city/county portion for purchases consumed by the business located in the Zone)
- Property tax