

Attracting Financial Services Related Operations to Northeastern Pennsylvania



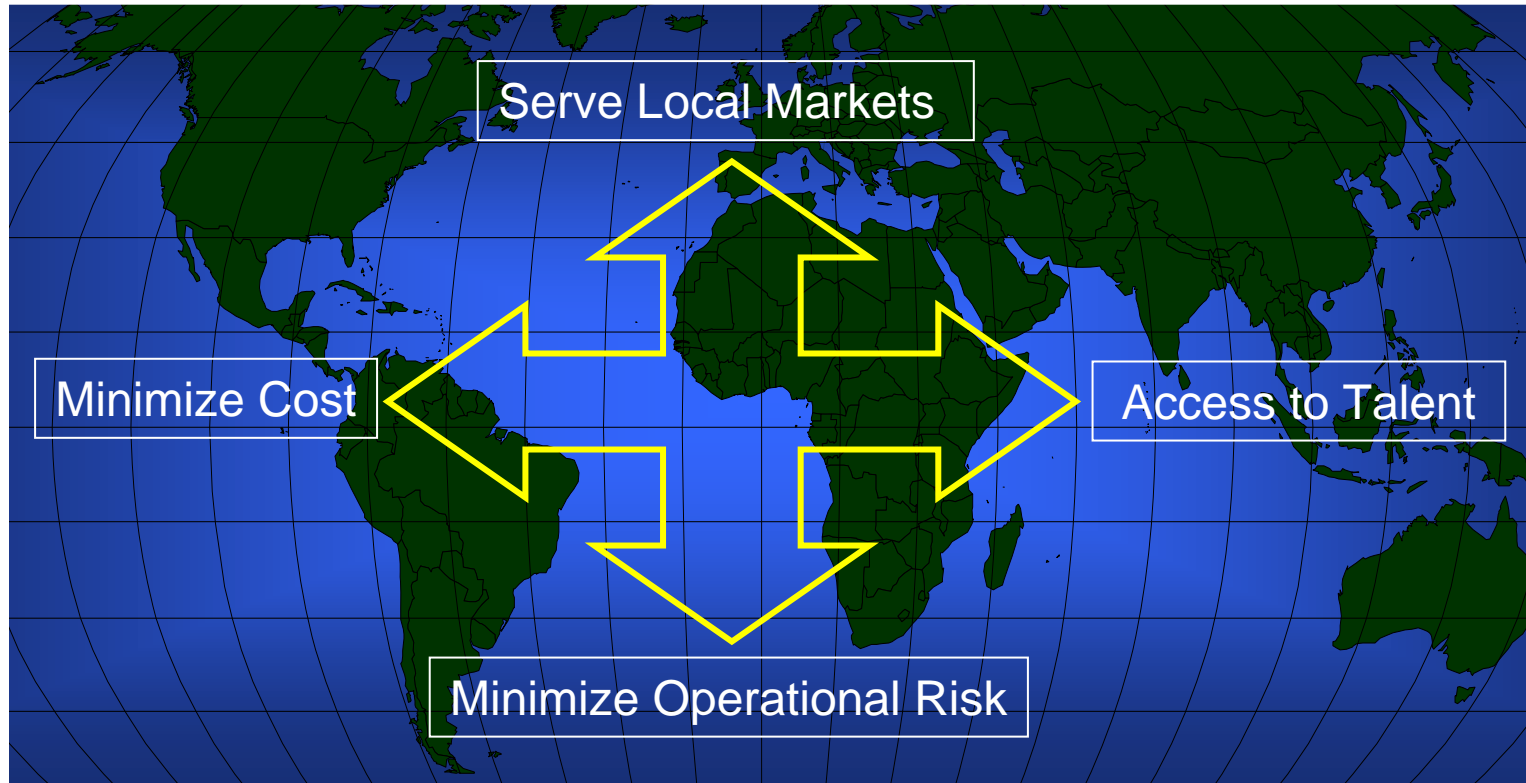
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Moran, Stahl & Boyer, LLC

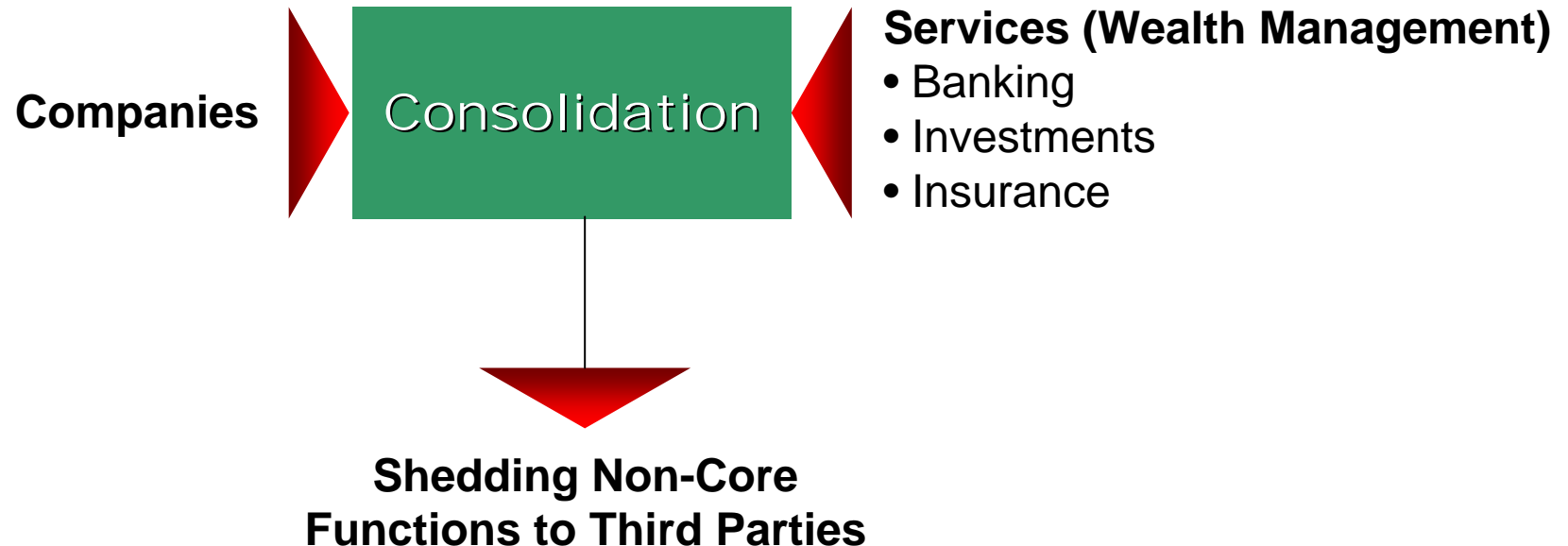
Discussion Outline

- Industry Deployment Trends
- Structural Changes in Industry
- Shift in the Level of Employee Decision-Making
- Shift in the Definition of Work Ethic
- Site Selection: Comparison of Peer Locations
- University Interface Examples

Strategic Deployment Considerations

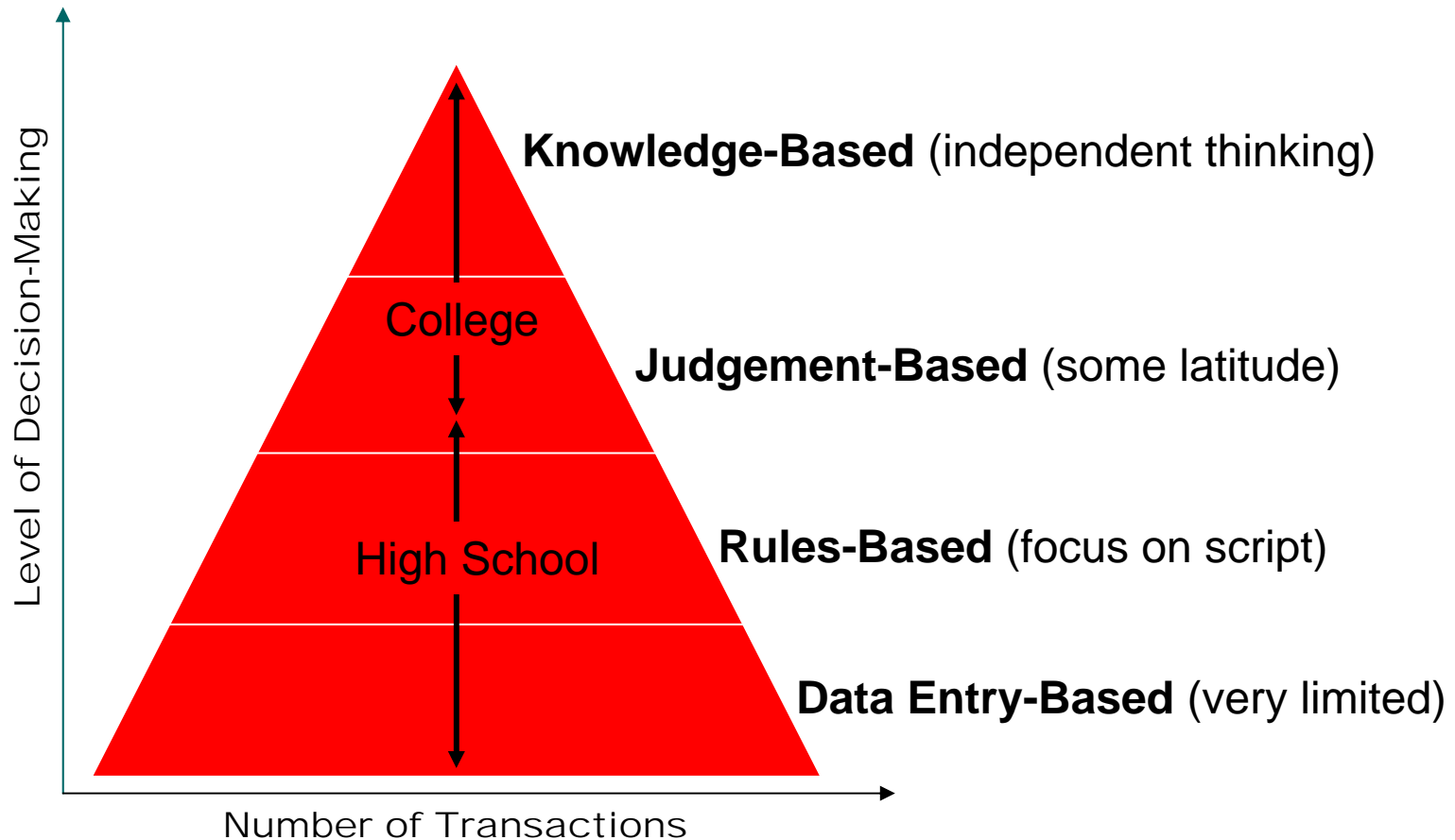


Structural Changes in the Financial Services Industry . . .



. . . Alters Points of Influence

Shift in Level of Employee Decision-Making . . .



. . . Lower Level Tasks are Being Automated or Sent Off-Shore

Shift in the Definition of “Work Ethic” . . .

Traditional Work Ethic

- Punctuality
- Work Hard
- Long Hours
- Commitment

This is not enough . . .

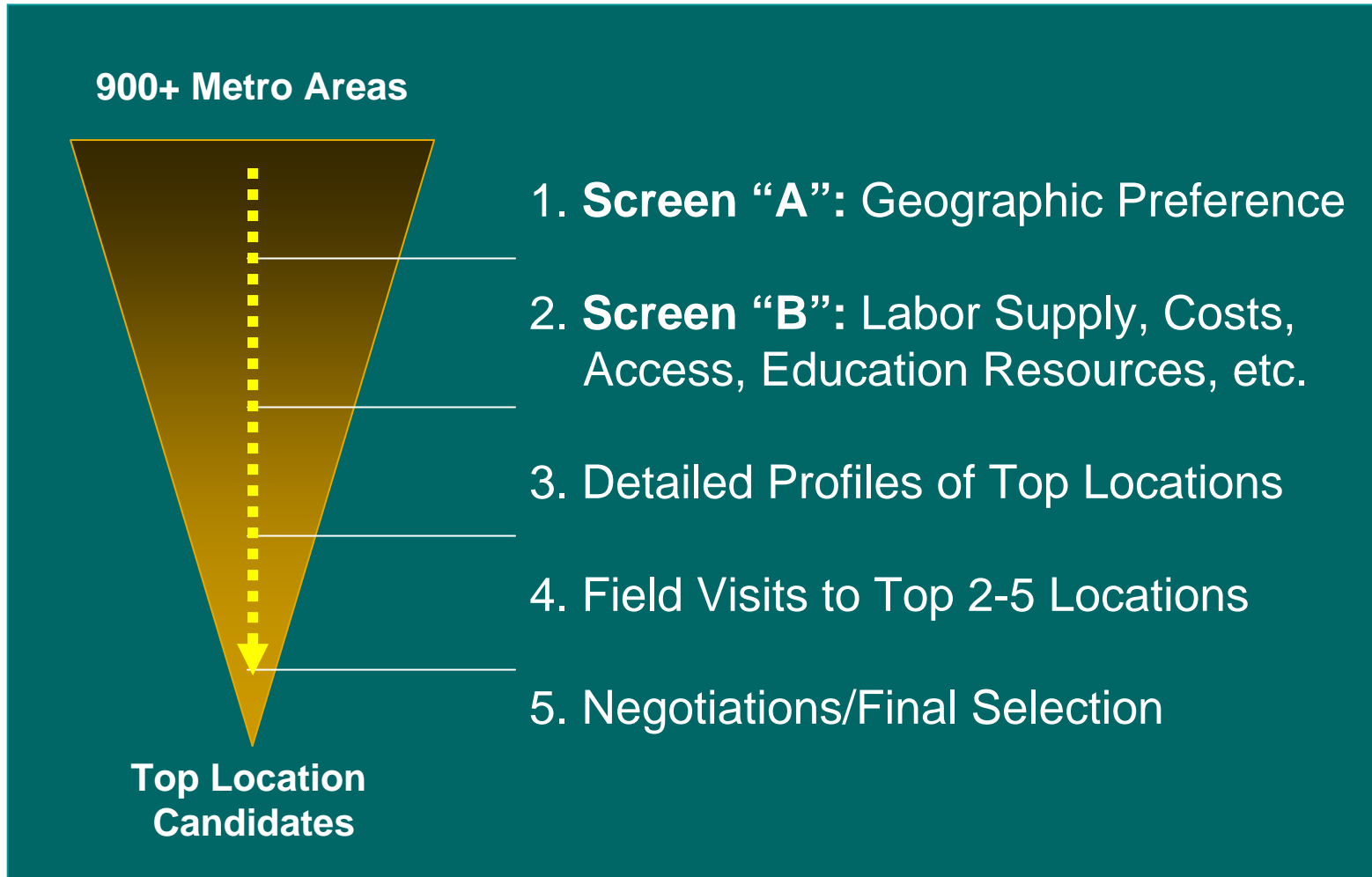


Emerging Work Ethic

- Work in teams
- Demonstrate creativity/innovation
- Independent thinker
- Grasp critical thinking approach to problem solving
- Flexibility/adaptability to change
- Agile learner (quickly absorb new concepts/approaches)

. . . Reflects Changes in Employee Roles

Site Selection Process



Criteria for Determining Labor Supply Adequacy

■ Population Dynamics

- > Current size of metro area, county and commute zone
- > Projected growth trend (AAGR over five or ten years)
- > Growth within the 18-24 and 25-34 year old age cohorts

■ Education Resources

- > Education levels of 25+ year old population
- > Access to educational institutions with specific programs

■ Industry/Skill Presence

- > Direct and related industry presence
- > Numbers of specific skill types

■ Cost of Labor

- > Overall Cost of Labor Index
- > Annual median salary of selected indicator positions

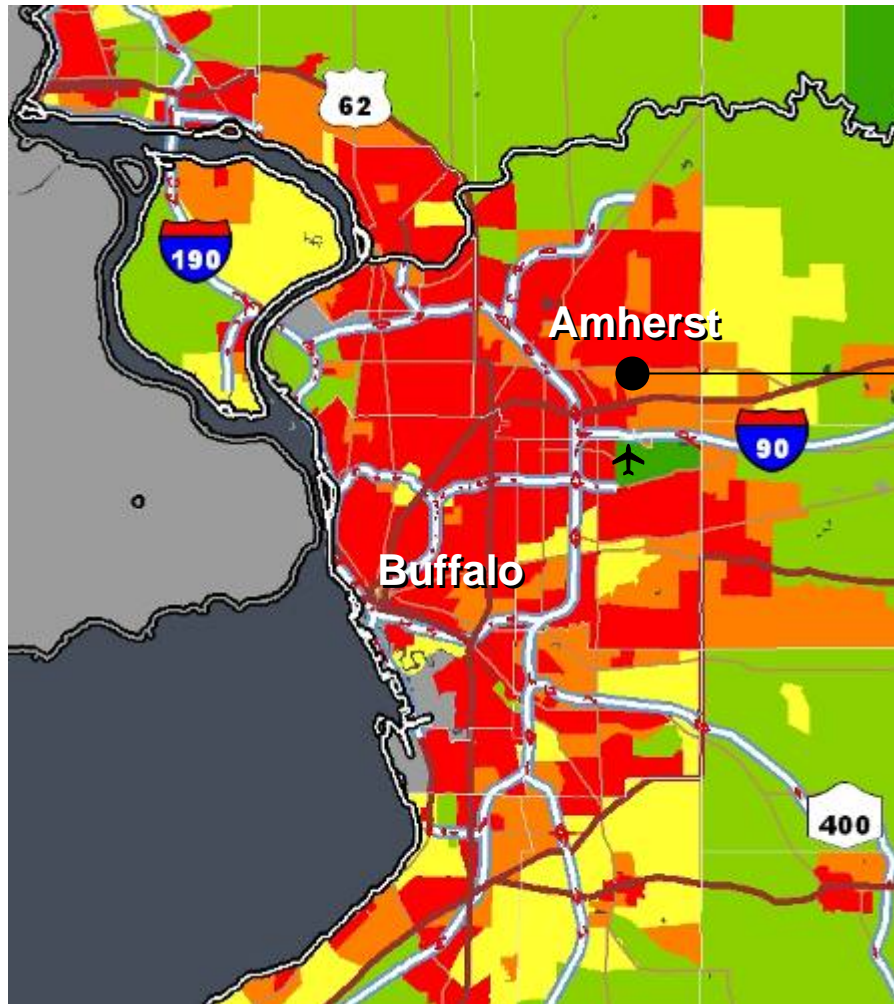
Competing Locally for Labor (The 5 C's)

- Compensation package . . . base, benefits and bonus
- Career opportunity . . . experiences, not job for life
- Company image and culture . . . reputation, environment
- Community . . . quality of life for recruiting talent . . . spousal employment options
- Commutation time . . . relative to local labor competitors

Comparison of Selected Locations

Parameter	Allentown-Bethlehem	Buffalo	Tampa
Population	766,500	1,162,000	2,567,000
AAGR (2000 – 2005)	0.78%	-0.16%	1.59%
% 4-Year College	21.3%	23.2%	22.1%
Number of 4-Year College Students	27,000	79,000	50,000
Major Universities (Enrollment)	Lehigh University (4,600)	SUNY Univ. Buffalo (27,400) SUNY College Buffalo (11,200)	USF (42,000) Univ. of Tampa (5,600)

Comparison of Selected Locations . . . Proximity to University

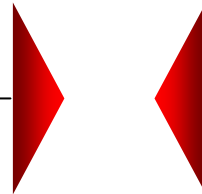


- SUNY - University at Buffalo (27,400 Students)
- GEICO (2,500 employees)
- Citigroup (500 > 1,000 employees)
- Bank of America (500+ employees)

Comparison of Selected Locations . . . University Relationships



- 42,700 Students
- Business (BS) = 1,460
- MIS (BS) = 139
- IT (BS) = 74
- Accounting (BS) = 255
- Business (Masters) = 327
- MIS (Masters) = 38
- Accounting (Masters) = 33



- **USF Connect** (single contact point)
- Guest speakers in class room
- Real-time case studies of local firms
- Internships
- Critical thinking skills being integrated into curriculum
- Recruiting activities
- Wealth management program
- Lean operations management

“Send us people that have the right attitude and ability to learn . . . we can teach them the details.”

Comparison of Selected Locations

Parameter	Allentown-Bethlehem	Buffalo	Tampa
Financial Services Industry Employment	15,800	28,400	79,200
% of Non-Gov. Labor Force	5.1%	5.8%	7.9%
Labor Cost			
• Claims Processor	\$30,300	\$32,800	\$29,180
• Customer Service	\$33,100	\$33,200	\$30,600
• Systems Analyst	\$59,300	\$59,800	\$59,300
Factors That Impact Labor Cost	Influx of labor from NYC and NJ will push up average labor cost	Demand for college labor is on the rise . . . supply still adequate	Escalating cost of housing will cause salary pressures

Comparison of Selected Locations

Parameter	Allentown-Bethlehem	Buffalo	Tampa
Access to NYC	Drive (1 ¾ hours)	Fly (1 hour)	Fly (2 hours)
Natural Disaster Issues	Snow and Ice	Snow	Hurricanes and Tornadoes

The Face of Northeast Pennsylvania has Changed . . .



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Connecting Companies With Communities™

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