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Does Memphis Have a Fighting Chance: An Exploratory Study on the Attractiveness of Memphis, TN to Relocating or Expanding Employers

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Does Memphis Have a Fighting Chance?

An Exploratory Study on the Attractiveness of Memphis, TN to Relocating or Expanding Employers

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ABSTRACT

The focus of this study is on analyzing the attractiveness of Memphis, TN to companies that are looking to relocate or expand. This analysis examines the criteria that are used to evaluate "business-friendly" environments of cities, how Memphis ranks based on these criteria compared to competing cities, and what critical issues could hinder Memphis's competitive expansion. The results confirm that Memphis is a top competitor in logistical infrastructure; yet, they also demonstrate that the future growth of Memphis' business environment depends on its ability to invest in the education of its workforce and in crime reduction.

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I. Introduction

Named after the ancient capital of Egypt on the Nile River, Memphis, Tennessee, is the largest city in the state of Tennessee and the third largest in the Southeastern United States. Memphis is located on the Mississippi river, and is intersected by three Interstate highways, seven major U.S. highways, and numerous freight railroads. Memphis is also home to the largest cargo airport in the world, the primary center for FedEx shipping. With this location and transportation infrastructure, more major metro areas can be reached overnight from Memphis than any other city in the central U.S.[1] Furthermore, the city has a growing economy and a worldwide reputation for culture and arts. With these factors combined, Memphis should be in a good position to attract and develop new business in the area.

According to many reports, however, Memphis ranks in the bottom tier, if not in last place, for the attractiveness of its business climate. Forbes, for example, ranked Memphis 147th out of the nation's 200 most populous cities for the "Best Places for Business and Careers."[2] Memphis was listed on the top ten listing for CNBC's "Worst Places to Live."[3] Finally, the Tennessee Center for Policy Research named Memphis the least business-friendly city among the state's 50 largest communities.[4] There has been much debate over whether or not these studies accurately depict the economic and living environment of the city; nevertheless,

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[1] "*A Strategic Global Future*". Memphis Region Sourcebook,19 Jul. 2001, <http://www.memphisregion.com/getsourcebook.asp> (accessed 20 Apr 2012).
[2] Kurt Badenhausen, "*Best Places for Business and Careers*". Forbes.com, 29 Jun 2012 <http://www.forbes.com/sites/kurtbadenhausen/2011/06/29/the-best-places-for-business-and-careers/> (accessed 20 Apr. 2011).
[3] Aaron Crowe, "*10Worst Places to Live in America*". CNBC 6 Aug 2010 <http://www.cnbc.com/id/38584814/page/3/> (accessed 20 Apr 2012).
[4] Justin Owen and Ryan Tuberville, "*How Business-Friendly Are Tennessee's Cities*?". Beacon Center of Tennessee,14 Nov. 2011, http://www.beacontn.org/wp-content/uploads/How-Business-Friendly-are-Tennessees-Cities-in-2011.pdf (accessed 18 Apr 2012).

Memphis, the state's largest city, is an area of concern for the future of the economy of the state of Tennessee.

Memphis, therefore, is now at a crossroad between becoming a competitor in the global marketplace, or being left behind their peer cities, as the global economy recovers from a recession and cities prepare to cast new strategic global vision. Are the studies listed above correct in their assertions that Memphis is an unattractive place for business? Can Memphis capitalize on some of its unique assets?

In this study, I will address these questions and focus on analyzing certain factors that companies have historically thought important when deciding where to relocate or expand. I will assess the attractiveness of Memphis based on those factors. Because decisions of where to relocate and expand are driven by business basics, these factors will vary both in overall classification and in importance. Consequently, I will analyze each variable separately and assess on how Memphis compares to its peer cities. The following is a brief history of Memphis' business environment and activity, discussion of relevant literature, and the methodology employed. Finally, I will display the results, along with illustration of variables in which Memphis is an outliers, and final conclusions.

Brief History

White settlers took ownership of West Tennessee after the Federal Government purchased the area from the Chickasaw Nation in the 1818 Jackson Purchase.[5] Judge and advisor to Andrew Jackson, John Overton, officer in the American Revolutionary War and Tennessee State Senator, James Winchester, and Andrew Jackson himself, saw this land along the Mississippi River as a valuable location for trading and transportation. These men envisioned a

[5] Teresa R. Simpson, "*The History of Memphis*," About.com Guide, n.d, http://memphis.about.com/od/historyandfacts/a/history.htm (accessed 12 Apr. 2012)

city built upon a bluff, with fertile land surrounding it that provided natural security, protection from flooding, and a midway point for trading from New Orleans to the Ohio Valley. Founded in 1819 and incorporated in 1826, the city was named Memphis after the ancient capital of Egypt, which occupied a strategic position at the mouth of the Nile River delta and served as the principle port for the Egyptian kingdom.[6]

From its beginnings, Memphis realized the vision that its founders had set forth. The first immigrants, who were mostly German and Irish, established businesses, provided labor, and built the first neighborhoods and churches.[7] As Memphis grew, slaves were brought in to further develop the city, building roads and providing labor for the surrounding farmland. The city's economy grew tremendously with this influx of labor. By the late 1840s, riverboats flooded the banks of the Mississippi, loaded with furs, other trade goods, and the "white-gold" of the South, cotton. Truckloads of cotton poured onto Memphis' Front Street, the hub of the Cotton Exchange, to be classed and graded, bought and sold, financed and insured, and shipped to locations all around the world.[8] By 1850, Memphis was the largest inland cotton market in the world.[9]

When the Civil War began in the 1860s, Memphis became a valued location to both the Confederate and the Union army. Memphis was a military supply depot for the Confederacy before its defeat in the Battle of Memphis on June 6, 1862. After its capture by the Union, Memphis became the headquarters for Army General Ulysses S. Grant. As a Union territory, Memphis drew many slaves to the area, and its African-American population quadrupled by

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[6] "*History of Memphis*", City of Memphis, n.d, <http://www.cityofmemphis.org/framework.aspx?page=296> (accessed 18 Apr 2012).
[7] Ibid.
[8] Ibid.
[9] "*About Memphis: Information about the History of Memphis*," Crye-Leike, n.d, http://www.crye-leike.com/buyerseller/memphishistory.php (accessed 18 Apr 2012).

1870.[10] In his scholarly article entitled "The Worst Behaved City in the Union", which analyzes the impact of racial tensions in Memphis after the Civil War, Joseph Doyle stated plainly, "The Civil War forever changed the racial makeup of Memphis."[11] Racial violence was ignited by this transformation of population. Some of the most violent events occurred in the Riots of 1866 as mobs of white civilians and policemen rampaged through black neighborhoods and the houses of freed slaves. Federal troops were sent to quell the violence and peace was restored after three days. A subsequent report by a Congressional Committee detailed the massacre, including forty-six blacks and two whites killed, seventy-five persons injured, over 100 persons robbed, five women raped, and ninety-one homes, four churches and eight schools burned.[12] This racial divide that was created almost a century ago is still a source of tension today.

After the war, Memphis' valuable location on the Mississippi River almost caused its demise after a yellow fever epidemic broke out in 1878. The fever devastated the city, killing more than 5,000 and forcing another 25,000 to seek safety in other cities. As a result, land value fell drastically and crops were left unattended. Newspapers across the state suggested that the city be abandoned and burned, and the city lost its charter, forcing it into bankruptcy. Nevertheless, the resilient city found a way to raise the capital needed to fund a new drainage system, improve sanitation, and pave its disgracefully muddy streets. Aware of its dependence on its cash crop, King Cotton, the city sought ways of diversifying its economy, and by the early 20th century, Memphis was one of the world's leading hardwood lumber markets. In the 1950s,

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[10] "*History of Memphis*" supra note 6

[11] Joseph Patrick Doyle, "*Worst Behaved City in the Union*." MA thesis. Rhodes College, 2008. ProQuest Dissertations and Theses. Web. 18 Apr 2012

[12] James Gilbert Ryan. "*The Memphis Riots of 1866: Terror in a Black Community During Reconstruction*" The Journal of Negro History Vol. 62, No. 3, Jul 1977, (pp. 243-257) <http://www.jstor.org/stable/info/2716953> (accessed 19 Apr 2012).

Memphis was even home to the world's largest mule market.[13] Memphis established its true economic comeback as its confident residents returned to the city. Memphis's population grew to more than 100,000 in the early 1900s, nearly twice its pre-yellow fever census.[14]

In 1910 E.H. "Boss" Crump became mayor of Memphis and implemented policies that are still intact today. Crump served as official mayor until 1915, but he was unofficially involved in Memphis politics into the 1950s. Though it supported and enacted some controversial policy, the Crump machine is largely credited with lowering taxes, encouraging economic growth in Memphis, and bringing in high-paying industrial jobs.[15]

As recovery continued, the re-established Memphis made history of another sort. Beale Street served as a steaming pot of culture with brothels, bars, and music that echoed loudly the city's "soul". Farmers and freed slaves alike established their musical roots in the Beale Street blues bars, where they would sing a mix of gospel songs, field songs, African tribal songs, and rhymed ballads about their lives in the Deep South.[16] W. C. Handy, B.B. King, Elvis Presley and a disproportionate number of other influential musicians all sought their inspiration from wandering the Streets of Memphis. Because of its rich musical history and culture, Memphis is still known today as the Home of Blues and the Birthplace of Rock-n-Roll.[17]

In 1968, Memphis became the focus of an important Civil Rights struggle. A labor dispute raised by the City of Memphis Sanitation Workers evolved into a fight for human dignity and economic equality. Reverend Martin Luther King came to bring the nation's attention to the

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[13] "*History of Memphis*" supra note 6
[14] "*About Memphis: Information about the History of Memphis*" supra note 9
[15] David Tucker, "*Edward Hull 'Boss' Crump*," THE TENNESSEE ENCYCLOPEDIA OF HISTORY AND CULTURE, 1 Jan 2010 http://tennesseeencyclopedia.net/entry.php?rec=334 (accessed 18 Apr 2012).
[16] Piero Scaruffi, "*A Brief History of Blues Music*". 2005 http://www.scaruffi.com/history/blues.html (accessed 19 Apr 2012).
[17] "*History of Memphis*" *supra* note 6

severe problems the laborers faced in Memphis. Sadly the strike ended with the assassination of Dr. King at the Lorraine Motel in Memphis on April 4, 1968. Today, the Lorraine Motel is part of The National Civil Rights Museum, whose mission is "to assist the public in understanding the lessons of the Civil Rights Movement and its impact and influence on human rights movements worldwide, through its collections, exhibitions, research and educational programs."[18]

In 1962, St. Jude Children's Research hospital opened, which in now one of the nation's largest and best-equipped regional medical facilities. This facility is only one of many in the Memphis medical community, which now makes a significant contribution to the local economy. In the 1990s, Beale Street made a comeback as a top tourist attraction and other downtown revitalization projects such as Mud Island were developed.[19] In 2000, Memphis made tremendous strides as they welcomed an NBA team, the Memphis Grizzlies, to the city. The $250 million FedEx Forum was built to house not only the Grizzlies, but also the University of Memphis Tigers basketball team.[20] Finally, Memphis is home to the second largest cargo airport in the world, which serves as the primary center for FedEx shipping[21]. The city has come to be the region's leading distribution center, and in 2011, Memphis was named as the "Top Logistics, Distribution and Shipping Hub" in the United States by Business Facilities magazine.[22]

As is evidenced by its paradoxical history, Memphis has seen times of both prosperity and struggle. Memphis was one of the few cities in the South to remain unscathed during the

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[18] "*About NCRM",* The National Civil Rights Museum, n.d. http://www.civilrightsmuseum.org/?page_id=2 (accessed 20 Apr 2012).
[19] "*About Memphis: Information about the History of Memphis*" *supra* note 9
[20] Ibid.
[21] "*About Memphis: Information about the History of Memphis*" *supra* note 9
[22] "*2011 RANKINGS: Memphis Top Logistics Hub*" Business Facilities, 9 Aug 2011, http://businessfacilities.com/news/2011-rankings-memphis-top-logistics-hub/ (accessed 21 Apr 2012).

American Civil War, only to be devastated by a yellow fever epidemic shortly after. The city stood as an ionic American cultural hub in the twentieth century, a place of popular music that crossed racial divides; yet, Memphis suffered tremendous setbacks in economic and political development because of racial tensions and bitter conflict. Today the city stands as a leading global player in distribution, but continues to struggle to establish its collective identity and overcome social and economic challenges. Memphis presently reflects many of the most unfortunate economic trends, with one in ten Memphians out of work and more than a quarter of the city's population living below the poverty line. According to current mayor of the city of Memphis, A.C. Wharton, Jr., however, "In the midst of an economic crisis that has been unfolding for years, there has never been a better time to write the map that will set Memphis on the road to the economic success we deserve."[23]

The positive and negative attributes of Memphis have been laid out, but how does the city compare to other cities that compete for business? Does the current economic condition of Memphis simply reflect the overall state of the nation's economy? Or will certain social difficulties that its peers do not face prevent the city from taking effective action in economic development?

II. Statement of Thesis

The purpose of this work is to objectively recognize and evaluate the strengths and weaknesses of Memphis and to identify the subset of the weaknesses that can be potentially addressed with local policy changes.

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[23] A.C. Wharton, Jr. "*The Outlook for Memphis: Risk and Reward*." Business Perspectives. Vol. 21, No. 3, 2012 (pp. 7) print.

III. Literature Review

The site selection process for companies is very complex, and there are many factors that are taken into consideration during these decisions. The purpose of this literature review is to examine what previous sources have determined to be important. The literature selected for this section is broken down into two categories: surveys and sources that list factors considered important by corporate site selectors, and studies and reports that assess factors pertaining to the business environment of countries, regions, and cities. The factors compared in Table 1 (see Appendix A) from the surveys and other sources in the first category demonstrate general areas for consideration, such as availability of skilled labor. The information gathered from sources in the second category illustrates how the overall business climate of areas has generally been measured, for example high school graduation rates and percentage of population with college degrees.

The use of this secondary data provides a foundation for the variables used in the study of Memphis' relative attractiveness. This section will provide a brief overview of each study that is analyzed, followed by a brief discussion of general limitations. Additionally, this section will tie together repeated variables used in these studies to determine which variables will be used for the analysis of Memphis. Table 2 in appendix A illustrates which variables are mentioned repeatedly.

Site Selection Surveys

Area Development, an executive magazine that covers corporate site selection and relocation, conducts a survey each year of its corporate executive readers in order to gain an understanding of the past year's business activity and plans going into the next year. The majority of respondents operate in durable goods manufacturing; however, distribution and logistics, warehousing services, data centers, and other industries also accounted for a large

percentage of participants in the survey.[24] The participants, most of whom are in executive level positions and are actively involved in site selection projects, were asked to comment on their outlook in terms of facility expansion or relocation through a series of questions.[25]

Most relevant to this discussion are the survey results from the site selection question. In order to find out how the corporate executive readers make their location and expansion decisions, the editors of *Area Development* asked the respondents to rate the site selection and quality-of-life factors as either "very important," "important," "minor consideration," or "of no importance." The results of the 2011 Corporate Survey respondents' illustrate the factors deemed important, that is, what they want information on, by corporate executives in the site selection process.[26] This literature will set the foundation for variable comparison across other sources because it provides the most extensive list of site selection factors.

Secondly, *Business Xpansion Journal* is a corporate magazine that is dedicated to delivering decision support tools to companies active in the site-selection process. In January of 2010, the magazine complied a series of interviews of participants involved in sectors of manufacturing, Internet and social media, talent and workforce, commercial real estate, and finance and taxes. The article is entitled "*What's Ahead? Site Selection Outlook for 2010-2015*[27]." This commentary provides additional support that the criteria listed in Table 1 are indeed important areas of concern for corporate executives involved in the site selection process.

Finally, in the second chapter of a book entitled The Great American Job Scam, author Greg Leroy writes to discuss the factors that are important in consideration for site location of

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[24] "*26th Annual Survey of Corporate Executives Results*" Area Development, Winter 2012, http://www.areadevelopment.com/AnnualReports/Winter2012/26th-Corporate-Executive-RE-survey-results-287123.shtml (accessed 11 Mar 2012).
[25] Ibid.
[26] Ibid.
[27] Rachel Duran. "*What's Ahead? Site Selection Outlook for 2010-2015*" Business Xpansion Journal. n.d <http://bxjmag.com/bxj/article.asp?magarticle_id=1474> (accessed 6 Apr 2012).

businesses. The author's purpose for this discussion is to contradict the idea that incentive packages are most important to decision makers; however, for the purpose of this analysis of Memphis, this literature is used to further confirm the importance of factors that have been previously mentioned. Therefore, Table 1 illustrates factors mentioned in this text as considerations for corporate site selectors.

As previously stated, the basic need components that Leroy mentions were gathered for comparison in Table 1; however, Leroy made it a point to note, and I emphasize it again here, that business' specific needs will vary across industry and across company. For example, emerging high-technology companies need to be in proximity to a highly skilled labor force and to venture capital. Silicon Valley has both top engineering schools and capital investors. Boeing chose to build a plant in Seattle because of the availability of cheap hydropower from the Bonneville Power Administration.[28] These factors carry the most weight for the consideration of site location and are non-negotiable. The discussion at the end of this Literature Review section with expound upon this in more detail.

Business Climate Reports

PwC and the Partnership for New York City originally developed a report, entitled *Cities of Opportunity,* to consider what New York City had to do to remain competitive on the world stage. The partnership expanded the research to other cities worldwide in years following. Instead of choosing a sample based on population factors, this study chose twenty-six capital market centers from a broad geographic distribution. Sixteen are mature cities and ten are cities in emerging markets. Sixty-six variables were selected and analyzed and divided into ten

[28] Greg Leroy. "*Site Location 101: How Companies Decide Where to Expand or Relocate*" The Great American Jobs Scam, 2005, pp. 47

indicator groups.[29] For the purpose of comparability of variables used in this literature review, some indicator groups are broadly defined in Table 2 (see Appendix A). For example, the intellectual capital and innovation group includes variables such as classroom size, libraries with public access, math/science skills attainment, and percent of population with higher education, etcetera. In Table 2, this is cumulatively classified as high school graduation rate/ educational attainment. This study provides a basis and example of the actual metrics used in business environment analysis.

Secondly, Forbes conducts an annual report in which they rank U.S cities as the "Best Places for Business and Careers." This study looks at the 200 largest metropolitan statistical areas in the United States and rates them based on twelve metrics relating to past and projected job growth, business and living costs, income growth, educational attainment, and projected economic growth. Quality of life issues such as crime rates, cultural and recreational opportunities, and net migration patterns are also factored into the calculation.[30]

Finally, the Beacon Center of Tennessee, founded as the Tennessee Center for Policy Research ("TCPR"), conducted a sixth annual report in 2011 entitled *"How Business-Friendly Are Tennessee's Cities?"* This report complies data for the state's fifty most populous cities in Tennessee and aims to encourage cities to promote pro-business practices. Prior to 2010, the cities were ranked on four categories: Economic vitality, business tax burden, community allure, and strategic location.[31] In 2010, however, the strategic location variables were eliminated because those variables were considered to be outside of the city's control. The variables used

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[29] "*Cities of Opportunity*." Pwc, 4th Ed. 2011, <http://www.pwc.com/us/en/cities-of-opportunity/2011/pdfdownload.jhtml> (accessed 13 Mar 2012).
[30] Kurt Badenhausen. "*Best Places Methodology"* Forbes, 6/29/2011, <http://www.forbes.com/sites/kurtbadenhausen/2011/06/29/the-best-places-for-business-and-careers/> (accessed 13 Mar 2012).
[31] Justin Owen and Ryan Turbeville *supra* note 4

for comparison in Table 2 included the strategic location variables used in the TCPR reports prior to 2010 because, according to the 2007 TCPR Report, "Just as location can determine the success of a business, it can also serve to determine how well-suited a city is to host successful businesses."[32]

Literature Discussion

To summarize, general concerns for site selection are labor, taxes, transportation, quality of life, and other miscellaneous factors. For the most part, previous studies and reports have come to the same conclusions in determining what matters, but there is little consensus on how to actually measure these factors. Furthermore, to provide an index that would allow reporting entities to rank cities, states, countries, and region's business climates, a weight percentage must be assigned to each factor. This weight is based on what each reporting entity deems most important or least important, which varies not only based on the entity's opinion, but also based on an individual company's needs. The analysis of these business climate factors is not part of a scientific formula, but rather of opinions and preferences. Therefore, rankings and indices are often bias and unfair.

Previous efforts to rate Memphis in relation to other cities have been influenced by arbitrary decisions over which metrics to consider how to weight the various factors. Reporting entities have discounted things like taxes, assuming that they are a deterrent for business, without consideration of where the tax revenues go. In an attempt to simplify and compare cities, rankings do not necessarily paint a clear picture of the actual economic and business environment.

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[32] Drew Johnson. "*Business-Friendly Cities 2007*". BusinessTN, n.d. <http://businesstn.com/content/business-friendly-cities-2007> (accessed 13 Mar 2012).

I will, therefore, reevaluate the actual data that go into an analysis of Memphis's business climate. I will compile an extensive list of variables supported both by what reporting entities believe matter and by what corporations say matter. The Greater Memphis Chamber provided a listing of peer cities with whom they compete, based initially on population similarities, but also on employment, industry mix, geographies similarities and other factors[33]. Data gathered for Memphis from this list of variables will be analyzed individually and compared to data gathered for twelve of Memphis's peer cities. Finally, this study will simply provide comparative information, not a ranking of Memphis's business climate.

IV. Methods

A critical review of relevant literature and studies was used as a primary method of research to determine that factors are deemed important for the analysis of a city's business climate. Based upon the findings of relevant variables from this phase[34], data were then pulled from independent sources and analyzed to determine the strengths and weaknesses of Memphis' business environment compared to its peer cities.

The methods phases are the following:

1. Secondary research and comparison of variables
2. Data compilations and analysis

Phase I

The *Area Development* Corporate Survey provided a detailed listing of site selection factors and was therefore used as a basis for comparison for the survey category. In Table 1, factors indicated as important or very important by 45% or more of corporate executives in the

[33] Adrienne M. Johnson, Greater Memphis Chamber. Email 1 Feb. 2012

2011 survey were marked. The 45% cutoff was used to ensure an extensive listing of important variables. Mentions of these same factors from the other two sources were then marked to provide a comparison of factors deemed important by corporate executives across multiple sources.

Furthermore, information was gathered from four entities that provide reports about a city, state, country, or region's business climate. The data gathered from sources in the second category illustrate how the overall business climate of areas has generally been measured. Actual metrics of variables employed by other studies are listed in the first column of Table 2 and marked across the rows if they were used in the respective reports. From this Table, I created an extensive list of variables that served as the guide for my data collection.

Phase II

During the second phase of research, data was collected, based on the variables deemed appropriate for analysis in phase I, for twelve of Memphis' peer cities. Data were pulled from sources such the U.S Census Bureau's 2010 American Community Survey, the U.S Bureau of Labor Statistics, the FBI Uniform Crime Report, and other independent sources. The data were then arranged into tables and charts and analyzed to determine how Memphis compared to its peer group.

V. Results and Discussion

Memphis offers a unique set of assets and advantages to companies considering locations for business. The city is in an enviable position in terms of its unique physical capital, geographic location, and sustainable infrastructure. There are a few obstacles and challenges, however, that Memphis will have to address in order to be competitive in attracting business. The following are the results of the comparison of Memphis's business environment factors to those of its peer group. The results are categorized by the variable groups labor, taxes,

transportation and infrastructure, and quality of life. Significant findings in which Memphis is an outlier are highlighted and discussed. See Appendix C for a full listing of variables and data.

People and the Workforce

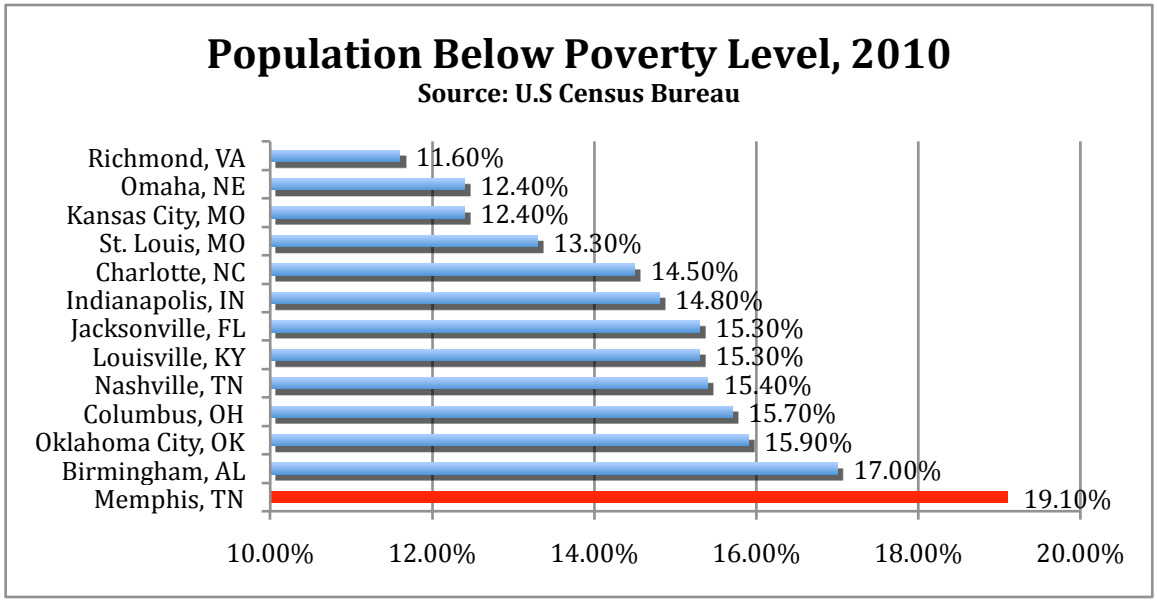
Memphis' labor force is one such stumbling block that must be and is being addressed by city and state officials. Workforce development is crucial to remaining competitive in today's global economy; however, with high unemployment, high poverty rates, and low availability of a skilled workforce, the city faces difficulty in creating and attracting jobs. The following are important findings in relation to the Memphis workforce.

In terms of general demographics, Memphis is one of three in its peer group to have a decline in growth from 2000 to 2010. The city's population declined by 5.7%, while Birmingham, AL declined by 6.41% and Omaha, NE by only 1.64%. All others in the peer group have had positive growth in their populations. Charlotte, NC had the largest growth in the last decade, at 22.10%.[35] The city's population as of the 2010 was 614,413, one of the larger populations its peer group. Memphis has a population density of 2,250 people per square mile, which is average compared to its peers. The median age of all residents in Memphis is 34.8, making Memphis a fairly young city, just slightly older than Columbus, OH who has a median age of 33.7. It is also worth noting that Memphis has the second largest African American population, behind Birmingham, AL. 66.80% of Memphians are African Americans, while 74.98% of Birmingham's population is African American.[36]

Memphis is an extreme outlier in terms of poverty rates. Below is a bar graph indicating Memphis as having the highest poverty rate, 2 percentage points above every other city in its

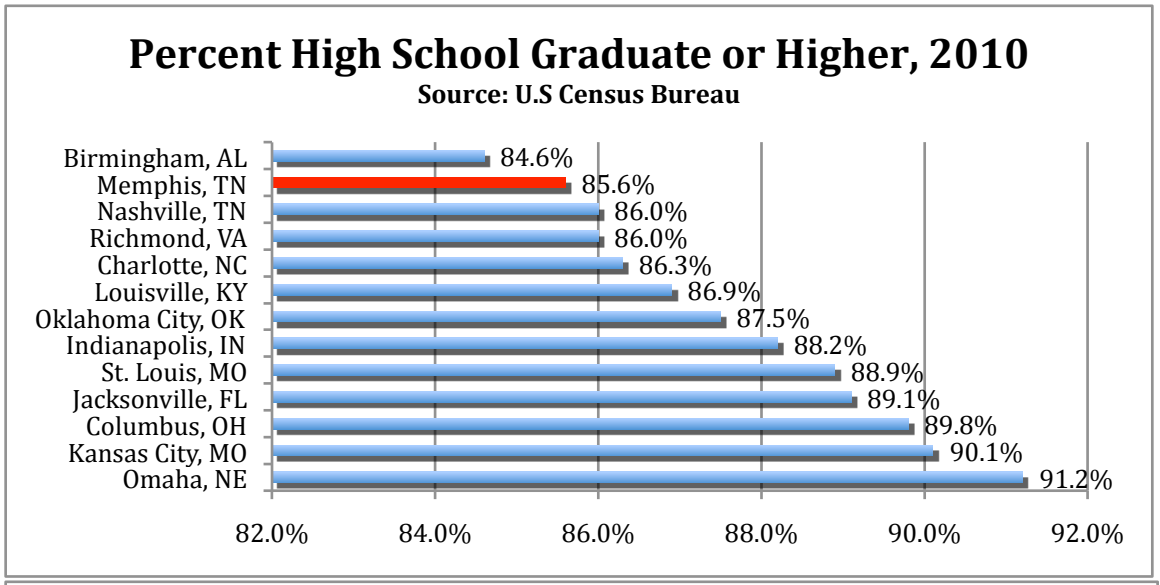
[35] See Appendix C
[36] Ibid.

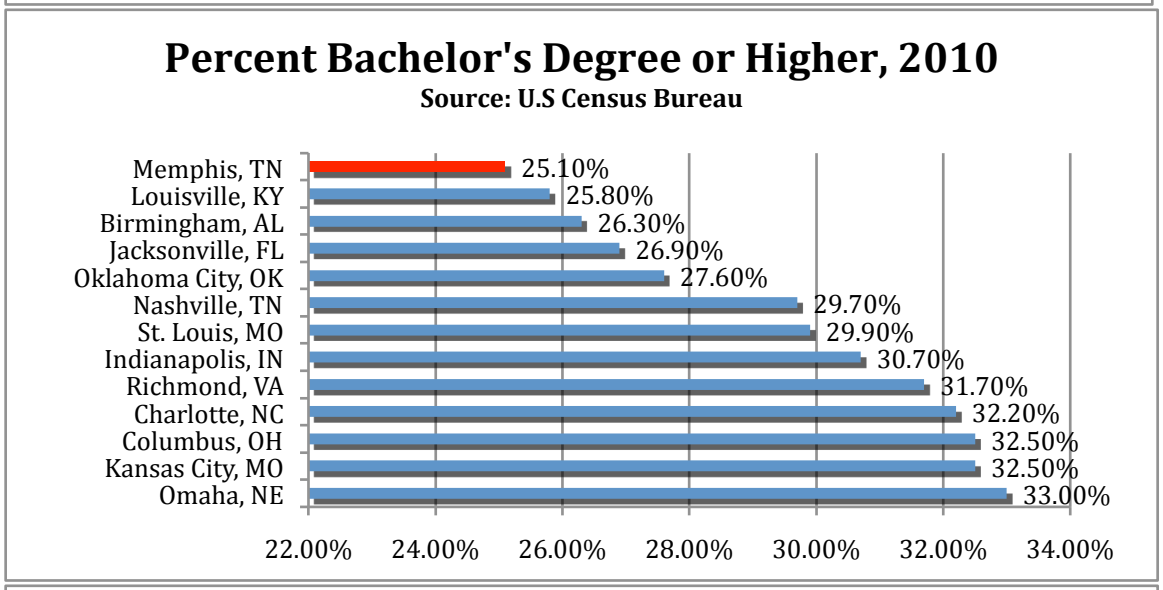
peer group. These high poverty rates may directly or indirectly affect the city's ability to attract business to the area.

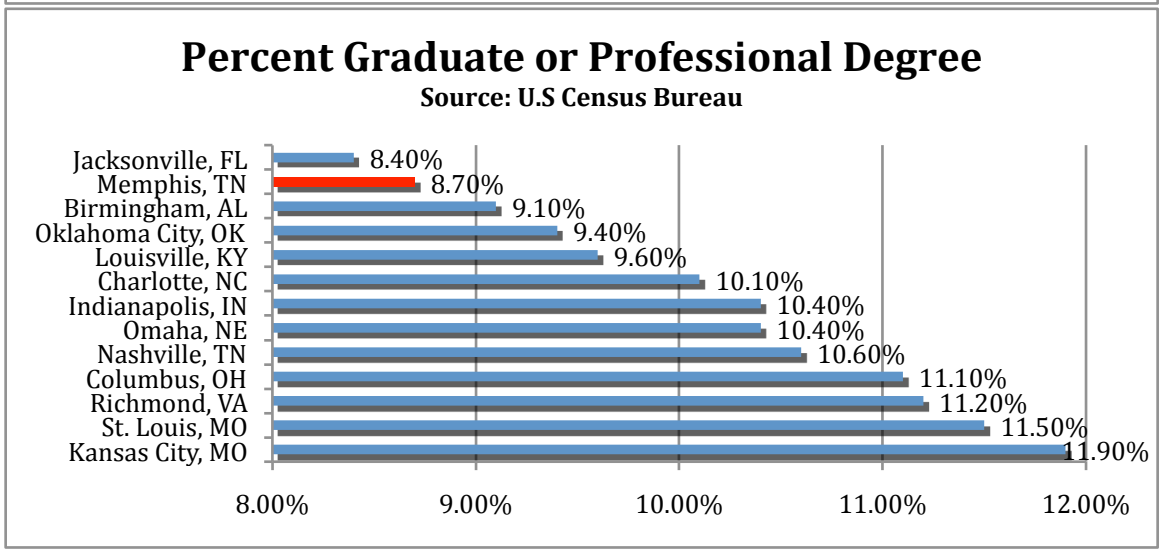


Another area of concern for Memphis is its human capital in terms of training, skill, and education. As of 2010, the percent of the population above the age of 25 in Memphis with at least a high school or equivalent degree, at least a bachelor's degree, or a graduate or professional degree, is below its peer group. Though behind its peers, Memphis is right at the national average for high school graduates (85.6% national average)[37]. The city does, however, fall behind the national average in educational attainment of both bachelor's degrees (28.2% national average) and graduate degrees (10.4% national average).

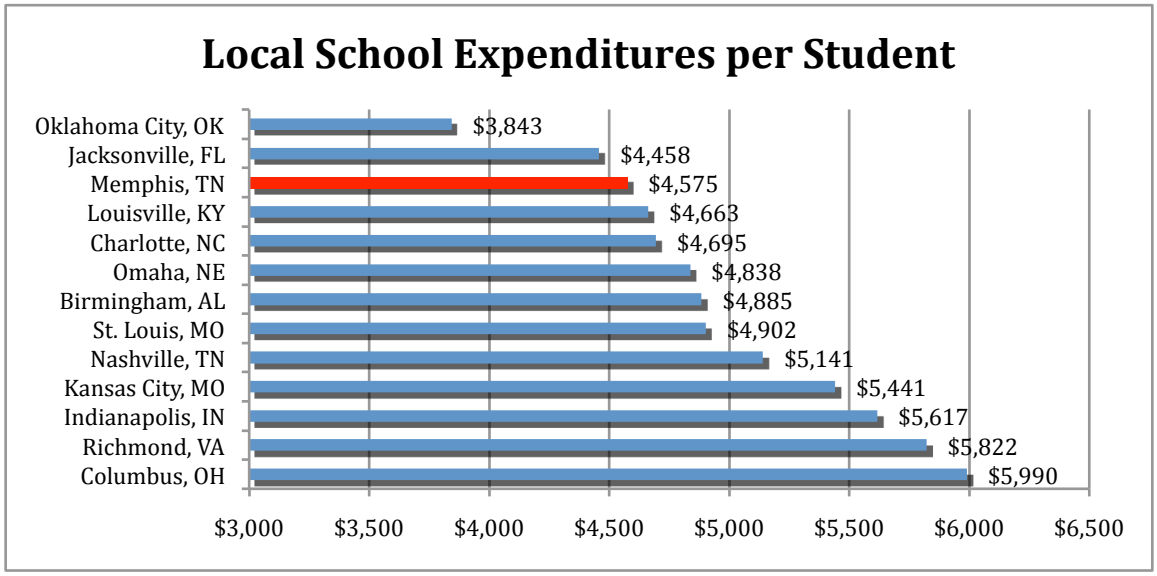
[37] Ibid.


Percent High School Graduate or Higher, 2010
Source: U.S Census Bureau
Birmingham, AL 84.6%
Memphis, TN 85.6%
Nashville, TN 86.0%
Richmond, VA 86.0%
Charlotte, NC 86.3%
Louisville, KY 86.9%
Oklahoma City, OK 87.5%
Indianapolis, IN 88.2%
St. Louis, MO 88.9%
Jacksonville, FL 89.1%
Columbus, OH 89.8%
Kansas City, MO 90.1%
Omaha, NE 91.2%
82.0% 84.0% 86.0% 88.0% 90.0% 92.0%

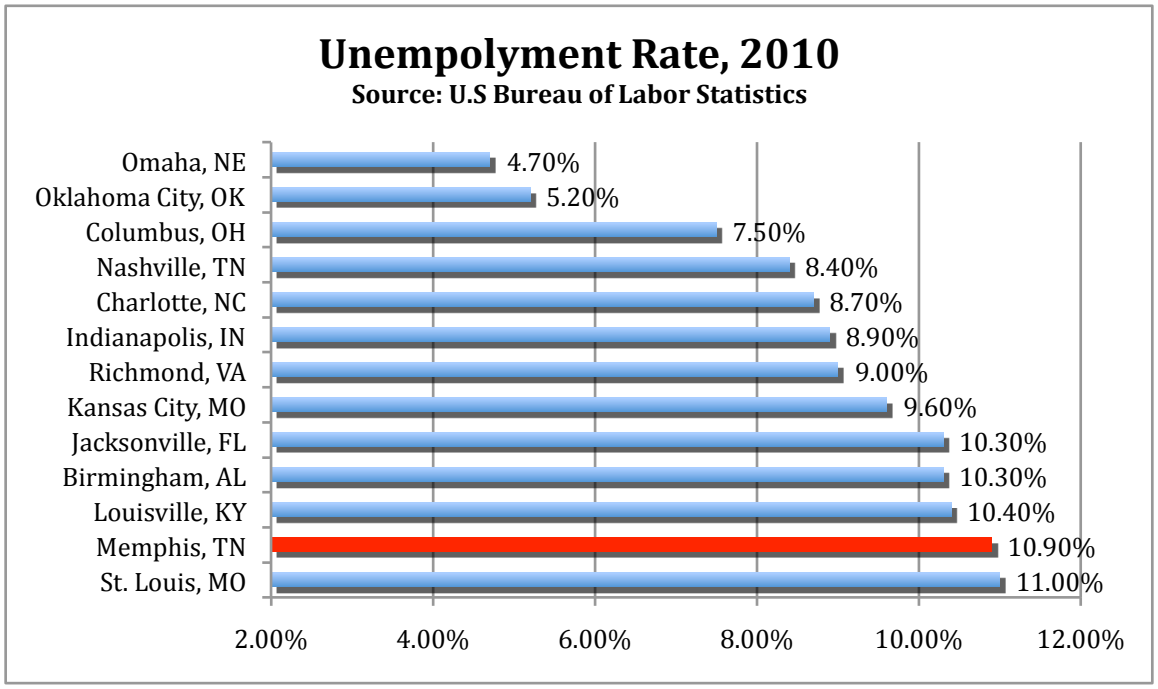

Percent Bachelor's Degree or Higher, 2010
Source: U.S Census Bureau
Memphis, TN 25.10%
Louisville, KY 25.80%
Birmingham, AL 26.30%
Jacksonville, FL 26.90%
Oklahoma City, OK 27.60%
Nashville, TN 29.70%
St. Louis, MO 29.90%
Indianapolis, IN 30.70%
Richmond, VA 31.70%
Charlotte, NC 32.20%
Columbus, OH 32.50%
Kansas City, MO 32.50%
Omaha, NE 33.00%
22.00% 24.00% 26.00% 28.00% 30.00% 32.00% 34.00%


Percent Graduate or Professional Degree
Source: U.S Census Bureau
Jacksonville, FL 8.40%
Memphis, TN 8.70%
Birmingham, AL 9.10%
Oklahoma City, OK 9.40%
Louisville, KY 9.60%
Charlotte, NC 10.10%
Indianapolis, IN 10.40%
Omaha, NE 10.40%
Nashville, TN 10.60%
Columbus, OH 11.10%
Richmond, VA 11.20%
St. Louis, MO 11.50%
Kansas City, MO 11.90%
8.00% 9.00% 10.00% 11.00% 12.00%

Furthermore, local school expenditures per student are lower compared to Memphis' peer cities. This could be due in part to differences in state funding, but regardless, education needs to be a priority for the local government if Memphis is going to be a viable competitor in the marketplace.



Finally, the unemployment rate and labor market are of moderate concern, while the cost of labor in Memphis is fairly attractive. As illustrated in the chart below, the city's unemployment rate as of 2010 is higher than its peer group with the exception of St. Louis whose is slightly higher at 11%. Memphis is also above the United States national average for unemployment, which was 9.10% as of 2010.

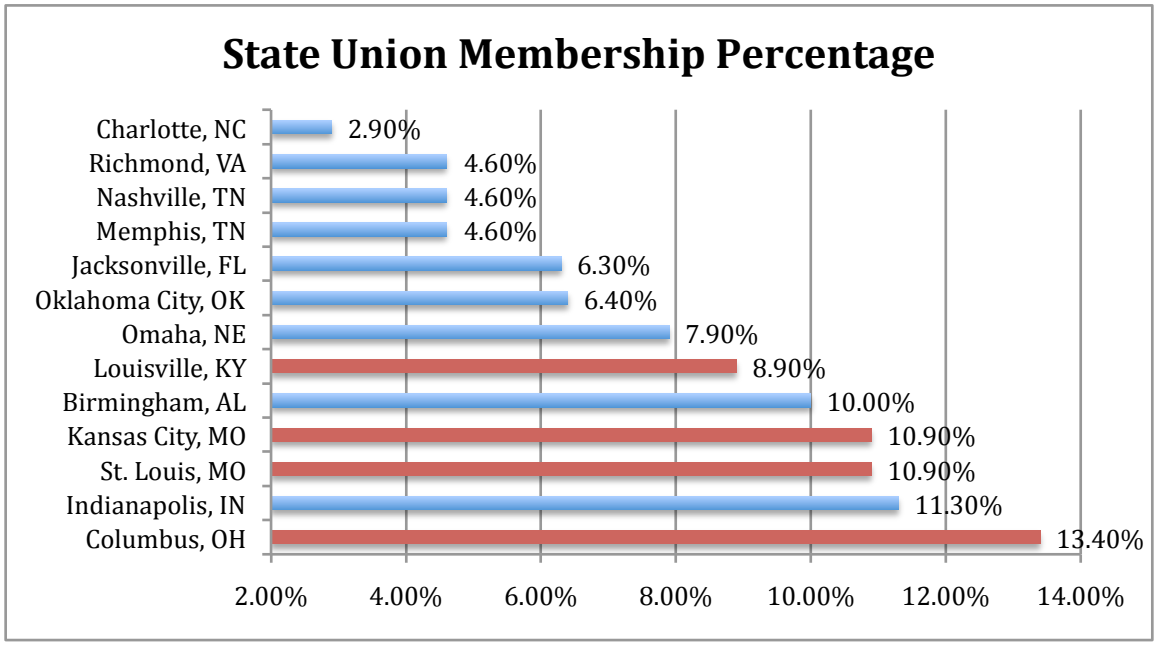


With high poverty, low educational attainment, and high poverty rates, it is no surprise that Memphis has one of the lower incomes per capita. With an average income of $19.961, the city is just above St. Louis, whose income per capita is $19,893 and Birmingham, the lowest with an income per capita of $19,218.[38] Memphis was one of five of its peers to have positive job growth of .56% in 2010. Nashville had the largest growth in available jobs, according to the Bureau of Labor Statistics, with a growth of 3.15%. Charlotte, NC had the largest decrease in the number of available jobs at -1.70%.[39]

On a positive note, Tennessee is a right to work state with low union membership, and the Memphis Chamber claims to offer wage rates that are lower than most other parts of the country[40]. The following charts illustrate the union membership percentages and average wage rate of all private industry workers for Memphis and its peer group. The blue lines for state union

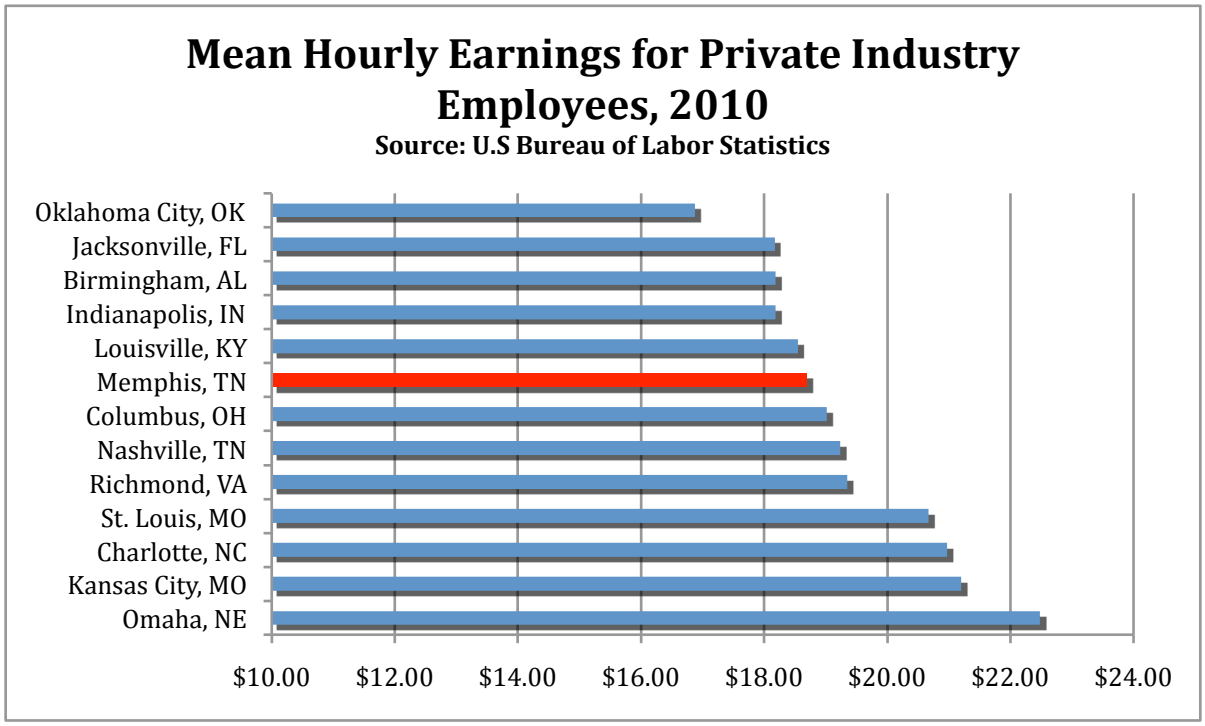
[38] See Appendix C.
[39] Ibid.
[40] Greater Memphis Chamber, "*Workforce*", n.d <http://www.memphischamber.com/Economic-Development/Site-Selection/Workforce.aspx#top> (accessed 22 Apr 2012).

membership represent right to work states.



Memphis' mean hourly earnings for private industry workers are not the lowest in its peer group; however, the city offers low cost wage options across a variety of industries[41]. For employers whose basic business need is low cost labor, Memphis is a fairly good option for location selection.

[41] Ibid.



Needless to say, job creation and human capital development are topics of concern among state and city officials in Memphis; however, they are not insurmountable. Governor Haslam and the Tennessee Department of Economic and Community Development recently launched a strategic initiative to combat economic challenges and unemployment across the state. The top priority is to "Make Tennessee the No. 1 location in the Southeast for high-quality jobs"[42]. The partnership has established the Memphis region as one of nine "jobs base camps"[43]. While one of the four strategies associated with this "Job4TN" plan is to invest in innovation, the issue of a lack of basic education for a significant portion of the Memphis labor force must be addressed.

[42] J. Edward Townsend III, "*Job Growth; A Strategic Plan for Greater Memphis*", Business Perspectives. Vol. 21, No. 1, 2012 (pp. 26), print.
[43] Ibid.

Taxes

The following chart illustrates the tax burden for each city. These numbers may differ slightly as most of these cities cross county and even state lines, but they do provide consistent comparison.

Tax Burden by City, Jan. 1, 2012
Source: The Tax Foundation

	Corporate Tax Rate (Range)	Income Tax	Sales Tax	Average property tax per millage[44]
Omaha, NE	5.58-7.81%	6.84%	7.00%	$19.95
Columbus, OH	0.00%	8.87%	6.75%	$17.83
Kansas City, MO	6.25%	6.00%	7.73%	$14.53
Jacksonville, FL	5.50%	0.00%	7.00%	$14.18
St. Louis, MO	6.25%	6.00%	7.74%	$13.67
Memphis, TN	6.50%	0.00%	9.25%	$13.66
Indianapolis, IN	8.50%*	3.40%	7.00%	$13.52
Richmond, VA	6.00%	5.75%	5.00%	$12.66
Charlotte, NC	6.90%	8.25%	7.25%	$12.42
Oklahoma City, OK	6.00%	6.65%	8.38%	$11.86
Louisville, KY	4.0-6.0%	6.00%	6.00%	$11.33
Nashville, TN	6.50%	0.00%	9.25%	$11.30
Birmingham, AL	6.50%	5.00%	9.00%	$8.84

*This rate will decrease to 8% effective June 30, 2012

Memphis received poor marks for its tax burden in the report presented by The Beacon Center[45], however, as indicated above, Memphis is fairly positioned compared to its peers. Though the state of Tennessee has the highest sales tax, a lack of income tax is in the state's favor to attract businesses. Furthermore, taxes are oftentimes portrayed as a gross deterrent for

[44] <Lowtaxrate.com> (accessed 17 Apr. 2012).
[45] Justin Owen and Ryan Turbeville *supra* note 4

business, yet considerations for where the tax revenue is actually going are not addressed. For example, if a city's tax revenue funds government services such as the police force, firefighters, and the school system, it would be incorrect to assume this wards off business. Moreover, a lot of new businesses that move into the area are getting tax incentives and subsidies, decreasing the tax burden even further. For example, in a proposal to bring Electrolux, an appliance manufacturer, to open a plant facility in Memphis, the city and state offered the company tax breaks worth a combined $41.3 million, though it wasn't clear that the company would qualify for the total value.[46] Therefore, for companies who see the necessity of government services and amenities, and who most of the time receive tax breaks and incentives, Memphis taxes will rarely be a gross deterrent.

Transportation and Infrastructure

Throughout Memphis' history, location has played a key role in making it into the city it is today. It is no surprise, therefore, that the city's transportation and infrastructure sets Memphis apart from its peer group and could be a source of competitive advantage going forward. As illustrated in the tables below, Memphis International Airport (MEM) is the 35th largest airport in North America in number of passengers and 23rd in total movements. Memphis has the largest cargo airport in North American in total volume and ranks second in the world, just slightly behind Hong Kong International Airport.

[46] Daniel Connolly, "*Calculating the costs- and benefits- of Electrolux*". The Commercial Appeal, 18 Sept. 2011 <http://www.commercialappeal.com/news/2011/sep/18/calculating-costs-benefits-electrolux-memphis/> (accessed 26 Apr 2012).

2010		North American Airports Passenger Traffic[47]		
Rank		**City (Airport Code)**	**Total Passengers**	**% Change from 2009**
11		CHARLOTTE NC (CLT)	38 254 207	10.8
34		ST LOUIS MO (STL)	12 331 436	(3.6)
35		MEMPHIS TN (MEM)	10 368 048	(2.3)
36		KANSAS CITY MO (MCI)	10 168 035	1.3
42		NASHVILLE TN (BNA)	9 037 456	1.6
52		INDIANAPOLIS IN (IND)	7 526 414	0.8
54		COLUMBUS OH (CMH)	6 366 191	2.1
58		JACKSONVILLE FL (JAX)	5 601 500	(0.1)
65		OMAHA NE (OMA)	4 287 428	1.7
70		OKLAHOMA CITY, OK (OKC)	3 466 127	2.4
72		LOUISVILLE KY (SDF)	3 349 162	2.6
74		RICHMOND VA (RIC)	3 311 747	0.2
78		BIRMINGHAM AL (BHM)	2 950 429	0.6
195		COLUMBUS OH (LCK)	10 587	(19.1)

[47] "*Top 5 Busiest North American Airports - 2010 Traffic Count*" Airport Council International, 2010 <http://www.aci-na.org/content/airport-traffic-reports> (accessed 16 Apr 2012).

2010		North American Airports Cargo Traffic[48]		
Rank		**City (Airport Code)**	**Total Cargo (metric tonnage)**	**% Change from 2009**
1		MEMPHIS TN (MEM)	3 916 811	5.9
3		LOUISVILLE KY (SDF)	2 166 656	11.2
8		INDIANAPOLIS IN (IND)	1 012 589	7.2
34		CHARLOTTE NC (CLT)	121 847	12.4
39		ST LOUIS MO (STL)	103 742	(6.2)
45		KANSAS CITY MO (MCI)	87 092	(1.8)
54		COLUMBUS OH (LCK)	69 748	(2.9)
55		OMAHA NE (OMA)	69 425	(2.2)
61		JACKSONVILLE FL (JAX)	54 397	(16.9)
71		NASHVILLE TN (BNA)	40 316	(17.8)
72		RICHMOND VA (RIC)	38 248	1.4
79		OKLAHOMA CITY, OK (OKC)	31 090	(2.6)
86		BIRMINGHAM AL (BHM)	24 989	9.9
122		COLUMBUS OH (CMH)	4 373	(7.1)

[48] Ibid.

2010		North American Airports Total Movements[49]		
Rank		City (Airport Code)	Total Operations	% Change from 2009
7		CHARLOTTE NC (CLT)	529 101	3.9
23		MEMPHIS TN (MEM)	336 016	(0.9)
47		ST LOUIS MO (STL)	185 720	(11.2)
52		NASHVILLE TN (BNA)	175 450	(0.1)
55		INDIANAPOLIS IN (IND)	166 358	(2.9)
59		LOUISVILLE KY (SDF)	153 180	4.6
60		KANSAS CITY MO (MCI)	146 588	(2.5)
70		COLUMBUS OH (CMH)	136 081	(7.1)
79		OKLAHOMA CITY, OK (OKC)	122 485	(5.3)
88		OMAHA NE (OMA)	111 075	(0.1)
90		BIRMINGHAM AL (BHM)	109 867	2.9
96		RICHMOND VA (RIC)	103 810	(1.0)
106		JACKSONVILLE FL (JAX)	96 440	0.5
125		KANSAS CITY MO (MKC)	82 893	(1.1)
135		LOUISVILLE KY (LOU)	72 518	(3.4)
156		COLUMBUS OH (LCK)	55 400	7.1

Moreover, Memphis International Airport is known worldwide as "America's Aerotropolis". An aerotropolis is a term for a city or economic hub whose layout, infrastructure, and economy is centered on an airport with the associated airport city, a concept developed by John D. Kasarda in 2000.[50] Memphis was ranked as the "Top Logistics, Distribution and Shipping Hub" in the United States by Business Facilities magazine in 2011. According to the report, however, it is not just the city's airport that makes them the top logistics hub. The report states the following:

> While the airport is the heart of the aerotropolis, it is just one part of the robust transportation system that is crucial to Memphis' success. Equally vital to the city's strength as a logistics hub are its superior road and rail networks and its

[49] Ibid.
[50] John D. Kasarda "*Logistics & the Rise of the Aerotropolis*". Real Estate Issues, Vol. 25, Winter 2000/2001, (pp. 43–48)

port on the Mississippi River. All play integral roles in the economy of a city that is forecasted to see increased activity in both freight and passenger traffic in the years ahead.[51]

Memphis, therefore, also ranks highly compared to its peer group for cargo movements at its port location, as illustrated below.

U.S Port Ranking by Cargo Volume 2010[52]	**Waterway**	**Total Trade**		**Total Foreign Trade**		**Total Domestic Trade**	
		Rank	Tons	Rank	Tons	Rank	Tons
St. Louis, MO	Mississippi River	24	30,772,951	126	0	10	30,772,951
Jacksonville, FL	St. John's River	33	19,117,823	31	11,716,887	38	7,400,936
Memphis, TN	Mississippi River	45	12,155,049	128	0	23	12,155,049
Louisville, KY	Ohio River	66	6,169,971	130	0	45	6,169,971
Nashville, TN	Cumberland River	105	2,001,521	139	0	84	2,001,521
Kansas City, MO	Missouri and Kansas River	113	1,671,245	141	0	92	1,671,245
Richmond, VA	James River	142	857,808	115	62,416	117	795,392

*Indianapolis, IN, Birmingham, AL, Charlotte, NC, Columbus, OH, and Oklahoma City, OK are not port cities.
*The Port of Omaha services Omaha, NE but was not listed

Memphis stands alone among its peers as the only city ranked in the report of top logistics hubs. According to Business Facilities Editor-in-Chief Jack Rogers, "Memphis has an unsurpassed combination of air, rail, land and water shipping possibilities. When it absolutely, positively has to get there, it usually goes through Memphis.[53] "There is no question, therefore, that for companies who need to have close proximity to customers and suppliers, who are

[51] "*2011 RANKINGS: Memphis Top Logistics Hub*" supra note 21
[52] "*Port Industry Statistics*," U.S Army Corps of Engineers, Waterborne Commerce Statistics Center, 2010, <http://www.aapa-ports.org/industry/content.cfm?ItemNumber=900&navItemNumber=551> (accessed 19 Apr 2012).
[53] "*2011 RANKINGS: Memphis Top Logistics Hub*" *supra* note 21

primarily concerned with distribution, or whose fundamental business evolves around logistics, Memphis is a great place to be.

Quality of Life: Cost of Living

The cost of living index consists of a basket of goods from six major categories: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services[54]. Memphis tied with Birmingham, AL as having the lowest cost of living overall. Memphis has an exceptionally low index score for its cost of housing. For employers who are concerned with the cost of living, Memphis is obviously a great choice.

Cost of Living Indexes, Sept. 2011

Source: ACCRA

	Overall	Grocery	Health	Housing	Utilities	Transportation	Misc.
Richmond, VA	104	109	105	108	110	100	96
Charlotte, NC	98	96	109	102	96	100	94
Nashville, TN	95	95	91	93	88	90	104
Jacksonville, FL	94	103	91	84	99	105	93
Kansas City, MO	93	96	96	73	108	97	105
Indianapolis, IN	91	96	102	70	111	96	96
St. Louis, MO	90	96	99	68	104	92	101
Columbus, OH	89	94	105	72	101	98	92
Omaha, NE	89	97	99	74	93	104	90
Louisville, KY	85	84	85	62	101	99	97
Oklahoma City, OK	84	92	97	65	87	93	92
Memphis, TN	82	89	105	55	94	97	91
Birmingham, AL	82	91	82	51	102	88	99

[54] "Cost of Living Index," ACCRA, 2010, <http://www.coli.org/Method.asp> (accessed 25 Apr 2012).

Quality of Life: Crime Rates

According to an FBI Report,[55] Memphis had a higher number of violent and property crime per 1000 people than the majority of its competitors. In 2009, Memphis had 18.062 violent crimes per 1000 people, just behind St. Louis with 20.701.

2009 Violent Crime per 1000 People
Source: Federal Bureau of Investigations

City	Total Violent Crime	Murder and non negligent manslaughter	Forcible rape	Robbery	Aggravated assault
St. Louis	20.701	0.403	0.704	7.660	11.934
Memphis	18.062	0.198	0.572	6.201	11.090
Kansas City	13.004	0.206	0.569	4.065	8.164
Birmingham	12.367	0.286	0.871	5.058	6.153
Indianapolis	11.998	0.123	0.565	4.830	6.480
Nashville	11.405	0.126	0.429	3.230	7.619
Oklahoma City	9.303	0.117	0.528	2.243	6.415
Jacksonville	8.360	0.122	0.269	2.912	5.056
Richmond	8.025	0.182	0.172	4.182	3.489
Charlotte	7.233	0.075	0.390	3.017	3.752
Columbus	7.032	0.109	0.756	4.471	1.696
Louisville Metro	5.971	0.098	0.364	2.487	3.021
Omaha	5.334	0.068	0.433	2.013	2.819

[55] "*Offenses Known to Law Enforcement*," Federal Bureau of Investigation. 2010, <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2010/crime-in-the-u.s.-2010/tables/10tbl08.xls/view> (accessed 18 Apr 2012).

2009 Property Crime per 1000 People **Source: Federal Bureau of Investigations**					
City	**Total Property Crime**	Burglary	Larceny-theft	Motor vehicle theft	Arson
St. Louis	83.32	19.24	50.11	13.97	0.72
Birmingham	79.86	22.07	50.78	7.01	0.59
Memphis	70.71	20.89	43.54	6.28	0.50
Columbus	64.28	19.20	39.56	5.51	0.57
Oklahoma City	60.98	19.02	35.09	6.87	0.22
Indianapolis	58.29	18.71	34.07	5.51	0.43
Kansas City	55.08	14.92	32.88	7.28	0.61
Jacksonville	51.58	13.96	34.26	3.36	0.13
Charlotte	49.55	12.62	32.63	4.29	0.32
Nashville	47.78	10.35	34.60	2.83	0.11
Louisville Metro	42.62	11.22	28.66	2.74	0.38
Omaha	41.29	7.29	29.20	4.80	0.30
Richmond	41.08	7.65	28.65	4.78	0.30

One could infer that Memphis's less than welcoming reputation in the media stems from its above-average crime rate. The implications that these high crime rates have on business are not blatantly obvious; yet, many in Memphis believe they affect the business environment greatly. In an article entitled "Crime's hold on the Memphis economy" published in the Bureau of Business and Economic Research's Business Perspectives, the author states, "One of the major barriers to economic growth in Memphis is the widespread belief that the problem of crime in the city is out of control. Concern about crime influences industries looking at the Memphis area for expansion or relocation. And crime deeply affects how citizens of the area feel about working and living in this community."[56] The Bureau conducted a survey of Memphians that indicated that the desire

[56] Haskel D. Harrison and John E. Gnuschke, "*Crime's hold on the Memphis economy*", Business Perspectives, Summer 1994, reprinted in Business Library, n.d <http://findarticles.com/p/articles/mi_hb2998/is_n3_v7/ai_n28642360/?tag=content;col1> (accessed 22 Apr 2012).

to live and work in a crime-free environment is an important factor in defining quality of life for all Memphians, "whether rich or poor, old or young, black or white, urban or suburban".[57] There is hope, nonetheless, for the city, as it has experienced a decrease in crime over the past few years. The number of major violent crimes reported in Memphis and Shelby County dropped by roughly 16 percent through November of 2010, down by 24 percent since 2006.[58] While crime rates are currently a possible deterrent for business, Operation Safe Community, a non-profit organization that focuses on data-driven policing, and other initiatives are in place to lower crime in the area and change the negative public perception that Memphis is a dangerous place to live.[59]

VI. Conclusion

As further evidenced by this analysis, Memphis, following its paradoxical history, is currently in a juxtaposed position of sorts; the city is a world-renowned distribution and logistics hub, yet struggles to attract business and overcome negative perceptions. Despite the fact that Memphis has an enviable geographic location and notable structural investments, the public perceives Memphis as an impoverished city plagued with high crime rates and racial tension. Sadly, many of these perceptions are correct; however, these issues are not insurmountable as Memphis looks ahead at future development.

Not all of the city's attributes are negative. Memphis offers an abundance of low cost labor, an average tax burden on businesses, a low cost of living, and a unique cultural experience. The most valuable attribute is its geographic location and strong infrastructure that will serve as a source of competitive advantage as it continues to invest in technology and

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[57] Ibid.
[58] Kevin McKenzie, "*Memphis, Shelby County violent crimes decrease*," The Commercial Appeal, 18 Dec 2010, <http://www.commercialappeal.com/news/2010/dec/18/memphis-shelby-county-violent-crimes-decrease/> (accessed 22 Apr 2012).
[59] Ibid.

structural improvements. According to Larry Jensen, President and CEO of Commercial Advisors, LLC in Memphis, "Every initiative and tactic should function to mature, support, nurture, and fully develop these key assets to create opportunity, jobs, and growth."[60]

There are a few obstacles that will hinder Memphis' development if left unaddressed and ignored. The results of this study reaffirm that Memphis suffers from higher poverty rates, lower educational attainment, and higher crime rates than the majority of its peer cities. The common variable across these statistics is people. The lack of development of the city's labor force overshadows the significant advantages of Memphis' renowned infrastructure. Investments must be made in education and crime reduction in order to decrease the disparity between the city's physical assets and its human capital.

The positive effects of these investments will take time to come to into fruition, but luckily, many of these issues are already being addressed. Mayor A.C. Wharton, Jr., Memphis' first new mayor in eighteen years, took office in 2010, with a mission to make Memphis a "City of Choice" for people, families, and businesses.[61] Furthermore, Memphis has a supportive non-profit/faith community that is ardently focusing on poverty and crime reduction, educational development, and family values. Throughout its history Memphis has proved itself as a resilient city, overcoming racial dissension, devastating epidemics, and economic difficulties. Despite a few obstacles, Memphis is in a strong position to become an economic engine in the global marketplace in years to come. With the local government, the business, non-profit, and faith communities, as well as the Memphians themselves, all on board to continue to grow and develop in key economic areas, the city will have a bright future ahead.

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[60] Larry Jensen, "*Building on the Community's Assets in 2012*" Business Perspectives, Vol. 12, No. 1, 2012 (pp. 36-37), print.
[61] A.C Wharton, Jr., "*Making Memphis a 'City of Choice'*", Wordpress, 23 Mar 2010, <http://mayoracwharton.wordpress.com/2010/03/23/making-memphis-a-city-of-choice/> (accessed 22 Apr 2012).

VII. APPENDICES:

APPENDIX A:

Table 1:			
Site Selection Factors	Area Development Corporate Survey 2011	Business Xpansion Journal	Great American Jobs Scam: Site Selection 101
	At least 45% consider important or very important	Mentioned	
Labor			
Low union profile	X		X
Labor costs	X	X	X
Right-to-work-state	X		X
Availability of skilled labor	X	X	X
Training programs			
Availability of unskilled labor			
Transportation			
Highway accessibility	X	X	
Availability of advanced ICT* services	X		
Accessibility to major airport		X	X
Railroad service		X	
Waterway or Oceanport accessibility		X	X
Finance			
Corporate tax rate	X		X
Availability of long-term financing			
Tax exemptions			X
State and local incentives	X	X	X
Other			
Available buildings	X	X	
Available land	X		
Occupancy or construction costs		X	
Expedited of "fast-track" permitting	X	X	
Raw materials availability			X
Energy availability and costs	X	X	X
Environmental regulations			
Proximity to major markets		X	X
Proximity to suppliers			X
Inbound/outbound shipping cost		X	
Proximity to technical college/training			
Quality of life factors			
Climate		X	
Housing availability	X		
Housing costs	X		
Ratings of public schools	X	X	X
Healthcare facilities in area	X		
Cultural opportunities			
Recreational opportunities	X		
Colleges and universities in area	X	X	X
Low crime rate	X		

Table 2:

	PwC: Cities for Opportunities	Forbes: Best Places for Business and Careers	Tennessee Center for Policy Research
Income per Capita		X	X
Employment/ Job Growth Factors		X	X
Projected Economic Growth Factors	X	X	
High School Graduation/ Educational Attainment	X	X	X
Cost of Living Index	X	X	X
Crime Rates	X	X	X
Net Migration Patterns/ Population Growth	X	X	X
Transportation and Infrastructure Volume	X		X
Business and Property Taxes	X	X	X
Local Business/Gross Receipts Sales Taxes	X		X
Average ACT Composite Scores			X

APPENDIX B:

Definition of Variables

LABOR:

People:[62]

- Population: Most recent city population
- Population Density: The number of residents per square mile of area
- Population Growth/-Decline: The percent change in the city's population since 2000
- Median Age: The median age of all residents of the city. Median is the middle value, when all possible values are listed in order
- Income per Capita: The average income of every resident of a geographic area, including all adults and children
- Poverty Percent: The percentage of all people in the city's MSA whose income in the past 12 months is below the poverty level[63]

Race:[64]

- % White Population: The percent of the population who have indicated their race as White, or reported entries such as Canadian, German, Italian, European, Lebanese, Near Eastern, or Arab
- % African American Population: The percent of the population who have indicated their race as Black, or reported entries such as African American, Afro-American, Black Puerto Rican, Jamaican, West Indian, or Haitian

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[62] U.S Census Bureau, 2010 American Community Survey
[63] Ibid.
[64] Ibid.

- % Asian Population: The percent of the population who have indicated their race as Asian or Pacific Islander, including Asian Indian, Filipino, Cambodian, Thai, Bangladeshi, Burmese, Pakistani, Samoan, Hawaiian
- % Native American Population: The percent of the population who have indicated their race as American Indian, or Native American, Eskimo, or Aleut
- % 'Other' Population: The percent of the population who have indicated their race as other than White, Black, Asian, or American Indian. Due the confusion of classifying Hispanic as an ethnicity and not a race, most Census respondents choosing this 'other' category were Hispanic.

Education:[65]

- High School Graduate or Higher: The percentage of the area's population over the age of 25 with high school diplomas, equivalency degrees or higher
- Bachelor's Degree or Higher: The percentage of the area's population over the age of 25 with a bachelor's degree or other 4-year college degree, or higher
- Graduate Degree: The percentage of the area's population over the age of 25 with a master's degree, Ph.D. or other advanced college or professional degree
- School Expenditures per Student: The dollar amount that the local school district spends on each of its students

Cost:

- Mean Hourly Earnings for Private Industry Employees:[66] The mean hourly earnings of all workers in private sector jobs

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[65] U.S Census Bureau, *supra* note 59

[66] Bureau of Labor Statistics, National Compensation Survey- Wages. 2010, <http://www.bls.gov/ncs/ocs/compub.htm> (accessed 22 Apr 2012).

- Population Percent of State Unionized Labor:[67] Union affiliation of employed wage and salary workers by state, 2010-2011 annual averages
- Right-to-work State:[68] A yes (Y) indicates the state that have a Right to Work law that secures the right of employees to decide for themselves whether or not to join or financially support a union

ECONOMY:[69]

- Unemployment Rate: The most recent unemployment data for an area. The unemployment rate is expressed as a percentage of the available work force that is not employed.
- Job Growth: The percentage of increase or decrease in available jobs over the most recent 12-month period. A decrease in available jobs is represented as a negative number.
- Future Job Growth: The projected change in job availability over the next ten years based on migration patterns, economic growth, and other factors. A projected decrease in available jobs is represented as a negative number

TAXES:

- Corporate Tax Rate:[70] State corporate income tax rates as of January 1, 2012
- Average Property Rate per Millage:[71] rate per $100 of property tax/assessed value
- Income Tax:[72] The total of all income taxes for an area, including state, county and local taxes. Federal income taxes are not included

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[67] Bureau of Labor Statistics, "*Union affiliation of employed wage and salary workers by state*", 2011, <http://www.bls.gov/news.release/union2.t05.htm> (accessed 18 Apr 2012).
[68] "*Right to Work States*," National Right to Work Legal Defense Foundation, Inc., 2010 <http://www.nrtw.org/rtws.htm> (accessed 18 Apr 2012).
[69] U.S Census Bureau, *supra* note 59
[70] "*State Corporate Income Tax Rates, 2000-2012*," Tax Data, 16 Feb 2012, <http://www.taxfoundation.org/taxdata/show/230.html> (accessed 16 Apr 2012).
[71] *Supra* note 40

- Sales Tax:[73] The total of all sales taxes for an area, including state, county and local taxes

TRANSPORTATION AND INFRASTRUCTURE:

Commercial Airport:[74] The ranking and data only includes airports participating in the Airport Council International annual stats collection

- Total Passengers: arriving + departing passengers + direct transit passengers counted once.
- Total Cargo: loaded + unloaded freight + mail in metric tonnes. Data includes transit freight.
- Total Movements: landing + take off of an aircraft.

QUALITY OF LIFE:

Cost of Living:[75]

- Overall Index: The total of all the cost of living categories weighted subjectively as follows: housing (30%), food and groceries (15%), transportation (10%), utilities (6%), health care (7%), and miscellaneous expenses such as clothing, services, and entertainment (32%). State and local taxes are not included in any category
- Grocery: The average cost of food and groceries (not including restaurants
- Health: The average cost of health care calculated using the standard daily rate for a hospital room, and the costs of a doctor's office visit and a dental checkup
- Housing: The average cost of an area's housing, which includes mortgage payments, apartment rents, and property tax
- Utilities: The average cost of heating or cooling a typical residence for the area, including electricity and natural gas

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[72] *Supra* note 67
[73] Ibid.
[74] Airport Council International. *Supra* note 42
[75] ACCRA. *supra* note 55

- Transportation: The average cost of gasoline, car insurance and maintenance expenses, and mass transit fare for the area. The cost of the vehicle and any vehicle registration and license taxes are not included
- Miscellaneous: The cost index of those goods and services not included in the other cost of living categories, including clothing, restaurants, repairs, entertainment, and other services

Health:

- Air Quality:[76] The Air Quality index is based on annual reports from the EPA. Higher values are better. The number of ozone alert days is used as an indicator of air quality, as are the amounts of seven pollutants including particulates, carbon monoxide, sulfur dioxide, lead, and volatile organic chemicals
- Water Quality:[77] A measure of the quality of an area's water supply as rated by the EPA. Higher values are better. The EPA has a complex method of measuring the watershed quality, using 15 indicators such as pollutants, turbidity, sediments, and toxic discharges
- Superfund Sites:[78] Higher is better. Based upon the number and impact of EPA Superfund pollution sites in the county, including spending on the cleanup efforts

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[76] AIRNow. "*Air Quality Index*." n.d. <http://airnow.gov/index.cfm?action=aqibasics.aqi> (accessed 27 Apr 2012).
[77] EPA. "*Local Drinking Water Information*." 6 Mar 2012, <http://water.epa.gov/drink/local/index.cfm/drink/local/index.cfm> (accessed 27 Apr 2012).
[78] EPA "*Superfund Site Information*." 6 Mar 2012, <http://www.epa.gov/superfund/sites/> (accessed 27 Apr 2012).