

**KPMG STUDY REVEALS GREENVILLE-SPARTANBURG, S.C.,**  
**IS LEAST-EXPENSIVE MIDSIZED U.S. LOCATION FOR BUSINESS**

**NEW YORK, March 21** – Greenville-Spartanburg, S.C., is the least-costly metropolitan area to do business among 13 U.S. locations with populations between 500,000 and 1.5 million, according to a study by KPMG LLP, the audit, tax and advisory firm. Hartford, Conn., was the most expensive place to do business among mid-sized U.S. cities studied.

Contributing to Greenville-Spartanburg's cost-competitiveness were low facility costs, below-average transportation costs, very competitive salary and wage levels and a favorable effective tax rate on corporate income, the survey revealed.

Three other Southeast cities -- Jackson, Miss., Nashville, Tenn., and Raleigh, N.C., -- were ranked second, third and fourth, respectively, in the survey of mid-sized locations, contributing to the Southeast's position as the lowest-cost region in the United States. Oklahoma City followed in the fifth spot among cost-competitive locations in the category.

KPMG's 2006 *Competitive Alternatives* study measured the combined impact of location-sensitive business-operating costs, such as labor, facility, transportation and utility costs, as well as income taxes, among the 13 cities. The biannual study's basis for comparison is the after-tax cost of startup and operation for 12 specific industries over a 10-year span. The study enables companies to perform a "quick scan" of jurisdictions to determine which can offer a cost-competitive business environment.

"Selecting the best site for a business operation requires balanced consideration of many factors, including business costs, business environment, personnel costs and quality of life issues," said Hartley Powell, national leader for KPMG's Strategic Relocation and Expansion Services practice. "This study offers a comprehensive guide for comparing business costs in the United States and contains valuable information for any company seeking a cost advantage in locating a business operation."

According to the study, Greenville-Spartanburg had a cost index of 93.7, more than 6 percent below the U.S. national average. Among all 49 large, mid-sized and small U.S. cities examined in the full study, only Dothan, Ala., with a 93.0 cost index, ranked ahead of Greenville-Spartanburg.

Jackson and Nashville followed with cost indexes of 95.0 and 95.5, respectively. Jackson was assisted by its low labor costs, the lowest among the 13 mid-sized U.S. cities examined. Nashville's central location gave it an advantage in transportation costs, which were the lowest among the 13 mid-sized cities studied, while competitive corporate income taxes further added to this advantage.

Raleigh, with a cost index of 97.3, profited from below average transportation costs combined with competitive corporate income tax rates and the lowest property taxes among the group of cities examined. Oklahoma City, with a 97.8 cost index, was helped by low office-leasing costs.

The Southeast's position as the lowest-cost region in the United States was also helped by Atlanta and Tampa, Fla., which ranked first and third, respectively, in the survey's large cities category, and by Dothan, first in the small-cities category. In fact, all seven Southeast cities in the study had business costs 2 to 7 percent below the U.S. average.

Commenting further, KPMG's Powell said: "Identifying which sites are most worthy of further investigation by a company, as it considers relocation, is just the first step. And although business costs and location issues are important considerations in the site selection process, companies should also assess the impact of discretionary incentives offered by jurisdictions that may enhance the relative cost-attractiveness of alternate sites."

The overall *Competitive Alternatives* study measured business-operating costs in 128 cities throughout nine countries. Location-sensitive cost components such as labor, facility, transportation, utility and financing costs, as well as income taxes, were considered. The full text of the 2006 study is available online at [www.CompetitiveAlternatives.com](http://www.CompetitiveAlternatives.com).

Cost indexes for all 13 midsized U.S. cities studied follow. The benchmark cost index (U.S. = 100) is defined as the average of nine representative U.S. cities.

*KPMG's 2006 COMPETITIVE ALTERNATIVES STUDY*  
**(U.S. Cities with populations 500,000 to 1.5 million)**

<b>City</b>	<b>Cost Index</b>	<b>Rank</b>
Greenville-Spartanburg, SC	93.7	1
Jackson, MS	95.0	2
Nashville, TN	95.5	3
Raleigh, NC	97.3	4
Oklahoma City, OK	97.8	5
Wichita, KS	99.0	6
Boise, ID	99.2	7
Albuquerque, NM	99.6	8 (tie)
Salt Lake City, UT	99.6	8 (tie)
Harrisburg, PA	99.8	10
Colorado Springs, CO	100.8	11
Buffalo, NY	100.9	12
Hartford, CT	105.3	13

Cost index figures were created by measuring the combined impact of 27 cost components that are most likely to vary by location. More than 2,000 individual business scenarios were examined, analyzing more than 30,000 items of data. For comparison purposes, the national average was assigned a cost index of 100.0.