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**KPMG STUDY REVEALS GREENVILLE-SPARTANBURG  
IS LEAST-EXPENSIVE MID-SIZED U.S. LOCATION FOR BUSINESS**

*Nashville Ranks Second, Salt Lake City Third; Hartford Most Costly*

**NEW YORK, Feb. 23** – Greenville-Spartanburg, S.C. is the least-costly metropolitan area to do business among 11 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.

Of particular note, Greenville-Spartanburg also ranked among the four lowest-cost locations of the 44 large, mid-sized, and small U.S. and affiliated cities examined in the study. Contributing to the Southeast location's cost-competitiveness were below average transportation costs, very competitive salary and wage levels, and a favorable effective tax rate on corporate income.

In the mid-sized cities category, Nashville and Salt Lake City emerged as the most cost competitive locations behind Greenville-Spartanburg, ranking second and third, respectively. Other medium-sized cities with business costs below the U.S. average index of 100 were Colorado Springs, Colo., and Raleigh, N.C.

KPMG's 2004 *Competitive Alternatives* study measured the combined impact of 27 location-sensitive business-operating costs, such as labor, taxes and utility costs, among the cities surveyed. The biannual study's basis for comparison is the approximate after-tax cost of startup and operation for 12 specific types of business over a 10-year span. The study allows companies to perform a "quick scan" of jurisdictions to determine which can offer a cost-competitive business environment.

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“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 Larry Cusack, national partner in charge of KPMG’s Strategic Relocation and Expansion Services practice. “This study offers a comprehensive guide for comparing business costs in the United States and contains essential information for any company seeking a cost advantage in locating a business operation.”

According to the study, Greenville-Spartanburg had a 96.7 cost index, more than 3 percent below the U.S. national average, followed by Nashville and Salt Lake City with cost indexes of 97.4 and 97.8, respectively. Nashville benefited from below-average salary and wage levels, very low transportation costs and competitive corporate income tax rates; Salt Lake City had very competitive salary/wage and benefits costs, as well, combined with very favorable utility costs.

Colorado Springs ranked fourth among mid-sized U.S. cities, also benefiting from below average salary/wage and benefits costs and below-average utilities costs. Raleigh, ranking fifth, had below average transportation costs combined with competitive corporate income tax rates.

Only San Juan, Puerto Rico (93.0); Dothan, Ala. (94.7); and Jackson, Miss. (94.7)--all Southeast locations--ranked lower than Greenville-Spartanburg among the 44 large, mid-sized and small cities examined—contributing to the Southeast’s position in the study as the lowest-cost region with the United States. In fact, all eight Southeast cities in the study had business costs lower than the U.S. average.

Commenting further, Cusack 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 alter the relative cost-attractiveness of alternate sites.”

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The overall *Competitive Alternatives* study measured business-operating costs in 98 cities throughout 11 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 2004 study is available online at [www.CompetitiveAlternatives.com](http://www.CompetitiveAlternatives.com).

Cost indexes for the 11 mid-sized cities studied follow. The benchmark cost index (U.S. = 100) is defined as the average of nine representative U.S. cities.

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

City	Cost Index	Rank
Greenville-Spartanburg	96.7	1
Nashville	97.4	2
Salt Lake City	97.8	3
Colorado Springs	98.6	4
Raleigh	99.4	5
Oklahoma City	100.1	6 (tie)
Wichita	100.1	6 (tie)
Buffalo	100.3	8
Providence	100.6	9
Hartford	102.9	10

Cost index figures were created by measuring the combined impact of 27 cost components that are most likely to vary by location. More than 1,000 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.

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