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Charlotte ranks high as market for bank data-security facilities

Charlotte Business Journal - by Adam O'Daniel Staff writer

Charlotte is among the 10 most attractive cities in the country for banks to base cyber-security operations, according to a recent study by a national consulting firm.

The Boyd Co., a Princeton, N.J.-based consulting firm that advises major banks, ranks Charlotte 10th in its recent study of 45 U.S. cities considered favorable locations for data-security offices.

Charlotte's low business costs and available work force helped the city rank high. But competition from the Midwest, coupled with concerns about taxes, kept the Queen City from ranking even higher.

"We're very positive on Charlotte," says John Boyd Jr., a principal with the firm. "It's a smart place to do business."

Boyd believes bank data-security jobs will be the fastest-growing high-paying job sector in the financial industry over the next decade. On average, data-security jobs pay more than $70,000 per year. He says increases in identity theft, combined with stricter regulation of the financial industry, are prompting banks to boost their cyber-security operations.

The study compared the cost of a hypothetical 125-employee data-security operation in each of the 45 cities based on factors such as the available work force and each city's accessibility. Boyd says Charlotte's annual operational costs of about $12 million made it attractive, especially compared with costs of more than $20 million in New York and San Francisco. The city also benefits from a deep talent base that has developed from the operations of **Bank of America Corp.** and **Wells Fargo & Co.** North Carolina's well-regarded university system also boosted Charlotte.

Ronnie Bryant, president of the **Charlotte Regional Partnership**, says the study's results mesh with local boosters' efforts to target financial-services companies. He says the high ranking should help attract other industries that require data-security operations, such as defense contractors. "It garners a lot of attention and helps us be even more successful in our recruiting efforts."

Still, Charlotte ranked behind top-ranked Sioux Falls, S.D., and six other cities in the American Heartland, including three sites in Iowa: Council Bluffs, Ames and Des Moines. "Charlotte is competing with Sioux Falls more than it might realize," Boyd says.

He says cities in the Midwest benefit from one major factor beyond Charlotte's control: geography. He contends Midwestern locales offer banks a central location with flights to either coast in two hours. They also are less prone to natural disasters such as hurricanes.

For Charlotte to remain competitive with Midwestern cities, Boyd says maintaining strong ties with area colleges and retaining top young talent is important. And he warns that North Carolina's corporate income tax can be seen as a negative. "You're competing against states with no corporate income tax."

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TOP SITES

The most affordable cities for data security for banks:

1. Sioux Falls, S.D.

2. Huntsville, Ala.

3. Bloomington, Ind.

4. Winston-Salem

5. Rolla, Mo.

6. Council Bluffs, Iowa
7. Ames, Iowa
8. Tulsa, Okla.

9. Des Moines, Iowa
10. Charlotte
Source: The Boyd Co.