

**Five Questions With**

**5Q: John Boyd**  
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**1 Why did your company put together a recent report about back-office operating costs?**

We periodically chart operating costs in highly mobile sectors of the economy. As a result of the increasing number of corporate headquarters relocations nationally, and the growing number of mergers and acquisitions within the banking industry, the trend of back-office relocations to lower-cost markets such as Providence is at an all-time high.

**2 What distinguishes Providence for back-office operations?**

Providence is an attractive, lower-cost option ... with an available workforce well-suited for back-office skill sets. Providence is benefiting from an improving state business climate, enjoys proximity to both T.F. Green Airport in Warwick and Boston's Logan Airport with its global reach and has real estate at prices dramatically lower than Boston, New York, Hartford and Stamford. Of the six surveyed New England locations in our study, only Portland, Maine, was less costly than Providence in total operating costs.

**3 What distinguishes Providence from a lifestyle standpoint?**

Providence's downtown lifestyle amenities are highly desirable [to] both executives and millennials. ... The strong university community ... adds much to the vitality and cultural amenities of the city, along with the plethora of excellent restaurants.

#### **4 Why are companies in the financial industry looking to decentralize back-office operations?**

Cost-consciousness is especially the case among financial-services companies seeking new revenue streams by offering new, lower-margin, "down market" products, [such as] the online savings accounts being introduced by Goldman Sachs, which can be opened for a deposit as little as \$1. Servicing of these low-margin accounts won't be done in pricey New York City, but in far-less-expensive Salt Lake City.

#### **5 Why are costs so favorable in Montreal – the lowest-cost major North American city in your report?**

Three factors contribute to Montreal's low-cost operating profile: a favorable exchange rate, lower health care costs for employers and Montreal's powerful new incentives aimed at luring U.S. banks and financial-services organizations, namely a scaled five-year personal income tax exemption for key transferees from the U.S., and a 24 percent tax credit for targeted financial-services salaries. •