

CINCINNATI BUSINESS COURIER

The case for Macy's to maintain its Cincinnati HQ



Macy's Inc. has a headquarters office in downtown Cincinnati.

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Any time Macy's Inc. closes something in its home city, Cincinnati wrings its hands speculating about the company's corporate future.

Macy's, since the 2005 merger of May and Federated Department Stores, has had a bifurcated headquarters, with operations housed both in Cincinnati and New York. Since the 2018 retirement of chief financial officer Karen Hoguet, all of Macy's top executives work out of New York.

Macy's has said it does not comment on speculation.

John Boyd Jr.'s New Jersey-based Boyd Co. specializes in headquarters relocation for companies. Contrary to conventional wisdom, he said that if Macy's does decide to consolidate to one headquarters, Cincinnati would be the wise choice to house all of its operations.

For one, labor costs are 15% to 20% higher in Manhattan. So is office space. Class A space in Manhattan goes for \$125 per square foot. In Cincinnati, it's closer to \$20 per square foot. On top of that, companies that move headquarters typically relocate about 20% of their workers, which adds significant cost.

"If I were Ohio's economic development apparatus, and Ohio's on a roll with creating new jobs, I'd make a play to house the entire headquarters, given the low cost profile of Cincinnati and the labor market there," Boyd said. "Send the message to Wall Street that Macy's is cognizant of the need to reduce operating costs."