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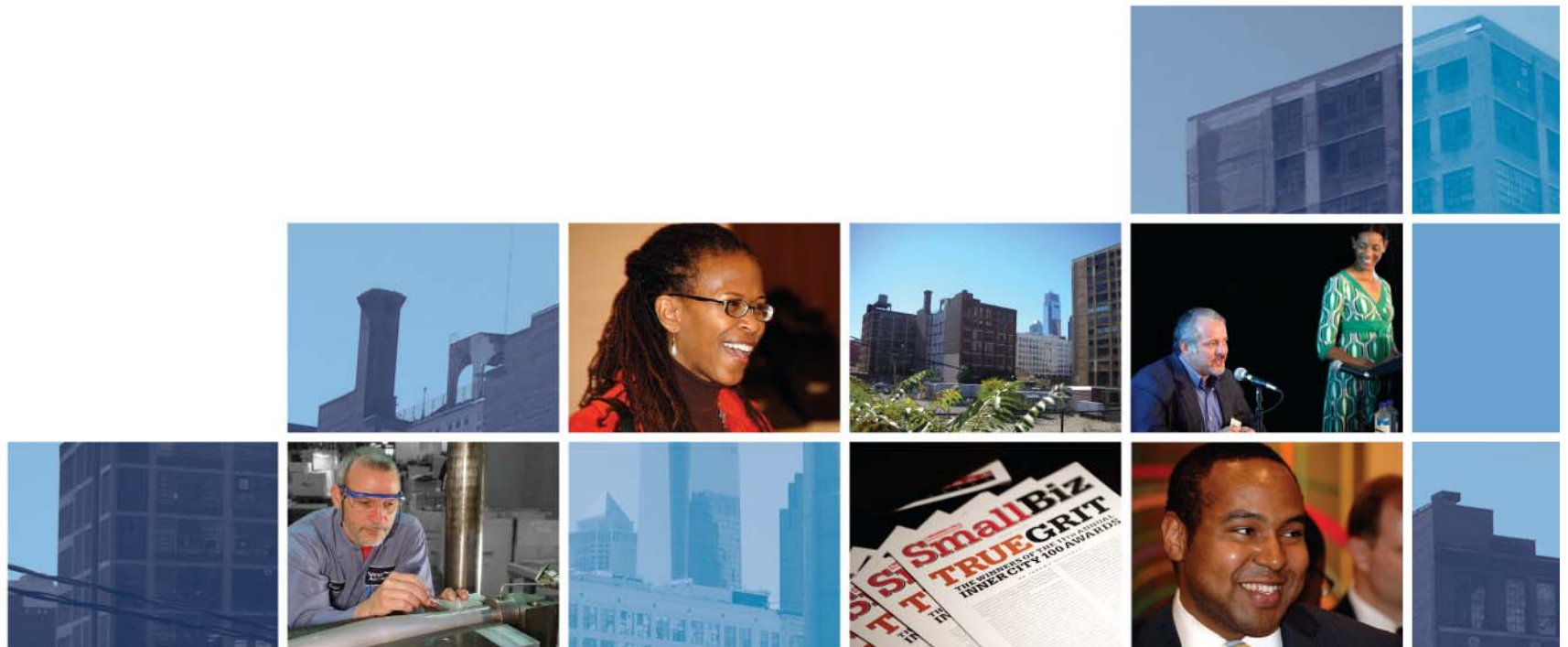
Initiative for a Competitive Inner City

3.12.10

# Putting the Inner City First

Volume I, Issue II

## What Do the S&P 900 Know That You Don't?



# Key Takeaways

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1

Inner cities are strategic locations that are capable of attracting and fostering the country's strongest corporations.

2

Inner cities are home to almost 20 percent of S&P 900 headquarters – three times the share of all U.S. firms located in the inner city (six percent).

3

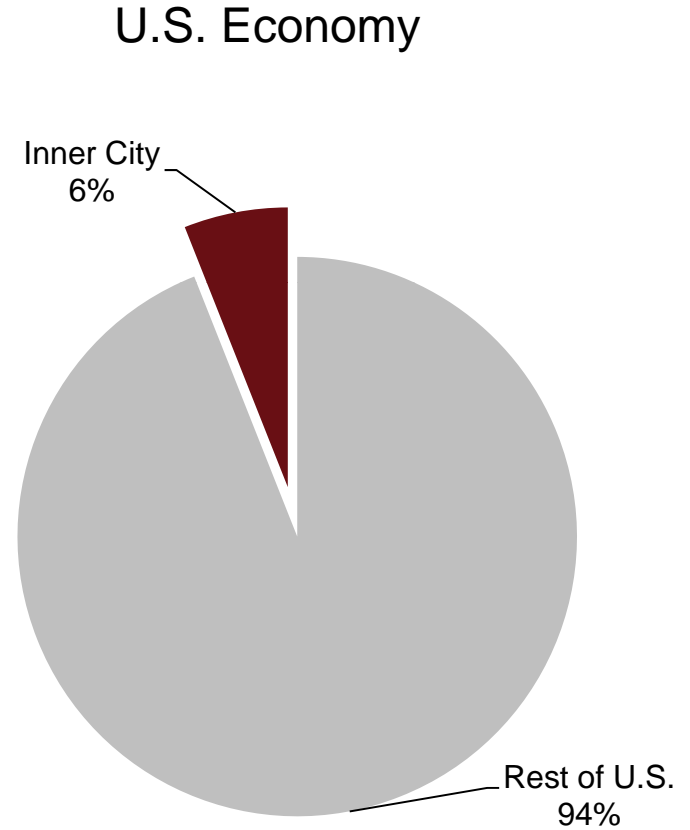
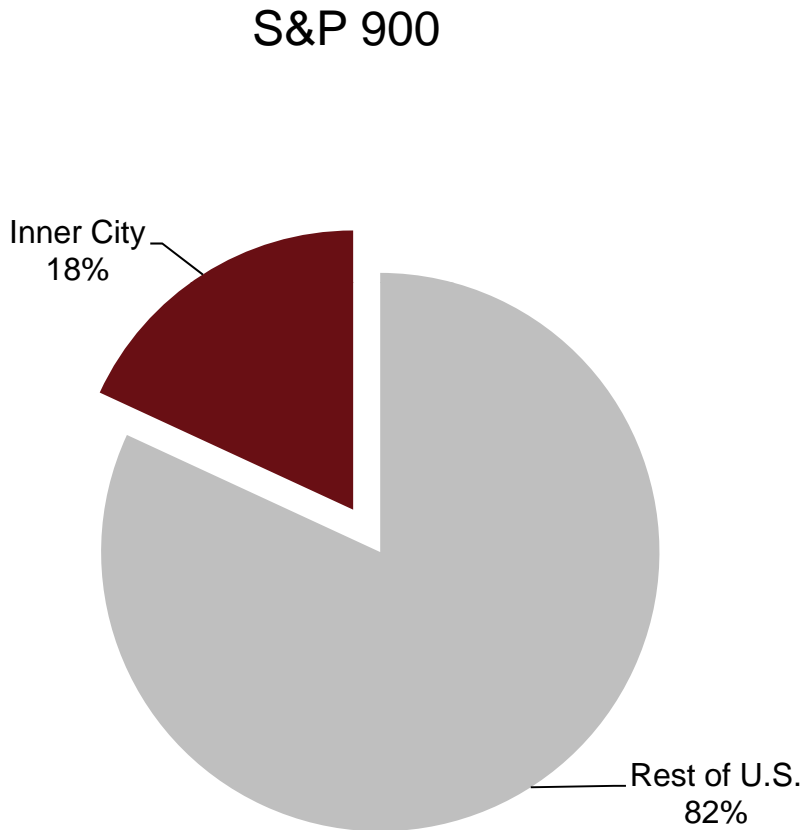
Inner city S&P 900 headquarters are six percent larger in size than non-inner city headquarter locations, when controlling for sector composition.

4

S&P 900 firms with inner city headquarters perform just as well as their non-inner city counterparts, with a five-year return at five percent and six percent respectively.

1.1

## There is a strong representation of inner city headquarters in the S&P 900 index.



## Houston's inner city leads the number of S&P 900 headquarters among all U.S. inner cities.

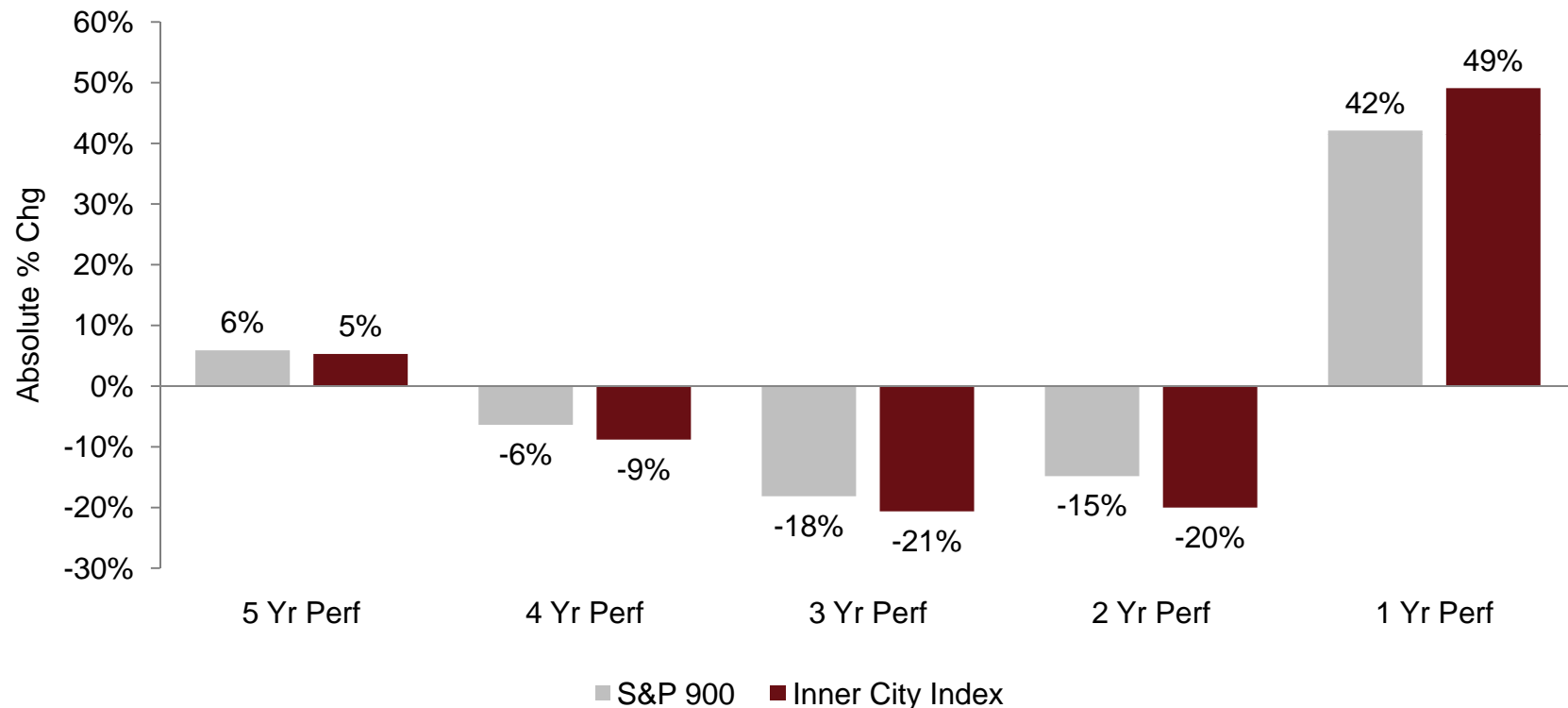
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Inner Cities	Number of S&P 900 HQ
Houston	15
Minneapolis	8
Pittsburgh	8
Fort Worth	7
Jacksonville	7
Cincinnati	6
Denver	6
Seattle	6
Columbus	5
Atlanta	4

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## S&P 900 companies with inner city headquarters perform on par with the overall market index.

Value Weighted Absolute Return Comparison:  
S&P 900 vs. S&P Inner City Index, 2005 - 2010



## Methodology

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### Inner city headquarter representation in the S&P 900

- Based on the universe of companies in the S&P 900 as of September 2009, the 900 companies' headquarters street addresses were mapped on GIS to identify those located in the 100 largest inner cities.

### Size of firms in the S&P 900

- The total number of employees (2008) and the employee count at the headquarters were taken from Hoover's, Dun and Bradstreet databases and Google Finance.
- Employment data were not available and therefore excluded for 2 inner city and 15 non-inner city companies.

### S&P 900 performance

- Examines the set of companies comprising the S&P 900 as of September 2009 for the entire 2005-2010 period.
- To calculate the market cap weighted index, each firm's market cap for 2005 to 2010 was calculated as follows: [# of shares outstanding in Sept 2009 x January 2005 Price per Share]. = 2005 market cap
- The market caps of the 163 firms with inner city headquarters were combined to create the "S&P Inner City Index."
- The absolute percent change in total market capitalization was compared against that of the entire S&P 900 over a 1-yr (2009 to 2010) to 5-yr (2005 to 2010) period.



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