



ECONOMY LEAGUE
GREATER PHILADELPHIA
Information, Insight, Integrity.
AN AFFILIATE OF THE PENNSYLVANIA ECONOMY LEAGUE, INC.

We live in a complicated region. Three states, six legislative bodies, 11 or 9 or 14 counties (depending on your affiliation), hundreds of municipalities and school districts. It's no easy task to get all our oars in the water at the same time, but now more than ever, it's critical that we do.

As the Economy League prepares to enter into our second century, we recognize that our region is at a turning point: we can continue to operate as we do today and be a good region, or we can seize the opportunity to be a great one. We have many things working in our favor, yet a few tough, but not impossible-to-overcome issues hold us back. Fortunately, due to the efforts of a number of institutions, foundations, corporations, and individuals – many of whom are Economy League members and partners – the tide is changing toward a more collaborative future in which we build on our many assets – and take them several steps further.



The regions that work together to encourage new talent, foster innovation, and address challenges will be those most able to succeed in an increasingly competitive world. To bridge the gaps between political units, industry sectors, and geography, the Economy League is developing a new generation of leaders who recognize the importance of working regionally. Our core initiative, World Class Greater Philadelphia, will develop and implement a shared vision and actionable plan for Greater Philadelphia's future through the in-depth research, collaboration with regional stakeholders, and creative problem-solving for which we are known. In fact, World Class Greater Philadelphia is the glue that binds together all of our work, from analysis of the economic impact of arts and culture to identifying solutions to SEPTA's longstanding funding problem.

We believe that what can be achieved in Greater Philadelphia with visionary leadership, an expanded knowledge of the tactics being used by other regions, and a renewed enthusiasm and commitment to turning this into action is limitless. We hope that you'll join us.

Sincerely,

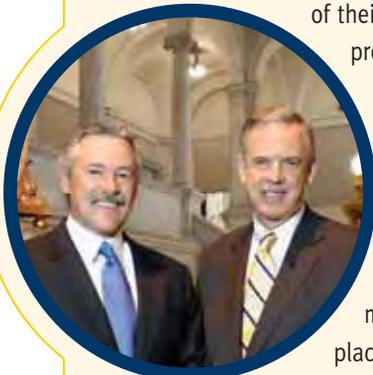
Steven T. Wray
Executive Director

At the beginning of 2007, our fellow Board Members made a simple, but dramatic decision to change our name from the Pennsylvania Economy League – Southeastern PA to the Economy League of Greater Philadelphia. It reflected our broader focus and emphasized the regional nature of our work. But changing our name was not enough. We also changed our approach.

First, under the leadership of Jim Dunigan, the Board reorganized itself to ensure we had the governance in place to create a high-performing nonprofit. Next, we committed ourselves to identifying the people and resources needed to make a difference. And we attracted a talented and energetic staff with the skills and passion to take on the toughest challenges.

But at the end of the day, our decision to invest our time and financial resources comes down to two ideas.

We believe in the mission. The Economy League is an independent, nonpartisan, nonprofit organization founded nearly 100 years ago around the idea that great cities need rigorous examination of their challenges and opportunities to be more prosperous. The Economy League serves as a civic idea laboratory where facts and analysis lead to convening regional leaders around new ideas and solutions. We are supported by the business community, foundations, and civic partners that enable us to focus on what the region must do, or do better, to be a world class place to live, work, and play.



And we believe in the work. Greater Philadelphia's future success – and the success of our businesses – depends on the strength of its economy, wisdom of its governance, soundness of its infrastructure, and capability of its workforce. The Economy League's work helps to sort through the options and find creative solutions that will make Greater Philadelphia a world class place to locate and grow your business, start your career, and raise a family.

We know that at times the civic landscape can appear crowded. We hope that you'll take a few minutes with this Report to better understand the Economy League's difference. If you'd like to know how to get involved, give us a call or drop us a line. We want to talk with you.

Respectfully,

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An investment in the Economy League of Greater Philadelphia demonstrates a commitment to sound policy and regional prosperity. By strengthening our efforts to provide independent research and analysis, deliver cutting-edge communications, and develop a shared vision among our business, nonprofit, and government leaders, an investment in the Economy League helps to address the region's toughest problems and plan for a world class future for all of Greater Philadelphia.

INVESTING IN THE ECONOMY LEAGUE

The core issues we take on—economy, governance, infrastructure, and workforce—directly impact the effectiveness and vitality of the region's business, government, and nonprofit organizations. As a result, approximately half of the Economy League's revenue is generated through regional corporate and institutional investment in our work. The balance is derived from projects and initiatives aligned with our mission that are funded by local governments, foundations, corporations, and nonprofit organizations.

As an affiliate of the Pennsylvania Economy League, Inc., the Economy League of Greater Philadelphia is a 501(c)(3) nonprofit organization. Contributions are tax-deductible to the full extent provided by law. Join the growing number of investors in Greater Philadelphia's future (see inside back cover). Please contact us to learn more about how you or your organization can invest in the Economy League of Greater Philadelphia.

“Over the last 50 years, the world has changed and many regions across the country have struggled to adjust. The Economy League believes that for Greater Philadelphia to have a world class future, we need a vision for what we want to be, and we need to make that vision a reality.”

DANIEL K. FITZPATRICK
President & CEO Citizens Bank
(Eastern PA/NJ/DE)

FINANCIAL SUMMARY FOR FY 2007

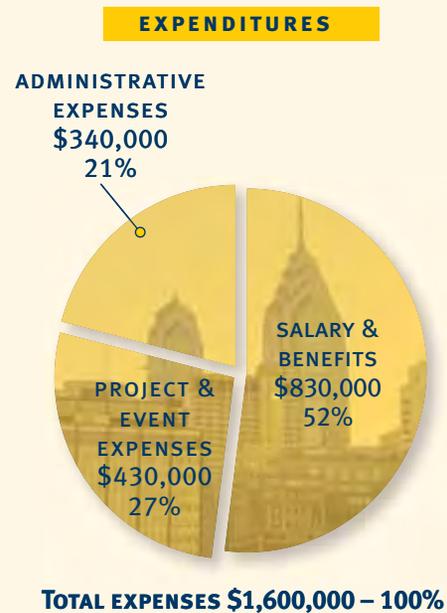
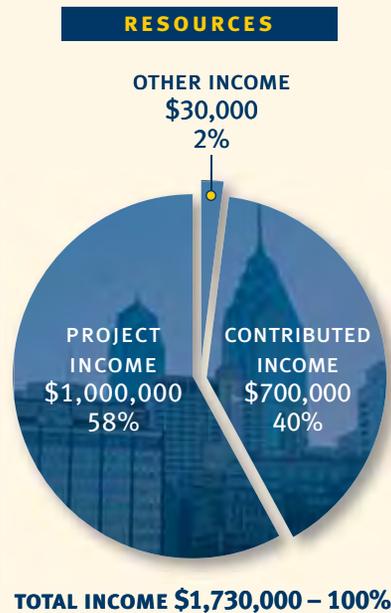
PENDING COMPLETION OF AUDIT

RESOURCES	2007
PROJECT INCOME	\$622,998
LEADERSHIP SUPPORT	\$599,000
OTHER INCOME	\$24,250
TOTAL RESOURCES	\$1,246,248
EXPENDITURES	
SALARIES & BENEFITS	\$691,609
ADMINISTRATIVE EXPENSES	\$251,388
PROJECT EXPENSES	\$201,162
PEL INC. ALLOCATION	\$92,400
TOTAL EXPENDITURES	\$1,236,550
RESOURCES LESS EXPENDITURES	
	\$9,689



2008 BUDGET

APPROVED 4/08





Philadelphia Mayor
Michael A. Nutter

As the Economy League prepares to enter its second century, we recognize that our region is at a turning point: we can be satisfied to be a good region, or we can seize the opportunity to be a great one. There is much working in our favor, and though there are a few tough, but not insurmountable issues holding us back, we all share a desire to live in a region where there is opportunity.

Today, in Greater Philadelphia, leaders in business, the nonprofit sector, and city and county government are more open than ever to collaborate with one another and are more aware of the need to do so to overcome challenges and expand on the strengths of our region.

That's why the Economy League of Greater Philadelphia believes that to get from where we are today to where we want to be in the future will require a change in how we—as institutions and as a region—think and what we do. To facilitate this change, the Economy League launched World Class Greater Philadelphia, aimed at engaging a wide range of stakeholders who are committed to a future for our region that supports a diverse and dynamic economy, talented and productive residents, sound regional infrastructure, and effective governance.

WORLD CLASS GREATER PHILADELPHIA

It is our belief that collaborative efforts that engage multiple sectors are more likely than business-as-usual approaches to produce workable and effective solutions for Greater Philadelphia.

Through World Class Greater Philadelphia, the Economy League will serve as a facilitator and civic catalyst—an organization where in-depth analysis and committed regional leaders from business, nonprofits, and government come together to develop new ideas, conceive creative strategies, and forge meaningful partnerships to make Greater Philadelphia a world class place to live, work, and play.

However, we recognize that for this type of collaboration to be successful, we must focus on building trust and connections among business, nonprofit, and government leaders; spread knowledge of key issues through research and dialogue; and facilitate the process of collaboration to achieve shared, aspirational goals for our region's future. Through World Class, the Economy League aims to empower leaders with the information, insight, and integrity to change the culture and practices of Greater Philadelphia.

Denver Mayor
John Hickenlooper





GREATER PHILADELPHIA LEADERSHIP EXCHANGE

A County Commissioner, a corporate CEO, and a nonprofit Executive Director board a plane... The beginning of a hackneyed joke? At the Economy League, it's a microcosm of the Greater Philadelphia Leadership Exchange, an initiative that aims to develop leaders of business, nonprofit, and government organizations into regional visionaries dedicated to making Greater Philadelphia a world class region. Since its beginning in 2005 when more than 70 leaders explored the inner workings of how metro Chicago gets things done, the Leadership Exchange has been building connections among leaders, increasing their knowledge of our region, and exposing them to best practices from across the country, and, ultimately, the world.

The connections and lessons from Chicago resulted in funding the only communications campaign in support of ethics reform in Philadelphia, yielding an 80% mandate from the public; building a coalition of organizations to advocate for and gain dedicated funding for SEPTA; creating a new collaboration, set to launch in 2008, for growing minority businesses to scale; and seeing an Exchange participant elected Philadelphia's mayor on a platform that referenced best practices learned in Chicago.

In 2008, one hundred leaders are participating in the program that culminates in a learning visit to Metro Atlanta in September.

The Greater Philadelphia Leadership Exchange is made possible by the William Penn Foundation, Citizens Bank, Norfolk Southern, Sovereign Bank, the University of Pennsylvania, and the Samuel S. Fels Fund (*as of 6/1/08*).

PROFILES IN LEADERSHIP: AMERICA'S GREAT MAYORS SERIES

To generate ideas for approaching the region's challenges and inform the public debate during Philadelphia's 2007 election season, the Economy League invited mayors who have demonstrated exceptional leadership on issues common to cities across the country to discuss how they were able to lead to achieve results.

Atlanta's Mayor Shirley Franklin, Mayor John Hickenlooper of Denver, and Mayor Anthony Williams of Washington, D.C. lead diverse cities and have very different personalities and professional backgrounds, but they shared with more than 400 Greater Philadelphians that great leadership is rooted in common strategies.

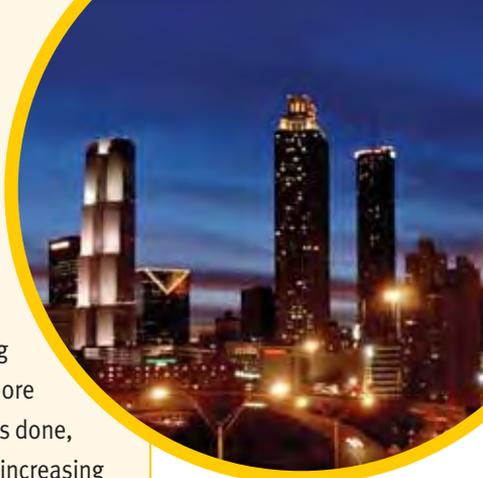
Show me the money. Great Mayors use the fiscal state of their cities as the baseline for all strategic and policy decisions.

Choose (and limit) battles. Great Mayors choose a signature issue – economic development, improved services, infrastructure upgrades – talk about that issue incessantly, and show results.

Think globally, act regionally. The global economy rewards open and easy-to-navigate places and avoids the corrupt and closed.

Listen to everyone. Great Mayors listen to their constituents and never forget that they are public servants first. As Mayor Anthony Williams said, "Seventy percent of the time, if you say jump, I say, how high? There is no problem too small for the mayor."

This series was conducted in partnership with the Fels Institute of Government at the University of Pennsylvania with the support of the William Penn Foundation.



Atlanta, Georgia



THE PRICE OF INACTION: AN ANALYSIS OF ECONOMIC IMPACTS ASSOCIATED WITH SEPTA'S FY 2008 OPERATING BUDGET "PLAN B" ALTERNATIVE

In May 2007, SEPTA's budget shortfall was \$129.6 million. Lacking a source of funding to balance the transit organization's budget, SEPTA planned to imple-

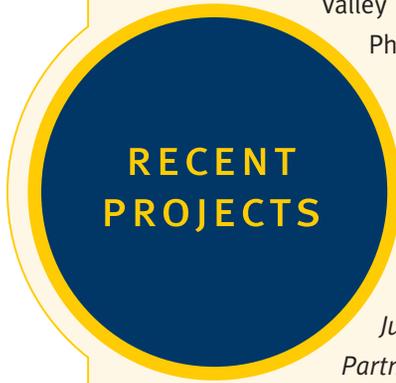
ment "Plan B" which would have cut service by 20% and increased fares by 31%. Public discussion of this situation was limited to the cost and inconvenience to transit passengers without consideration of the role that affordable, convenient service plays in Greater Philadelphia's economy. Absent that information, it appeared that no one would take action. The Economy League stepped in to tell that story.

The Price of Inaction builds upon

data sets and research models including SEPTA's ridership figures, Delaware Valley Regional Planning Commission congestion modeling, Philadelphia Tax Reform Commission information, and U.S. Census data to quantify the economic impacts of Plan B on individuals, businesses, government, and the region's overall competitiveness. The report, in concert with a strong communications message, helped convene public and private regional leaders to secure a dedicated funding solution.

June 2007

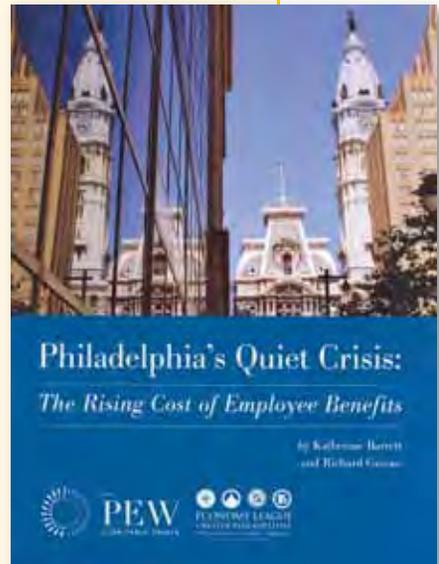
Partners: Econsult, William Penn Foundation



**PHILADELPHIA'S QUIET CRISIS:
THE RISING COST OF EMPLOYEE BENEFITS**

Although seldom discussed compared to other costs of running Philadelphia, the cost of city employees' pension and health care has grown so significantly that it threatens to sideline tax reform measures and encroach on funding for city services. By 2012, the amount of money the city pays to cover these obligations is projected to rise to more than \$1 billion – or roughly 28% of the annual budget. *Philadelphia's Quiet Crisis* outlines how the city arrived at this juncture and recommends actions to prevent a serious fiscal crisis.

Based on independent and objective analysis of data from Philadelphia and 10 other cities plus interviews with national and local experts, this report provides policy options for decreasing the city's unfunded liability, reducing future costs, improving data collection to improve



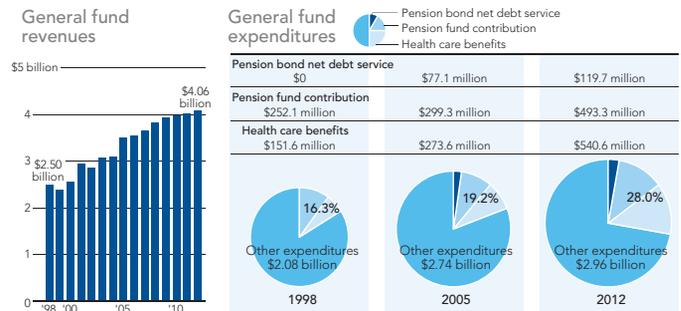
decision making, and increasing transparency as a check against potential abuse.

Overwhelming pension obligations endanger communities large and small. Philadelphia has the potential to be a national leader in proactively meeting this problem. With a new mayor in place and labor contract negotiations upcoming, 2008 could be a turning point in the city's fiscal history.

January 2008
Partner: The Pew Charitable Trusts

TAKING A BIGGER CUT

By 2012 Philadelphia's revenue is projected to reach over \$4 billion, an increase of nearly 64% since 1998. However, the amount the city is paying for health and pension costs is increasing at a faster rate, absorbing ever-larger portions of the budget.



NOTE: Data for 2008 and beyond are projected. Contribution is, historically, the actual amount contributed. Projected is the amount budgeted for "personal services - pensions".
 SOURCES: City of Philadelphia Five-Year Financial Plans, Fiscal Year 2004-Fiscal Year 2008 and Fiscal Year 2008-2012, Appendix II; Philadelphia Authority for Industrial Development Pension Funding Bonds (City of Philadelphia Retirement System) Series 1999A - 1999C Official Statement, January 21, 1999, 3.

ACCELERATING TECHNOLOGY TRANSFER IN GREATER PHILADELPHIA: IDENTIFYING OPPORTUNITIES TO CONNECT UNIVERSITIES WITH INDUSTRY FOR REGIONAL ECONOMIC DEVELOPMENT

Greater Philadelphia possesses a strong commercialization infrastructure, one of the nation's largest and richest life sciences industry clusters, and an exceptional number of colleges and universities. With these assets, this region has a tremendous opportunity to become an economic leader. Yet, private sector commercialization of research, or "tech transfer," remains a small sector of activity given the strength of the region's science and technology climate.

The Economy League's report examines this gap and makes targeted recommendations for private, public/nonprofit, and academic sector action, collectively as well as individually, to accelerate technology transfer.

By advancing technology transfer practices, Greater Philadelphia can leverage regional economic development efforts by making the region more competitive for attracting and retaining talent, fostering entrepreneurial activity, and growing the capital base. The cumulative effect could ensure that the region grows its research cluster and the concomitant feedback loop of company creation, new job opportunities, and a more robust innovation culture.

October 2007
Partner: CEO Council for Growth



**COMMONWEALTH GIVING:
A REPORT ON PENNSYLVANIA PHILANTHROPY**

The Economy League completed the first overview since 2001 of philanthropic giving in the Commonwealth of Pennsylvania. The study benchmarks Pennsylvania against national philanthropic trends and reveals the magnitude of individual and foundation giving over the decade spanning 1995 to 2005. Also presented is a comparison of giving in the Central, Northeast, Northwest, Southeast, and Southwest regions of Pennsylvania.

Key findings include:

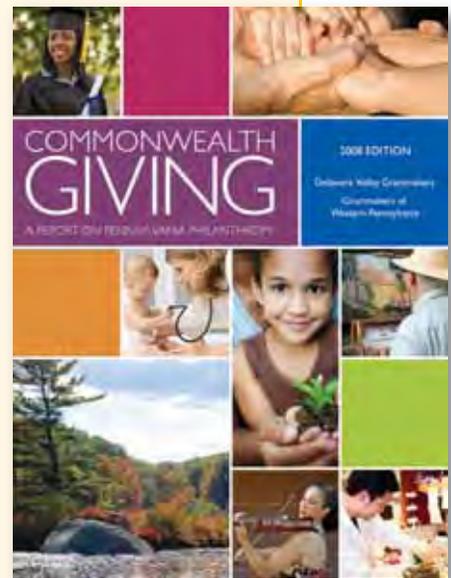
- Pennsylvania foundation grantmaking dollars nearly doubled between 1995 and 2005
- Arts, Culture, and Humanities experienced the most growth
- The largest drop in grant support was for Education
- Pennsylvania's Southeast region accounted for 56% of the state's grantmaking and 60% of its assets
- The Northwest region saw the greatest giving growth of 142%.

Philanthropists and foundations provide resources that support educational, social service, cultural, and recreational programs which often fall in the gap between the public and private sectors. Analysis of philanthropic giving reflects what our community values and provides insight into how those values align with diverse community needs.

**RECENT
PROJECTS**

March 2008

Partners: Delaware Valley Grantmakers, Grantmakers of Western Pennsylvania, the Foundation Center



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THE ECONOMY LEAGUE

MISSION

The Economy League of Greater Philadelphia is an independent, nonpartisan, nonprofit organization dedicated to research and analysis of the region's resources and challenges with the goal of promoting sound public policy and increasing the region's prosperity.



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