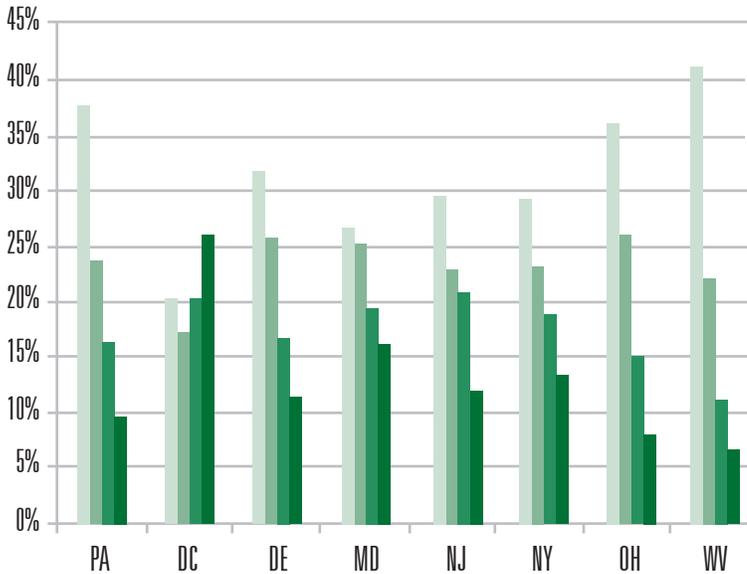


THE McCord Report

A quarterly look at Pennsylvania's economic vital signs

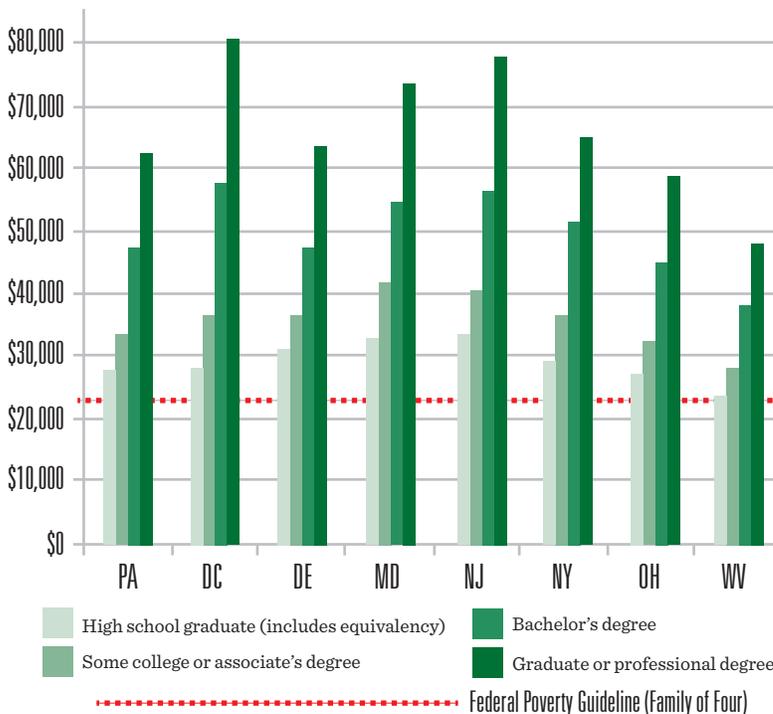
Education attainment

This graph illustrates the maximum level of education attained by percentage of the population age 25 and older in the following states.



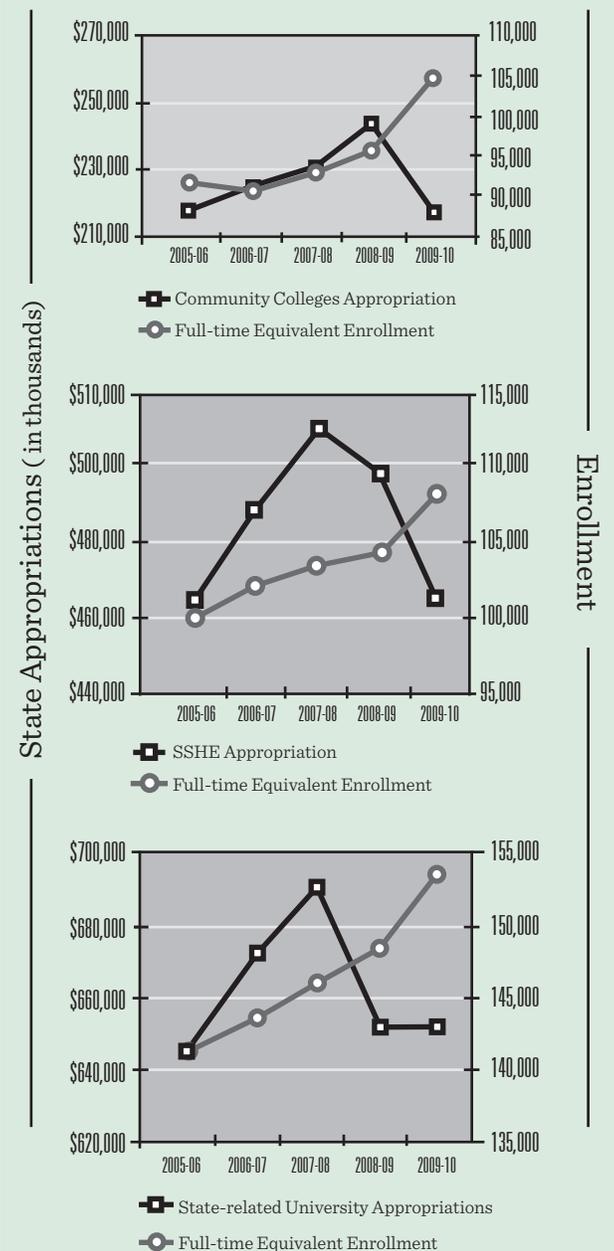
Median earnings by education level

Here is a comparison of the median earnings of people at least 25 years of age, as segmented by the maximum level of education earned.



State higher education funding vs. enrollment

See how the Commonwealth's annual appropriation to Pennsylvania's 14 community colleges, the 14 State System of Higher Education (SSHE) universities, and four State-related schools (Lincoln, Penn State, Pitt and Temple) have compared during the past five years.



Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-year estimates

Source: PA Treasury & Office of the Budget

A comparison of PA SSHE and SUNY

This table compares state funding for the State University of New York and Pennsylvania's State System of Higher Education as well as the student enrollment in each system.

Appropriated Dollars per Enrolled Student, The State University of New York vs. the Pennsylvania State System of Higher Education			
	2007-08	2008-09	2009-10
SUNY Appropriation	\$2,910,145,000	\$2,970,720,000	\$3,062,915,000
Combined Headcount Enrollment	208,516	213,269	218,528
Appropriated Dollars per Enrollee	\$13,956	\$13,929	\$14,016
PASSHE Appropriation	\$483,989,000	\$477,322,000	\$482,628,000
Combined Headcount Enrollment	109,428	110,428	112,597
Appropriated Dollars per Enrollee	\$4,422	\$4,322	\$4,286

Sources: Financial Fact Book for the June 30, 2010 Fiscal Year, The State University of New York; Fact Book 2008-09, Pennsylvania State System of Higher Education

College graduates and debt

See what percentage of 2009 college graduates in Pennsylvania graduate with debt and the average amount of that debt compared to graduates in other states.

	Average Student Debt	Regional Rank	National Rank	Proportion with Debt	Regional Rank	National Rank
DC	\$30,033	1	1	51%	6	38
DE	\$17,200	8	45	44%	8	47
MD	\$19,984	7	36	49%	7	41
NJ	\$22,731	5	19	62%	5	19
NY	\$25,739	4	11	63%	4	15
OH	\$25,842	3	10	66%	3	9
PA	\$27,066	2	7	72%	2	5
WV	\$22,054	6	25	73%	1	3
US Average	\$24,000			NA		

Source: The Project on Student Debt

Higher education funding and college savings (as of March 16, 2011)

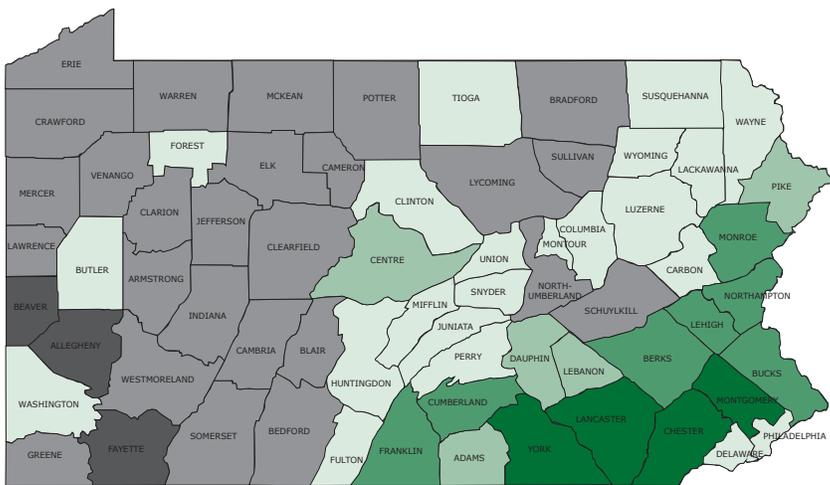
The PA 529 Guaranteed Savings Plan is more than 95% actuarially funded, with assumed tuition inflation levels at colleges and universities (6.75% at Pitt and Penn State and 4.5% at SSHE universities). If tuition inflation rates at these schools were to exceed assumed rates, the PA 529 GSP deficit could increase. This table illustrates how different inflation rates over the next two fiscal years could affect the GSP fund.

Tuition Increases 2011-12	Tuition Increases 2012-13	Projected deficit
47% State-related	Standard (6.75%)	\$343.2 million
15% State-related & SSHE	10%	\$140 million
15% State-related & SSHE	Standard (6.75% & 4.5%)	\$108 million
20% State-related & SSHE	Standard (6.75% & 4.5%)	\$162 million
20% State-related & SSHE	10%	\$195 million

Source: Pennsylvania Treasury

2010 Census

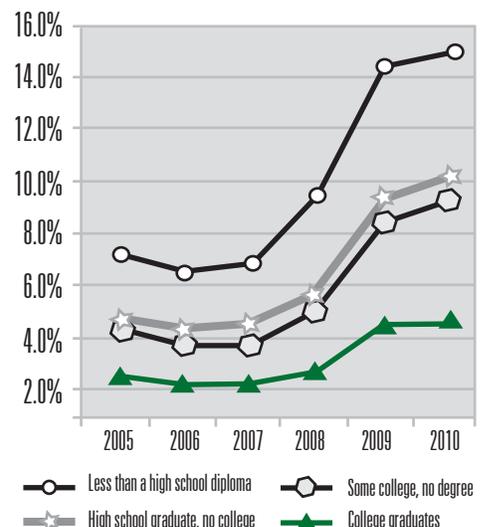
See how the population has changed in Pennsylvania's 67 counties between 2000 and 2010.



Added 40,000 or more ■ Added 20,000 to 39,999 ■ Added 10,000 to 19,999 ■
 Added 0 to 9,999 ■ Lost 1 to 9,999 ■ Lost 10,000+ ■ Source: US Census

Education and unemployment

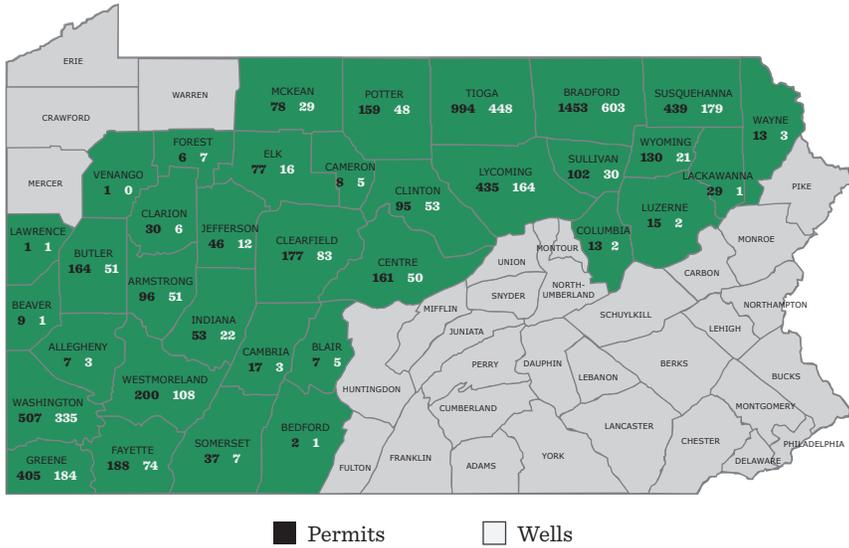
This chart compares national unemployment rates of workers over 25 years old based on ultimate level of education.



○ Less than a high school diploma ◐ Some college, no degree
 ★ High school graduate, no college ▲ College graduates
 Source: US Dept of Labor, Bureau Labor Statistics

Marcellus Shale activity by county

From January 2009 through March 2011, there were more than 6,100 drilling permits issued and 2,600 wells drilled in the Pennsylvania Marcellus Shale region. See how many permits were issued and wells drilled in each county during this period.



■ Permits □ Wells

Source: Pennsylvania Department of Environmental Protection

Pennsylvania highlights/lowlights

Treasury's take on recent economic highs and lows.

Pennsylvania now has 19 seats in the U.S. House of Representatives, but will lose one of those seats in 2012 under last year's Census count. By comparison, the Commonwealth held 36 seats in the U.S. House of Representatives in 1920.

General Fund revenue in April was 9%, or \$273.2 million, more than estimated. For the fiscal year, General Fund revenue is \$505.9 million, or 2.3%, more than estimated.

Housing prices decreased in Pennsylvania 0.4% in the fourth quarter of 2010 and decreased 2.4% in 2010.

Average weekly private sector wages were up 2.8% from \$706.29 in December 2010 to \$726.12 in March 2011.

State revenues (through April 2011)

This graphic illustrates the tax revenue categories that are above and below estimates for the fiscal year-to-date.

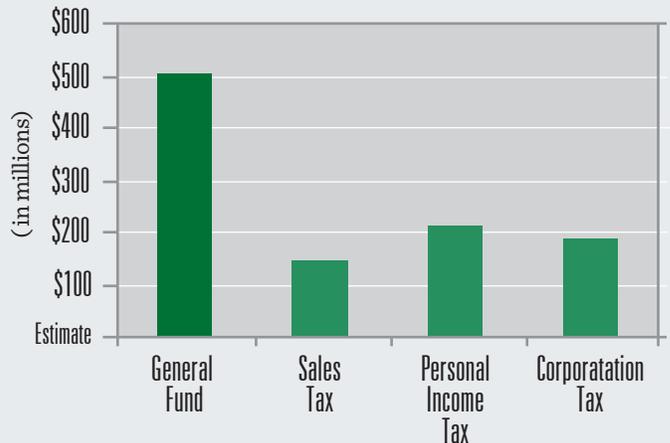
Revenue Categories Above Estimate:

Personal Income Tax:	\$210.4 million
Corporate Taxes:	\$188.2 million
Sales Tax:	\$144.1 million
Inheritance Tax:	\$18.5 million

Revenue Categories Below Estimate:

Realty Transfer Tax:	-\$38.2 million
Other (cigarette, malt beverage, liquor and table games)	-\$13.6 million
Non-tax revenue	-\$3.6 million

Fiscal Year-to-Date Surplus \$505.8 million



Source: Pennsylvania Department of Revenue

Unemployment rate by state

Compare Pennsylvania's unemployment rate to the national rate, as well as to that of neighboring states as of March 2011 (the national rate reflects April 2011 figures – the most recent statistic available).

Current Unemployment Rates

6.9%	7.8%	8.0%	8.4%	8.9%	9.0%	9.1%	9.3%	9.5%
Maryland	Pennsylvania	New York	Delaware	Ohio	U.S.	West Virginia	New Jersey	Washington, DC

Source: Pennsylvania Department of Labor and Industry



Recently, I have visited a large variety of colleges and universities, and I am regularly asked about the importance of investing public tax dollars in higher education. This topic has garnered attention as the General Assembly and the Governor work to develop a budget for the 2011-12 fiscal year. Given this level of interest, I thought The McCord Report should provide some useful background information and statistics.

In this edition, we focus on the issue of state funding for higher education as well as related matters. For instance, how does the Commonwealth's annual appropriation to Pennsylvania's 14 community colleges and 14 State System of Higher Education universities compare with changes in enrollment at those schools? How does education affect earnings and employment prospects, and how do college graduates in Pennsylvania compare to their peers in other states when it comes to the amount of student debt they hold after graduation? We also offer information about Pennsylvania's 529 College Savings Program.

These are just a few of the timely topics we cover in this issue. As always, we appreciate your feedback and suggestions for future editions. Please email us at McCordReport@patreasury.org with your feedback and ideas.

Yours in service,

Rob McCord
Pennsylvania State Treasurer

Pennsylvania Treasury performance

Investments

Assets managed by Treasury:

4/30/11 **\$17,601,326,094**

4/30/10 **\$14,911,926,987**

Change + **\$2,689,399,107**

Total assets under the custody of Treasury:

4/30/11 **\$100,505,363,720**

4/30/10 **\$93,699,406,857**

Change + **\$6,805,956,863**

Unclaimed Property Program

As dictated by state law, Treasury manages Pennsylvania's Unclaimed Property Program, a revenue-generating, good-government program aimed primarily at reuniting owners and heirs with their dormant or unclaimed property. Search the free database at www.patreasury.org.

Property received

1/1-4/30/11 **\$136.5 million**

1/1-4/30/10 **\$148.8 million**

Property returned

1/1-4/30/11 **\$20.9 million**

1/1-4/30/10 **\$29.8 million**

Net revenue to Commonwealth's General Fund

1/1-4/30/11 **\$115.6 million**

1/1-4/30/10 **\$119 million**

PA 529 College Savings Program (dollar values in thousands)

Treasury administers the Pennsylvania 529 College Savings Program, offering families two distinct savings plans to help make college affordable. Please visit www.PA529.com to learn more about the program.

PA 529 Guaranteed Savings Plan

	4/30/2010	4/30/2011
Accounts	90,879	94,520
Assets	\$1,224,713	\$1,372,603
Contributions (1/1-4/30)	\$33,027	\$38,575
% funded	92.72% (as of 3/31/10)	NA*

PA 529 Investment Plan

	4/30/2010	4/30/2011
Accounts	57,791	63,389
Assets	\$762,488	\$975,029
Contributions	\$58,761	\$60,729

*Treasury calculates % funded on a quarterly basis. Figures are unavailable for the period ending 3/31/11, but Treasury expects it to be better than 96% funded.