

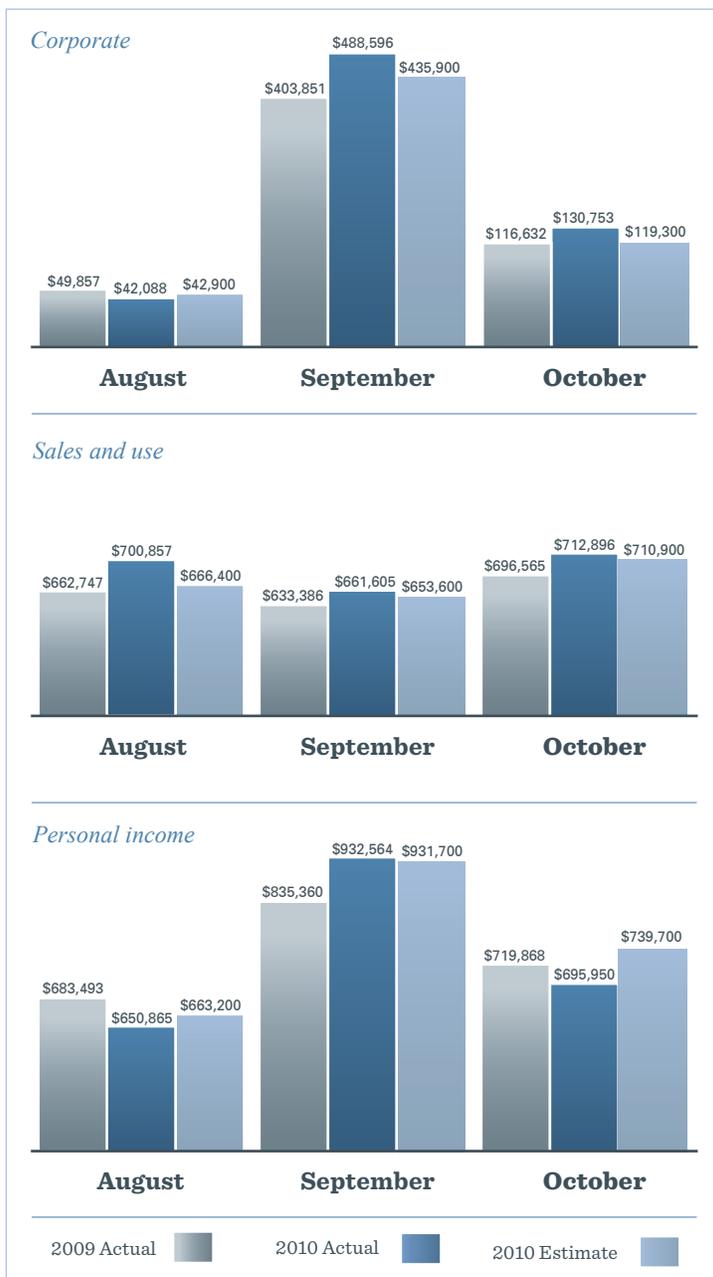
THE McCord Report

A quarterly look at Pennsylvania's economic vital signs

As Pennsylvania's independently-elected chief financial officer, I am uniquely positioned to promote useful conversations about our Commonwealth's economic health. My colleagues and I rely on many data points to gauge the temperature of Pennsylvania's economy, and we offer *The McCord Report* for those who may be interested in the data we track. - **Pennsylvania State Treasurer Rob McCord**

Tax revenue (thousands)

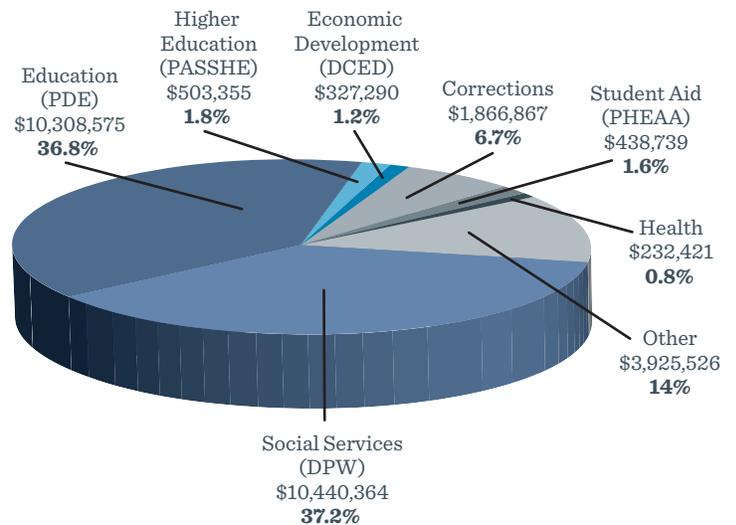
Tax revenue represents the most important source of government income. The biggest Pennsylvania tax revenue streams are shown here.



Source: Pennsylvania Department of Revenue

Appropriations (thousands)

See which state government agencies consume the biggest pieces of the General Fund budget pie, totaling \$28.04 billion.



Source: Pennsylvania Office of the Budget

Gaming revenue (thousands)

Gaming proceeds help cut property tax bills across Pennsylvania and support local communities. Here's a look at fiscal year-to-date revenues.

	Gross Revenue	State Tax Rate	Tax Revenue	Local Share Assessment (Usually to County and host municipality)	Economic Development Tourism Fund (Statewide economic development projects)
SLOTS	\$791,514	34%	\$269,115	\$31,661	\$39,576
			(All to property tax relief)		
TABLE GAMES	\$88,983	14%	\$12,458	\$1,780	N/A
			(All to Commonwealth's General Fund)		
			(Will decline 2% two years after start of table games, by facility)		

Table gaming activity began in mid-July, 2010.

Source: Pennsylvania Gaming Control Board as of 10/31/2010

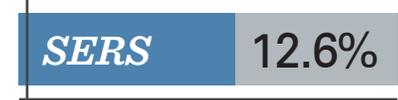
Public pensions (billions)

Here is statistical data about two of Pennsylvania's public pensions, the State Employees' Retirement System (SERS) and the Public School Employees' Retirement System (PSERS).

	SERS:	PSERS:
Fund size	\$24.20	\$47.00
Assumed investment rate of return	8%	8%
Active members	110,107	279,701
Annuitants	109,639	177,963
Annual annuitant payments	\$1.98	\$4.7
Funding level	84.4%	79.2%
Gross dollar shortfall	\$11.1	\$32.3
Pension spike rate 2013 (estimate)	28%	29%
Negative cash flow	\$2.0	\$2.5

Source: Pennsylvania Treasury as of 6/30/2010

Investment returns
(fiscal year 2009-10)

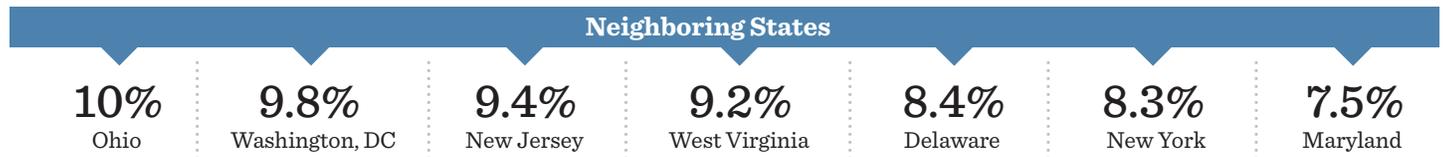


Pennsylvania employment

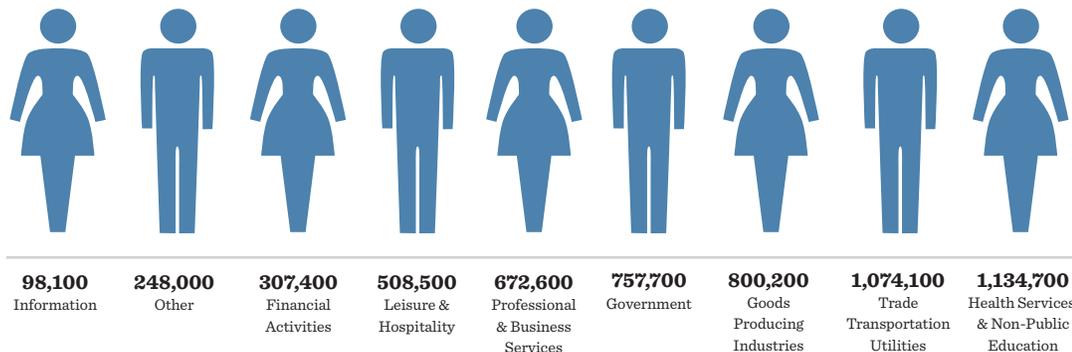
See how Pennsylvania's unemployment rate compares to the national rate, as well as to rates in neighboring states. Also, see a breakdown of where working Pennsylvanians are employed.

U.S. unemployment rate
9.6%

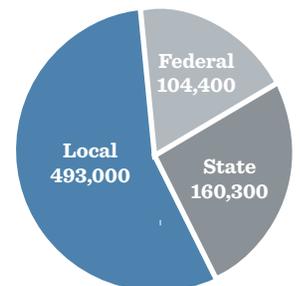
Pennsylvania unemployment rate
9.0%



5,601,300 Total Pennsylvania Jobs in September



Government job breakdown
(757,700)



Source: Pennsylvania Department of Labor & Industry as of 9/30/2010

Top 25 PA Employers (Q1 2010)

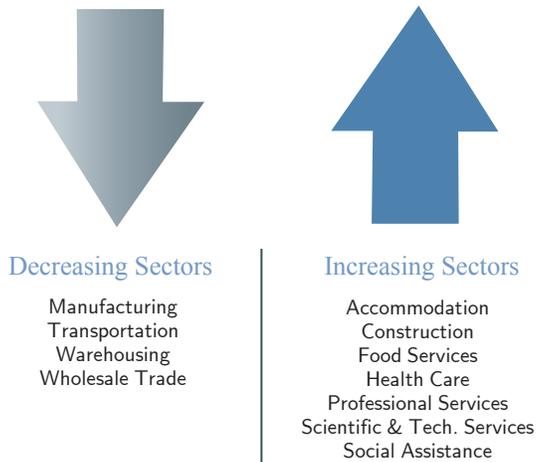
1	Walmart Associates Inc.
2	United States Postal Service
3	City of Philadelphia
4	University of Pennsylvania
5	School District of Philadelphia
6	Pennsylvania State University
7	Giant Food Stores LLC
8	U.S. Department of Defense
9	PA Department of Public Welfare
10	PA Department of Corrections
11	United Parcel Service Inc.
12	University of Pittsburgh
13	PNC Bank
14	U.S. Department of Veteran Affairs
15	UPMC Presbyterian
16	State System of Higher Education
17	Weis Markets Inc.
18	PA Department of Transportation
19	Lowe's Home Centers Inc.
20	Giant Eagle Inc.
21	Merck & Co Inc.
22	Target
23	The Home Depot USA Inc.
24	The Children's Hospital of Phila.
25	Vanguard Group Inc.

■ Pennsylvania-based entity

Source: Pennsylvania Department of Labor & Industry

Pennsylvania employment sectors

See where jobs are being added and lost in Pennsylvania.



Source: Pennsylvania Department of Labor & Industry

Pennsylvania highlights/lowlights

Treasury's take on recent economic highs and lows.

Seasonally-adjusted growth in total nonfarm employment in Pennsylvania increased from 5,564,900 in January to 5,601,300 in September, a gain of 36,400 jobs. The 0.654% improvement in employment is greater than the national pace of 0.462%.

Bankruptcy filings in Pennsylvania increased to 10,144 in the second quarter, 2010. This is up from 9,741 in the first quarter of 2010.

Growth in average weekly private sector wages is up 2.43% from \$694.98 in January to \$711.88 in September.

Initial claims in Pennsylvania for unemployment insurance increased from 4,967 in August to 5,890 in September.

Housing permits issued in Pennsylvania increased 19% in September. Nationwide, housing permits decreased 11.5% in September. Over the past 12 months, housing permits in Pennsylvania have increased 20.5%, versus a decrease of 8.3% nationally.

Housing

1 in every **950**

housing units in Pennsylvania received a foreclosure filing in September 2010.

- U.S:** 1 in every 371
- OH:** 1 in every 388
- NJ:** 1 in every 577
- MD:** 1 in every 620
- DE:** 1 in every 643
- DC:** 1 in every 923
- NY:** 1 in every 2,175
- WV:** 1 in every 5,540

Approximately 40,000 Pennsylvania houses are in foreclosure. Here's how the counties fared recently.

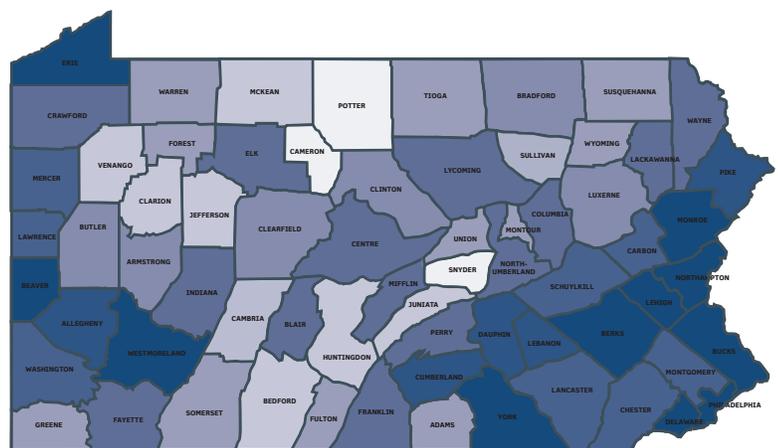


Chart reflects new foreclosures as a percentage of the housing market in that county.

Source: RealtyTrac as of 11/9/2010

Pennsylvania Treasury performance

The McCord Treasury's efforts to increase economic security, strengthen Pennsylvania's economy, and invest in our future.

Earned **\$615 million** in 2009

Earned **13.5%** return on long-term investment fund (Pool 98) in 2009

Assets managed by Treasury:

6/30/09 **\$14.633 billion**

6/30/10 **\$15.136 billion**

Total assets under the custody of Treasury:

6/30/09 **\$84.910 billion**

6/30/10 **\$89.360 billion**

Treasury's Unclaimed Property Program

Under Pennsylvania's Disposition of Abandoned and Unclaimed Property Law, Treasury annually receives millions of dollars of unclaimed property – things like abandoned bank accounts, forgotten stocks, uncashed checks, life insurance policies, safe deposit boxes – and works to find the rightful owners or heirs. Search the free database at www.patreasury.org.

Property received (1/1 - 9/30)

2009 **\$176.874 million**

2010 **\$184.126 million**

Property returned (1/1 - 9/30)

2009 **\$81.859 million**

2010 **\$73.816 million**

Net revenue to Commonwealth's General Fund (1/1 - 9/30)

2009 **\$95.014 million**

2010 **\$110.309 million**

Welcome to the first edition of *The McCord Report*



As your State Treasurer, I help invest and safeguard nearly \$90 billion of Commonwealth funds and run 19 financial programs. My background is in finance and business, not politics - a background that has proven to be helpful in these challenging times. Our office focuses obsessively on data and metrics to measure performance. This report is designed to share that obsession!

My goal as Treasurer is simple: to increase the economic security and prosperity of Pennsylvanians any way I can. Good information fuels that effort, and it seems to me that if I'm interested in data about the economic health of our Commonwealth, you might be too. So today our office rolls out *The McCord Report*, an easy-to-skim, objective quarterly report on Pennsylvania's economic vital signs and key quantitative indicators.

Please let us know what you think - and if there are any metrics or statistics you suggest we add. You can reach us at McCordReport@patreasury.org.

Yours in service,

Rob McCord
Pennsylvania State Treasurer

PA 529 College Savings Program

Treasury administers the Pennsylvania 529 College Savings Program that offers families two savings plans to help make college possible – the Pennsylvania 529 Guaranteed Savings Plan, in which growth is tied to the rate of college tuition inflation, and the Pennsylvania 529 Investment Plan, in which investment returns are determined by the performance of financial markets and investment fund portfolios.

Guaranteed Savings Plan

	9/30/2009	9/30/2010
Accounts	91,187	94,098
Assets	\$1.045 billion	\$1.241 billion
Contributions (6/30-9/30)	\$79.150 million	\$68.197 million
% funded	90.48%	92.04%

Investment Plan

	9/30/2009	9/30/2010
Accounts	53,931	59,519
Assets	\$622.191 million	\$783.897 million
Contributions (6/30-9/30)	\$29.006 million	\$29.423 million