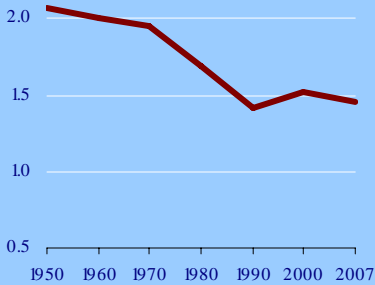


Philadelphia Demographics and Governance

Demographic Snapshot

Philadelphia's Population Change 1950-2007 (millions)



Source: US Census, American Community Survey, 2007

The City of Philadelphia was founded by William Penn in 1682, and was the nation's first capital. The City has a land area of 135 square miles, with two main rivers—the Delaware River on its easterly border, and the Schuylkill River running through the center.

Philadelphia is a “majority minority” city, with approximately 44% African American, 43% White, 5% Asian, and 8% Other Races. In addition, 10% of Philadelphia’s population is of Hispanic origin. Just

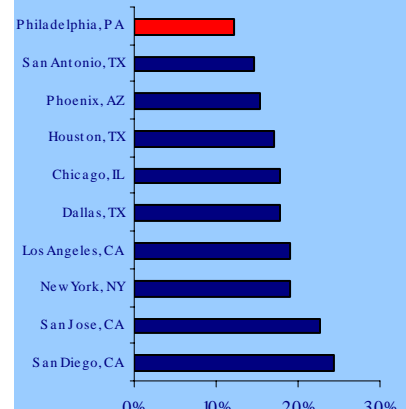
over 25% of residents are under the age of 18, slightly more than the U.S. average.

According to the latest American Community Survey estimates of 2007, Philadelphia’s population is 1,454,382. The city’s population has declined since its peak in the 1950s and Philadelphia is now the sixth most populous city in the United States.

A higher percentage of Philadelphians are living in single parent families as compared to the national average. According to 2007 American Community Survey data, over 46% of Philadelphians are estimated to live in single parent families, compared with 26% nationwide. Other large cities such as the District of Columbia (48%), Chicago (43%) and New York City (40%) have rates comparable to that of Philadelphia.

Educationally, Philadelphians lag behind the national average. Only 12% of Philadelphians over the age of 25 have a Bachelor’s degree, a rate lower than that of most large cities in the U.S. (see chart on the right).

Percentage of Population over 25 with a Bachelors Degree, 10 most populous U.S. Cities



Source: American Community Survey, 2007

City Government

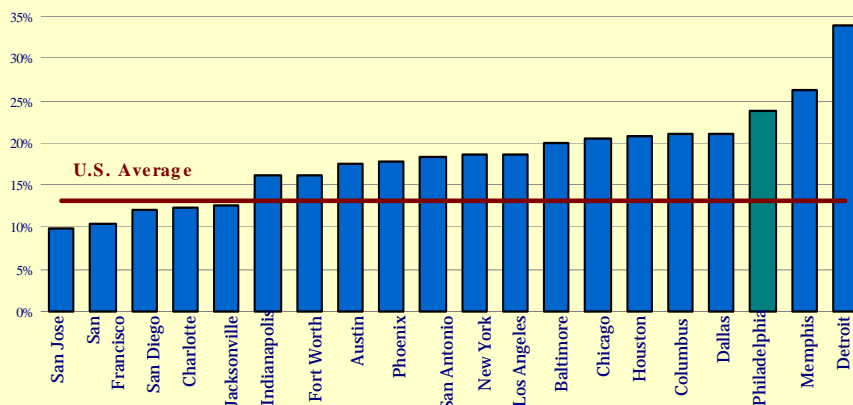
Philadelphia municipal government is divided into the executive and legislative branches. Mayor Michael Nutter is the Chief Executive and oversees the administration of the City. City Council is the legislative arm, and consists of 17 members (10 of whom are elected by district and 7 from the City-at-large). The Council President is Mrs. Anna C. Verna.

The City’s Administrative Organization Chart is shown on the following page.

High Poverty Rate

Poverty is a significant problem for many urban areas, and Philadelphia is no exception. In Philadelphia, 24% of individuals live below the poverty level, almost double the national average.

Poverty Rates Across 20 Largest U.S. Cities, %



Source: American Community Survey, 2007

PICA & the Five Year Plan

In 1991, the Commonwealth established the Pennsylvania Intergovernmental Cooperation Authority (PICA), a State-appointed board tasked with overseeing the City’s budget. Since then, State law requires the City to annually balance its budget for 5 years. This Plan satisfies the legal requirement laid out by PICA, subject to the PICA board’s approval, and also serves as a report to the wider public.