

February 25, 2024

Marisa Waxman
Executive Director
Pennsylvania Intergovernmental Cooperation Authority

Dear Ms. Waxman,

I am attaching a proposal to conduct an analysis of Five Year Plan, 2025—2029 of the City of Philadelphia. The analysis proposed is for the revenue side only.

Thank you for your consideration.

Charles Swanson
Associate Professor of Economics
Temple University
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215-204-8168
215-483-0368

Proposal to assist PICA with the analysis and evaluation of the 2025-2029 Five Year Plan of the City of Philadelphia

Submitted by:

Charles E. Swanson

Associate Professor of Economics, Temple University, Philadelphia,

1. Briefs statement about myself (Charles Swanson)

I live and work in Philadelphia. I have been a tenured professor of Economics at Temple University since 2000, where I have taught courses in macroeconomics and finance, including forecasting methods, for over 10 years. My research is on a variety of topics, including economic growth and factors that affect it. Recent work also includes work on the oil market and its relationship to the economy and on banking policy. The forecasting methods I have used include Vector Autogressions (VAR's), Dynamic Stochastic General Equilibrium (DSGE) as well as more basic methods. I have worked on national as well as local economic issues.

2. Scope of work to be conducted:

Work to be conducted:

With respect to the City of Philadelphia Five Year Plan 2025 to 2029, I will do the following in a manner that is impartial and consistent with the standards of the Economics profession:

- A. Review the assumptions, sources, and analysis for the primary tax revenue sources that were used by the City of Philadelphia in forming its Five Year Plan, 2025 to 2029.
- B. Study the Five Year Plan and judge whether it reasonably considers current and expected economic conditions as they pertain to tax revenue for Philadelphia for the next five years.

- C. Identify potential deficiencies in the assumptions and methods used in the city in forming its forecasts.
- D. Examine special items that members of PICA feel require closer inspection.
- E. In cases with discrepancies or deficiencies in the methods and assumptions made by the city, to identify the nature and impact of these discrepancies.
- F. Provide, where possible, alternative forecasts of revenue projections that can be used for comparative purposes.
- G. Provide, in a written report, a statement of all findings, and in a manner that allows PICA to fulfill its obligations for the full evaluation of the Five-Year Plan.
- H. Adhere to the rules of confidentiality.

Responsibilities of PICA

In order to ensure an effective analysis, I request that PICA make available to me relevant data and reports that it has available and can be legally shared, and that to the extent possible, it allows me to contact relevant staff members of the city so that the analysis can be conducted, and questions answered.

3. Timetable

The work will begin as soon as the proposal is accepted and will be completed with sufficient time for PICA to provide its final evaluation.

4. Qualifications and relevant experience

My education includes undergraduate degrees (in Mathematics and Economics) from MIT and a Ph.D. (in Economics) from the University of Minnesota (where two of my teachers, Thomas Sargent and Chris Sims, were the 2011 Nobel Prize winners in Economics). I have taught graduate courses (Masters and Ph.D. level) that use forecasting techniques (VAR's, DSGE, and others methods) and have applied these to an array of economic problems, including research on the causes of economic growth, the impact of oil and other issues.

In non-academic work, I have done actuarial work (for Travelers' Insurance), revenue and cost forecasting (State of Alaska) and various projects with Hakim on city planning and crime. I have done forecasting work for the Philadelphia Tax Reform Commission, and I have examined a number of Five Year Plans of the City of Philadelphia for the Controller's Office.

5. References

Kenneth J. Kopecky, former Chair, Department of Finance, and Professor Emeritus, Temple University. (kkopecky@temple.edu).

Simon Hakim, Professor of Economics Temple University, and Director of the Center for Competitive Government (215-204-5037).

6. Compensation

The charges for this work will consist of

1. A per hour rate of \$110.
2. The total shall not exceed \$9,000.

7. Contact: and other information

City Account Number: 9400375

Federal Tax ID (EIN): 27-2387971

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